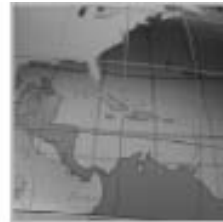


Case Study



November 2010

Calagaz Designs a Menu for Business Growth

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Introduction

Calagaz Digital Printing & Imaging carved out a successful niche in the restaurant market by balancing technology and business priorities. Most recently, with the help of a Xerox Business Development Consultant, it intensified its play in the restaurant market by investing in a Xerox® iGen4®, and supported it with solid marketing and strategy plans. The key decision factor in purchasing the device was the business development support offered by Xerox.

Power Combination: Technology and Marketing

Matching capabilities with client demands is a vital formula to any business's long-term success. Calagaz Digital Printing & Imaging (Mobile, AL) mixed these two ingredients and developed a recipe for success in the restaurant industry. Technology and marketing were delivered in equal measure, and the company focused on a single market that allowed them to gain solid results.

The company targets the restaurant industry and processes over 200 menu orders daily. The right technology application was the catalyst for the company to enter the market, but it was a solid marketing strategy that drove subsequent success in the niche. "Too many printers fall in love with equipment, but that doesn't drive clicks; a solid business plan does," explains Joe Calagaz, VP of commercial printing.

A Snapshot of Calagaz Digital Printing & Imaging

Calagaz Digital Imaging & Printing, like many family-owned printing firms, traces its roots to the founder's garage. Frank and Bea Calagaz started Calagaz Photo & Digital Imaging, a photographic supply business, in their home in 1949. The company was

incorporated in 1955 and moved to a storefront location. In 1982, it added a 1-hour photo finishing lab. Then, in 1991, Joe Calagaz joined the company and included printing to its portfolio of services.

In the mid-1990s, with the introduction of digital technologies such as the Xerox® DocuTech 135 and then later the DocuColor 6060, Calagaz began offering digital printing services to its customer base. Approaching the market from an imaging standpoint (because of its photo specialty background), it became a camera superstore and digital printing service center. By 1999, it offered photo kiosks and on-demand printing. In 2003, Calagaz expanded its finishing and fulfillment services, and built custom Web-based order systems. Since then, the company has added offset presses and an iGen4 for full-color printing. Today, Calagaz operates two divisions (photo and printing) and employs 30 people between the two units.

Figure 1: Calagaz Printing Facility (Past and Present)



Production Application Cooks Up Deal with Restaurant Chain

Calagaz Printing entered the restaurant market by scanning photographs for the culinary director of a particularly well-known restaurant chain. The chain needed to produce cooking manuals with pictures to visually illustrate best practices to its many locations to maintain quality. This opportunity came long before the introduction of direct-to-plate technology, and the chain was paying \$8 to \$10 to strip in images—which was expensive and time-consuming. Calagaz offered to scan the images and print the 150-page manuals on demand on its DocuTech. By awarding the print job to Calagaz, the chain realized cost savings, faster cycle time, and lower warehouse costs. That job led to other work from the restaurant chain.

Eventually, Calagaz developed a Web-to-print system for the chain to order versioned menus for each region. Today, each location can customize and produce their own print on demand menu featuring local products and in the quantities demanded.

New Device to Feed Demand

As that customer grew, so did Calagaz. Eventually, the company maxed out its color printing capacity on its Xerox 6060 and needed to invest in technology to feed the

demand from its restaurant clientele. The company considered making a lateral investment in machinery, but that move would not offer the capacity it required to meet future growth plans. It was considering adding a higher production volume machine, specifically an iGen, but was hesitant to invest. They were not looking for just a device—they needed a partner. During the evaluation period for the new device, Calagaz learned Xerox was making big changes in its customer support philosophy to focus on business development.

Figure 2: Xerox® iGen4®



Business Development Support is Dealmaker in Equipment Buy

Calagaz was hours away from signing a contract with another equipment vendor to purchase a device comparable to the 6060 it owned, but opted instead to buy an iGen after it received a solid commitment from Xerox to be its partner. Calagaz was evaluating the iGen4 around the same time that the local Xerox team introduced its Business Development Consultant Program to Calagaz. Calagaz recognized an opportunity to grow volume and expand business with this program.

“The business development component of the iGen purchase proposal was a determining factor for us to go with Xerox over competitors,” Calagaz says. “We didn’t just want a machine; we wanted a partner to help us drive growth.”

