

CASE STUDY: PIP Printing—Springfield — Positioned for Growth

Company

PIP Printing & Document Services,
Springfield, Virginia

Profile

Purchased by Ernie Lederer in late 2005, this PIP franchise location has been in business for over 20 years and currently has 10 employees.

Challenge

Lederer had been using a broker to outsource four-color work for existing customers who appreciated the one-stop shopping convenience. But new customers didn't want to pay the mark-up resulting from Lederer's use of a wholesaler. Consequently, he began looking for a cost-effective solution that would allow him to produce this work in-house.

Solution

A Presstek 34DI press

Results

- Attracted a substantial amount of work from new clients and eliminated the need for additional marketing efforts due to increased awareness generated by the DI press
- Experienced a rapid start-up, even without previous four-color printing expertise
- A workload to run the DI press full-time, five days a week, within the first six months
- Reduced the amount of work produced on toner-based digital printing devices, saving money on click charges
- Exceeded revenue expectations

Winning the Competition for New Customers with Presstek DI®

Erne Lederer had spent his career in telecommunications in 'Corporate America' and was ready for a change. He looked at various business opportunities and decided to acquire an existing PIP Printing & Document Services franchise located in Springfield, Virginia. He says: "In acquiring this business, I only had—and still have—one goal: to win the game. Winning the game, in my mind, was growing profits and revenues and building on what was already a successful situation." A Presstek DI press is now a major component of Lederer's winning game plan.

Lederer counts many associations, religious organizations, consulting companies and federal government contractors among his customers.

He says, "There is very little manufacturing here in the Washington, D.C. area, and not a lot of corporate presence, marketing or advertising."

As Lederer got further into the business, he began to see an opportunity to change the way he dealt with customer demand for four-color printing. "At the outset," he comments, "we were brokering out the occasional four-color job for long-standing customers who did a lot of other work with us, and the wholesaler did a very good job for us."

According to Lederer, when a long-term customer had a need for four-color that could not be handled on the firm's digital copier, using the wholesaler worked well because the customer appreciated the single-source convenience.

"But the situation wasn't as simple with new customers," reports Lederer.

In Need of a Four-color Solution

When he responded to requests for four-color printing from new customers, Lederer found his prices were not competitive, and as a result, he didn't secure the work. "We were bidding on some big jobs, but with our outsourcing process, we were not getting them," he says. "It was really cramping our style,

The PIP franchise in Springfield, VA, is located about ten miles southeast of Washington, DC. While associations, religious organizations and government contractors comprise a large part of the its client base, a Presstek DI press has positioned the franchise for new business in a broader market.



Case Study:
PIP Printing—Springfield—Meeting Every Challenge
Continued

and I knew I needed to do something about it. We were usually off by about the amount we had to mark up the work coming from the wholesaler, and that situation was not going to help me win the game. I had a lot of corporate contacts, and I was looking to gain new business, but unless I could be competitive, I wasn't going to get that business."

Lederer points out that coming from outside the industry, he had limited understanding of the range of technologies used in the printing industry and was unaware that his operation might be technologically challenged. But even with his limited experience, he did understand that there was a growing need for high-quality, short-run, four-color printing, and meeting that need profitably would be the key to his future success. So he turned to his franchisor for advice about how best to bring that work in-house.

"Initially, I was warned against investing in an offset press of any type because it could not produce variable data," he says. "As I analyzed my market, my opinion was that variable data was cool and that it must have some application, and I was sure it would grow over time. But as a business owner, you need to consider who your clients are and invest to meet the needs that they have. If I were a printer that had a lot of direct marketing clients or companies that did a lot of printing that required variable data, it would be more attractive. But that simply wasn't the case with my business."

Presstek DI: The Right Solution

Nonetheless, Lederer investigated all of his options, including the possibility of acquiring a toner-based digital press. That is when he learned about the Presstek DI press. "It was very interesting to me," he says, "because it is designed to be a more cost-effective way to produce short-run, four-color than a toner-based digital press and was much less complicated to operate than a conventional offset press."

Once Lederer made the decision to acquire a Presstek DI press, the purchasing and installation process went very smoothly. "Presstek did a good job understanding that there needed to be give and take during negotiations and installation, and they figured out ways to meet me on the 50-yard line. Their follow-up was good, and we have been very pleased with the relationship."

Lederer adds: "I also have the utmost respect for our Presstek sales professional. She is in our corner and always there for us. Periodically you need help in one way or another, and she does a great job liaising with Presstek and other resources to get problems solved. That is one of the things that attracted us to Presstek in the first place. I trusted her, and that

trust has been borne out. When I compare other sales people to her, they fall short."

The Presstek DI's simplicity of operation was also important to Lederer since neither he nor his staff had previous experience operating a four-color press. As it turned out, learning to operate the press was easy as well, and Lederer was immediately keeping the press busy at least two days a week, with far more work to come in a short time.

Winning New Business

"Within the first four months or so," he adds, "we had the DI press running full-time, five days a week, attracting a significant amount of new business with very little marketing effort, simply

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by virtue of having the technology and being able to competitively produce such high quality printing. The installation of the Presstek DI press was, for us, operationally easy and revenue positive. The revenue it is generating has exceeded my expectations."

In fact, Lederer says the DI press has met or exceeded his expectations in every respect and that there have been no unexpected surprises. "One expectation we met," he points out, "is that the click count on our digital copier has gone down, and the DI press made that happen. A significant amount of work we used to produce on the copier can now be printed more cost-effectively with the DI press."

Looking back on the decision process, Lederer remarks: "I did look at a high-end digital toner-based press per my franchisor's recommendation, but to be honest, I didn't understand what the attraction was. It was more expensive. Even had it been the same price as the DI, or even less expensive, I still would have gone with the DI press. I recognized that DI was a much better fit for my market, and that has been validated." ■

**Presstek 34DI
Direct Imaging press**



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