

Building Sales With Limited Resources

There are something like 35,000 quick printshops in the United States right now, and every single one of them—every single one of you!—is different. Big shops and small shops; franchises and independents; those on the leading edge of technology and those who are being dragged kicking and screaming into the digital age.

But even with all of this diversity, I've come to realize that when you get right down to the most important single issue facing quick printers—profitability!—you can fit every single quick printshop in the country into one of four categories: (1) larger companies with healthy profits, (2) smaller companies with healthy profits, (3) larger companies with low/no profit, or (4) smaller companies with low/no profit. We could argue all day about the exact dividing lines between larger and smaller, and between healthy or “unhealthy” profit levels, but I think you'll agree that the larger companies with healthy profits now are the ones that are best positioned to grow. That's because they have the money and other resources to spend to make it happen.

What about the companies at the other end of the spectrum, though? How do you improve your situation when you're short on the necessary resources, like money and manpower?

Here's what I might do if I were faced with that problem.

Raise Prices

The first thing I'd probably do is raise my prices. That may sound crazy to some of you, but it absolutely is not. Even the smallest, struggling printers I talk to seem to have a few regular customers. A modest increase in the prices you charge those people is not likely to chase them away, and a 3-5% price increase on even \$10,000 in monthly business would create a nice little “war chest” to be used in building more business. Let's be conservative, and consider the \$300 in extra revenues that would result from a 3% increase on the orders that represent \$10,000 of your monthly sales.

What can you do with \$300 in marketing funds? If you allocate \$100 of it to postage, you can buy enough 32¢ stamps to send something out via first-class mail to 312 potential customers. With the remaining \$200, you should be able to design and print something appropriate to mail.

Now, here's where smart marketing comes in. Don't be satisfied with a typical “passive” mailer that only provides a general description of your company or your capabilities. “Image” advertising—or a page or two of jokes and cartoons—is not what you need if you're small and unprofitable. What you need is to get potential customers to act!

How do you do that? I have a number of clients who've had success with a fairly simple mailer that offers free imprinted notepads in return for the action they're trying to stimulate. That action commonly takes one of two forms. You either want them to invite you to come out and call on them in person, or you want them to come into your shop.

If you want them to invite you to make a face-to-face outside sales call, make that clear in the mailer. Include a response card, and let the text of the mailer say something like “Send this card back and I'll come out personally to deliver your free notepads and discuss your printing needs.”

If you want them to come into your shop, make that equally clear. The response device might be a coupon in this case, and the mailer might say “Bring this coupon to our shop to receive your free note pads, and while you're here, plan on spending a few minutes to see what we have to offer.”

Bigger Bang

If 344 mailers led to 20-25 responses and 2-3 new customers each month, I'd be pretty happy. Even a few new customers every month would represent a significant gain for a small, struggling printer. (And by the way, those numbers are reasonable in terms of the experience my own clients have had.)

But you should consider this: the customers you gain through direct mail tend to be smaller ones, at least in the beginning. And while there's nothing wrong with smaller customers, some printers would be better served by going after slightly bigger fish.

A key word here is “impact.” The simple mailer that might get the attention of a “casual” printing buyer might not even get a look from a high-volume buyer. In order to get that person's attention, you have to do something that will arrive with much greater impact, and you still have to do it within the limits of your resources.

There are all sorts of techniques and devices that can give you greater impact. You could choose to send something more substantial through the mail to fewer people. I once sent autographed baseballs to a dozen prospects in an effort to get their attention...and it worked! More than half of them agreed to see me, and several of them ultimately became good customers.

With that same \$300 in marketing funds, you could take two or three prospects out to dinner at fairly expensive restaurants. Or, you could bring a pizza and a six-pack of soft drinks to a different prospect company each working day of the month.

Favorite Idea

Here's one of my favorite ideas: We don't have much in the way of professional sports in the Raleigh-Durham, NC area where I live, but we do have minor league baseball (the Durham Bulls of "Bull Durham" fame.) I could easily take a group of 7-8 people out to a Bulls game, park a couple of cars, sit in good seats, eat well (by ballpark standards, anyway), and have a very good time for about \$150. With a \$300 marketing fund, I could do something like this twice a month during the baseball season.

Now here's the real key to this idea. I wouldn't take 6-7 prospects out to a ball game. I would take a more-or-less equal number of customers *and* prospects. In that way, I would create two very positive dynamics. First of all, I'd be spending a portion of my marketing "war chest" on current customers, to thank them for their business and to support the idea of doing even more business with them. (Remember something that I've written before...you have *two* ways to grow. One is to gain new customers, and the other is to do more business with the people who are already your customers.)

The second dynamic is created by putting customers and prospects together. As they intermingle, the chances are pretty good that your customers will tell your prospects how much they like doing business with you. With everyone together in a relaxed social setting, you probably couldn't ask for a better testimonial!

A strategy like this isn't limited to minor league baseball. It could be applied to any activity from college or professional sports to the ballet or the symphony. If the cost your preferred activity is higher, you might have to do it less frequently and/or take fewer people. The core of the idea is to include both customers and prospects.

Manpower Option

Here's another thought. Many struggling quick printers tell me that they know how to build sales. It's simply a matter of finding the time to go out and make sales calls. For one reason or another, these printers can't seem to get themselves out of the shop.

If that's your situation, you could use the \$300 in your marketing "war chest" to hire a part-time employee, freeing yourself up to get out and sell. At typical hourly wages, \$300 would pay for 40-50 hours each month of part-time help, and I have to believe that 10-12 hours of good outside sales effort each week on the part of the owner will help most struggling companies improve their sales performance, especially the ones that haven't been making any sales effort. (In fact, I would say that increasing the feet-on-the-street sales effort and making more sales calls is the single most important—and cost-effective—thing any struggling printing company could do with limited resources.)

Two "Old Sayings"

We've all heard the old sayings that "the rich get richer" because "it takes money to make money," and there's no question that those old sayings are largely true. But I hope you'll see that "the poor" can get richer too, if they succeed at developing even modest money-making resources and applying them wisely.

The real tragedy is when smaller printers who *need* to grow don't do anything, or scratch together a little bit of marketing money and then spend it unwisely. Unfortunately, that's a very common story in this industry.

It doesn't have to be your story though. Give some thought to building up a little marketing "war chest" of your own, and applying it ways in which you'll get the greatest possible impact.