

VALUE VS. PRICE

Five Tips to Avoid the Downward Price Spiral!

By Ed Avis

Every reprographics shop owner who has ever been on a sales call has heard this line: "Well, so-and-so blueprint is giving it to me for XX per square. Can you match that?"

Ugh! Like it or not, some common reprographics shop services -- copying, for example -- are considered commodities. If a builder can get his large-format prints for a penny less per square foot, why shouldn't he? They all look the pretty much the same regardless of the price.

But playing the price game is dangerous, as many bankrupt blueprinters will tell you. Someone will always beat on you price, so you need something else to offer your customers than the cheapest prints. That something else should be value.

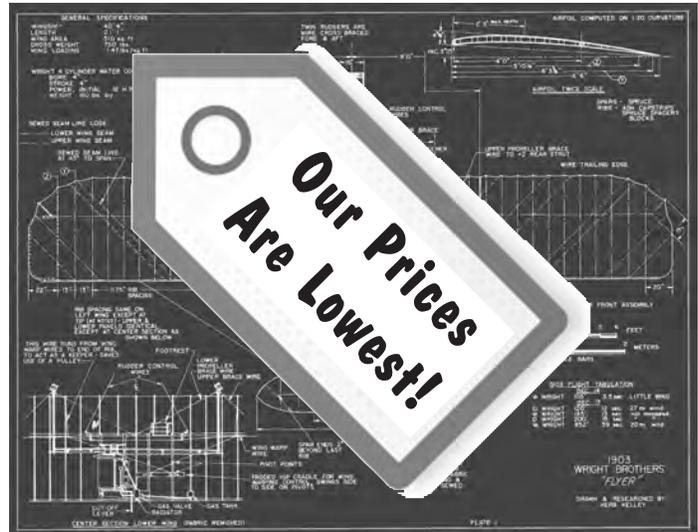
Here are five tips for selling your the value of your service instead of the price.

1. Be Smart About Whom You Sell To

Some customers want the lowest price, period. You can usually figure that out on the first sales call to them. If you plan on selling value instead of price, and a customer keeps harping on price, consider dropping that prospect. You and your salespeople have limited time, and you need to spend it on prospects most likely to bring in the sales you want.

2. Remember that People Talk

If you commit to selling value instead of price, be consistent. If a customer beats you up on price and you cave in, it will be much harder for you to stand fast



with other customers, because eventually word will get out. Many honest business people keep pricing info like that private, but don't assume that the guy sitting across the desk from you has been schooled in business propriety. And even some people who know better

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ERA News See You in Panama City!

Mark your calendar! The association is planning its next gathering in Panama City, Florida, on April 18-21, 2013. The event, to be held at the Bay Point Golf Resort & Spa, will feature a full schedule of educational and social events to help reprographics professionals network with others and learn ways to grow their businesses. The business program will feature presentations of new market opportunities by leading vendors. The gathering, open to members and prospective members, will provide an inspiring forum to help attendees increase their success.

ERA Interview: Repro Shops Can Still Grow Color Biz

For this version of the ERA News Interview, we spoke with Marc Oosterhuis, president of Drytac Group, a vendor of mounting/laminating supplies.

ERA: From your perspective, how has the industry changed in the past decade?

MO: The reprographics industry was one of the first, maybe "the first," to embrace large-format color. Because of the instability of early inkjet output, lamination was required and Drytac enjoyed a huge increase in demand for our products from the reprographers. As a result of improved printing technology, the decline in the economy, digital content storage and display, and consolidation of repro shops, demand has fallen off in

recent years but this has been partially offset by demand from other industries. Large-format digital color went from the reprographics industry to newly formed "service bureaus" to commercial photographic companies, to the sign industry, to screen printing, and lately we see the very large offset printing and POP companies getting involved in large format color.

ERA: Bring us to the present -- what is the state of mounting/laminating in reprographics shops today?

