

Reaction Time: Lessons Learned From Graph Expo And A Few Hard Weeks On The Seminar Trail

I'm writing this month from Seat 6F on United Flight 1114 from Chicago to Raleigh-Durham. I'm on my way home from having my mind blown at Graph Expo. This is the first time I've attended this particular trade show, which is by far the largest printing industry exhibition held in North America, and I can only imagine what Gutenberg or Ben Franklin would have thought of the size and shape of the printing industry today—or the vision of what it's going to look like in the very near future!

The future is digital, and of course, you didn't have to attend Graph Expo to know that. But it was interesting to be reminded that the present is still very much mechanical. Sprinkled in among all of the "digital solutions" providers were a significant number of dull, boring companies who sell supply items and replacement parts ranging from laminating film to cutter blades to reduction gears.

By the way, most of those people don't think of themselves as dull and boring. They know that they have a place in this industry, now and into the future. One of the cutter blade people told me that he won't bet that there won't be a Star Wars laser paper-cutting system out someday, but he's not going to lose any sleep over it happening during his working lifetime.

Sensory Overload

It wasn't so much the new technology that blew my mind at Graph Expo, it was the sensory overload. There may have been a hundred printing presses set up in the main exhibit hall. Heidelberg alone had 8 or 10 presses operating, ranging from a single-color Printmaster to a 10-color Speedmaster. Heidelberg also had their incredible new Nexpress on display. In addition to the presses, there were literally hundreds of copiers and digital printers, some fairly quiet ones like the large-format color ink-jet devices offered by HP, Epson, et al, and others like Heidelberg's Digimaster 9110 clacking away. (I know that the language we speak in the industry calls each copy a "click," but I think you have to agree that when a Digimaster or Docutech or Imagerunner is pumping out more than 100 copies every minute, the noise level goes well past "clicking" into "clacking.")

So with all of that clacking going on, and all of the other noise being produced by operating presses, folders, stitchers, etc., the mechanical noise level in the exhibit halls was pretty high. On top of that were the amplified voices of the "presenters" in many booths, and then on top of that was the noise generated by thousands of people trying to talk above all of the other noise!

What can I say. The whole thing blew my mind!

Dot-Com Dominance?

The dot-coms were very well represented at Graph Expo, just as they have been at every other recent printing industry event. I know that it's easy to worry that they're going to dominate the buying and selling of printing in the future, especially if you listen to what the dot-com people themselves have to say. Here's what I think though: 50% of the current batch of dot-coms will be out of business before they have any measurable effect on 50% of the quick/digital/small commercial printers currently in business.

Does that mean that you should ignore the power of the Internet as it relates to the purchase and sale of printing? Absolutely not! Quite the contrary, it means that you should react *now* to the threat of these new forces being applied to the selling process. The consensus of the experts—a category which includes both consultant-types like me and many hundreds of successful and profitable printers—is that a printing company does need an Internet presence, not so much to market to its prospects but to communicate with its customers.

Another element of consensus is that relationships trump technology in selling. The best way to defend against a competitor's efforts to use the Internet to take away your customers is to solidify the personal and professional relationships between your company and your people and the people who buy from you.

By the way, I think it would be a good idea to take another look at that last sentence, because it describes a highly critical *three-way* relationship: you as the owner of your company, your employees and your customers. Think of it this way, a website represents an interface between your company and your customers, and a well-designed website—meaning well-designed in both appearance and functionality—will do you much more good than a bad one. Your employees represent an even more basic and important interface between your company and your customers and prospects. Again, good ones—meaning well-managed, well-trained, and well-motivated—will do a lot more to facilitate your success than bad ones will.

On The Road Again

The fall is usually a busy time of year for a speaker/trainer/consultant-type like me. Most of the printing industry takes most of the summer off in terms of training and education. Several of the franchises have their annual conventions during the summer, and a number of the PIA Affiliates hold summer management conferences, but for the most part, the summer is a lean time for people like me. Fortunately, things usually pick up right after Labor Day, and this year, my business has picked up with a vengeance.

In the three weeks between Labor Day and Graph Expo, I presented seminars and/or made consulting visits in Bozeman MT, Philadelphia, Montreal, Washington DC and Chicago. Between Graph Expo and early December, I have speaking/consulting commitments in San Antonio, Las Vegas, Philadelphia (again), Asheville NC, Chicago (again), Charlotte, San Francisco, Los Angeles, San Diego, Phoenix, Denver, Colorado Springs, Salt Lake City, Chicago (again!), Minneapolis, Wichita and Atlanta. Business is good, but I have to admit that I'm getting tired of all the time away from home.

