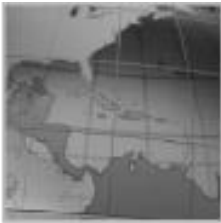


# Case Study



Business Development Services     

November 2010

## Strategy Shift Fuels Angstrom's Digital Growth

## Table of Contents

|  |    |
|--|----|
| Introduction .....                                   | 2  |
| The Migration to Digital .....                       | 2  |
| Hands-on Support Helps Drive Business Results .....  | 3  |
| Beyond the Box: A Focus on People .....              | 3  |
| Rewriting Sales Results .....                        | 5  |
| Advance Planning Lays the Foundation .....           | 5  |
| Exceeding the Fiscal Revenue Plan .....              | 6  |
| Using Direct Mail for Self-Promotion .....           | 6  |
| Sales Training Seals the Deal .....                  | 8  |
| Recommendations .....                                | 9  |
| Featured Xerox Business Development Consultant ..... | 10 |

## Introduction

Angstrom Graphics (Cleveland, OH) reaped double-digit sales growth in its digital printing business by altering its business development efforts. The company rewrote its marketing plan, separated its digital unit from its commercial litho printing operation, created a dedicated sales force to sell digital printing, and used its technology to demonstrate its offerings. These tactics resulted in a 35% combined growth rate over the past three years, with most of that growth occurring in past 12 months. Nearly 30% of Angstrom Graphics' business is now from non-offset revenues.

## The Migration to Digital

Web and sheet-fed printer Angstrom Graphics (AG) entered the digital printing realm three years ago with the purchase of a Xerox® iGen3®. The press was placed at the company's Cleveland operation; AG also operates a printing plant in Hollywood, FL. Founded in 1917 as the family-owned Perlmutter Printing Co., AG Cleveland was acquired in 1996 by St. Ives' U.S. division. In 2009, St. Ives' U.S. CEO Wayne Angstrom completed a management buyout of the firm and renamed the company Angstrom Graphics. The Cleveland location currently generates revenues of approximately \$40 million.

Despite the company's best efforts, its digital print business got off to a slow start. At that time, Angstrom Graphics opted to introduce the technology to its entire sales team. Every training session was for the entire organization, and all sales reps had digital in their portfolios. What the company soon discovered, however, is that selling digital was not for everyone. Rhonda Perry, Senior Vice President of Sales, led the digital printing initiative

from the start. She recalls, “When you have a sales rep that can sell a \$100k web offset job or a \$1k digital job, what do you think they are going to focus on?”

### Hands-on Support Helps Drive Business Results

After purchasing the iGen3, AG held a kickoff training session for its staff members. The company used many of the ProfitAccelerator® Digital Business Resources provided by Xerox, including marketing kits and customer sales presentations, to drive business. Nevertheless, the effort resulted in only marginal sales results. When AG executives decided to purchase another digital printing device, they realized that they needed more hands-on business development support to drive results.

**Figure 1: Xerox® iGen4®**



During the purchasing evaluation process, the company conducted side-by-side comparisons of various equipment vendors’ offerings. The differentiating factor in AG’s decision was business development support. In that regard, Xerox stood out from the pack because it offered direct access to a business development consultant with the sale of the iGen4.

“All of the vendors offered some sort of support, but we felt that Xerox’s was the best and longest term solution for our particular needs,” Perry says.

### Beyond the Box: A Focus on People

According to Perry, AG was looking for more than “just a box” and a partner that focused on people. She explains, “Sales reps sell to people, so they need to be trained by people! Xerox offered a business development expert that was ready to help support and engage with us. When it came right down to it, we both had something to gain from the commitment.”

Xerox’s business development consulting relationship helped Angstrom Graphics:

- Identify a go-to-market strategy for its digital business
- Conduct focus sessions with the sales team to develop and refine delivery of the value proposition

Angstrom Graphics was looking for more than “just a box” and a partner that focused on people.

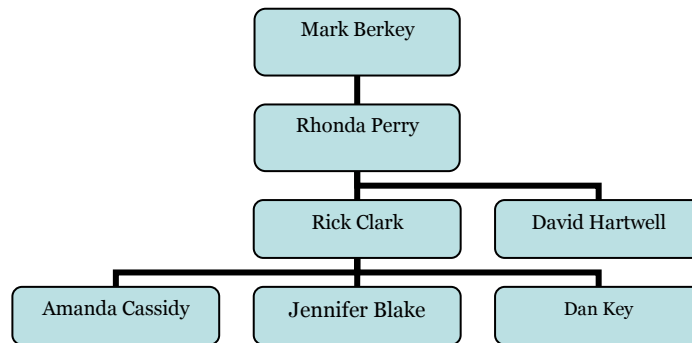
- Train its sales team to identify and speak to the right levels of buyers

AG separate its digital printing business from its web and sheet-fed businesses, and the company launched its AG OnDemand unit within the Cleveland operation. AG OnDemand features a Xerox iGen4 digital printing device and now operates in its own section of the building.

