



26 February 2010

Dear valued Newspower member,

**“Beware of False Promises – A Timely Warning”**

I am writing to provide you with a timely warning. Over recent weeks I have become aware of persons approaching newsagents, including Newspower members, making claims which are, in most cases misleading and at the worst, totally untrue.

The claims of being able to offer massive increases on sales and profits are not supported by fact or substantiated by documentation.

These sales people bring discredit to themselves, the organisation they represent and worst of all, to our industry. Their lack of basic integrity is appalling.

Newsagents are doing it tough enough without having to deal with this type of rubbish and our industry would do well to reject, expose and remove those who say and do anything to achieve their end. Unfortunately, there have been too many examples of this type of behaviour in our industry over the years and too often, hard-working newsagents have been left to carry the financial burden of their lies and deceit.

As a business owner, it is incumbent upon you to manage your suppliers. Greeting cards, magazines, stationery, marketing, and accounting – it matters not; you need to ensure that the organisations you do business with are working with you to improve your business – not just theirs.

You should always be critical; you should always question; you should always seek to obtain the best deal open to you, but in doing so, please do not be fooled by those making outlandish claims just to convert you.

If it seems too good to be true.....

My advice to you is to follow some simple steps:

1. Maintain good levels of communication with your existing suppliers. Let them know of any concerns you have immediately and allow them reasonable opportunity to respond and rectify where necessary. Importantly, let them know when things are good as well.

2. Compare – often extra benefits proposed are at the expense of those you already enjoy with your existing supplier. Always do an ‘apples-for-apples’ comparison and fully understand the arrangement you already maintain.
3. Before entering into any supply agreement, ensure the supplier’s obligations are clearly defined, in writing. Trading terms, discounts, rebates and sales growth claims made by sales people should be enforceable, and therefore, must be included in any supply agreement. If promises made are not documented you have no right of redress. Avoid any organisation not prepared to back-up their claims – in writing!
4. Before signing any binding document, obtain independent advice, especially from an authorised legal and/or financial provider. There is always ‘fine-print’ which gets conveniently overlooked in sales pitches. Get a professional to explain this to you.
5. Be aware of the commercial and financial obligations that may be imposed upon you in entering into any agreement. Think carefully about committing to any long-term agreement which may bring future liability over which you can have no control.

In difficult and trying times, it is common for people to reach out to those offering perfect solutions. Unfortunately, the perfect solution doesn’t exist. If you are approached, listen, question, do your homework, get a professional opinion and always think twice before committing to any new arrangement.

Your Newspower state and national teams are always available to assist you with genuine, unbiased advice. So please, speak with us before you make any decision.

Sincerely Yours,



Greg Talbot  
National Manager  
Newspower Australia Pty Ltd



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