MO: Our business with the reprographics industry is very steady. Reprographics shops continue to be one of the biggest users of thermal (heat activated) laminating films. Basic 5 mil encapsulation of plain paper copies continues today. Gone are the days that we would sell pallets of double-sided mount adhesives to a single reprographics shop because many have invested in UV flatbed printers. Drytac, like many of our competitors, have increased our product offering to include special print media, and as a result we sell a wider variety of products today when compared to ten and even five years ago. We offer the widest variety of specialty finishes, including dry erase, anti-graffiti, scuff resistant, velvet touch, floor graphics, security to stop easy duplication, etc.

ERA: Finally, tell us about the future -- is there anything new in the mounting/laminating area on the horizon?

MO: Almost all reprographics shops offer large-format color in some shape or form. We find that the early adopters still have an advantage in that they are further ahead in the learning curve and have found out what works for them, what services best fit their customer base. It is difficult to be good at everything color and you need to do a reasonable volume in order to make it work. You won't make money wrapping just two cars a month, so it is important to specialize in maybe a few areas. My prediction for growth areas, and Drytac's product range reflects this belief: Window graphics (we offer new "super easy to install" ViziPrint and WindowTac), removable wall graphics (we offer Visual Magnetics and removable wall paper and fabric), portable bannerstands (prices of bannerstand media have come down significantly), and I also foresee continued growth in wraps (not just cars), for which we offer liquid coatiers and coatings.

ERA Info

The Eastern Reprographic Association (ERA) was formed in 2009 with the merger of the Eastern Regional Reprographic Association (ERRA) and the Southeastern Reprographic Association (SRA).

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Repro Shops and Social Media: Are You In?

By Ed Avis

Chris Cramer, owner of Busters Reprographics in Atlanta, says he knows that more and more of his customers are using social media. And as more young people come into positions of authority, the bigger role social media will play.

"Our customers are using social media at an increasing rate," Cramer notes. "Much as younger adults use texting more than email, younger customers use social media more than websites."

That means that Busters, like other reprographics shops, needs to step up its social media activity.

Cramer says Busters has had a Facebook page for about a year and a half, and most of his key employees have LinkedIn accounts. Facebook and LinkedIn are essentials of a decent social media strategy.

But Cramer says his favorite social media tool is YouTube. Busters has its own YouTube "channel," which includes videos about services Busters offers, such as a video showing a printer creating a custom skateboard, several videos of flatbed printers, and videos of other equipment in action.

"I personally like YouTube better [than Facebook] since videos can be very effective in telling a story," Cramer says. "I think the video of our services on our website tells customers better than anything that we do!"

If you want to improve your shop's social media presence, here are some basics.

Architizer: Architizer (www.architizer.com) is a social media site designed for architects and other design folks, and there are a few repro shops there. Check it out and see how many of your clients are already there. You should claim a spot there, which will help you connect with those clients and others.

Facebook: You probably already have a Facebook page,

but you should start paying more attention to it. Facebook is such a popular place for so many people to browse that having an active page will help you reach out to potential customers.

What specifically should you do on Facebook? First, start making regular, interesting posts, even if they are just links to other sites you think your customers would like to see. Mention your customers and prospects in your posts whenever you can; if they have "liked" you they will get notices when you do that and, hopefully, they will subsequently visit your site.

Speaking of "likes," that's another important step. Use the little linking widget Facebook provides to get visitors of your web site to like you on Facebook, invite people to Facebook from your emails, and like your

clients' Facebook pages. All of those things will increase your likes, which increases your traffic.

Another great thing to do on Facebook — once you've increased your traffic — is to offer a special deal via a post. This is a great way to reward your Facebook friends and drive more traffic to your website, not to mention bring in some more business. But it all depends on having a lot of traffic to your Facebook site, of course.



LinkedIn: LinkedIn is another important place to be. It's way more business-oriented than other social media sites, and many businesses make connections through LinkedIn. LinkedIn is a good place to prospect for new customers — signing up for a "premium" account gives you greater access in that regard.

LinkedIn revolves around individual profiles, but companies can set up pages, too. They are much more modest than Facebook profiles, but it's still a great idea to have a company here. For a good example, check out the page belonging to Thomas Reprographics.

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What's in a Name? Tips for Changing Yours

By Ed Avis

Do you know what MBC Precision Imaging was called when it was founded? How about NRI in New York? Both firms had "blueprint" in their name — they were called Maryland Blueprint Co. and National Blueprint, respectively. Since neither firm had made any actual blueprints in years, it was no surprise when the companies changed their names in the late 1990s.