Of course, when you consider how little traveling I did last fall, you'd probably be justified in saying that such things tend to average out. By the time this column is published, it will have been 13 months since the infamous airplane crash. I'm pleased to be able to tell you that I've come most of the way back. I'm not playing basketball yet, although I do wander out on the court at the health club once or twice most weeks just to shoot the ball for 15 minutes or so. I find it's a good warm-up for the rest of my workout, and pretty good mental/emotional therapy as well. And while the vertical component of my jumpshot isn't anything to brag about, that might have as much to do with 49 birthdays as it does to last year's injuries!

The most significant stage of my recovery came about eight weeks ago, when my doctor told me that it would probably be OK to start running again. My first few attempts were pretty ugly, but I've built back up to the 30 minute run that used to be my normal workout, and while I'm not nearly as fast or as smooth as I used to be, it does feel great to get the legs moving at something approaching a running gait.

Lessons Learned

One of the pluses of my current level of business activity is that I'm talking to a lot of printers. That positions me very well to report back to you on some of the lessons your fellow quick/digital/small commercial printers have recently learned. Of the many conversations I've had before seminar presentations, during breaks, and afterwards, there are two that really stand out.

A printer from California told me that he "saw the light" about paying higher wages to attract and keep better people after hearing my comments on that subject at the PrintImage 2000 Conference in July. During the Sunday morning panel discussion on the future of the industry, the question of how much any printer could afford to pay a press operator was raised. The general consensus was that you'd have to pay more in the future than you had to in the past, but that there was a point (somewhere around \$20 per hour as I recall) where the cost of a good press operator simply got too high to allow profitability.

My feeling, as I said that day, is that this kind of thinking represents a fundamental misunderstanding of how business works. You don't pay your employees, I said, your customers do. Your labor cost should be factored into your pricing, just like paper, ink, and anything else that goes into a print job. If it costs more to attract and keep good people—and it does, and that situation will only get worse in the future—the only sensible strategy is for you to pay what it takes and pass that cost along to your customers.

Will that concept work in the marketplace? It certainly has for this particular printer. He spoke with several of his vendor salespeople and identified a "superstar" press operator who was working for a competitor. That salesperson helped him to open the lines of communication, and he ultimately offered the press operator a job at the rate of \$24 per hour, nearly \$10 more than this printer had paid his previous operators, and almost \$6 per hour more than the pressman had been making up to that point. To compensate for the additional labor cost, the printer's prices have risen by something on the order of 2.5%

Has he lost any customers because of that price increase? No. Has he gained anything? Absolutely! "This guy really is a superstar," he told me, "and my shop has never run better. My customers may be paying a little more, but they're getting more too. And not only have my profits not gone down, they're probably going up because of this guy's level of productivity."

Owner As Salesperson

The second conversation that really stood out was with a printer from Florida, who told me she has hired and lost 11 outside salespeople during the last two years. "I want someone out there selling for me," she told me, "but I just seem to have the worst luck finding someone to do the job. Finally, I decided to give it a try myself."

In talking more about her situation, it became quite apparent why all of her attempts at hiring a salesperson failed. Because she's a very small business (less than \$250,000 last year), she was unable to afford much in the

way of guaranteed wages, so she had hired all these people on straight commission with a \$100 per week draw. The results were pretty predictable. The longest any of her salespeople lasted was 7 weeks, and during that time he sold a total of \$440 worth of printing. (I can't help but be amazed that she could find 11 people who would agree to a job like that in the first place, but I guess there are parts of Florida that don't conform to our understanding of "normal.")

Anyway, this printshop owner became a salesperson, and while she has only been able to get out of the shop for an average of 2 hours per day, she has found that she's getting a lot more accomplished in those few hours than any of her salespeople did in 40-hour weeks. Her strategy has been to visit one customer every day, and then try to cold call two other companies on each of her "sales trips." She reports that several of the customers she has visited are buying more since they've been getting a little bit of personal attention, and her cold-calling and follow-up has resulted in several new customers—one of whom is averaging nearly \$4000 per month in purchases over the last 3-4 months.

"I came to your seminar," she said, "because I know that I'm not a very good salesperson. And then I heard you talking about having conversations, not making presentations, and I realized that I'd been doing a lot of things right, even without having any formal sales experience or sales training."

I'm a very strong believer in the idea of the owner as a salesperson, and this printer's story is a perfect example of how it can work. It doesn't have to be full time, and you don't need a lot of polish or formal presentation skills. All you really have to do is go out and have conversations with your customers, conversations in which you ask them about their printing needs, share any ideas you have for improving their printing, and educate them about whatever capabilities you have that they're not taking advantage of. In addition to these conversations with customers, have a few more each week with people who are not yet customers, and the chances are pretty good that some of them will be before too long.

"I'm still not always confident," this Florida printer told me, "but I'm not afraid anymore." I hope that story will stimulate some of you to give selling a try.