

The background of the entire cover is a close-up photograph of three golden-brown eggs nestled in a bed of dry straw. The lighting is warm, highlighting the texture of the straw and the smooth surface of the eggs.

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GROWING FORWARD

FROM PRINTER TO COMMUNICATIONS PROVIDER



By Deborah Held

In a time of uncertainty for many in the printing industry, each passing season seems to bring yet more news of the merger or acquisition of a once-flourishing printing business. Truth be told, the printing industry, like the rest of the global economy, is experiencing a downward market at present. In fact, according to some experts, ink on paper has experienced negative growth in the past three years, and it's possible that there will be no growth in this particular sector for up to three more years.

But there is good news: digital printing still offers great promise, as well as creative design, e-marketing and e-publishing. Plus, customers will likely always need banners, signage, car magnets and promotional products. Of course there's also shipping, web development, mailing, packaging, fulfillment, and more—all services that can be provided by today's savvy printer.

Wait, I don't offer those services, you say? Well, perhaps you should, or maybe even just one or two of them. Georgia printers, take heed. There is business out there, but you may just need to learn to think outside of the box, to reach beyond your comfort zone. Cutting the prices of your printing jobs just to maintain your customer list is not the answer, but becoming a

communications partner to your clients just may be. Georgia's forward-thinking industry leaders think so. They realize that there is much more to being a well-rounded printing company in today's marketplace than there was even just a few years ago. Georgia Printer has spoken with four of the most successful and innovative of the bunch.

"Ink on paper will not be enough to sustain our business into the future," says Jefferson R. Riley, president and CEO of THP Graphics Group, Inc., a printing company that he's been leading for more than 20 years, and that has grown in the past five years to offer its customers not only printing services, but signage, design, and promotional products as well. In the past six years alone, THP Graphics Group has acquired five printing companies that were no longer profitable, and has grown 20 percent in the past three years, thanks to acquisitions and auxiliary services. "I believe that [those companies that don't diversify] will no longer be around a year from now. They will either be gone or will have merged with another company," says Riley, pointedly.

Call them diversified services, auxiliary services, supplemental services, or just plain smart customer services; industry leaders are calling them revenue streams. Here's how you can, too.





“A good company or forward-thinking person can overcome obstacles, but a great person or company can anticipate them before they get here.”



Ryan Sauers, VP of Sales and Marketing at Sauers Communications

A COG IN THE WHEEL

Always one to stay atop of printing (and overall business) trends is Ryan T. Sauers, president and chief marketing officer of Sauers Communications (which also includes sister companies Sauers Group, Sauers Graphics, Sauers Media, and Sauers Transportation and Logistics). Sauers and his partner and father, Chairman and CEO Rick Sauers, have maintained a common theme in this 40-plus-year-old, ever-emerging, printing company. “We have always said that we’re in the communications business,” says Ryan, who feels strongly that a business model based solely on print is grossly out of date. “Print is a big cog in the visual communications wheel, but it’s only one cog,” he says.

Five years ago the pair conceived of their diversified branches of services, and for the past three years they have been executing this plan. At the same time, they stopped investing excess monies in unnecessary printing equipment, and instead went live with their diversified communications services. “People have over-bought [equipment],” he says, “much like the auto industry—there is too much steel and not enough work for it.”

Under the umbrella of the Sauers family of businesses, Sauers Communications was able to delve into website design and

development, creative design and editorial services, complete e-marketing and e-publication services, vehicle graphics, signage and banners, CD/DVD replication, and even transportation and logistics services, at a most opportune time. During the past thirty-six months, due to these diversification initiatives, Sauers Communications has earned more than \$4 million in sales revenue in new market segments, beyond web offset printing.

“If you don’t diversify...at best you’re not relevant anymore, and at worst you’re out of business,” predicts Ryan Sauers of those in the industry who remain steadfast in an “ink on paper, keeping the cylinders of the presses running” business model.

In fact, Sauers feels so strongly that the “old fashioned” mores of the printing industry and the never-ending undercutting of pricing in order to attract clientele is so out-dated that he wrote his own article on the subject, called “Pricing Piranhas,” in the January 2007 edition of *Georgia Printer*, in which he predicted the demise of the printing industry. Even he, however, didn’t see change coming so quickly. “The world of print as we have known it is declining faster than even I thought possible,” he says.



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Phil Warren, President and CEO of Elanders USA Atlanta

LOOKING ON THE BRIGHT SIDE

By becoming a communications partner and solutions provider to your customers rather than just a print shop, now is the time to seize long-term, highly profitable clients, many in the industry are realizing. “We want to learn about our customers, their challenges and goals, and what we can do to help them with their biggest problems,” says Phil Warren, president of North American business for the Acworth location of the global printing and media solutions firm ElandersUSA. “Their biggest problem is our opportunity to shine.”

In fact, though ElandersUSA has 35 years in the traditional printing markets, a strong global heritage and the strength of Euro-dollar backing, some of its greatest customer service solutions have come in the form of market research and business strategy planning for long-term customers in need of answers—customers who think of ElandersUSA as their “go-to” business partner. In many of these cases, the word “printing,” is never even mentioned as a growth solution, says Scott Shipp, director of business development at the same ElandersUSA location. Other times, out-dated print material is shelved, and the folks at ElandersUSA are the first to suggest it. Though ElandersUSA offers media solutions, it is not an advertising or marketing firm; it is a printing company with effective auxiliary services.

