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# Origin of the Print Species

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As third-generation, family-owned print and direct marketing specialists, Specialty Print Communications (SPC) has long focused on perfecting their craft as printers. However, in the past decade the print market began shifting, and sustaining year-over-year growth was becoming increasingly challenging. As the industry continued to evolve, SPC realized their successful past did little to ensure their future. They began to take a long, hard look at where things were headed for print, and more specifically for SPC.

It was no longer enough to simply deliver a quality product on time and on budget. Going forward, SPC would ultimately have to rethink its entire way of doing business—changing the structure, direction, and function of the company from top to bottom.

“Our decades of experience and track record of success were inconsequential,” said SPC’s executive vice president of marketing, Dustin LeFebvre. “Finding ourselves about to ride the tail of the dinosaur, we realized we needed to adapt in order to survive.” So SPC began the transition from commercial printer to full-service direct mail provider to direct marketing partner.

The print industry has long had the stigma of being a commodity-based business, evidenced by continually compressing margins due to a supply and demand imbalance. So, to provide value-added direct marketing services and strategic solutions that fit into the broader integrated marketing mix, SPC would need to expand its cross-media expertise and successfully evolve from a commodity-based business to knowledge-based direct marketing consultants. This Darwinian exercise meant a paradigm shift for the organization—from vendor to marketing partners, offering strategic solutions.

## Buckle Up

“When your company tagline is ‘Built to Respond’ chances are good you’ve spent a large portion of your career reacting to shifts and trends in the marketplace,” said LeFebvre.

About five years ago, SPC bought its first NexPress machine and naively assumed this great output device would simply sell itself. However, like many printers that rely on equipment for solutions, SPC did a poor job of leveraging the machine’s true capabilities and, more importantly, socializing knowledge across the organization. Consequently, SPC’s early transformation effort was a loss leader for the first year and a half. SPC continued to take stock of themselves and identified some immediate needs, from expertise gaps and facility improvements to a re-positioning of their brand.

Recognizing there were better ways to leverage equipment capabilities, they began to explore in-line expansion. Adding in-line capabilities enables printers to produce personalized, complex direct marketing materials which are high-impact and help lift response rates.

In what turned out to be a two-step process, SPC made significant investments in the purchase and expansion of its in-line equipment. First came some basic in-line imaging and finishing, but they soon realized these capabilities were insufficiently compelling. Through additional learning and experience SPC came to the conclusion they would need to add all the bells and whistles to really be able to exploit different creative formats: open- and closed-end mailers, scratch-offs, scratch-and-sniffs, and clean-release cards. This “build it and they will come” mentality had again, initially caused SPC to stumble, since, without taking the time to fully understand how best to use *and sell* the broader capabilities of the equipment, in-line proved to be a tough upstart.

So, while SPC recalibrated its efforts with the new equipment, it also started the process of updating its own identity and repositioned the brand to encompass direct mail. A year-long transformation resulted in a new logo, website, and award-winning marketing tool kit. The repositioning from printer to direct mail specialists was fairly natural as SPC was already providing lettershop services to its customers.

SPC used to contract services from a lot of different lettershops and it was chaotic to say the least. Vendor consolidation would help, but SPC really wanted a partner, someone they could learn and gain mailing knowledge from. One of the companies SPC partnered with was being run by industry mogul Truman Pope, with whom SPC would start a relationship that would lead to his joining SPC to steer the development of their own lettershop.

As SPC continued to look for ways to diversify, Batson Printing, another family-owned printing company located in Benton Harbor, Michigan, appeared on their radar. While buying a company in the book printing industry hardly seemed like the way to escape commoditization, it was a value purchase and SPC recognized the obvious synergies between the two companies. In late 2008 Batson Printing became an SPC Company. Batson remains locally managed, benefiting from the expertise and economies of scale which SPC provides, while also offering SPC customers additional products and services.

Back on the other side of Lake Michigan, with Pope’s expertise and assistance, SPC began to look for buildings that might suit their lettershop needs. The tumbling economy provided a silver lining for SPC as they took advantage of the buyers’ market with the purchase of a 73,000-square-foot building just up the street from their existing plant. They found a building whose floor plan mimicked their electrical needs, provided exceptional interior data security and storage space, and SPC was able to realize nearly \$300,000 in savings by working smarter when looking for space. And as other lettershops closed their doors, SPC prudently acquired state-of-the-art, barely used equipment for pennies on the dollar at industry auctions.

