

GROWTHREPORT

An exclusive publication for our Business Forms Distributors

CELEBRATING 50 YEARS OF MANUFACTURING PAPER SOLUTIONS

GROW • Advantage • Possibilities

INDUSTRY INSIGHTS

Efficiencies • Capability • Savings

Diversification Key to Growth in Shrinking Market

Electronic alternatives, an emphasis on paper reduction and the overall economy in general has wreaked havoc on the business forms industry on all fronts. Add a recession to the mix, and one would think it is just a matter of waiting out the storm. However, document distributors are finding that while demand for traditional business forms is shrinking, other opportunities are helping companies realize significant growth in spite of the recession. The ultimate value-added outcome is the ability to serve customers on many levels, solidifying preference over competitors and enhancing long-term relations.

In interviews conducted with some of our distributors, ad specialty / promotional apparel, digital short run / large format, data management / mass customization, labels / bar coding and market segment shifts have contributed positively to bottom-line growth.

Promotional Apparel & Ad Specialty: According to the Advertising Specialty Institute (ASI), the advertising specialty industry has grown into a nearly \$20 billion industry with good reason. It works. Research released in late 2009 confirmed that advertising specialties beat out all other forms of TV, radio and print advertising as the most cost-effective advertising medium available. According to John Rutledge of Piedmont Graphics in North Carolina, the ad specialty portion of his business has realized a 20 percent growth. Everything from Hub pens and recyclable, biodegradable lunch bags and wine carriers to silk screened and embroidered apparel has continued to grow in both demand and appeal for branding awareness and promotional give-away value.

Digital Short Runs & Large Format: Piedmont Graphics can also attribute demand for digital short run orders and larger format printing as an area of growth for the company. Rutledge confirmed it to be its largest growth sector in 2010 representing 17 percent of the company's business, doubling in a 12-month period compared to 2009. "We literally could not keep up with the demand," said Rutledge, "resulting in adding equipment and shifting resources to meet the needs of our customers for posters, banners and other quick-turnaround, on-demand printing."

Data Management & Mass Customization: Shifting from being a products supplier to a solutions provider has opened up a realm of opportunity for Southern Imaging Group (SI Solutions) with multiple locations in North and South Carolina. According to Robbie Fuller of SI Solutions, the key for them has been in selling process improvements to help customers run more efficiently. "In most cases when a company is using a forms product, the cost associated with the overall process in which the product is being used within the company is 90 percent labor and administration and only 10 percent the actual cost of the forms product," stated Fuller. An example shared was in relation to how a financial services customer was preparing and processing tax forms including 1099 forms. Through leveraging technology, the forms were able to be created efficiently with data feeds and then converted to PDFs for electronic access and archiving saving substantial time and resources. Instead of viewing technology as an enemy shrinking the business forms market, SI Solutions has embraced it by offering data processing solutions like the aforementioned example as well as multichannel marketing program support, variable data imprinting for mass customization of printed materials and the list goes on.

Diversification Key to Growth continued on Page 3