



**Digital Enhancement Advantages:
Great Way to Optimize Print and
Grow Overall Profits**



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EXECUTIVE SUMMARY

The special effects that can be achieved with a digital enhancement press breathes new excitement into print media, and moves the printer and buyer away from a conversation centered around price, and toward one centered around unique capabilities and processes.

Printers and finishers who are looking to create more profitable business streams, enter new markets, and create more successful campaigns will all benefit from the information found in this white paper. We will examine how two different printers have transformed their business using Scodix enhancement presses.

THE BENNETT GRAPHICS STORY

Bennett Graphics is a 50-year-old business that is still family-owned today. Today it has around 60 employees, with a focus on making sure the customer is always happy. They have invested heavily in great technology, but they have also taken the time to ensure their capabilities are easy for their end-users to understand and use.

The result is that Bennett Graphics is one of the nation's most awarded printing companies, with an average of three awards every 10 working days for the past 15 years. They win in categories across the board, including offset, digital, wide-format, packaging, and finishing; their goal is to be a leading provider of any market segment they invest in.

"If we decide to invest in it, we insist on being leaders at whatever it is," said Bill Gillespie, VP of Sales, Bennett Graphics.

Their primary printing equipment is two 40-inch offset presses from Heidelberg, an HP FB700 flatbed UV press; HP Indigo 12000, 7800, and 6800 presses; and two HP Latex machines. Their client list includes brands in the luxury automotive space, international entertainment, professional and college sports teams, non-profit organizations, private schools and universities, and a wide range of creative campaigns that come in from various segments.

Calling themselves "idea incubators," they print a range of projects, including fundraising materials, wall graphics, event signage, sports programs, CPG labels and cartons, dimensional (POP) graphics, product sales kits, and business pitch documents, to name a few.

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Bennett Graphics received the First Place award in the 2017 Scodix Design Awards in the Self Promotion Print category for their SenseAtional Tool Kit.

When it comes to enhancements, however, they found such value in it, they built an entire business segment around it, calling it SenseAtional. This makes up a series of enhancements they offer on any printed page, including spot UV, raised UV, foil stamping, spot polymer on top of foil, and more. They also include their range of print over foils under this brand, with the ability to print PMS metallic and PMS foils digitally. In fact, all of their SenseAtional offerings are applied digitally, which allows all of them to be variable as well.

One thing to note: Bennett Graphics understands that this type of print enhancement can be difficult for a print buyer or creative designer to visualize, so they created a tool kit demonstrating the wide range of effects they offer. They promoted it ahead of time, and had more than 700 reserved before they printed a single copy. Today, that tool kit has been sent out to potential customers around the world.

THE VISIONS INC. STORY

Located in Minneapolis, MN, Visions Inc. distributes products across the United States and Canada. They serve a wide range of industries, including healthcare, gaming & hospitality, consumer foods, retail, non-profit, government, manufacturing, utilities, and financial services. Their client list includes big names like Best Buy, Target, Wells Fargo, US Bank, Nestle, General Mills, UnitedHealth Group, and BlueCross BlueShield.

Much of their customer list is protected, because the customers themselves are highly protective of their own lists. To protect both themselves and those customers, Visions Inc. has developed a Code of Conduct around protecting trade secrets, and has made it a point of pride that any information they are entrusted with, they can guarantee they will keep it confidential.

“One of the most important things we can offer our customers is the ability to protect their information,” said Jon Otto, President and CEO, Visions Inc. “If you came to our facility, you would actually have to be escorted everywhere you go, and you would have to have a keycard to get into specific areas. There are some areas even I can’t get in to, that’s how secure our facility is.”

The equipment list at Visions Inc. is a long one, that spans the entire spectrum of print technologies. Some of the highlights include 4 offset presses — two from Mitsubishi, and one each from Heidelberg and Ryobi; three digital presses, including a Xerox iGen 3 with Duplo Inline Stitcher, Xerox Nuvera 14EA, and HP Indigo 12000; two large-format machines — an HP Scitex flatbed printer, and an Epson Sure Color; and the enhancement press, the Scodix Ultra. On the finishing side, they have a wide range of cutters, folders, binders, die-cutters, mailing, and fulfillment machines, among others.

MAKING THE CHOICE

When it comes to making the decision to go with an enhancement press, these two shops illustrate that there isn't one right answer, or one specific situation that will equal a must-invest tipping point for a shop. For Vision Inc., they saw the Scodix press capabilities, and the tactile experience it could provide, and it drew him in to take a closer look. Today's print buyers just expect high quality work — being able to produce stunning print is no longer a differentiator in the market. But not everyone has the ability to offer these added services. Vision Inc. knew immediately that these capabilities were something that their customer base would latch on to — they already had a client list with customers who are always looking for new ways to stand out from the crowd, and who are willing to push the limit when it comes to their printed pieces.



Visions' Extra Sensory Print — powered by Scodix technology — allows Visions to transform their clients' marketing materials into a more intimate experience by infusing the sense of touch into every printed piece.

