



Fast-Track Firms : Shrink-Free Print Growth

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December 2013

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The economic recovery has been a slow one for U.S. manufacturing in general and even more lethargic for the printing world, so one has to wonder whether the predictions of a "new normal" taking hold are true.

The industry continues to shrink, as evidenced by a brisk 2013 transaction season, capped by the jaw-dropping pickup of Consolidated Graphics by RR Donnelley. And while it was by far and away the biggest deal in '13, a glimpse at the *PI* 400 can provide further evidence of a shrinking market.

Ah, but when one press shuts off, another starts humming. We have three shining examples of printing companies that have posted significant growth year-over-year, using M&A, as well as new equipment, added staff and ancillary offerings to shake free of the new normal and create their own business reality. One unifying element among the trio: they're not afraid of making substantial changes, as long as there's a viable path toward profitability.

Photos



Directmail.com has added document read and print machines for its mail shop, along with three new inkjet printing devices.

DirectMail.com

Prince Frederick, MD

Most Recent Fiscal Year Sales: \$34.20 million

Previous Fiscal Year Sales: \$24.00 million

Change: 43 percent

It's not often that you see a company led by second-generation partners who are not related, but Kurt Swain and partner Robert Salta aren't operating your run-of-the-mill printing operation. The firm once was an agency and a list company...and two printing shops and a mail house. The 43-year-old firm may not be typical, but it has evolved and thrived, in part, due to a name change that proved its owners to be prescient marketers.

The company took on the name DM Group in the mid-1980s, providing customers with a single billing point

for their printing, data processing, mailing, etc., needs. The firm realized resulting economies of scale, which helped it grow, according to Swain. In 1994, with the Internet still in its nascency stage, the company decided to acquire the URL directmail.com. Five years ago, DM Group became DirectMail.com.

"That was uncharacteristically far-sighted of us to get that URL," Swain notes. "Our Website attracts quite a bit of traffic. We're ranked No. 1 for a lot of (Google) search terms that people look for when they want to do direct mail. Our sales staff has been fortunate in that oftentimes the leads come in, and the customers are ready to buy what we're selling. Because of the name/Website and natural search ranking that we have, it just continuously grows."

Another key that's led to impressive growth for DirectMail.com is the addition of Mike Savage, who helped firms such as Snyder Communications (led by Washington Redskins owner Dan Snyder) and Merkle. Swain calls Savage a "rainmaker" who has already positively altered the future course for DirectMail.com.

"We're focused on big data; we have several really large national databases," he says. "We do a lot of analytics and data mining. We can overlay files and tell you what your customers look like and where you can find more. Mike is definitely a big part of the secret sauce. He's identified other folks with whom he's worked who are really good, and we've since added them to our staff."

DirectMail.com now seeks to connect the mid-market with data solutions, a niche Swain believes is ripe with opportunities. The company's refusal to rest solely on its fortuitous domain name is making it relevant while spreading its reputation.

The firm has added document read and print machines for its mail shop, along with three new inkjet printing devices. Long-term, DirectMail.com may be able to justify adding high-speed production inkjet web capabilities, according to Swain.

"It used to be, we'd go in and make the pitch, and maybe we'd be lucky enough to get an RFP and slug it out," Swain adds. "Now, the first time we make contact with a prospect—if we're the ones to reach out—they'll say, 'Oh, I've heard of you guys.' The planets kind of aligned for us."

Ripon Printers

Ripon, WI

Most Recent Fiscal Year Sales: \$52.30 million

Previous Fiscal Year Sales: \$37.40 million

Change: 40 percent

Debuting as a community newspaper publisher in 1962, Ripon Printers has certainly come a long way from its 13-employee humble beginnings. The printer currently serves small- to mid-sized catalog marketers and publishers, manufacturing direct mail, catalogs and directories, along with manuals and soft-cover educational products. With 340 employees, Ripon Printers offers up the latest technologies across the manufacturing spectrum, including premedia, fulfillment and distribution.

"Linking the company's capabilities together is an obsessive devotion to customer service that places client satisfaction above any other business goals," notes Ripon President Andy Lyke.

During 2013, Ripon Printers was able to reap the benefits from its 2012 acquisition of Sells Printing. The deal enabled Ripon to add a dozen new outside sales representatives, each bringing established regional customers with them. The addition of digital printing capacity also enabled the printer to further penetrate the short-run, variable data market, bolstered by the expansion of services (personalized URLs, digital storefronts, augmented reality and digital editions) offered through its Traxion division.

"Our award-winning marketing program continued to effectively develop leads and build the brand, as well," Lyke notes. "The program's emphasis on customer education, from Webinars to user groups, has been very successful. We now also have two customer education specialists, one of whom is an Adobe Certified Instructor."

Some hardware came along in the Sells Printing deal, led by two Xerox iGen4 color digital presses and a 10-color Heidelberg Speedmaster SM 102 equipped with a CutStar roll sheeter. Also, Ripon has obtained a Sitma 950 polybagger and paper wrapper, which enables unique paper-based configurations that can be printed in full-color.

Lyke is confident that the recent addition of two Indianapolis-area sales reps will help augment the company's goal of positioning itself as having more to offer customers than just printing.

"We're expanding into new and exciting print-related techniques—from augmented reality to XMPie ulmage, which embeds text within images and images within images," he says. "We are continuing to invest in our marketing program and working hard to embrace the communications revolution, ensuring that we provide the right blend of integrated multi-channel services to our customers."

Concord Litho Group

Concord, NH

Most Recent Fiscal Year Sales: \$50.31 million

Previous Fiscal Year Sales: \$44.70 million

Change: 13 percent

A producer of direct mail packages and components for both commercial and non-profit markets, Concord Litho was founded in 1958 by Forest Cook. The company debuted as a large sheetfed greeting card printer and has evolved into a firm that integrates strategic direction, product creation, manufacturing and mailing. A national provider, the New Hampshire firm added a Baltimore office in 2011 in support of its growing non-profit sector business.

"A few years back, we saw that print production was becoming more of a commodity and that it was important to broaden our offerings beyond print," notes Tom Cook, president of Concord Litho Group. "In the course of a few years, we added the capabilities necessary to go from a direct mail component printer to an actual direct mail package producer.

"We've added forms printing, imaging, lettershop services and, recently, commingling services. This enabled us to create new relationships we didn't have and to further build relationships we already had, resulting in a decent amount of sales growth."

In the past few years, Concord Litho has added forms printing capabilities in support of its non-profit clients. One of the more significant acquisitions was an eight-color Didde Glaser VIP UV forms press with roll-to-roll or sheet deliveries and variable cutoff capabilities. Since the company already had the infrastructure in place to support its existing sheetfed, half-web and full-web equipment, adding forms "was not a reach for us," he says.

Cook believes it's important to have a talented sales staff with a good product to sell, backed by a strong production team and development group that understands the market and has the ability to put more successful direct mail products into the marketplace.

"Concord Litho will continue its effort to build its sales team in both the commercial and non-profit markets,

while continuing to strengthen our manufacturing operation to take on the challenges and opportunities that lay ahead," Cook concludes. *PI*

COMPANIES MENTIONED:

- ▶ Concord Litho Group
- ▶ RR Donnelley
- ▶ XMPie
- ▶ Consolidated Graphics
- ▶ Ripon Printers
- ▶ Xerox Corp.
- ▶ Heidelberg
- ▶ Sells Printing