If "blueprint" is still in your company name, or if you just don't feel your name otherwise fits what you do, you may be considering a name change. Blueprinters perhaps have experienced more pressure to change names than any other industry — after all, nobody makes true blueprints anymore, and even blueline work is rare. And many blueprint firms do much more than engineering drawing reproduction — they're into large-format color, mounting and laminating, color copying, signage, etc.

But blueprinters can't just dream up a new moniker and change their signs.

"To develop a new name is a science," says Gillian Christie, CEO of Christie Communications in Santa Barbara, California, a brand management firm. "It starts with research of company core values, culture, goals, target audience, benefits, specialty, competition, marketplace."

Two Principles

Before you start considering new potential names, keep these two

principles in mind: Keep it simple, and preserve the reputation your current name already has.

"Keep it understandable and you will save money on the brand building," Christie says.

Regarding simplicity, in our industry, replacing "blueprint" with "reprographics" was popular in the 1990s when that word was taking off. But people outside of the AEC community sometimes didn't understand what "reprographics" meant, so these days when blueprinters change names, it's more common to include "imaging" or "graphics," words that are more widely under-

~~National Blueprint~~

~~National Reprographics~~

NRI

stood.

Regarding the value of your current name, most shops with "blueprint" in their name have decades of goodwill built into that name, and that shouldn't be wasted. Some shops connect with their previous name by maintaining initials, as Maryland Blueprint Co. did when it changed to MBC Precision Imaging (the company is now part of ARC, another company better known for

its initials than its actual name, American Reprographics Co.). NRI also is an initialism, though there was an interim name between National Blueprint and NRI. It was called National Reprographics Inc. from the late 1970s to the 1990s, so went it went to initials, NRI made more sense than NBI would have.

Three Steps

With those principles in mind, the first real step to identifying a new name is for firm management to consider what the company stands for and what concept they want their name to convey.

Do you want to convey the idea that you are high-tech? That you manage documents? That you offer highly personal service? That you offer the lowest price? All of these are potentially valid issues to express in your name, as long as you can do it simply.

Once you've narrowed down the concepts you want your new name to express, take a legal pad and write down all the words that relate to those concepts. Don't try to come up with the perfect name at first — just scribble

down every related word you can think of. If you are doing this in a group, use a whiteboard or flipchart to write down these words. Your brain, and your colleagues' brains, will subconsciously absorb these words and the perfect name might just pop out.

Start putting the words together —again, don't worry about perfection at first. Just make random combinations that seem to sound good. If you're in a group, encourage every-

one to participate and not be embarrassed by any idea.

Eventually a few good prospects will emerge. Take these prospects and see if you can secure the URL for that name, or something close to it (such as that name plus your city name). You will need to change your website to match the name, and you want to make it as easy as possible for clients to find you.

Once you've chosen a couple of good prospects and determined that you can get the appropriate URL, move on to the second step. Test those prospective names among your sales people and others who interact with customers. Take a vote among them to see which seems to work best. If there's a tie, or the vote is close, show the options to your best customers, either in person or via email. Your clients will be pleased that you care enough to get their opinion.

One of the names will rise to the top. Clients will like it, staff will like it, management will like it. You've got a winner!

Note: Many companies hire pro-

fessional marketing people to help them with all these steps, and that may be a great investment. But many shops also do this entirely without outside assistance.

The third step in the process is intense marketing — you need to take advantage of your new name while simultaneously reassuring your existing customers that you are still the same shop.

Marketing Ideas

Remember that your new name will affect many aspects of your business.

"However the change occurs, please remember this is the brand and a brand is more than a logo," Christie says. "The change should flow through all aspects of the business from the letterhead, signage, email signatures, website, uniforms, how the phone is answered, packaging. Get all the changes done then launch it with pride."

Launching your new name publicly — after you've changed the name in all the internal places it appears — can be a great opportunity

to get some fresh attention for the business. After all, most of your customers and prospects probably don't think about you very often — a blast of publicity and advertising regarding your new name will get their attention!

First, in all your regular correspondence with customers, such as invoices and flyers, note your name change. If you have a good story behind the change, share that.