“The cutting-edge technology is kind of a secondary piece. When I saw what it could do, that this is a digital machine that can actually lay down foil, that can lay down textures; the tactile experience is what drew me in,” noted Otto. “When I saw what this could do, I knew I had to learn more about it. It was kind of a no-brainer for us because our customers that we have, I knew they would latch on to it immediately. It wasn't something I was going to have to buy and then build a market for,” said Otto.

On the other hand, Bennett Graphics took a different approach. They didn't have a built-in customer base they knew would embrace it. They had a few key customers they were able to win by investing in the machine, but for the most part they had to build the business from the ground up. That said, they are seeing the same benefits as Vision Inc. — having an enhancement press sets them apart from their competitors. It has gotten their sales force excited about selling print, which has made building this market far easier than they expected.

“I would have been one of the guys saying let's not burden our company with another machine to feed, and I would have been wrong,” noted Gillespie. “I would have made a big mistake. What I have learned is that we had a couple of customers we were on the bubble with, and we were looking at the technology simultaneously. We took some of the customer files and experimented with Scodix and it was all received very well. It was very successful, and one thing led to another and we made a purchase.”

TARGETING THE RIGHT VERTICALS

Having an enhancement press has opened quite a few doors in verticals such as automotive, entertainment, and retail. Being a high-quality print provider might get a shop in the door, but for many of the leading brands, it won't get them to the main table so to speak. Having an enhancement press, and being able to offer unique and innovative pieces that no one else can match, will change that. This type of print buyer knows everything they can about their

audience, and they often have high value clientele who spend large sums with them over the course of the year. These brands are willing to invest in marketing materials that will catch their attention and will feel as luxurious and expensive as the rest of the experience they provide.

But even these well-known brands don't always know how to take the best advantage of the technology a print provider might offer with their enhancement press. This is where education comes in. Both shops noted that they work closely with their customers to ensure every campaign makes the best use out of their press, and is designed to get the biggest impact. They have even gone so far as to set up design schools, where they can teach their customers more about the enhancement press and how to create pieces that use all of its capabilities.

And the result has been not only pieces that are winning awards across the board, but pieces that end-users are noticing. Many of the brands are starting to report, in fact, that they are having customers come through their doors talking about the campaigns. Even better, they don't want to throw those pieces away, meaning the piece — along with the message and the brand — are staying at the top of mind for these recipients far longer than a standard postcard would have provided.

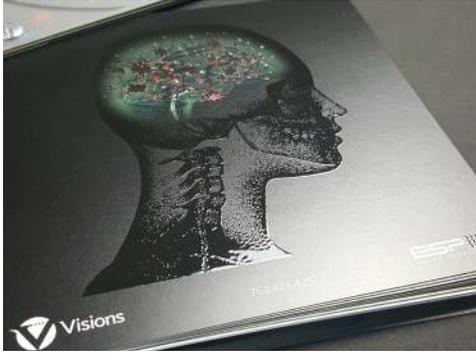
GETTING IN THE DOOR

One of the benefits of having an enhancement press is the ability to bypass the traditional print buyer, and get in front of the decision makers themselves — the CMOs, the brand managers, the people who are ultimately controlling the creative direction of the entire brand, and not just the ones who are looking to fulfill already-created pieces for the lowest possible price.

But to get there, sometimes it takes getting in the door first. Beautiful and unusual pieces get passed around, no matter what company it is, or what they produce. If a shop can produce something that stands out, and get it to someone who works in a company or brand they are targeting, they have a much higher probability of successfully reaching the decision makers with something that has been enhanced with textures, finishes, and other features.

Getting samples into the hands of both current customers and prospects is the single best way to sell this capability. Sometimes, in fact, if you get the right samples into the hands of the right person, they'll call the shop, rather than having to chase them. In some cases, both shops suggest taking the graphics a brand has already produced and enhancing them, showing just how much of a difference it can make. That is an effective way to start a conversation.

In fact, noted Otto, sometimes the presentation can work almost too well. He recounted that while they were showcasing the technology and capabilities to their current and potential customers, one went so far as to request an exclusive arrangement. "When she saw this, and saw what this can do, she asked me what it would cost for me not to provide this service [to her two biggest competitors]," said Otto. "That's how much of a difference-maker she thought this would be."



GETTING TECHNICAL

When it comes to run lengths, both shops agreed it can be all over the place, from very short runs, to very long ones that can a week or more to complete. Given that there are no dies to produce, and very little spoilage — often the sheets are right on the first sheet, or very quickly thereafter — means that no matter what run length a job requires, a shop can be profitable.

Digital press enhancements are the next level of printing. They allow a shop to take an already high-quality and eye-catching piece, and turn it into something that end-users won't want to put down.

“A good sweet spot is your short run, high value digital work. I would say things we target are 5,000 or less,” noted Otto. “You can really provide a lot of value there to your customer by enhancing it. There seems to be a really nice area within that range that your margins get bigger.” He noted that the costs of materials for enhancements is fixed – it’s the same for the 10,000th piece as it is for the first. Shops have to find the sweet

spot where they don't price themselves out of the market.

