

How a cash reserve, a little creative thinking, and a positive attitude helped one marketing company survive COVID-19

PAYCHEX
Business
Series

Coronavirus



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Full transcript

Gene Marks:

Hey everybody. Welcome to the Paychex Business Series Podcast. I'm your host, Gene Marks. I'm a certified public accountant and regular business columnist for a bunch of publications, including *Forbes* and *Entrepreneur*. But more importantly, I'm a small business owner of a financial and technology management services company. I've teamed up with Paychex, the leading provider of human resources, payroll, benefits, and insurance services, to bring you real-life advice from real-life business owners and industry experts.

Today, I'm speaking to Joy Gendusa, who is the founder and CEO of PostcardMania down in Clearwater, Florida. Which Joy, by the way, Clearwater, I'm a Phillies fan, so that's where Phillies spring training is. So I know the area well, I've gone down there with my kids half a dozen times. So you live in a beautiful place. Sounds like you're running a cool company as well. But first of all, what does PostcardMania do?

Joy Gendusa:

We are a full-service marketing company for small businesses. Been around for 22 years, 279 employees. We will do \$16 million in revenue this year—probably a little more than that, maybe a lot more. We have so much exciting stuff happening, it's crazy. We are very results-focused for small businesses, lead generating, yeah.

Gene Marks:

All right. So I guess here's the big question, is how was the pandemic for you? Was it a good pandemic? Tell us all about your pandemic. How did you guys do? How did you survive it? What happened to you guys?

Joy Gendusa:

Well, it was so crazy. You're hearing this stuff on the news, and then I was just looking at my ... We have, obviously a spreadsheet with our numbers on it. And I looked at the first 10 weeks of the year, we were averaging a certain amount, and then it went down by 30%. And thank goodness we are an essential business, because we are a mail house, so we were allowed to stay open. We had different levels of fear amongst my staff. So the first thing I did is I installed these HALO things in my AC units in the manufacturing plant and in the offices that kill airborne viruses and viruses on surfaces. And I thought, "Okay, everybody will be happy to come to work." No.

Gene Marks:

Okay. Wait, what kind of HALO things are you talking about? What kind of dark magic is this?

Joy Gendusa:

I've got to find the link. Another friend of mine owns a business, and he actually owns the building that my husband's business resides in. My husband sent me the link. He goes, "Look what Pat installed." And it was a link, and I sent it to my AC guy, and I was like, "Hey, can you get me these and put them in my ... " And it's called a HALO. And it's basically UV technology, and it has something to do with killing viruses.

Gene Marks:

So, it's ultraviolet technology. So everybody is walking around virus free and everybody has a great tan.

Joy Gendusa:

No tan. So I did that, but people still didn't want to come to work. We have a twice-a-year event. We call it our Small Business Growth Summit. It's two full days and a couple of evenings, and it was coming up. And we went, "Oh boy, we're not going to be able to deliver this. People aren't going to come. What's happening?" Because it unrolled in a weird way.

So we got it online. We got rid of the price. It's usually \$397, and we made it free, and we did it online, and it was amazing. We had way more attendees. We can only fit a hundred people here to do it live. So we had like 1500 people registered, but we had 1200 people a day because instead of it being a two full-day event, it was five, two hours a day.

Gene Marks:

Geeze, okay.

Joy Gendusa:

And yeah, I had to get my hair done every day. But we had 1500 people registered, and we had about 1200 a day actually go on the page and watch. So that was incredible. So we went, "This is really great."

And then we did more things. We created this COVID-19 update for small businesses where we scoured the internet for all the helpful links and all the programs by state and put together this daily email that we sent out to our huge, huge email list. So these are things that we did to be helpful. And we feel like when you're helpful with the true intention of just helping, then you reap the rewards.

Gene Marks:

Very true. Very true.

Joy Gendusa:

So that's how we confronted the whole thing. And then, of course, I let anybody who was petrified and didn't want to come into the office work from home, if they could.

Gene Marks:

Did you apply for any relief from the government? Any of the Paycheck Protection stuff or economic entry loans?

Joy Gendusa:

One hundred percent yes. And I actually did a survey for you in a way, because I knew I was going to be on this podcast. So last week I sent out my COVID update and I did a little SurveyMonkey to find out how many people got PPP money, and I had 91 responses, which I thought was pretty darn good, considering Inc. got 200-and-something responses to their survey in their Inc. Magazine. So I was pretty impressed with my 91.

Gene Marks:

Right.

