



Upgrading Your Capabilities: Adding and Upselling Superwide Digital Services



The digital printing industry has changed dramatically in the past 20 or more years, with significant new developments in RIPs, substrates, inks and printers. Technologies have evolved as we have seen the decline of many traditional analog printing processes, while digital printing continues to expand and accommodate an increasingly wider range of applications. The vast majority of printers understand the need to expand their digital offerings, and are focused on where and how to add further digital capacity.

Every business is different and there is no single approach to adding superwide digital printing to your shop. However, based on conversations throughout the years with many printers, we've boiled down a multitude of decision factors into three key considerations:

Capabilities: What new capabilities will superwide digital printing bring my business and where will I sell the output?

Economics: At the end of the day, will I be more profitable using a superwide digital printer?

Expansion: Will adding additional superwide digital printing capabilities to my shop lead to new business and improved economic stability?

Typically, these decision factors do

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not need to be answered in succession. Consider looking at each point as part of a cycle (see Figure 1, page 16) with interlocking components that may, ultimately, lead to greater profitability and economic stability.

Digital Capabilities

Many printers have built their businesses on specializing. They may offer 200 variations of a product, but when you look deeper into their product portfolio, there is a common process, competency or expertise that is being leveraged. Although you have been successful by specializing, you may find yourself in a crowded space where your only real distinction to customers becomes price and delivery. Or likewise, with too much focus, you could find yourself tied to a particular market

during a downturn without other sources of revenue. By adding digital capabilities to your shop, you will add a new set of applications to your product portfolio, further differentiating your business from the competition and opening up new sales opportunities.

For example, a local retail chain coffee shop is celebrating their 10th anniversary and they ask you to depict the history of coffee on a menu board for display in their store. With digital printing, you are capable of printing directly on Hessian coffee bean sacks (traditional sacks that have been used for more than 200 years to transport coffee) and then stretching and mounting them to one inch thick, 3 x 3 foot frames to install in the



by Ken VanHorn, Product Marketing Manager, EFI

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store. The coffee shop is thrilled with the install and decides to share the news with other shops in the chain. When other retail chain owners “wake up and smell the coffee,” the next thing you know, you’re cranking out interior décor, menu boards printed directly to wood and awnings for that store and for the coffee company’s franchises nationwide. It may sound outrageous, but it happened that way for one EFI customer. The bottom line is that expanded capabilities are a powerful differentiator and key engine for the growth of any business. The ability to create visually stunning graphics on unique substrates continues to be one of the main criteria that sets the most successful print businesses apart from their peers and drives profitable growth year after year.

is going to impact your core business. Is this simply a replacement for an older printer, or is it complementary to your existing equipment and application set? In other words, are you going to offload some but not all of what you’re doing today onto this new printer, or is this purchase going to be a complete disruption of your current process?

For many, superwide format printing is all of the above and successful integration is shop dependent. What tends to be consistent, however, are the economic results. We have all heard the success stories about the guys who purchase a printer for a specific job, run it night and day, and within two weeks, have paid for their printer. It seems like an urban legend, but there are many printers out there with exactly the same story to tell. For many, however, it will not happen that fast; realizing your return on investment takes time. But it will pay off.

Aside from the additional business due to expanded capabilities, here are some other benefits of digital printing that will affect your daily bottom line. Digital printing often means lower production costs. As you move into higher speed printers, you will find that you can reduce your consumables costs and have an opportunity to reduce labor costs. Many customers recognize this almost immediately. As printer productivity increases, so does the opportunity to go from longer shifts that are overtime intensive to shorter, more profitable and productive shifts. Faster digital printers also give you the opportunity to optimize your workflow, turn jobs faster, lower your cost of production and realize higher margins from the output you are producing today.

As you add additional premium margin applications, you will begin to quickly see how essential the printer is to profitability. For example, one printer specializing in decals, started their business hand cutting vinyl letters, and over time added screen printing. Eventually they brought in an inkjet printer because they were producing vending machine graphics for one of their larger customers. Their business was going good and a typical day required a 12–15 hour shift. They realized, however, that it was time to get a new printer and decided to purchase a UV digital inkjet printer that prints direct to substrate, eliminating the need to hand cut and mount the final prints. One month later, their typical workday was down to nine hours and they shaved an average of 30 hours of overtime from their payroll every week.