The key is to quote budgets, at first, rather than a set contract price. Often, the brand might not know exactly what they want to produce, and will be relying on the expertise of the shop to help them develop the final product. Agreeing on a range up front, so the shop is aware of what they can and can't offer, and then presenting the final price once the project is agreed upon, is a much more fair way to go about pricing this type of work. **Also, both Bennett Graphics and Visions Inc. noted that with press enhancement work, there is a happy medium, where the shop can and should quote prices that allow them to make money on the job, but because of the savings that customers are getting by using a digital process, they can often get better quality than they could have afforded otherwise — or perhaps opening up enhancements in the first place, where they might not have been able to afford them at all with previous technologies.**

One trick they highlighted: variable content. The Scodix press can do variable enhancements, good to run the variable content on a regular CMYK digital press, and then use the enhancement press to just highlight those variable elements, so it looks like it is variable enhancements. This is, they both noted, an exciting time to be a printer, where creativity is the only limit when it comes to producing these pieces.

“With the large format [digital press] and the Scodix, you really can do some sexy stuff for your market that a lot of people can't do,” said Gillespie. “It's a great time in print if we think about it right. We're in a position to say 'yes' to customers rather than try to drive them down lanes. We can say yes to their ideas and their imagination.”

Another point to consider is that both shops noted that very little comes off the Scodix that doesn't need to be die-cut or further finished. So shops need to take that into account when they are pricing out the initial quotes, as well as how they are moving the materials through the shop. Visions Inc. said they have found the average coverage on any given sheet to be only about 7% on the enhancement press, so there is still a lot of each piece that stands alone. And

die-cutting and other finishing techniques are used to further complete the piece — this isn't about just laying down a coating and being done, it really is a process that requires thinking about the entire piece from beginning to end, all before a single drop of ink is ever laid down.

CONCLUSION

Digital press enhancements are the next level of printing. They allow a shop to take an already high-quality and eye-catching piece, and turn it into something that end-users won't want to put down. For shops, that means pitching projects and quoting jobs on capabilities and on the strength of being able to provide unique services that no one else can match, as opposed to being forced to compete on price alone.

There is a large number of print buyers and brands who have not yet been exposed to what a digital enhancement press is capable of. This means that most print shops will benefit from this investment — just like with digital presses, it is only a matter of time before someone in every market is offering these new capabilities, and those who are first will have a large advantage that will be difficult to match.

It isn't just about the enhancement press itself, either. If positioned correctly, the Scodix Ultra press will drive sales to every other piece of equipment in the business. It drives volume, which has to be produced, finished, and mailed. A Scodix Ultra digital enhancement press allows the shop to add tremendous value across the entire operation.

“Don't go in and think you're going to sell this as if it's going to cut costs for someone. This is so unique in the market, that people - especially in the luxury line of businesses - they pay for this. They will pay for this, and they will pay a premium for it,” stressed Otto, “if you get the right people involved and you show them what it can do for them.”

At the end of the day, it's all about knowing your market. This is a premium offering, and not something the shop should sell as a way for a customer to cut costs. It is a high-quality, high-value service and it should be positioned that way.

ABOUT THE WEBINAR SPEAKERS

BILL GILLESPIE

Bill Gillespie has been in the printing business for 41 years, and has been in sales and marketing since 1978. He was formerly the COO of National Color Graphics, an internationally recognized commercial printer. He assumed the role of VP Sales at Bennett Graphics in July of 2013. He is an expert in printing sales, having written more than \$100,000,000 in personal business during his career.

JON OTTO

Jon Otto is an entrepreneur, innovator, and mentor specializing in the creation of direct and integrated marketing solutions. His professional career began in 1980 at Carlson Marketing Communications. There, he established his marketing foundation, creative approach, and

strong customer service philosophy. In 1985, the entrepreneurial spirit motivated him to launch Visions Design Studio, a boutique studio specializing in graphic design and animation services. In 1992, Otto recognized the potential of the internet and became an early adopter of the web as a viable communications channel. Always looking to improve, he expanded his capabilities to include website design, application development, and web hosting services. In 2005, his desire to personalize print led to his first acquisition, the asset purchase of Creek Litho and the addition of dynamic printing capabilities. He then followed-up with the acquisition of Printing Arts Inc., expanding his vision even further by adding data management services, digital print, variable data print, and mailing/fulfillment services. The company was then rebranded as Visions Inc., where he still serves as the CEO today.

ABOUT SCODIX

Scodix Ltd. is the leading provider of digital print enhancement presses for the Graphic Arts industry, offering print service providers and converters the ability to add value to the products they provide to their customers. The company's digital enhancement presses and Scodix SENSE™ solution offer unmatched, high-quality enhancement capabilities that make the graphic communications printed product stand out from the rest and leave a lasting impression. For more information please visit www.scodix.com