

If You Can't Beat Your Customers' Laser Printers, Join Them!

It's a common enough complaint these days. Quick printers across the country and around the world are losing business to a competitor that sits right in the customer's office 24 hours a day...the now-inexpensive laser printer. Between the copiers that customers continue to buy and now these laser printers, there's no question that a serious chunk has been taken out of the existing base of quick printing and copying business.

And it's not that the industry hasn't seen this coming. I remember hearing Kinko's founder and CEO Paul Orfalea speak at the 1994 *Quick Printing* Industry Leadership Conference. He said that only two things made him nervous about the future of his business...Office Depot (because of their aggressive low-price strategy) and laser printers. I think many quick printers would agree that he hit the nail right on the head (on both counts!)

If you're faced with competition from your customers' laser printers, you have three strategic possibilities: (1) you can try to sell against them; (2) you can look for things to sell *to* them; or (3) you can do nothing and accept the loss of business. I personally don't think much of Strategy #3, but the unfortunate truth is that it will probably prove to be the most common industry-wide approach to this problem.

And that's a shame, because you can sell against laser printers. And even more importantly, you can sell *to* them. I see some terrific opportunities with products that *you can provide* that will actually enhance the value of laser printers to your customers, making you look good and making you money at the same time.

Selling Against

Before we look at some of those product opportunities, though, let's consider what it will take to sell *against* the customer's own laser printer. You have to start with the understanding that laser printers are capable of at least an acceptable level of quality to most of your customers. The truth is that laser output is likely to be every bit as good as—and possibly better than—the output from your copier or press (assuming that no photographs or screens are involved and that paper plates are going to be used.)

If there are photographs involved, you have a weapon to use in selling against the laser printer. But be careful! Don't just blurt out something like, "You're not going to be happy with the quality from a laser printer!" A far better strategy would be to show samples of laser printer screens and photographs scanned and output by your own laser printer, along with samples of screens and photographs processed and offset-printed using film and metal plates. And then you ask the question: "Which of these best illustrates the level of quality you have in mind?" If the customer picks the laser output, the "better" quality of offset printing from metal plates is meaningless.

Quality vs. Quantity

Your most persuasive competitive approach may have more to do with *quantity* than *quality*. Each sheet of paper output from a laser printer has a cost attached to it...the cost of the paper plus the cost of the toner used. I get about 1500 pages from each toner cassette I buy for my own laser printer, and the cassettes cost approximately \$80.00. That yields a cost-per-page of \$.053. Add the cost of the paper at \$5.77 per ream—premium quality laser paper from an office supply store—and I'm looking at almost \$.065 for each page that comes out of the machine.

If I need ten copies of my document(s), I use my laser printer. The cost is pretty much the same as I'd pay at the printshop I use. If I need 50 copies of a single original, I probably still do it on my laser because of the convenience factor. When I need a few hundred copies, though, either from one original or as the total of multiple sets, I bring them to the printshop.

Your best selling strategy when selling against a laser printer is to help your customer to understand which jobs are really not cost-effective on the laser. You may not get all of the print or copy jobs you once got from the customer, but you will at least position yourself to get all the jobs that you should get on the basis of what's best for the customer.

Selling To

Laser printers are here to stay, and the truth is that the competitive situation will only get worse for quick printers as even less expensive color ink jet printers improve in output quality, and full-featured color lasers come down in price and in operating cost.

There is plenty of opportunity, though, to sell to these printers...to provide products that will make them even more valuable to their owners. Those products range from pre-printed stationery and brochure formats all the way up to fully customized products. And the way I view this particular marketing situation is pretty simple. If you can't beat your customers' laser printers, you really ought to think about joining them!

The pre-printed stationary and brochure formats probably offer the most obvious opportunity, and I know quite a few quick printers who have been successful in integrating these products into their operations. I know several who have gone as far as bringing retail-oriented displays of these products into their shops. They have sold packaged product to be used by the customer with his or her own copier or laser printer, and they have also sold the idea of building color into print and copy jobs handled at the printshop by using these pre-printed stocks.

Unfortunately, the market for these pre-printed stationery and brochure formats has become somewhat saturated. I get no fewer than four catalogs each month from companies offering me these products, and I see displays of them every time I go to the office supply store. Still, there are customers just now making the transition to laser printers, who may not be aware of products like these. A small counter-top or wall-hung display might be just enough to plant two important seeds...first, that the products exist, and second, that you can provide them.

Next Level

I see even greater opportunities in what I think of as “next level” products, which involve some level of customization (and therefore greater value!) I’d like to mention three of those product categories to you today. But before doing that, I want to make one thing very clear...these products will have to be *sold*. You are going to have to talk about them and demonstrate them in order to get orders for them!

Of course, I also think that’s good news...especially for outside salespeople who find themselves wondering what to talk about on sales call after sales call as they try to stay in regular contact with customers and prospects. These three product categories could represent three individual sales calls on customers who are equipped with laser printers.

