

How A Legacy Business Can 'Thryv' In The Digital Age

8 min read

The image is a podcast cover for 'Path to Profit Podcast'. The background is a dark teal color with a faint, light-colored bar chart on the right side. The title 'HOW TO "THRYV" IN THE DIGITAL AGE' is written in large, white, bold, sans-serif capital letters. Below the title, there are two circular headshots of men. The first man is Stephen King, the host, and the second is Gordon Henry, the guest. Below each headshot is their name and title. The text 'Path to PROFIT PODCAST' is in the top right corner, and 'GrowthForce' is in the bottom right corner.

**HOW TO "THRYV"
IN THE DIGITAL AGE**

Path to
PROFIT
PODCAST

Host:
Stephen King
Podcast Host, CEO, Growthforce

Guest:
Gordon Henry
CSO at Thryv

GrowthForce

Whether you run a legacy company or are operating a startup, thriving in the Digital Age poses significant challenges to business owners who must keep pace with the technology that's advancing at unprecedented rates in order to stay relevant, in demand, and profitable.

Key Takeaways

- **The Digital Age:** The Digital Age began in the mid-20th century, and we are still living in this period today. Marked by a swift pivot from an economy based on traditional industries established during the Industrial Revolution to...
- **Thryv's Transformative Journey Into the Digital Age:** For many years, the company had both print and online versions of the yellow pages before they began selling search social display in addition to all the more modern, digital products...
- **Characteristics of Successful Business Owners in the Digital Age:** In an ever-changing digital landscape, successful business owners must be aware, agile, and in constant communication with their customers...

In a recent [Path to Profit](#) episode, GrowthForce Founder and CEO, [Stephen King](#) discusses exactly these challenges with [Gorden Henry](#), the Chief Strategy Officer at [Thryv](#) who helped lead the company from a print-based yellow pages disruptor in the early 2000s to the \$1.2 billion software business it has become today.

What Is the Digital Age?

Also referred to as the Information Age, Computer Age, New Media Age, and Silicon Age, the Digital Age is defined by the *Collins Dictionary* as, "a time when large amounts of information are widely available to many people, largely through computer technology," [1].

The Digital Age began in the mid-20th century, and we are still living in this period today. Marked by a swift pivot from an economy based on traditional industries established during the Industrial Revolution to an economy based on industries associated with information technology, the Digital Age has rendered many legacy businesses irrelevant. As technology continues advancing at a break-neck pace, more and more businesses become outdated, presenting business owners with the challenge of transforming their companies or going out of business.

Thryv's Transformative Journey Into the Digital Age

In describing Thryv's journey, Gordon Henry describes the typical trajectory of many businesses as they mature, especially those that might have begun during the early days of the Digital Age.

"We had a legacy business like a lot of companies that get mature," Henry said. "You know. You have an old business that was a very successful model."

Henry went on to explain that, for many years, the company had both print and online versions of the yellow pages before they began selling search social display in addition to all the more modern, digital products. At a certain point, though, even those modern products matured and were commoditized.

There was no sense of a future direction for growth by the time the business contacted and brought on Henry, CEO Joe Walsh, and the rest of their team. However, Henry said, "We had a vision for building a new software business."

As Henry described it, "That was almost a decade ago, and, now, ten years later, we've got a fast-growing, almost quarter of a billion dollar software business that is really the leading platform for small businesses." He continued explaining, "We actually still have that legacy business. It's a bit smaller than it used to be, and we still provide advertising choices [to] our customers, but our focus is really on delivering them a great software platform."

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*“The ability to bring in a team that worked well together - confidence, trust - I think was a good indicator to the employee base that there’s a new sheriff in town. **This is going to be a different way to run the business.**”*

Guest:
Gordon Henry
CSO at Thryv

GrowthForce

3 Business Transformation Tips for Thriving in the Digital Age

So, the big question is, "How did they do it?" How did Henry and his team manage to take a traditional, yellow-pages legacy business and transform it into a high-powered software company serving the same customer base as before? According to Henry, the following three tips were the biggest factors in Thryv's transformation.

