

Surviving the Pandemic and Saving Jobs – How One Trophy Company Reinvented Itself Overnight

PAYCHEX
Business
Series

Coronavirus



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Full transcript

Gene Marks:

Hey, everybody, and 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. And 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.

In this podcast, we'll talk about the complexities of running a small business and how some business owners are handling the challenges they face. Today's guest is Keith Baldwin, who is the owner of GoSpikes Trophies. Not only that, Keith is a Temple University grad and an Archbishop Ryan grad as well. Keith, did you know I live in Philadelphia? I'm not sure if you do or not.

Keith Baldwin:

I did not know that.

Gene Marks:

Oh yeah, I'm recording this right now from right off of Rittenhouse Square.

Keith Baldwin:

Okay.

Gene Marks:

So you and I, we're in good company. I went to Central High School and Lehigh. So I did not go through the Catholic high school route like you did, but you've been in the trophy business for a long time. Tell me all about GoSpikes. What you guys do?

Keith Baldwin:

A few things. I'll just correct you on something, if you don't mind.

Gene Marks:

Please, go ahead.

Keith Baldwin:

One, I never did graduate Temple University. I was two years in when I was tapped on the shoulder and asked ... Well, actually I was in a meeting and the opportunity came about. They needed somebody to run a trophy company that the company I was working with ... if you're a Philadelphian, Gold Medal Sporting Goods ...

Gene Marks:

Yeah.

Keith Baldwin:

I was working there, working my way through college. And they were buying this distressed trophy company, Spikes, and needed somebody to run it. And I dropped out and I went to Spikes when I was 18 years old.

Gene Marks:

Sometimes college is not always the best route.

Keith Baldwin:

I learned by my education with the school of hard knocks, quite honestly.

Gene Marks:

Yeah.

Keith Baldwin:

Spikes has been around for 90 years. Although I may look that old, I am not that old. I've been here 40-plus years, and Spikes has been around since 1929.

Gene Marks:

Got it. I got it now.

Keith Baldwin:

And Central High School, we do the awards for Central. If you go through Central, a lot of our work is up on the walls of Central High School.

Gene Marks:

Yeah, I know that because I'm the treasurer of the alumni association, so I see the checks that go through.

Keith Baldwin:

So, you know some of my friends that went there.

Gene Marks:

Oh we do, I'm sure we do. So the trophy business, when I think about it, first of all, it's not your mother's trophy business in the sense that back in the day it was high school awards, but you guys have branched out to corporate, to all sorts of ways to reward people. Tell me how the business has changed over the past 20 years or so.

Keith Baldwin:

It's changed dramatically, and I'm probably proof of it. When I first got in the business, you could survive just by opening up your doors. You didn't really have to have knowledge of running a business—I didn't. And it was just servicing who was coming in. Now you have to be very sophisticated with the internet. You've got to really run a tight business. And it's a challenge every day. So it has changed dramatically.

And you're right, the largest part of our business is corporate awards, although we still do a lot of, quote-unquote, youth awards and academic awards. We've also branched out into promotional products and signage where we manufacture interior braille signage that goes into hospitals and higher education. So we're a little diversified.

Gene Marks:

So the pandemic comes along and here you are as a company that's giving out promotional awards to corporations, for example, that they're scrambling just to keep their employees busy, let alone giving out awards. And schools that shut down and athletic programs that shut down. But you came up with a little bit of a spin on your business.

Keith Baldwin:

I don't know if I came up with it, but yes, you're right. When it all happened ... if you think about it, we're tied very closely to the event industry. So when there are events say in Philadelphia, it's the Broad Street Run, it's the Dad Vail Regatta, it's the Penn Relays, it's all the academic awards. It's the busiest time of our collective year—the second quarter. We're a seasonal business and that is our, quote-unquote, busy season.