As part of the deal, the company received the assistance of a Xerox Business Development Consultant (BDC), Donna Paul Lepine, even prior to the arrival of their iGen4. Lepine helped outline a marketing strategy, gave input to their business plan, and helped support the printing company with key events that showcased the iGen and its value to customers. She also assisted their new Marketing Director in the planning and execution of an open house, a client “lunch and learn,” and a sponsorship in the Public Relations Council of Alabama.

Leading up to the open house, Lepine kept Calagaz on track with its event marketing and action plans. Several strategy and planning meetings lead to the use of personalized

invitations to customers and prospects with personalized URLs. The effort produced results: 75 people attended and the company experienced a 22% growth in volume in the first three months following the open-house event.

Figure 3: Calagaz Printing's Open House Event



Two years prior to subscribing to the Xerox Business Development service, Calagaz tried to coordinate a similar type of event to showcase its offerings. Planning the event was time consuming, however, and a few details fell through the cracks. The results of the event were paltry compared to the Xerox-assisted event. Joe Calagaz attributes the success of the recent event to the efforts of Lepine and the Open House/PR Kit, offered through Xerox ProfitAccelerator® Digital Business Resources.

Promotional Events and Sponsorships Build Growth

The open house was followed by “lunch-and-learn” seminars for ad agencies to help customers better understand what Calagaz’s digital technologies meant to their businesses. The events were also supported with materials from Xerox’s ProfitAccelerator collection, including the Essentials Kit, Vertical Market Kits, Open New Opportunities Kit, and Designing for Agencies Guide.

The sponsorship with the Public Relations Council of Alabama gave Calagaz the opportunity to speak and present to a larger audience, the Alabama public relations community. Calagaz sponsored the event and Lepine gave the initial presentation on Calagaz’s behalf. Lepine talked about 1:1 marketing and Making Digital Work for You, showing them specific case studies in a range of industries.

Lepine also helped to develop a selling course where the steps of the sales process were outlined to the Calagaz sales team. She offered insights on identifying and solidifying the ideal Calagaz sales process based on its business plan.

As part of implementing their marketing strategy, Calagaz joined the National Restaurant Association (NRA) and became a sponsor of the NRA's marketing division; a move that gave the company prominent visibility during the annual NRA convention in Chicago.

All of these actions, plus targeting the right media channels with its message, provided Calagaz with more exposure and put them in front of the right people to purchase its services. As a result, the company expanded its work in the restaurant market.

This exposure perpetuated more publicity and Calagaz was featured in newspaper articles and radio spots, and asked to speak at Webinars and public events.

The Xerox Business Relationship

"The guidance of the Xerox BDC as well as the strategic marketing plan, the ProfitAccelerator resources, the lunch-and-learns, and the directed sales calls for the targeted verticals were integral parts of our growth and success with digital printing and target marketing," Calagaz says.

A strong proponent of business and marketing planning, Calagaz believes the practice of these disciplines is largely absent in the printing industry. "Xerox's business development program is a way for print shop owners to bridge the gap between focusing on the day-to-day production and planning for the future," he says.

Xerox's Business Development Program consists of two options for support which Calagaz appreciated. One is Xerox ProfitAccelerator® Digital Business Resources, which includes a collection of more than 100 "do-it-yourself" tools, kits, programs, templates, and resources for digital printing. The other is Xerox Business Development Consulting Services, which offers a complete portfolio of training and professional services delivered worldwide by Xerox and a network of third-party industry professionals. These services focus on helping customers like Calagaz transform their digital businesses, improve sales activities, operational efficiency, and stimulate future growth.

Figure 4: Xerox Business Development Services



Recommendations

Calagaz recognized that business growth is built on solid marketing and technology strategies. The firm's balanced approach resulted in success in the restaurant market. The company built its presence in a vertical market by investing in technology to accommodate future output growth, and supporting it with a thought-out plan to build that growth through customer education, partnerships, and public relations.

Calagaz Digital Printing & Imaging's recipe for success was based on the following three key philosophical ingredients:

1. **Business Growth is a Journey, Not a Destination.** Joe Calagaz recognized that actions taken in the present influence the future. The company is building for its future through ongoing business development efforts.
2. **Targeting Vertical Markets Maximizes Resources.** Serving a target audience allowed Calagaz to grow output volumes of comparable job types on its digital device. Dedicating resources to firmly entrench itself in the restaurant market perpetuated a steady flow of clients with similar needs and demands.
3. **Promotion is More than a Calendar or Postcard.** Of course, these printed items are important, but they are not sufficient alone. The personal side of promotion is what gets and keeps the sale. Calagaz pursued active promotion strategies through events and sponsorships that built relationships and educated customers on its services.

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