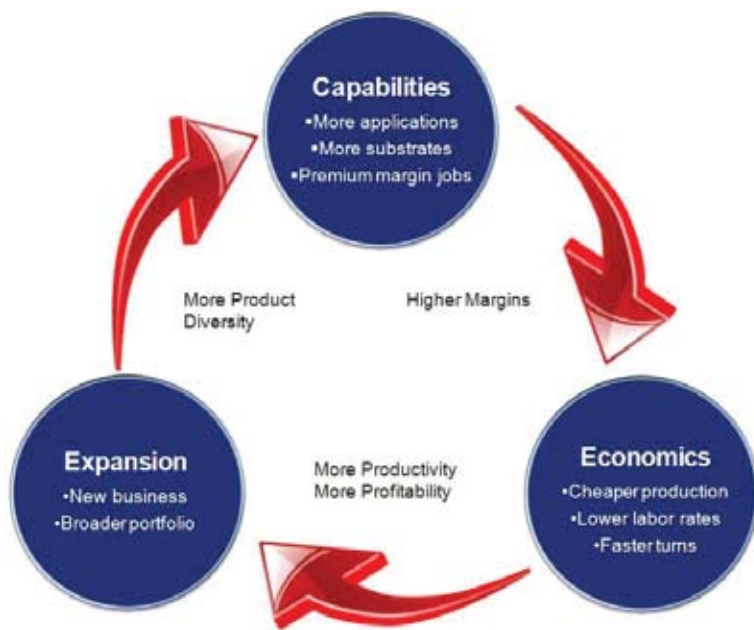


Figure 1

Economics

For many, this topic begins and ends with a single question: Can I afford this printer? For many wide format sales folks, the answer is just as direct: Can you afford to be without it?”

Okay, it may not be that simple. The reality is that there are many things to consider when you are facing a major equipment purchase and the financial decision is just one of the hurdles for most companies. Although the prospect of adding new and more innovative products to your offering may play a major role, there is more to consider as you make your way to a final decision. As you look at digital printing and the new capabilities that come with it, you will inevitably look at how the equipment you are considering

Expansion

Business expansion is where the real opportunities lie. Superwide digital printing is great, but does not sell itself. You probably did not build your business by walking in every morning, flipping around the “open” sign and sitting patiently as customers shoved their way inside, clamoring for printed output. That certainly will not change even if you install a shiny new digital printer. Furthermore, your current customers are not going to decide on their own that they want to fork over additional cash just because you have the latest and greatest digital printing capabilities. Based on the winning recipes from many printers, we can attribute success to a few key activities: Education, prospecting and up selling.

Educate your current customers about your new digital printing capabilities and what that means to them. Your approach to education is entirely up to you and will depend on your business model. You may choose to give them higher quality output or faster service for the same price, or you might slip a creative sample into their next order so they know what you mean when you suggest a three-layer day/night backlit. Education also entails letting your customers know that you have a new price structure that includes new premium applications and/or services.

Prospecting is essential and fairly self-explanatory, but many companies do not make it a priority. Successful companies, regardless of size or the current business/economic climate, are fairly consistent when it comes to prospecting — typically spending about 30 percent of their time devoted to this task. Small one and two person shops have grown quickly into 10-plus employee production facilities because, among other things, the owner/operator/salesman/marketer/accountant/janitor spent time looking for customers. Prospecting is key and can include activities like hosting an open house, sending out a newsletter or email to existing customers, gearing up with a new sales person or retooling your existing sales team to talk-up your new capabilities.

Sample books, produced on your digital printer, make a stunning portfolio of your work and can include a section dedicated to the capabilities of your entire operation. The owner of one art reproduction business that digitally prints reproductions of vintage posters and other artwork uses his business card as a key prospecting tool. Produced in-house on his digital printer, as a scaled down print on a piece of canvas with simply his name, phone number

and Web site — he hands out his card to everyone. And when there isn't someone to give his card to, he puts it in fish bowls for free lunches, tacks it on bulletin boards, leaves it on tables in restaurants and hotels, drops it in airports and amusement parks, etc. His passive prospecting is so successful that he has to turn away business that doesn't fit his niche because he can afford to pass it up.

Anyone who has been to a fast food restaurant and has been asked to “supersize” knows exactly what an up sell is. Supersizing works just as well for superwide format printing as it does for fries and soda. As you educate your customers about your new capabilities, you also will up sell them to premium graphics, three layered and white ink printing, high definition backlits with image transition layers, rush availability and much more. The key to up selling is making sure you and all of your employees know and communicate the value of your premium services. Begin by defining your company's “value menu” and posting it in your facility. Then create a display that highlights the differences between standard and premium quality substrates, output and services so your customers can see what you mean as you explain the options.

The decision process to add superwide digital printing to your operation becomes a natural cycle. You will see that your decision to add capabilities leads to an opportunity to reduce costs and optimize your workflow, ultimately leading to the expansion of your business. As your business prospers and you bring in innovative capabilities, you will continue to challenge and excite your employees and offer great new products and services to your customers.

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