Presentation Folders

The first product category is presentation folders, which have always been a problem for small and medium-sized end-users because of the economics of manufacturing them. For many years, this was a product where the old adage that “you might as well order 1000 because 100 will cost exactly the same” was completely valid. Progressive suppliers have lowered their minimum order quantity to 250, but there are still many situations where the end-user needs even smaller quantities.

Essapac Products Ltd. offers what I think is an ingenious product that meets the needs of small-quantity users. It’s a two-part construction called Laserkit. The “back” part carries the die-cut pocket, a closure device, and a tape-strip which is used to attach the “front” part...a printable sheet that is pre-scored along the side for easy assembly. The result is an 8 3/4" x 11 3/4" presentation folder that is practical even for very small quantity use. I use them myself in putting meeting folders together, sometimes for as few as two or three people! The beauty of the product is that you can use a laser printer to completely personalize each folder, right down to the name of the individual who will actually receive it.

If you take the next step with this product, you could pre-print a customer’s name and logo and/or other graphics in color on a quantity of folder “fronts.” Now the customer has a supply of custom printed folders which can be further personalized for a particular person or a particular event. An order of 250 of these might last a while for a small company, but they aren’t any more likely to become obsolete than any other business stationery item. And they let that small company use its laser printer to look bigger and more sophisticated, which can be a real asset in any form of business communication.

How do you sell a product like this? Invest in a couple of boxes of Laserkits (they come 50 to a box, and are available from at least one paper merchant in your area) and print your own name and logo on the fronts, leaving room to add the name of a customer or prospect on each individual folder with your laser printer. Take them out and use them as props on your sales calls. Explain the opportunity you see for your customer, and demonstrate how they’re put together. Then simply ask: “Would a product like this have value for your company?”

Blanks

Another significant product opportunity to sell to laser printers can be found in pre-perfed and die-cut tickets, table tents, hangers, and tags. These are products that have provided a steady source of orders for quick printers for many years, but generally only when a customer comes in and says: “Can you do something like this for me?”

The opportunity now is to take samples of the kind of blank tickets, table tents, hangers, and tags you might order from a company like Blanks USA out on sales calls. Show the customer what formats are available, and explain how they can be purchased from you fully printed, or else partially printed or completely blank for use with their own laser printer. You might set up a test and run a sample through their laser printer, just to see if the stock stands up to the paper path. (My four year old HP LaserJet IIIIP with an S-shaped paper path doesn’t handle heavy stock or odd-sized stocks very well, but the newer models with straight paper paths very often can.)

Again, the selling question is: “Would a product like this have value for your company?” The answer won’t always be yes, but I’ll bet it will often include the statement: “I didn’t know that you—or I—could do that!” If nothing else, you will have demonstrated product knowledge and expertise that can only help you in that account.

Checks

Of all of the products you can sell to customers using laser printers, I think checks hold the greatest volume potential. Every business uses checks, and a growing number of the small to medium-sized businesses who are your typical customers generate their payroll and accounts payable checks from a computer using one of the common general accounting software packages such as Peachtree Software, DAC Easy, Great Plains Small Business Software, Quicken, and others. In fact, a growing number of quick printers operate the same way, using programs like these or else industry-specific products like PrintSmith, PrintLeader, and Printers Plan to handle accounting and estimating functions.

I've always been mystified by the typical quick printer's reluctance to get involved with checks, or any other computer forms product for that matter. Carbonless and single-sheet hand-written forms have been among the industry's staple products for many years, and quick printers with capable DTP departments wouldn't hesitate to take on the layout and design of a handwritten form. With computer forms, though, the fact that the "fill" areas are specified by the software has made any sort of involvement seem too risky to many printers.

Well, it might be risky if you were the one handling the "composition" of the forms, but you don't have to do that in order to sell computer checks and other forms. The forms manufacturers who specialize in "software compatible" forms already have all of the layouts in their DTP computers. All you need to know is what software package and version your customer is using! I recently spent some time at the main offices of Continuous Forms & Checks in Peachtree City, GA, and they have the designs of invoices, statements, and checks for hundreds of accounting software packages stored in their computers. They—and other quality forms manufacturers—will guarantee you that the forms they print will be perfectly compatible with your customers' software.

MICR Is The Kicker

"OK," you might say, "maybe there's not as much risk as I might have thought, but why wouldn't my customers output complete checks from blank paper on their laser printers? I know a lot of people produce their invoices and statements that way."

There are two reasons why your customers wouldn't want checks printed on plain paper, and one reason why they simply can't do it that way. The two "preference" issues concern color and safety features. The critical issue, though, is the MICR encoding which banks need in order to process checks efficiently.

MICR stands for Magnetic Ink Character Recognition. Just like on your own checks, the bank routing information for the issuing bank and the account number of the customer have to be printed at the bottom of the check with a special type of ink that can be read by magnetic scanners. Laser printers can't do that, so your customers have no choice but to buy preprinted checks.

The question then becomes who to buy them from. Mail-order catalogs get a lot of that business right now, but I believe very strongly that you could get a healthy share of those orders if you would only ask for them!

In fact, I believe it strongly enough that I'll devote next month's column to the art of selling computer checks. For today, I hope I've given you a few things to think about concerning the opportunities that your customers' laser printers provide.