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## Pricing Study Launched MFSA's First Ever

MFSA is collecting pricing data from all of its mailing service provider members during the last part of February and the month of March, and will publish the association's first-ever pricing survey. The MFSA Pricing Study, according to MFSA management, will serve as a valuable reference document for finding the average prices charged by industry firms for the major mailing services available today. The data will be grouped by region and, to the fullest extent possible, by the Metropolitan Statistical Area (MSA) in which a company is found. If an MSA does not contain data from

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## Choosing the Correct Fulfillment Software for Your Business

By Tom Quinn  
MFSA, Director of Fulfillment Services

Many mailers and printers are expanding their service offering by adding fulfillment services. The addition of fulfillment services is a natural business extension for both of these service sectors and has the advantage of allowing those companies to differentiate themselves as solution providers for their existing and potential clients.

However, while the storage and shipment of materials that have been printed for a client appear to be simple tasks, many companies have found the transition to be very difficult. There are many reasons why this is a more difficult transition than originally expected, but one of the primary reasons is always the software system chosen as the fulfillment operating system (FOS). The following simple guidelines are provided for companies selecting their FOS.

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## How to Sell E-Messaging Services

By John E. Lehmann  
Director of Business Development, DirectConnectGroup

One of the first questions I'm always asked by sales professionals when I discuss selling e-messaging services is, why would I sell something that competes against our direct mail services? After all, our company's core business is direct mail and this will undercut our ability to sell our main product offering.

The purpose of this article is to address two critical issues relative to e-messaging. First, why the membership should sell e-messaging services and second, how to best sell these services. My overall goal is to open eyes to the power of these services and how they can complement your core product offerings.

### Why Sell E-Messaging Services?

Traditional direct mail and print companies are under siege. We have seen a dramatic decrease in the demand for our

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## MFSA Mid-Winter Executive Conference Fort Lauderdale, FL



MFSA chairman Charlie Klasek and wife Polly during the "Margaritaville Beach Party."



Former chairman Jim Pinkin and wife Lois anxiously await the Everglades boat tour.



Attendees of the Everglades boat tour proudly displayed their bandanas.

## How to Adapt Your Company and Sales Force to a Changing Direct Mail Marketplace

By Erik Weiss  
Federal Direct

Remember the direct mail business just four or five years ago? During industry expansion, it's good to be a salesperson: demand is high, making prospecting much easier. Potential clients may actually *want* to hear from you and retain your services. In a growing industry, new participants enter, but hopefully the industry grows faster than the influx of entrants. This creates a profitable business for almost all those who participate.

But, parties inevitably end. Once demand drops, there are too many companies to support the marketplace. Consolidation occurs and companies exit the industry. Eventually, the environment stabilizes and a 'mature' industry develops. Opportunities exist, but they can be more difficult to find unless companies adjust to the new landscape. This is where the direct mail and printing industry stands today. Although it appears to be on a modest upswing, it's still not an easy time to acquire new accounts.

And with larger companies continuing to gobble up smaller ones, those left standing need to make sure their customer service is superb. They cannot afford to lose good clients. But, customer attrition occurs in all businesses – a company always has to acquire new business to sustain itself. Of course it's harder to gain accounts when competitors are working diligently to retain their current ones. Corporate policies dictating that all jobs must receive 3-5 bids have put a strain on the collective bottom line. The industry can safely be classified as competitive.

Then, there's the numbers game. The logic goes – "If I call enough people, eventually I'll find someone interested in meeting with me. If I meet enough people, I will write more business." The logic is sound, but it can be painful and demoralizing to make the same calls over and over with only minor and periodic results. Clearly, some salespeople are better than others, but once an industry matures and services become commodities, most salespeople will have difficulty acquiring business – certainly through prospecting. Most will argue that referrals are much more effective. This is undoubtedly true, but very few salespeople can meet their sales goals through referrals alone. At some point, one needs to pick up the phone and cold call. The advent of voice mail makes cold calling all the more challenging.

How can a company provide their salespeople with the tools for them to successfully prospect?

**Differentiation.** This is a basic marketing concept that is still under used. If a company essentially offers the same service as a dozen other shops, it is destined to be a 'bid and hope'

business. This is not easy. Margins can decrease to the point where money would be better invested in Treasury notes than in keeping the company alive. As consolidation continues, such a company will find it increasingly difficult to retain accounts – making acquiring new ones an insurmountable challenge.

But differentiation for the sake of differentiation is not enough. A company must create a distinguishing feature that clearly adds value to the customer. In the printing / direct mail industry, companies need to build solutions to help customers decrease administrative workload, manage their relationships with their customers, and better reach their target audiences. Programs that can achieve these results should be relatively easy to sell at profitable margins. Once these kinds of programs are in place and presumably executed well, it is easier to retain accounts. However, creating valuable proprietary solutions is no easy task. It requires listening to customers, researching the marketplace, making necessary investments, dedicating resources, and at some point taking the plunge into un-charted territory. Finding this kind of service is a tremendous challenge for companies, but one that is imperative to remain competitive and sustainable.