Then, in your regular advertising, note the change. Don't just promote the new name — promote the fact that you are still the same shop, but with a new name.

Finally, consider a much larger blast of advertising and publicity to seal the name in the minds of current and prospective customers. This blast won't be cheap, but it will ensure that your current customers know that you're still there, and it should entice new customers to try you out.

At the very least, it will let everyone know that you are a forward-thinking company that is keeping up with the times.

Reprographics News

'Masters of Repro' Honored on IRgA's Reprographics 101 Blog

Famous reprographics professionals are being honored on Reprographics 101, a blog located on IRgA's website, www.irga.com. The "Masters of Reprographics Business" is a series of interviews with successful repro pros conducted by Joel Salus, managing director of IRgA.

"Some of us 'retired or currently retired' reprographers were lucky to have mentors during our career, mentors who helped mold our thought processes, helped us make decisions, and encouraged us 'to reach' for success," Salus said. "For those of you who do not have a mentor (or several), I thought it would be a useful exercise to undertake a series of interviews — with highly successful reprographics industry businesspeople — so that you, regardless of what point you're at in your career, would be able to learn

from the insights and opinions of others, others who came before you."

"Masters" who have been interviewed so far include Herb Liberman, Doug Hoek, Chuck Gremillion, John Deermount, and Peter Morin.

ARC Earns \$30 Million in Q1-Q3

American Reprographics Co. produced \$30.9 million cash in the 9 months ending Sept. 30, compared to \$29.5 million in the same period last year. ARC managed this despite a drop of \$11 million in sales,



largely by cutting costs. The firm dropped headcount 10 percent in October. "While the AEC market in the U.S.

did not experience a significant recovery in the third quarter, some larger bellwether projects emerged that offered a view into future trends in project-related document printing," said K. "Suri" Suriyakumar, president and CEO of ARC.

Value vs. Price

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can't help bragging to others in the industry how cheaply they got something.

3. Know Why Your Value is Worth More

Since you know you're probably not the low bidder for many jobs, be prepared to explain to prospects precisely why they should choose you. You might have the best equipment, the fastest turn-around, the highest quality, the longest hours, the most experienced staff, the best online planroom, the most experience, etc. Know what you have and explain concisely how this helps your clients.

4. Be Confident

If you enter the sales call sheepishly and act embarrassed about your prices, your prospect will go for the jugular and demand a deal. Don't say things like, "Usually we charge...." or "We can meet any budget..."

These are signals to your prospect that your prices aren't really set. Instead, mention your prices firmly and confidently, backed up with the justification you memorized in #3 above, and leave it at that. Top players in the AEC world respect confidence, and most of them don't slash prices just to get new clients, so they'll appreciate your position.

5. Demonstrate Service

Every salesperson brags about how great his company's service is, so don't waste your breath. Instead, show your prospect how great your service is. Do that by showing up to your sales appointment on time and nicely dressed, answering your prospect's questions promptly and professionally (even if that means sending an email after the meeting), and providing a bid on deadline in the format she asked for. Follow up on your sales call or bid with a letter or phone call. Once you get work from that client, of course, apply the top quality service you always provide to customers.

Social Media

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Twitter: Twitter gets a lot of publicity, and it does have marketing potential for a reprographics shop, too. The key is that you have to create tweets that interest your clients or prospective clients — you won't get followers if you're just writing about your latest copier or inkjet printer.

How do you find topics to write about, then, that will attract followers? Talk to your salespeople and clients about what they're seeing in the field — new buildings being planned? interesting construction developments? zoning changes that will affect the business? Bona fide news attracts more attention than anything — carefully mix in a few tweets about special offers you're running and you'll soon have a solid following.

YouTube: You should also follow Buster's lead and create some YouTube videos of the work you do. You don't need to hire a professional cinematographer — that little handheld video camera you have at home will do fine. Record your staff doing an interesting job, post it on your site via YouTube, then link to it through Facebook and tweet about it. When all of your social media sites work together, your success will multiply!