1. Know Your Customers

The ideal pathway for transforming or pivoting a legacy business is doing so while holding onto your existing customer base. If you lose your customers in the process of transforming, then you're not so much transforming a business as you are starting a new business. So, the key to business transformation in the Digital Age is to know your customers, and this information, i.e. the knowledge to pivot, largely comes from your sales team and customer feedback.

Henry said, "So, what we were very good at was understanding our customers. We had a team of people [that was] very, very close to the small business customers. We had spent lots of time with them in the field and [organized] focus groups on customer service calls. We really know who the customer was and what their challenges were and what they needed to move their businesses forward."

Henry explained how the advent of the smartphone largely changed the way in which their customers were interacting with businesses everywhere – in addition to the way in which they were finding and contacting businesses (i.e. businesses that would have traditionally been discovered and contacted via listings in the yellow pages). Customers now create whole relationships and carry out entire transactions with businesses remotely. They're online, and they're no longer on desktop computers. They're using their phones to create and sustain entire relationships with businesses, and this has dramatically changed the way that customers want to do business and the way that businesses need to relate to their target markets.

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As Henry explained, this knowledge was where they found the right vision for what their new product needed to be. Understanding what their business (and its commercial clients) needed to offer enabled them to understand how it needed to change. So, most importantly, knowing their customers allowed them to supply a clear, future vision of where the company was going to go.

Then, with this customer information and future vision, they were able to begin forming a strategy for how to lead the company into that newly envisioned future. This strategy helped them identify the ways in which their operations needed to change while also filling in specific necessary skill gaps in their companies through hiring and training.

These insights allowed them to preserve the legacy business while transforming the company overall to appeal to customers operating in a new era.

The key to building a 1.2 billion dollar software empire?

[Listen to the full episode here.](#)

2. Track the Right Metrics: Understanding Your Leading Indicators

While many business owners focus on financial metrics gleaned from their financial reports (profit and loss statements, balance sheets, and cash flow statements) – and, don't get us wrong, tracking your financials is absolutely essential – Henry explained that in transforming Thryv, that he is also hyper-focused on a set of leading indicators.

He explained that he regards the financial metrics, like cash flow and profit margins, found in a company's financial statements as the results, and the metrics he tracks are the leading indicators of those financial results. While there are many, and they differ for every business, the three leading indicators that are most important to Thryv include:

- [Net Promoter Score](#) - The customers' assessments of their interactions with the company at every stage of interaction, from first contact and purchase to repeat purchase or customer exit interviews.
- Unit [Sales](#) and Revenue Per User - How well are their products selling and how much does each customer spend?
- Customer Churn/Customer Retention - Churn and retention indicate how satisfied customers are. High churn means you're not delivering, and high retention means customers are satisfied.

In Henry's experience, the key to tracking metrics is finding the leading indicators that are direct drivers of your company's financial metrics. If you understand the cause and effect of your financials, then you can start controlling the causal aspects of your business to actively improve financial results with data-driven management decisions.

3. Managing Culture Through Business Growth and Change

The final piece of successfully transforming a business in the Digital Age is keeping tabs on your company's [culture](#) throughout the process. In Henry's experience, successful cultural management was largely dependent upon the workforce both trusting him while also feeling revived with the newfound hope that came from seeing that their company, which previously seemed doomed, might have a real future and a real place among the modern companies of the Digital Age.

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Henry said he was able to foster this trust and hope in the workforce with the trust that the team he brought in demonstrated to existing employees and also by clearly [communicating](#) his future vision for the company. Employees were able to be excited about the future of the business which opened up new possibilities for the future of their own careers and lives. This helped to renew their motivation, build trust between the workforce and management, and maintain a positive outlook throughout the business's transformation.

Characteristics of Successful Business Owners in the Digital Age

In an ever-changing digital landscape, successful business owners must be aware, agile, and in constant communication with their customers. In this fast-paced age, losing touch can mean losing your company's edge, becoming irrelevant, and eventually going out of business. Use technology to stay informed, listen to your customers, listen to your sales team, and be ready to pivot in a new direction, adjusting your company's sails as the winds of the Digital Age change.

[1] <https://www.collinsdictionary.com/dictionary/english/information-age>