So we got very fortunate early on, and it's basically through relationships that I was presented an opportunity to become a call center. We partnered with Antoinette, who was awarded very early on the contract for the State of New York to make calls to book appointments for coronavirus tests for the citizens of New York. So we got a call, I think it was March 20th. I had just laid off my entire staff—never had done that before in my life. And at 2:30 on that Friday, and I got a call from the bank who knew my situation. And we had shared the relationship, Antoinette and I, with the same bank, which was First Trust.

And when Antoinette got the call, they called First Trust and said, "Do you know anybody that can help me fill seats very quickly?" My banker knew that I had 50 seats that I could fill. I got presented that opportunity, and at 4:30 I presented the opportunity to my staff and hired them back.

Gene Marks:

Let me just stop you right there just to make sure I'm getting this story here, Keith. Okay. So your company is selling awards, trophies, promotional products for major events and corporations. You have about how many staff approximately?

Keith Baldwin:

45.

Gene Marks:

Okay. So you have about 45 staff. The pandemic hits, you're basically shut down.

Keith Baldwin:

Officially the state, the governor, that Thursday made it official that we were nonessential and they closed ... Well, I've got three showrooms. They closed us down so we were not able to work, even if we had business.

Gene Marks:

Got it. So you lay off your employees.

Keith Baldwin:

Yep.

Gene Marks:

Then you get a call from your bank, who knows a company that is looking for somebody to act as a call center, to really act in a completely different line of business ...

Keith Baldwin:

Yes.

Gene Marks:

... than what you guys do. Why would your banker even call you about this if it's not even what you guys do?

Keith Baldwin:

Well, they were looking to hire people, and they were looking to have somebody oversee those people. And she knew about us and put us together, and we were able to turn our place and our employees over the weekend, if you can think about the technology and you can think about that fire drill of training and getting everybody set. And I bought laptops for the people that didn't have connectivity to work from home. And long story short, we were calling early next week, the following week. And we've been calling since.

Gene Marks:

So this company needed about 50 agents to call. You said you had about 45 yourself. So you were able to fill that need.

Keith Baldwin:

Well, actually they had 250 seats. We were roughly 50. And I've since employed friends and family, other people that needed employment. Because my number one right now is to save jobs.

Gene Marks:

Sure.

Keith Baldwin:

So it's not only my employees. I've also been able to include other people's employees in this.

Gene Marks:

What's amazing about that story, Keith, is that you're being asked to do something completely unrelated to what you guys do. Not that your people aren't trained in customer service and aren't good at it, but it's unrelated to being a call service.

Keith Baldwin:

Yep, yep.

Gene Marks:

And your attitude was, "Hey man, I'll wash windows if that's what it takes to keep my people employed."

Keith Baldwin:

Amen.

Gene Marks:

“And if there’s an opportunity to do that, that’s what I’m going to do.”

Keith Baldwin:

Yep.

Gene Marks:

And have you been doing that since?

Keith Baldwin:

Yep.

Gene Marks:

I mean, we’re still ... So you and I are speaking right now, it’s really the third week of June. Philly is still not in the green phase yet, so we’re still essentially [inaudible 00:07:46] and mostly shut down. So you’re still in the call center business right now?

Keith Baldwin:

We’ve migrated slightly. We have done all the calls and booked all the appointments. And that started to fade a couple of weeks back, and we’ve been on the front lines of this. So when the pandemic broke in New York, we were on the front lines booking that. And those calls could be very inspirational. People were thanking us for giving them hope. Or as one call led us, it was sad and really shook the staff, because we called too late one time. We were calling for the father, and the son picked up, and we were calling for the father to book the appointment, and we were too late. He had passed away of the virus the day before. So you can only imagine.

So once that started to wane and we started to not have many calls left, we got shifted to the Department of Labor where we’re making overflow calls, or as they call them, triage calls for unemployment. With everybody coming onto unemployment, the states can’t handle the level, so they need additional help. So my staff has been training to handle unemployment calls for the last couple of weeks.

Gene Marks:

How hard has that been to train your staff to do that?

Keith Baldwin:

Hard.