Joy Gendusa:

But yes, I got PPP money. I applied for it and heard nothing like everybody for so long, I was freaking out because I decided I wasn't going to let anybody go, I wasn't going to furlough anybody, I wasn't going to cut anybody's pay. And I was watching my reserves go down. So then I said to my controller, "This is what I want to do. Don't pay anything but marketing and payroll. I don't care about any bills, I don't care about any bills at all. I don't want my reserves ..." It took me a long time to make reserves.

Gene Marks:

I know the feeling.

Joy Gendusa:

I don't want to get rid of them, so let's just not pay anything but marketing and payroll. And literally that's all we paid. And I went to my sales team, my marketing consultants, I said, "Listen, this is what I need to keep this beast going. I just need payroll and marketing." I gave them the numbers and they pulled it off. So when the PPP money finally came in, you know what a relief it was? I started to cry. I'm not a very stressy kind of person. I'm one of those likes to be happy.

Gene Marks:

Right, right. Well, you know what you find is, it's funny, I've spoken to a lot of independent entrepreneurs and successful businesspeople like yourself who just want to be sort of left alone and run their business and be independent and all of that. But then when something like this happens, particularly when it's the government who shut everything down, you need help.

Joy Gendusa:

Yeah.

Gene Marks:

And you're one of the lucky ones, because you've managed your business to the extent that you did build up reserves. I mean, what do you think of companies that you hear they go out of business after only a couple of weeks?

Joy Gendusa:

Yeah. I'll tell you something. It's really, really hard to build up reserves. And I remember when I thought to myself, "How am I ever going to have reserves?" First of all, I had no investment and no investors, no capital injections, nothing. So I was like, "How am I ever going to get reserves? I have to grow my business. I always need to spend the money." I've been married now to this husband for 16 years. I think we've been together 18, but when we started dating, he said to me ... so now my business is 22 years old ... so it was only four years old. He said, "You need to set aside money every week." I said, "You don't know what you're talking about. I can't set aside money every week." And I gave him all the reasons. He goes, "Just a tiny bit." He said, "Money is a magnet and it attracts money and you have to do it." And I started to do it. And I'll tell you what: money is a magnet.

Gene Marks:

Yeah. The businesses that survive downturns, particularly ones like this one, they had cash in the bank. And it's a lesson for everybody. And it sounded like you had a couple of months of cash reserves. Do you think you're going to be even more conservative and prudent going forward into the future?

Joy Gendusa:

I'm never conservative.

Gene Marks:

Even after this?

Joy Gendusa:

I'm just not, it's just not in my DNA. But you know, we have something so exciting happening at PostcardMania that's going to double my numbers, and it's going to way more than double my profit. It hasn't even started yet, and I'm adding a building onto the one ... I have a little almost like a campus here ... so a slowly building kind of story ... but I'm adding 4,500 square feet on. I'm getting another Konica Minolta AccurioJet arriving tomorrow. That's a \$1.2 million digital press. I already have two of them. I have that coming tomorrow for something that's going to happen. So I'm never prudent.

Gene Marks:

Joy, you strike me, though, as somebody who is a very glass-is-half-full person. You have a lot of energy and frankly, your name is Joy, so that pretty much says it all. How important do you think your attitude was during all of this?

Joy Gendusa:

It's everything, to be honest. I had one day where I allowed my senior execs to see me insecure and freaking out a little.

Gene Marks:

And what happened?

Joy Gendusa:

We were just sitting in my office, and we were talking, and I was just like, "Oh my God, they're shutting down small businesses. We're going to die." I just had one of those moments. You've got to know, my senior team has been with me forever. The president of my company is 41 years old. She started when she was 19. Her husband is my chief revenue officer. He's been with me 17 years.

Gene Marks:

So they've seen you through the good and the bad. Were they surprised to see you this way?

Joy Gendusa:

Yeah, I mean, yeah, because in '08 and '09, I had craziness happen, and I didn't let anyone see it.

Gene Marks:

Right, right.

Joy Gendusa:

So this was just a tiny bit of emotion, where I [crosstalk 00:10:11] and I could see the bad effect it had on them in those five minutes in this office where I let it go. I actually sent them an apology email, and I said, "I'm so sorry that I put that on your minds. And I won't do that again to you. And don't worry about your jobs or your income or anything. Nothing's going to change for you." And of course I got back, "We're here for you. We'll do anything for you."

Gene Marks:

Right.

Joy Gendusa:

Like, "It's okay. Blah, blah, blah." But, yeah.

Gene Marks:

It's so important as the leader of a company, you've got to put a good face on.

Joy Gendusa:

Yeah.