**Figure 2: Image of AG Cleveland Facility**



Perry worked together with Mark Berkey, AG president and COO, and Xerox business development consultant Julie Higgins-Schmidt to create a marketing plan that included an in-depth strategy on how to organize the digital business unit within AG. Throughout 2010, AG separated its sales force and created the AG OnDemand sales team, which is dedicated solely to digital printing and ancillary front-end and post print solutions. Of Angstrom Graphics' ten original sales reps, seven remained dedicated to legacy side of the business (traditional printing), and three transitioned to the new digital unit. The company also hired two new reps fresh out of college with marketing degrees. The AG OnDemand team also includes five dedicated customer service representatives (CSRs), five programmers (three in-house, two freelance), two digital press operators (unit operates one shift), and a mix of 40 part-time and full-time fulfillment employees.

**Figure 3: Organizational Flow Chart**

“This time around,” Perry explains, “with the purchase of the iGen4, we did not include all of our legacy sales reps in the training. Everything was focused exclusively for the five digital reps.”

### Rewriting Sales Results

AG’s strategy has paid off, and its digital printing business is flourishing. At this time, nearly 30% of Angstrom Graphics’ business is from non-offset revenues, including front-end workflow technology solutions, and digital printing, fulfillment, and distribution services. Over the past three years, digital printing and ancillary services for fulfillment experienced a combined growth rate of 35%.

AG OnDemand’s primary target markets include multi-unit retail and franchise companies, as well as local/regional business-to-business (B2B) organizations. These markets enable the team to leverage its ancillary services and automated front end technologies to offer full-service packages. One of AG OnDemand’s value propositions, according to Perry, is to “offer automation on the front end to provide clients cost savings and cycle time reduction.”

### Advance Planning Lays the Foundation

Prior to purchasing the iGen4, AG and Xerox developed a 12-month calendar that lays out all the segments of the marketing plan. This plan included:

- Various training modules
- Marketing plan development
- A go-to-market strategy
- Marketing programs
- Self-promotions

- Customer event planning

Since the relationship began, Perry and Higgins-Schmidt meet once a week to discuss issues and opportunities in addition to ongoing sales team support (1-to-1 and groups).

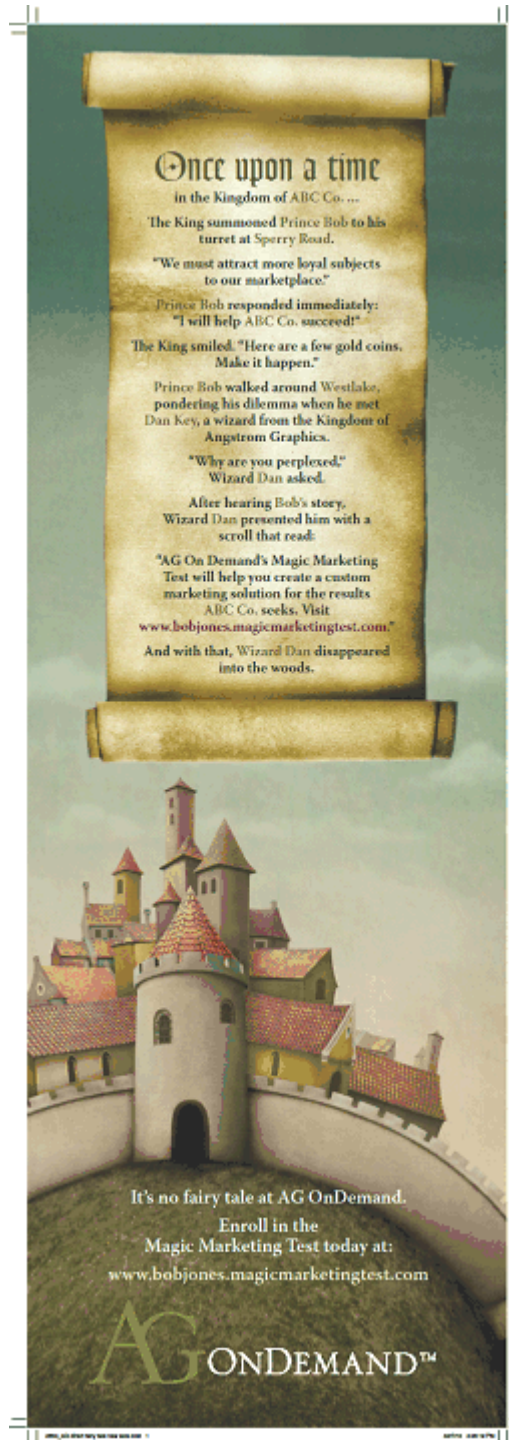
### **Exceeding the Fiscal Revenue Plan**

The strategy mapped out by AG OnDemand and Xerox's business development consulting service is yielding results. A primary objective of Angstrom Graphics' 2010-2011 fiscal year plan, which started in August, is to have 30% of the company's revenue generated from non-offset sources. Two months into its fiscal year, non-offset revenues were 29%, and management is looking to adjust the plan's goals. Additionally, Angstrom Graphics wants its digital printing revenues to account for about 10% of the company's total business by the end of its fiscal year. "We have a way to go, but our digital printing business has doubled over the past year and we anticipate achieving our goal," states Perry. Angstrom Graphics forecasts that \$2.5 million in its overall revenue growth will come solely from its on demand business.

