

Competition From Every Quarter

Benjamin Franklin was despondent. "I have never faced such competition," he said. "It comes from every quarter. A man that I myself trained has left my employ and opened his own printshoppe. He has had the confounding gall and temerity to approach several of my own customers. A local merchant of business products—pens, ink, writing paper and the like—has engaged another man with a printing press to work in his back rooms so that he may offer printing services in addition to his established stock-in-trade. I have even heard rumor of a man who represents a printing firm in Germany—a relative of Gutenberg himself so the story goes!—who travels from Philadelphia to Baltimore to New York to Boston, promising far lower prices than any local printer can offer. I tell you, I have never faced such competition! I don't know what I shall do to survive it!"

Benjamin Franklin is widely acknowledged as America's first important printer. If that's true, he was probably also the first American printer to complain about his competition. I think it's interesting how similar his complaints are to what I'm hearing today.

Nothing New

Within the space of just a couple of weeks last fall, I had calls from three printers whose salespeople had either gone to work for a competitor or started a brokering business. Another printer's designer left to free-lance and had called every major customer with 2-3 days, and still another reported that his pressman had bought most of a failed competitor's equipment at auction and set it up in his garage, and the pressman's brother-in-law was now calling the printer's customers.

There's nothing new here. It happened to Franklin and it can happen to you. You cannot prevent people from entering into competition with you. You can, however, reduce the chances that any competitor can take your customers away from you.

How do you do that? First and foremost, you provide quality and service that meets or exceeds your customers' expectations. Second, you talk to them about where their businesses are going, and you stay out in front of the curve in terms of developing capabilities that will meet their future needs and expectations. Third, *you* talk to them—you don't just let your employees talk to them!—to insure that they're *your* customers, not your salesperson's customer or your designer's customer or even your press operator's customer.

The best way to prevent an employee from leaving and taking a customer away is to be able to get yourself in front of that customer and say something like this: "You may know that (John) has left us, and if you do know that, he may already have asked you to give your business to his new company. Before you make your decision, I just want you to know that (John) was only one of the people at our company who worked at meeting or exceeding your expectations, and the rest of us want to keep your business!"

I hope you'll see how important it is to be meeting or exceeding those expectations in the first place. If you haven't been doing that, your customer relationships are in jeopardy anyway. And I know that you really don't have time to have personal relationships with all of your customers, but is there really any reason you can't make the time to build an owner-customer relationship with your 80/20 group?

Big Boxes

The office products superstores—Staples, Office Depot & Office Max—have had a significant impact on the quick printing marketplace. I don't know of any individual markets, though, where they're *dominant*. I do know they're getting some business that you would like to have, but I'm also pretty sure they're getting business that you don't want to have—low end, price-driven, non-commercial copying and printing.

So how do you get a share of that business you would like to have? The same way you compete for the business that any other competitor is currently getting! You identify companies/organizations/individuals who would seem to have need for your products and services. You initiate contact, through some sort of advertising or an active sales effort. When either of those strategies works the way it's supposed to, you get opportunities to talk to the people who make the buying decisions, and you probe for some weakness in the status quo. If you find some, you present yourself as an improvement on the status quo. If they agree, they start buying from you.

The office supply superstores have to have satisfied customers. Kinko's does too. But they also have to have dissatisfied customers. The "big boxes" have low prices going for them, and huge advertising budgets too, but are they better than you at actually putting ink or toner on paper and creating a satisfactory buying experience for the customer? If you talk to their customers, I think you'll find some who would be happier with you!

Do you see a theme here, by the way? Talk to your customers. Talk to your competitors' customers. If you talk to enough people who buy what you sell, you'll probably sell more of it. And which is better, to complain about your competitors or have your competitors complaining about you?

Offshore Competition

OK, I admit that a printing salesperson from Germany is the farthest stretch in my little fable about Ben Franklin, but I'm pretty sure there has been offshore competition as long as mankind has populated distant shores. Today it's mostly China on people's minds, but we've been through the same thing with Canada and Mexico and other nations too. In fact, I see a great deal of similarity between offshore competition and Internet competition—in both cases, a "local" printer has a service advantage but a price disadvantage.

The best strategy for combating this sort of competition is to stress the service advantage, and the most important application of that service advantage can be found in the issue of risk. Here's the key question: "What do you do if something goes wrong?"

Interestingly, most of the printers who are competing with China seem to want to stress the turnaround time involved. Unfortunately, most of what's being ordered from China is not all that time sensitive. Obviously, you don't go offshore with something you need immediately, but there are plenty of orders which can be placed with enough lead time to allow for a long shipping timeframe.

I heard recently that China has even addressed the shipping issue. Last week a printer called me to ask if I'd heard about the boats. "Huh?" I said. "Oh yeah," he said. "There are five converted supertankers off the coast of California, Chinese printing ships. They stay just outside our territorial waters, and they run orders in at night on speedboats."

I made up that conversation with Ben Franklin, and I know that you knew that as you read it. Sadly, I think this guy was convinced he was telling me a truth about the Chinese printing ships.

Bottom Line

There has always been, and there will always be, competition. You can either complain about it, or you can compete. It's that simple. I would much rather have your competitors complaining about your inroads in their markets than the other way around.

Wait, that's not completely fair. I'm OK with you setting aside a little time to complain every once in a while. I do it myself, and I find it cleansing. But let's keep it to a little bit of complaining and a lot of competing!

Historical Note

Benjamin Franklin was not America's *first* printer. According to Dr. John H. Leinhard in *The Engines of Our Ingenuity*, that status belongs to Stephen Daye, who came to America in 1638 as a "technician" with the Rev. Jose Glover. After Glover died, shortly after arriving in Massachusetts, Daye set up and operated America's first printing press at Harvard College. John H. Lienhard is a Professor Emeritus of Mechanical Engineering and History at the University of Houston.