

Looking Back At 2009

I took an informal survey of 20 quick/digital/small commercial printers last week, asking them just three questions:

1. On a scale of 1-10, how successful was 2009?
2. On the same scale, how difficult was 2009
3. If you had it to do over again, would you do anything differently?

The response range to Question #1 was 2-9, with an average of 5.1, and if you take out the 20% who reported high levels of success—8's and 9's—the average drops to 4.3. I think that qualifies as *not very successful*. The response range to Question #2 was 3-10, with an average of 7.3, and again, if you take out the 20% who reported low levels of difficulty—3's and 4's—the average rises to 8.3. Obviously that represents *very difficult*. The response to Question #3 was 16 *yes* and 4 *no*, leaving us with a fairly classic 80/20 relationship.

So, some printers had a pretty successful year with a minimal amount of difficulty, while the majority had exactly the opposite. The question now is how to use this knowledge to make 2010 a better year for everybody.

Quicker Reaction

By far, the most common “do-over” was to react more quickly to decreasing sales levels. Interestingly, those responses were heavily weighted toward cost reductions, with only a few people even mentioning “ramping up my personal sales efforts.” I think that speaks volumes about the mindset of the industry, and it takes me back to a question I used to love to ask printers: *Do you make things or sell things?*

The answer has almost always been *make things*, in spite of the fact that this is a custom manufacturing industry—which means that nothing gets *made* until it's ordered. But that is the mindset, at least in the quick/digital/small commercial segment of the printing industry. It's not a *selling* mindset, it's an *order-taking* mindset.

Think about that. When people have asked you “how's business?” over the last 12 months, how have you answered—“we're not selling as much” or “our customers aren't ordering as much”? I'm betting it's the latter, and I think that's highly symptomatic of the state of the industry.

Obviously that suggests changing your mindset, and I know I've been harping on this topic, but if you're not happy with the state of your company, it really is time to step up and put on your selling hat. The situation is pretty straightforward. Your current customers are placing fewer orders and/or smaller orders. (Some of them aren't placing any orders!) You are not getting lots of calls from people looking for a new printer—or if you are, they ask for a quote, you give them a quote, then you never hear from the again. All of that means that you have to *sell*, not just wait for business to materialize.

Positioned To Grow

Before you do that, though, I think you should consider whether you're positioned to grow; in other words, having (probably) cut back on staff, do you have enough people to handle the sales increase you're hoping for? Several of the printers I surveyed reported that they've cut to the bone—*survival mode* was mentioned a couple of times—while others reported that they feel pretty good about their current staffing. “I knew I was overstaffed,” one wrote, “but now I've trimmed all the fat, and I feel pretty good about moving forward.”

If you have cut down close to the bone, you should be thinking about how to rebuild your capacity as you rebuild your sales volume, and that refers to both production people and sales/customer service people. If you don't do that, you may be positioned to fail rather than grow.

The worst case scenario would be quality and/or service problems caused by your inability to supply an increasing demand. If you screw up the first order with a new customer, you may not get another one. If you screw up the next order from an established customer, the same possibility (likelihood?) applies.

Dialog and Follow-Up

As noted, I've written a lot lately about talking more with your current customers and about prospecting for new ones. Today, let's spend a little time on the specific issue of following up on any inquiries you're getting; either people walking in, calling on the phone, or contacting you through your website. The complaint I'm hearing is that they're all just shopping, and they never come back to place the order.

The missing piece here is the proactive follow up—calling to ask for the order! Put yourself in a buyer's position. If you really are shopping, you might ask 3-5 printers for a quote, and the most likely result might be one really low quote and 2-4 that are higher but competitive with each other. Printers tend to think that the lowest price will always win, but that's not what happens in the marketplace. In fact, the lowest price tends to scare many buyers, especially in the situation where all of the rest of the quotes are in the same (although higher) range. For many people, the most attractive proposal in terms of price alone is probably the lowest of the higher-but-in-the-same-range group.

So let's say that your quote is in the middle of that group. If you do nothing in terms of follow-up, you probably don't get the order. If you do call to follow up, though, you have an opportunity to differentiate yourself, and it might not take all that much differentiation to win the order! Again, put yourself in a buyer's position. If you have a quote for \$540 and my price is \$580, but I call you to ask if you have any questions about my proposal—and to ask if we can talk a little bit about possible cost savings or performance improvement on whatever it is that you need printed—do you think it's possible that the buyer would see \$40 worth of differentiation in that call?

I can't give you any guarantees of success, but I hope you'll agree that a follow-up call probably won't hurt you, and might very well win the order. Sometimes all you have to do is *ask!*

Other “Do-Overs”

Here are some of the other “do-over” responses: *I would have reacted more quickly. I would have pushed my salesperson harder. I would have spread out some of the changes I made over a longer period. I would not have purchased that (new equipment). I would have conserved cash ruthlessly. I would have put more effort into offense than defense.*

As you might expect, I like that last one a lot, and I think it probably represents the best lesson we can take from 2009. Yes, you must make appropriate cuts and you must make them on a timely basis, but you must also address the root problem. When sales volume is the issue, you need to get out there and sell!