Gene Marks:

I just finished reading a book on Churchill called The Splendid and the Vile by Erik Larson. In the darkest days of the London bombing, he was the one that his optimism and his leadership and his hope is what really saw a lot of the people through those times. And you've got to be the same way, but that doesn't mean that you don't have your dark days, or your dark moments. What do you personally do? As you're driving home and you're by yourself, what do you do personally to get yourself beyond those moments and get yourself back to a positive leader that you can show that face to everybody?

Joy Gendusa:

I want to say that I got a lot of how I handle that kind of thing from my religion. And I basically can just decide that I'm not going to be that way and I'm going to be upbeat and I'm going to see the positive. And I can make that decision, and I can actually change my own feelings.

Gene Marks:

It's amazing to me, and it's regardless of your religion, if you do have faith, a lot of people turn to their faith, and it gives them energy and solace, right? That there are bigger things and more important things out there and not just our petty little problems.

Joy, so looking forward now, I mean, how are you doing? I mean, you got the Paycheck Protection money. That was huge. You've kept everybody employed. We're starting to emerge now. Down in Florida, you've been operating all this time, but how are things coming along, and how do you see the summer and the fall going for you?

Joy Gendusa:

Well, we had an amazing week revenue-wise last week, highest for May. A number we've never hit in May before, because the summer is usually slower for us. And we've been able to hire some really good new salespeople that were furloughed or let go during the whole craziness. I think I was starting to tell you, the first 10 weeks we had a certain average, then the next nine weeks, where we didn't meet or beat any of those weeks last year. We compare every week this year to that same week last year. So nine weeks in a row where we were lower or sometimes very significantly lower than last year. And the last three weeks, we have been up over those weeks last year.

So we are extremely optimistic because we are doing marketing for small businesses. So if my numbers are high, that means that small business owners realized ... I always say this about small business owners: you can hear about the economy, the economy, the economy, and the news is bad economy, bad economy, but it becomes the economy, not the bad economy. I love small business owners. They figure out what they have to do to make it go right. And those are the people that are buying from me, the business owners who are like, "Well, this is how it is right now. And this is what I have to do. I have to market."

Gene Marks:

You mentioned, and then I'll let you go, but one thing that you did bring up that kind of caught my attention, you said you did find a couple of good salespeople that were let go or furloughed from other places. Clearly your employees are your number one priority. I mean, that's what you invest in, right? That's your biggest asset. So when something like this happens, do you see there are a lot of opportunities to hire and bring some talent in?

Joy Gendusa:

One hundred percent yes. I'm thankful for the PPP money because obviously the PPP money didn't come till like after the worst part was over. And then I kept seeing it, and I get my documentation from my controller every week, and I'm looking at it, and I go, "How come you haven't spent one dime of this PPP money yet?" And last week he goes, "Oh, we're going to now spend it, but we still didn't have all the rules, the documentation."

Gene Marks:

Yeah.

Joy Gendusa:

Anyway, so I am thankful that I really have a very amazing sales area and sales management. Very amazing, very upbeat. And they really made it so that I could worry less because they covered. I didn't cut my marketing, not one penny. I market. I spend almost a hundred grand a week on marketing.

Gene Marks:

Well, smart companies do that, particularly in a downturn.

Joy Gendusa:

So anyway, it was just like, yes, I said, "If we get good applicants." We had just put a billboard up on U.S. 19, which is our big thoroughfare here, this big giant billboard saying that we were hiring sales professionals right before the whole pandemic hit.

Gene Marks:

Right.

Joy Gendusa:

So I was like, "Just take them if they're good. Just tell them it'll be a couple of weeks."

Gene Marks:

Well, now the talent will be a lot different. And it's interesting, your biggest problem, I'm sure like all of us just a couple months ago, is where to find good people. And now my belief is because of this disruption, there will be a lot of good people out there for you to snap up. And I hope that you do, and I'm sure that you will.

Gene Marks:

Joy Gendusa, the founder and CEO of PostcardMania. Thank you so much for joining me. For more information about what we discussed today and other coronavirus questions and topics, please visit the Paychex COVID-19 Help Center. The address is paychex.com/coronavirus-resources. Joy, your website, it's PostcardMania.com, correct?

Joy Gendusa:

Yes sir.

Gene Marks:

Yes, all things marketing for small businesses. I will actually be checking out your website as well. You're awesome to talk to, and definitely I'm going to ask to have you come on back because I've got a bunch more questions to ask you about management and employees and benefits and motivating people and all that. You are a good person to speak to, so thank you for spending the time with me this time. It was a pleasure. Thanks to everyone else for listening, and we will see you next time.