### **Using Direct Mail for Self-Promotion**

During the summer of 2010, AG OnDemand solicited the assistance of Xerox and one of its design clients to create a direct mail promotion to generate leads. The mailer included a personalized URL and was designed to promote AG OnDemand's digital capabilities. The promotion was sent to a mix of existing customers (30%) and prospects (70%), and generated a 3.91% response rate over a two-month period. It yielded great results and AG believes that it will perpetuate sales with the 95 customers that requested more information. The company also sold several direct mail campaigns using the pURL technology. "That campaign created an opportunity for us to really get engaged in the process of selling and managing pURL campaigns for our clients," Perry notes. "It has also opened doors to other emerging technologies that we can offer our clients, as well." Perry is referring to a quick response (QR) code campaign that the company recently launched for a new client.

**Figure 4: Campaign Graphic with pURL**



Angstrom Graphics plans to launch a second campaign next quarter that will include a pURL and QR code. While the genesis for the campaign came from AG OnDemand, Xerox played a huge role in making it happen. Perry elaborates, "During our sessions with Xerox, we always talk about emerging technologies and ways that our customers can benefit from them. Julie makes sure that our team is up-to-date on new technology trends so we can deliver our messages to customers, tell our success stories, provide demonstrations, and answer the right questions."

## Sales Training Seals the Deal

Although Angstrom Graphics already had an aggressive sales training program, Xerox helped expand its focus. Sales training for AG's OnDemand team now centers upon articulating the right value proposition to customers and closing the deal. Xerox has provided training modules on value proposition, closing skills, speaking to C-level marketers, and direct marketing training (variable data, personalization, and emerging technologies). Perry firmly believes that her team's sales success is tied directly to these Xerox-developed training programs.

**Figure 5: Xerox Business Development Services**



Perry is now finding that the offset sales reps are knocking on her door requesting the same training given to the staff members in the digital business unit. According to Perry, the offset sales reps “are seeing the excitement and increased business that the OnDemand reps are getting. The OnDemand reps are able to present themselves better and gain access to higher-level staff in client organizations, and this is creating new opportunities. Without that training, the sales reps would not have the confidence or the understanding to present to that level of management.”

## Recommendations

Angstrom Graphics revolutionized its digital printing operations and the results (sales growth and new business) speak for themselves. Key strategies for success include:

- **Changing the course:** If an initial business plan is not yielding the desired results, write a new one... and do not be afraid to shake things up. Like many print service providers, Angstrom inserted a digital printing device in a sales infrastructure with incentives structured around offset success. When the company recognized that success factors in one area were barriers in another, it shattered the application of the old model in its new offering and developed another one.
- **Soliciting a third-party:** Working with a knowledgeable third-party, like a Xerox business development consultant, is a surefire cure for tunnel vision. Outsiders always have the clearest view of what needs to change because they are not hindered by the knowledge of how things have always been done.
- **Planning to win and winning by planning:** Angstrom and Xerox designed a well-thought-out marketing plan to address the things that needed to change internally and externally, identify the steps required to cement success, and supply staff members with the necessary training and support.
- **Demonstrating the offering:** The proof is in the promotion, and providers can capture a client's business for an offering by demonstrating it. Angstrom sold customers on its digital printing and personalized URL combination through an example. The company will soon do the same with QR codes.
- **Remembering the power of people:** People need other people to learn and grow. Angstrom's Rhonda Perry said it best when she stated, "Sales reps sell to people, so they need to be trained by people!"

This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.

## Featured Xerox Business Development Consultant

**Julie Higgins-Schmidt**

Business Development Consultant

[julie.HigginsSchmidt@xerox.com](mailto:julie.HigginsSchmidt@xerox.com)[www.xerox.com/driveprofit](http://www.xerox.com/driveprofit)

## About the Authors

**Nichole Jones**

Senior Research Analyst

[nichole\\_jones@infotrends.com](mailto:nichole_jones@infotrends.com)

+1 781 616 2100 ext. 191

Nichole Jones is a Senior Research Analyst for InfoTrends' Business Development Strategies Consulting Service. In this role, she is responsible for the curriculum and content development of InfoTrends' e-Learning solutions. Ms. Jones' responsibilities include building business development programs.

**Lisa Cross**

Senior Consultant

[lisa\\_cross@infotrends.com](mailto:lisa_cross@infotrends.com)

+1 781 616 2100

Lisa Cross is a Senior Consultant for InfoTrends' Business Development Strategies service. She is responsible for conducting market research, supporting market forecast estimates, managing custom consulting projects, and reporting on industry events.

[Comments or Questions?](#)