

Valuable Brokering InFoRMation

I can give you two very good reasons to learn to sell business forms. One comes from the market side, and the other comes from your own best interests. From the market side, literally every business uses some volume of business forms. And as a general rule, the smaller the business is, the less likely it is that they're getting the level of service they would really like from the existing forms establishment. I'm pretty confident that I can *guarantee* you that you have customers right now that fit into this category.

From your own interests, it's the most basic of business situations. There is money to be made in meeting this *legitimate, established market need*.

Today's topic is not really *selling* business forms, though, it's buying them. More specifically, today's topic is *brokering* business forms...choosing and dealing with sources for business forms products that you can sell, but can't produce yourself.

Finding Suppliers

How do you choose the best brokerage source for your forms orders? There are really two critical factors. The first is that the manufacturer be appropriate for the particular order. The second is simply that the manufacturer is someone you can work with.

Let's start with what makes a manufacturer appropriate. These are really pretty straightforward issues of equipment and capability. The first issue is purely mechanical. The manufacturer must have the right machines to produce a particular forms construction in a particular size, and with the amount of color that your customer requires.

The second issue may be more important from a sales point of view. The manufacturer also has to have equipment that's well suited to the *quantity* of your order.

I'm not going to dwell on the mechanical issues. You're going to find that most of the four hundred or so independent forms manufacturers that you can buy from are pretty well equipped, and pretty consistent in their capabilities. I'd say off the top of my hat that any of the typical forms plants is going to be able to produce something better than 75% of what you're likely to run into. When you find yourself involved in some of the more exotic forms constructions and features, like 15-part sets, forms/ label combinations, and cross-web gluing, you may have to hunt for a supplier. But there are plenty of resources at your disposal, from the manufacturers' press/ capability lists and customer service people, to a phone call to Helene's Hotline.

Quantity/Pricing Factors

As for quantity, the critical issue is this: if you go to a long run plant for short run work, you're going to get pricing that ranges from moderately to completely out of line. The same holds true for the reverse, quoting long run jobs at a short run plant.

A quick printer should already understand the relationship between "flat" charges and running charges in the price of a job. On long runs, the flat charges—pre-press and set-up—can be a pretty small part of the total cost. But on short runs, they can actually be the largest component of cost. The big press printers like to say that "it costs a couple of hundred dollars just to turn on the press". Maybe that's not such a big deal on a \$20,000 job, but quick printers and short run forms manufacturers know that the jobs they handle won't support that kind of thinking. They attack those costs with low overhead operations, and with equipment and procedures that are appropriate to small quantity production.

How do you know whether a particular forms manufacturer is a short run or long run operation? Unless they tell you differently, you can usually assume that a manufacturer is looking for medium-range work. That generally means quantities from about 5000 to 100,000 forms. Anything over 100,000 would be considered long run. And really, anything below 10,000 would be considered short run, with quantities of 1000 and below having their own category, called VSR (Very Short Run). The long run and short run/VSR specialists usually make it pretty clear in their advertising, or in their first conversations with you, what their focus is. In fact, many of the short run specialists have those words *short run* as part of their name.

Stock vs. Custom

There is one more issue to be raised about choosing appropriate manufacturers. I'd like to point out that VSR custom business forms are a fairly recent development. The forms industry's traditional approach to very small

quantity users was to develop stock formats which could be produced in large quantities and “personalized” in small batches by crash imprinting.

This tradition has extended into the computer age with “software-compatible” computer forms. If that’s what your customer wants, the most appropriate supplier would be one of the stock forms specialists...Ennis and DFS come immediately to mind. I want you to know, though, that modern VSR equipment allows your customers to get all of the added value of fully custom forms at prices quite competitive to these crash-imprinted stock forms.

Partnership

The second part of this equation is finding a group of manufacturers that you can work with. The relationship between broker and manufacturer has to be very much a partnership. You are the customer in this relationship, and you’re sure to have some ideas already on how you’d like these manufacturers to treat you. And if you want to know how to treat your manufacturers, all you have to do is think about how your own customers would treat you in your most pleasant, restful dreams.