Let's assume that Company ABC has created this kind of solution. Getting the sales staff to successfully sell it is another challenge. Although a value added sale should be easier than a commodity sale, not every salesperson can make the adjustment. We are creatures of habit and most salespeople need a 're-wiring' to effectively communicate the distinguishing feature. The prospects, pitch, and approach must all change.

Instead of selling to production and procurement managers, the new prospects are marketing personnel. Marketing staff are more interested in increasing sales, perhaps not always getting the best price for a service. If a company can offer them a solution that creates value for them at a reasonable price, they should face few objections and can expect to achieve nice margins. This is in stark contrast to purchasing buyers, whose job is to award work to the lowest bidder.

Approaching the prospect, 'the pitch,' also changes. It is no longer the 'We offer competitive prices and have these kind of lasers, ink jets, etc.' Instead, it's 'We have achieved these kind of results for other clients.' Marketing people are paid to find ways to grow sales. If a vendor has unique tools that can help them; it's their job to listen. Getting through the door should be significantly easier – as should be closing the deal. Salespeople need to tailor their communication for this audience. It's often best to keep quiet and listen. Marketing people have needs other than price. Once you get in the door, ask questions to better understand their business. Listen to their needs, and adjust your service to help them achieve superior results.

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## Member News

**Transcontinental Direct U.S.A.**, Philadelphia, PA, has entered into a national service agreement with **PSI Group, Inc.** Through the agreement, PSI Group, a Pitney Bowes company, will provide comprehensive nationwide commingling services to Transcontinental Direct clients.

*Ken Wartman* has been named chief executive officer of **Commercial Letter, Inc.**, St. Louis, MO. Previously, Wartman was the president of the company. *David Pocost* joined the company as the new president. Before this, he was executive vice president of technology and administration at Sparteck Corporation.

*Gary Halperin* has been named senior vice president for **Datadirect**, Atlanta, GA, and has been named to the company's corporate management advisory committee as well. He will be responsible for strategic management of client direct mail advertising programs and will manage his firm's marketing programs. Before joining the company in 2003, he was vice president of Grizzard Communications Group for over 20 years.

**GANCOM**, Highspire, PA, was recently recognized by StoraEnso in its annual "What Teams Can Do" Competition 2004-2005 for the firm's newly redesigned corporate brochure. StoraEnso is an integrated paper, packaging, and forest products company producing publication and fine papers, packaging boards, and wood products.

**OPEX Postal Technologies**, Moorestown, NJ, released RAF's Argosy Post™ Platinum v3.0 for installation on PTI transports. This latest release by OPEX Postal Technologies now provides PTI users the flexibility of running with a choice of primary OCR within the PureVISION® system. Either the

LM OCR or the RAF Argosy Post Platinum can be used as a primary and sole OCR or both can be combined for the highest read rates available in the industry today. If desired, additional readers can be added at a later date.

**Buhrs**, Minneapolis, MN, introduced two new technologies for wrapping mailings. By placing the seal on the side of the product, the Buhrs SideSeal technology is used for tight and attractive film wrapping of mailings. Buhrs SleeveWrap wraps mailings with less film by applying only a sleeve of film lengthwise on the product. Both technologies are available in combination with BuhrsWrap technology.

**Transcontinental Direct** has added two members to its management team: *Craig Dempsey* as director of industrial engineering, and *Robert Rosser*, as director of integrated solutions development. Following eight years at Merck & Co., Dempsey was director of operations and process improvement for a leading commingling and mail logistics company. Rosser has held senior-level management positions at Bell & Howell Company, Pitney Bowes, Inc., and Electrocom Mail Systems. He brings a specialization in sorting, imaging, inserting and mailing information systems.

**EU Services**, Rockville, MD, installed a Xerox DocuColor iGen3 digital production press. This is the first digital press installed at the company. It will allow customers to take advantage of the latest mail piece personalization technologies.

**Melissa Data**, Rancho Santa Margarita, CA, has formed a partnership with Intelligent Direct, a producer of custom business maps. Under the agreement, Melissa Data will offer Intelligent Direct's line of map products under the name MelissaMAPS.

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The direct mail and printing services is no longer just a numbers game. It requires a more targeted approach; isolating industries and companies that could benefit from your services. Salespeople should view themselves as consultants to their clients. Instead of making countless phone calls to bid on commodity-like services, they need to target sectors, tout new, differentiated solutions, ask questions, and offer proposals to help companies reach their customers. As companies bring in accounts, they not only acquire new business – they also gain expertise and credibility. Those companies that can make this transition and transform their sales staff should grow and thrive despite the increasingly competitive landscape.

**Strategic  
Marketing  
Works  
(p/u Feb '05)**