With all operations now in-house, SPC's lettershop is on track to hit fifth-year projections in its first full year of operation. The evolution from "printer" to "printer and direct mail specialist" was gaining real momentum. The expansion into lettershop strengthened SPC's direct mail acumen while helping them to realize that equipment alone didn't provide solutions; knowledge and expertise did. That was the real added value.

### The A Team

To truly be direct mail specialists, SPC knew it had to continue to build and import knowledge, and it did so by taking advantage of another byproduct of a down economy—talent surplus. SPC would occasionally fall victim to the industry trap of buying the sales hype, and, truthfully, not every hire worked out. But in time SPC also got smarter about its most important asset: its own people.

The team needed to be comfortable with technology, and able to utilize a cross-platform approach in everything they sell, so SPC redoubled its training and marketing efforts by producing more sales collateral material, bringing in knowledge-leader guest speakers, conducting product knowledge sessions with various suppliers, and attending different industry conferences and seminars.

Building on a growing foundation of knowledge, SPC soon added a devoted "loyalty marketing group" to its roster. This new group brought decades of experience in loyalty marketing and would eventually open doors to a number of Fortune 100 clients for SPC. The ability of this team to understand the lifetime value of the customer, coupled with their knowledge of data-driven marketing communications, placed them in strategy marketing sessions as vital consultants to end-user clients.

By working closely with a few longtime technology partners and software developers, SPC also developed its own proprietary, turnkey direct mail campaign tool called Monogram™. This new integrated marketing tool allows customers to easily create customized, data-driven materials, in print or digital form, from a secure portal to complement or supplant their broader campaign tactics. SPC was now blending its printing, direct mail, and loyalty expertise via Monogram™ to provide its customers with a way to engage their customers across multiple platforms and promote more meaningful two-way dialogue.

SPC's protracted analysis of new media also forced them to better understand data-driven communications and how to use them to leverage CRM dynamics. By profiling customers and better understanding their attitudes, behaviors, and preferences, SPC could help create more relevant, meaningful, and profitable marketing materials for clients.

"Best practices in database management, multi-channel integration, customer segmentation, and predictive modeling are simply smarter ways for our customers to build real relationships with their own customers. SPC can help them optimize their lifetime value through consultative engagement that yields smarter, more relevant communications," said LeFebvre.

### Green and Growing

In an industry already rife with accusations of "greenwashing," being triple certified (with the FSC, SFI, and PEFC) is now the *minimum*. So, while SPC continued its efforts to transform itself, it also began to explore its environmental offerings as another possible business advantage for its customers. SPC considered everything from facility improvement to enhanced list management as legitimate ways to eliminate waste, create efficiencies, and reduce its carbon footprint.

In 2009 SPC sought and was awarded certification with the Green Business Alliance (see end note). By implementing numerous green business practices throughout the organization, SPC soon began to realize significant savings. "If you're thinking long term, green investment is good for clients, good for the environment, and ultimately good for the bottom line," said LeFebvre. "Replacing the lighting fixtures alone will save us an estimated \$60,000 per year."

It took some time for SPC to find the balance between environmental stewardship and economic sensibility and SPC's recently formed Green Committee continually works to review and implement industry best practices.

### The Future

In two years of unprecedented transition and expansion, SPC has definitely experienced its share of growing pains. However, since opening its doors in 1996 as a \$600,000 company, through a reinvestment in its facility, equipment, and personnel, SPC has now evolved into a \$65 million company and provides an expanded host of service solutions to its clients.

While at times their relatively smaller size may have worked against them as David to many of the industry Goliaths, SPC found that being somewhat smaller provided an advantage in other ways, since they were able to react more nimbly and transition more efficiently.

Along the way there were definitely bumps in the road and LeFebvre stresses this type of headlong quest to reposition itself within the market is not for the faint of heart. "It hasn't all been easy, far from it," said LeFebvre. "The currents in the market are changing more rapidly than ever and we're not done, but we'll never really be done."

**End Note:** The Green Business Alliance is a for-profit national membership organization open to all types of businesses that helps companies "go green" via a self-certification program.

*Specialty Print Communications (SPC) is a national print and direct marketing company in Niles, Illinois, and offers a wide range of product and service-based solutions, from loyalty, web, sheetfed, and digital printing with in-line capabilities, to a customized Web-based communication campaign program called Monogram™.*