Let me tell you what forms manufacturers know about quick printers. They know beyond any shadow of a doubt that you are positioned to be a huge force in the business forms market. The forms industry itself is highly mature, and it’s a little bit stagnant right now, largely because of the economy. The one segment of the market that’s pretty healthy and still growing is what used to be called the “low end”, which is exactly where quick printers operate. They don’t call it the “low end” anymore, by the way. They call it “the burgeoning small business market.” And the independent forms manufacturers complain that their traditional channel of distribution—the full-time independent forms distributor—isn’t working hard enough to get at that market.

Something Else

But let me tell you something else forms manufacturers know about quick printers. They know that you don’t know what the hell you’re doing when it comes to business forms. And as much as they want a channel of distribution to the small business market, many forms manufacturers have severe reservations about doing business with quick printers.

Many, but not all. I’ve seen some very progressive programs, in fact, from manufacturers who recognize that you’re unfamiliar with the specifics of business forms. Their programs are designed to help educate you. To my mind, this is the kind of manufacturer you can work with.

What you eventually want to accomplish is a relationship where you’re as important to the manufacturer as he is to you. And believe me, if you’re trusting your own customers’ business forms orders to a manufacturer, he is *very* important to you and your business.

How do you accomplish that? It’s more than just sending in a lot of orders. I think if a forms manufacturer were to read you the Golden Rules, they would go something like this:

1. Tell me everything I need to know. My experience will keep us both out of trouble if you give me timely and accurate information.
2. Don’t call me up for quotes on jobs that I’m not going to get my fair share of. I want to be your primary supplier for the category of work that I’m good at. I’m willing to be your back-up supplier if that still gives me a reasonable amount of volume. I’m not willing to be one of ten guys you call up for quotes, looking for the lowest price.
3. Try to learn about me while I’m learning about you. Learn how to organize before you call in for quotes. Learn what kind of copy we expect. Learn about our work flow and our normal delivery schedule. Try to fit in with the way we do business, and not be an exception to all of our rules.
4. Pay your bills on time.

Not that much different from what you want from your own customers, is it ?

Choosing Your Suppliers

I think Golden Rule #2 leads you towards an appropriate first step in choosing a group of forms suppliers. You need at least a primary and a back-up supplier for each category of forms work you’re likely to be involved in. Do you need more than a primary and a back-up in each category? I don’t think so. It will be hard enough to make yourself really important to two of them, let alone more.

How many suppliers will you need in total? I would say no more than five. I’d look for two good relationships with VSR/ short run suppliers, and two with medium run companies. And I’d work on a good strong relationship with a stock forms supplier. As a quick printer, I wouldn’t worry too much about long run jobs. Leave those highly competitive, low margin, headache-makers to the people who seem to need that aggravation. Besides, from where you sit, I would think that the \$5000-\$10,000 medium run orders that you *can* get would seem like good, long jobs.

I'd like to see you choose a group of suppliers immediately, even if you're not doing much forms business yet. Start your research with the advertisers in this magazine, by completing and sending in the reader service card. These manufacturers are interested in working with quick printers. Ask for their sales literature, which should consist of a press/capability list and other appropriate information. Talk to them on the telephone, and learn about their personality and philosophy. If you can arrange it, go and visit for a plant tour. And finally, talk with your associates and see what kind of experience they may have had with any of these companies.

When it comes to the point of actually making a first choice, go with the one you feel most comfortable with. Go with the feeling that you've found a company that you can work with and then build on that. Is quality important? Of course it is. But quality isn't exclusive to any one forms manufacturer. They're all good, and that's the truth. The sloppy quality forms guys all went out of business a long time ago.

Price Concerns

Is *price* important? Only insofar as you match each job by quantity to a manufacturer with the right kind of equipment. That will keep your pricing from being completely out of line. From that point on, sales effort and the factors of trust and confidence that I talk about all of the time are more important than price in determining if you're going to get the job. If you're convinced that you need lower prices to crack (or keep) a particular customer, talk with the manufacturer that *you've* been building trust and confidence with. See if you can work something out together—in partnership—because that's what successful brokering is all about.

Quick printers tell me all the time that brokering things out is just asking for trouble. I've heard plenty of individual horror stories that might lead you to believe that this is true. But the fact is, there are a lot of quick printers who have been very successful at brokering, and brokering business forms does not have to be any more risky than brokering business cards. There are any number of very good forms manufacturers who are interested *right now* in helping you make money. That sounds like a deal worth looking into to me.