Facilities Management

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"Most of our contracts are based on monthly volumes which we tie into the agreement," Davis says. "Usually we have a clause that if they go X amount over the volume number we will lower their price. The key to this is to monitor and if they go over the volume numbers enough on a consistent basis you HAVE to lower their number. I have seen others that aren't proactive on this and it will cost you a client quick."

5. Be Ready for Overflow

Another advantage you can sell to clients is that they will have priority with your shop's printing services if their work overflows the FM. This is a big advantage over your client installing his own printer — what happens to overflow in that case? And of course it helps you, too, because you're billing for that overflow.

The bottom line with an FM is that you have locked in a client, and as long as you keep that client happy, your profits will continue to flow. Davis says the formula is simple: "We try and partner with them and we always put them first, under any circumstance even if they are wrong."

Facilities Management: Five Profit Tips

You know you handle documents better than any of your clients do, and they probably know it, too. Since that's true, why do your clients even bother having their own internal print departments?

Facilities management, FM for short, is a fancy way of saying that your reprographics shop runs the in-plant print shop of a large client. FM has long been part of the reprographer's arsenal. It is a way to serve a customer at his location, and to ensure that his printing work goes to you.

Innovative reprographics shops have learned that running an FM usually means more than just handling internal printing for a client. It also can mean running other office functions, from the mailroom to computer maintenance. Some FMs are equipment-only, meaning you supply the equipment, supplies, and maintenance but not a staffer; others are fully staffed print rooms. The key is to make yourself indispensable to a client, so they'll never consider severing the relationship.

If you'd like to increase your FM business — and who wouldn't? — here are five tips:

1. Don't Wait to be Asked

Your clients probably won't come to you and ask you to start an FM business for them — you'll have to go to them. Start with big clients who already trust you and possibly already do a lot of in-house printing.

Alabama Graphics in Birmingham has had a successful facilities management business since 1992, and they started by approaching their existing large clients.

"Once we were successful with several market leaders, we had a

track record and getting other AEC clients was much easier," says John Davis, Alabama Graphics' CEO.

"We were already doing business with most of these that turned into FMs."

2. Customize Your Offer

No two clients are alike, so don't create one standard proposal and send it to everyone. Find out what your customer's needs and concerns are, and tailor your proposal to meet those needs and address those concerns.

Innovative reprographics shops have learned that running an FM usually means more than just handling internal printing for a client.

In addition to large-format printing, options include overall document management, scanning legacy documents, small-format copying, color printing, and assorted other office tasks. Computer maintenance is another option, though you may need to farm that out if you don't have experts on staff.

Not only do need to learn their basic needs, also figure out their volume and procedures. How much are they printing, and what type of prints are typical? What is their approval process? Where do they need prints delivered? The more you know, the more accurate your proposal will be, and the more impressed your potential FM client will be.

3. Make Life Easier for Your Clients

What helped Alabama Graphics launch its FM business was their ability to relieve clients of technology upgrade chores. "We started with several of our best architectural clients to help them ease the pain of keeping up with technology," Davis says.

That's one of the convenience-related advantages of an FM for the client — they don't need to worry about keeping up with current print and document management technology if you're running their print operation.

Another way Alabama Graphics helps clients is by creating invoices and other paperwork in a way that helps the client keep close track of expenses by project. By doing that for them, life is easier for the client's billing department.

"What our clients really want is dependability and someone that cares about their business," Davis says.

4. Cut Costs When Possible

A big part of your FM sales pitch will be that it saves your clients money. Show them that you can shave costs by offering the most efficient technology, faultless maintenance, better supply costs, and precise record-keeping.

Some FM contracts call for a per-click charge, or a certain amount for each square foot printed. Others include a labor charge, especially if it's a manned FM and the employee does work other than printing. Sometimes there is a minimum monthly charge to make sure costs are covered even if printing volume drops.

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Become Part of Our Success Story!

The Eastern Reprographics Association is charging ahead, and we want you to join us! Here are some of the benefits of membership:

■ Networking opportunities with other reprographics professionals

■ No dues in 2012, but maximum benefits!

■ Information-packed newsletter, available in-print and online

■ Annual convention and educational event in Panama Beach, FL, April 18-21, 2013

Need more information? Visit www.eastrepro.com
Ready to join? Email membership@eastrepro.com today!



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