Gene Marks:

Yeah. Yeah.

Keith Baldwin:

But I am so proud of them. It’s amazing to me that they’ve been able to do it and hang with it and persevere.

Gene Marks:

Of the 45 or so approximately staff that you had, what percentage of them carried on with you doing this, as opposed to saying that’s not for me.

Keith Baldwin:

A high percentage—80.

Gene Marks:

Okay. Okay. And did anybody give you trouble as far as saying, "Listen, we prefer just to not do this and just collect unemployment."

Keith Baldwin:

Through this whole process, it's always been, you have to be able to adapt and change, so once ... And the byproduct, and it was innocent, the PPP loan and also the supplement to the employees that went on unemployment, the extra \$600, in one effect, it put us in competition with the government for our own employees. Because in effect, they could make more, some of them, sitting at home doing nothing.

Gene Marks:

Right.

Keith Baldwin:

So we've got 10 core values, and one of them is to create a win-win. So our guiding light internally was how do we create a win-win to keep these people employed, but not have them make less money by making these calls. So we came up with what we termed a Spikes Subsidy, and we subsidized the difference and ... covered their healthcare and also gave them, quote-unquote, a bonus to make these calls, to make sure that they're not losing money by staying employed.

Gene Marks:

These employees have been working from home during all of this, I'm assuming?

Keith Baldwin:

Yes. There's one or two that will come in because they don't have fast internet service at their home.

Gene Marks:

Right.

Keith Baldwin:

So they'll use our internet here in the building, but there's only one or two.

Gene Marks:

Through all of this, have you made money during this period? Or has this exercise really just been about sustaining the business?

Keith Baldwin:

It was to sustain the business and actually keep them employed. That was the goal.

Gene Marks:

How do you feel about that decision now?

Keith Baldwin:

I would make it every day.

Gene Marks:

At what point do you think you'll go back to being Spike's Trophies?

Keith Baldwin:

Do you have a crystal ball? If you do, can you lend it to me? We're guessing, hoping, praying, back end of the year, September, October, we're starting to see signs of life. In my business, generally July, August—August especially—is the slowest time of our year. So we just came off the busiest, which didn't exist.

And we're starting to see some of the postponed events. Let's just say one example, which is the Broad Street Run, which usually runs in May, it's being postponed, I think it's October. So there are things like that happening. And we're getting notified of that, that some of the things in May and June and April are being pushed to the back end of the year. So we'll have our normal, hopefully, back-end-of-the-year business in addition to that.

Gene Marks:

Have you thought at all, when this whole thing is behind you, of diversifying a little bit and maybe having another company that does call center type of services? Or do you think you'll be through with this completely when the whole thing's over?

Keith Baldwin:

That's a great question. We have had that discussion.

Gene Marks:

I'm sure you have.

Keith Baldwin:

And we have not ruled that out.

Gene Marks:

It's a completely different business, obviously, than the business that you're in right now.

Keith Baldwin:

Yes, yes.

Gene Marks:

So it would take a different model, different infrastructure, probably different management as well, but you got your foot in the door. It's all about getting contracts, right?

Keith Baldwin:

We wouldn't do it on our own. We would do it in partnership with the person who brought us to the dance. So we would just be a supplement to their business, an extension of them that we would manage.

Gene Marks:

Keith Baldwin is the CEO, chief relationship officer, managing partner of Spike's Nationally Famous Limited. Spike's is ... Keith, if you can give us your website one more time.

Keith Baldwin:

It's gospikes.com. That's G-O-S-P-I-K-E-S.com.

Gene Marks:

He will sell you trophies, awards, certificates. He will answer the phones, wash your windows, whatever it takes to keep his people employed through this pandemic. Keith, thank you very much.

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. Again, Keith, great story. Thanks. Let's definitely stay in touch.

Keith Baldwin:

Okay. Thank you.

Gene Marks:

I'd like to see how all of this works out. Thanks everyone for listening, and we'll see you next time.