



CASE STUDY

Printer drives growth with direct mail services

How a small-town printer seized big-time opportunities through postal education

By Sandra Long, Vice President, Printer Market and Customer Insight

Ed and Tanya Colee, partners in a Boute, LA print shop, recently took a step that many small business owners are reluctant to take in a down economy. The Colees, owners of J&K Office Supply and Printing, made an investment in technology and training to expand their service offerings.

The Colees realized their customers were budgeting fewer dollars for both printing and mailing these days. Several mail finishing houses and lettershops had begun to offer print services, and this new competition posed a threat to future revenue. The Colees turned to Pitney Bowes to win that revenue back, and learned how to drive growth through a combination of improved customer service, expanded direct mail offerings and Pitney Bowes postal education.

"I've owned this business for seven years, and I discovered right away that if you don't look at additional avenues to bring sales in, such as when we shifted from offset to digital, you won't be competitive," explains Ed Colee. "We used to job direct mail out to other mail houses, and now we're bringing it in-house by bringing in Pitney Bowes."

He continues: "I did my research and saw how involved Pitney Bowes is in the direct mail market. Their willingness to offer hands-on training, guidance and education made them an easy choice."

J&K Printing purchased a package from Pitney Bowes that included everything necessary to offer direct mail services: a Connect+ 2000 Color Printer, a DI600 FastPac® Inserting System, a DA95 envelope printer, SmartMailer™ 7 with VeriMove™ software, and the SendSuite® shipping solution.

The training aspect was a key purchase factor for the printers. "I attended the training with my wife who runs the business with me, and it was worth it just for the postal guidelines," he continues. "Now, we are familiar with regulations regarding weight, size, minimums and maximums that we weren't aware of before."

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“We used to outsource jobs to other companies; they gave us a price, we marked it up and passed the cost back to our customers,” Colee recalls. “Now that we understand the regulations we can save the customer money—and we can make more money by showing them the optimal postage and printing solutions. Even though we’ve just started, we’ve already done two or three jobs big enough to get the bulk rate discount by utilizing the software, equipment and training Pitney Bowes provided.”

By offering these value-added services, Colee has not only staved off his competition but expects to see a complete return on his investment within 18 months. “The direct mail should drive a 5%-6% increase in revenues very quickly,” he says. “And after that we’re projecting similar increases until we level off at about a 25% increase.”

The bump in revenues has already begun, and Colee sees more coming. “As of right now, we’ve been promoting it to our top clients. We’ve already gotten a response back from one customer saying they’d like to do two direct mail campaigns in the next month, and we had never done a direct mail job with them previously.

“One of the local chemical plants became a customer once we let them know we were doing direct mail in house. Likewise, a cable company that we’ve done little newspaper inserts for before is now offering us the opportunity to bid on some direct mail work for them. We’re on track to get 40% of their business for the next few months. So, we can beat our expectations if we can lock in those types of customers.”

The Colees continue to be fully supported by Pitney Bowes, with unexpected savings in time and money. “Just by buying toner supplies, drums and fuses through Pitney Bowes, and using their shipping system for my Fed Ex and UPS, I’m able to save 41% on my costs of goods. That was part of the package. I’m not obligated to buy from Pitney Bowes, and there is no minimum, but the price and turnaround time on supplies are just better.”

Overall, Ed Colee is optimistic about the future. “We’re getting into political season. We had done a lot of political work before, mainly push cards and signs, so we went to those people and told them we could now offer them direct mail at better rates than before. We’ve gotten very good responses from the select few that we’ve contacted so far, so I think we’ll do very well with that over the next few months.”



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