Shipp outlines another vital lesson to all printing companies alike, no matter their size: Being dependant on a few customers for revenue is detrimental to a business’ health, especially a small business. “When you have five or seven customers that generate your revenue, if one goes away, it impacts that printing company to a large degree,” he says. “This has put one or two [local] printers out of business this past summer.”

ElandersUSA, which has been growing at a rate of seven percent per year since 2005, is seeking a greater number of long-term customers, which is a strategy all our experts also share.

“I see that a customer who’s loyal over time becomes exponentially profitable,” says Ryan Sauers. With the market driving printing pricing ever lower, printing businesses, no matter their size, will be vying for all types of good customers, big and small.

And there is still business up for grabs. “You hear a lot of businesses blaming the Internet, blaming the economy, etc.,” says Shipp. “Rather than blaming, look at the flip side. Look at how you can be successful; dig deeper. There are still hundreds and thousands of customers who need what we offer.”





“There is a learning curve in every new service you put in. It takes a certain amount of risk and reach and stretch to grow your business.”



Jefferson Riley, President and CEO of THP Graphics Group

THINK GLOBALLY. ACT LOCALLY.

I don't have that kind of money or that kind of backing behind me, may be coming to mind, and that's actually okay, at least for starters. Initial diversification of printing services can be had creatively.

For the truly cash-strapped, Riley recommends delving into promotional products. “You don't have to produce it in-house, and it's an easy 30 percent net,” he says. Also, at THP Graphics Group, credit is not extended for promotional services. “It's 50 percent deposit and balance due when delivered, even for long-term customers,” he says. When given the choice, always invest in high-profit-margin auxiliary services. It's practical business sense.

Besides, “you never know where these auxiliary services will take you,” says Riley. Perhaps a customer comes in for a new brochure and sees that your company now specializes in promotional product services as well. Maybe they need holiday gifts, give-aways, sales shirts, etc., and they place an order. Or perhaps, when a sales manager comes in to pick up his promotional order he sees that your company has been in the printing business for 25 years. He may pack up his current chain-store printing budget and bring it your way.

Sometimes the best ideas of all take little to no money. Few Euro bucks went into one of ElandersUSA's most recent strategic gems: a customer “thank-you” open house. Warren, Shipp, colleagues and staff took this as an opportunity to

“think globally and act locally,” by showing their Atlanta-area customers how much they matter. They utilized all manners of communications to invite and follow-up with customers: phone calls, e-mail blasts, printed invitations, etc. Despite Atlanta's torrential flooding that same week, more than 200 guests turned out in Acworth on September 24 for socializing and refreshments. Just more than a dozen left messages that the flooding prevented them from attending, though they also had wished to be there.

Ryan Sauers has another inexpensive suggestion for business growth: Read. Read to stay informed, not just of the printing industry, but of all business trends. He especially recommends advertising publications such as Ad Age, as well as marketing blogs, social media marketing, etc. Some of today's most effective CMOs can be found on Twitter (including Sauers, as named by Kent Huffman of Systemic Marketing and his “Top 51 CMOs engaged in Twitter” at <http://www.systemicmarketing.com/top-cmos-on-twitter/>). “You have got to become a student of viral and generational marketing,” he advises. “Become a student of what is going on.”

“A good company or forward-thinking person can overcome obstacles, but a great person or company can anticipate them before they get here,” Sauers says.



“At the end of the day we’re selling peace of mind; we’re selling service.”

GROWING FORWARD

Make no mistake, advise our experts, the number one cost to growth can be service, and it’s a price no business owner can afford to pay. Says Riley: “Do your homework, study up, get fully prepared, and put the word out there that you’re in these auxiliary services, but don’t go in and do a bad job. Even messing up a small order can hurt you. If you can’t provide extraordinary service then you don’t have anything that the other printer doesn’t have.”

Adds Warren, “At the end of the day we’re selling peace of mind; we’re selling service.”

How? Through effective training of all current staff and the addition of auxiliary staff as profit allows. “There is a learning curve in every new service you put in, says Riley, whose own personal advice is to take “a certain amount of risk, and reach and stretch to grow your business.”

Acknowledging the “catch 22” of growth (for example, paying your production costs versus hiring a marketing arm of your business), Shipp offers his insight: Target customer segments that are making it, such as: government, education, colleges and universities, even media and entertainment. “It’s not all doom and gloom,” he says. “Look at it as a vertical marketplace. Once you have a program for one, you can use it for the others.”

Finally, the experts warn those printing companies aiming to supplement their services to remember their real competition, as it’s not always just the printer down the street. The printing is the easy part, says Sauers. Once a printing company diversifies its services with media, IT or marketing, the competition becomes every advertising agency, creative and marketing firm in town. Warren adds that it’s vital to keep your assets (both human and equipment) as up to date as possible.

And always remember your core service, advises Riley. “Don’t give up on conventional printing, just add auxiliary services.” He still sees a real future in enhanced digital printing and mailing and fulfillment.

“Making the decision to diversify is a challenge. You’re investing in a new product line when money may be tight. Training your staff is a cost as well, but the alternative may be worse,” he says.

Shipp cites the old adage of, “the more successful our customer is, the more successful we will be,” only modernizing it to today’s print marketplace, saying: “It’s all about building the best program for your customer, and it’s no longer just about an 8.5-by-11-inch flyer.”

Ryan Sauers invites everyone to follow his business advice blog at www.sauersblog.com

