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ON THE ROAD AGAIN

2022 is all about the events and conferences.

Happy Spring!

It is so refreshing to get back on the road again to the events we have missed for the past two years.

WhatTheyThink is just back from attending several events in the last couple months of 2022. DScoop in Denver, FastSigns in Grapevine, Texas, and the NPSOA conference on the Riverwalk in San Antonio. Seeing the familiar faces in these organizations again is awesome! We missed our clients and friends, and nothing can replace an in-person hug and smile from the people we strive to work for every day - members of WhatTheyThink, partners and clients alike!

FASTSIGNS was a great experience with amazing turn-out from the franchisees and vendors alike. Achieving the highest grossing franchisee at over $18 million in the "Sign Franchise Review" is no small feat! Congratulations to FASTSIGNS and the frachisee owners Cindy and Phil Bacon of Chattanooga, Tenn. and their 33 employees for such an amazing accomplishment! Read more about FASTSIGNS in the "Sign Franchise Review" in this issue.

Dscoop was hopping with excitement from the hundreds of attendees soaking up the educational sessions and panel discussions. With a multitude of social events designed to bring people back together to network, HP gave participants ample opportunity to share experiences from these challenging years, while planning for the future. Adding to the experience, was the perfect setting of the Gaylord Rockies overlooking the beautiful Rocky Mountains.

NPSOA is run by owners for owners and they remind me that people will do business with people they like, before anything else. And, I like this group! Why? First, they are the real deal, and second, they care about each other and they want to see their members succeed in what they do by sharing, caring, educating and building good relationships. That's what makes a good association. Their 2023 conference will be in the spring next year in Myrtle Beach, so stay tuned to the new announcements, catch our video with Nathaniel Grant and others here - whattheythink.com/r/109849 - and stay tuned to npsoa.org for further announcements on actual dates.

See you on the road! ●

Kelley

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ANNUAL SIGN FRANCHISE REVIEW

By Richard Romano

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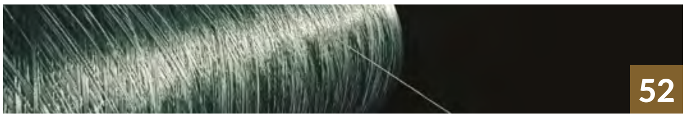

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2022 ANNUAL PRINT SHOP FRANCHISE REVIEW

By Cary Sherburne

Print franchise networks struggled, like many businesses, in 2020. But most of them have bounced back almost to 2019 levels and are seeing good growth going into 2022.

2020 was particularly tough for underperforming centers, many of which were closed or sold during the height of the pandemic. This makes the overall networks stronger and healthier.

For example, AlphaGraphics closed 2021 down 14 centers as compared to 2020. But systemwide revenues were up significantly, as were average store sales – at $261 million and just over $1 million respectively. Decline in centers and revenue for Franchise Services was largely due to divestiture of its MultiCopy brand; taking that out of the equation, it grew at 11%.

For the most part, networks offered pretty much the same products and services in 2021 as they did in 2020, with a few exceptions. For example, both AlphaGraphics and Minuteman launched robust e-commerce solutions to make it easier for customers to do business with them 24/7 and to, hopefully, create more profitable revenue streams. The AlphaGraphics platform, which was launched in July, had already processed almost 10% of the network's transactions from July through year end.

Digital printing, color and black & white, continue to be cornerstone applications for these networks, although not a growth engine. Very few centers have offset presses anymore, and centers are outsourcing offset printing to trade providers. Almost everyone told us their growth engine was signs & display graphics, with some networks seeing as much as 20% to 25% of revenues from that source, and expecting that growth to continue.

Beyond offset, other outsourced services, which typically run about 20% of revenues, include promotional products, apparel and services associated with sign installation such as electrical work. Most networks are encouraging their centers to produce as much as possible in-house but cautioning franchisees to take a close look at job profitability, and to consider outsourcing less profitable jobs so as not to tie up resources that could be applied to more profitable work. Almost unanimously, they told us they do not like to say "no" to customers.

In terms of attracting entrepreneurs or independent printers to their networks, the companies reported varying degrees of success, from almost no results in 2021 to arguably the most successful network, Minuteman, which attributes that success largely to the efforts of its 25 regional offices and the fact that staff work to meet face-to-face with prospective franchisees, including calling on commercial printers who might want to sell or convert.

Most cited hiring and supply chain as key challenges. No surprise there.

It always surprises us that so many independents resist the franchise concept, especially in light of the struggles many had during the pandemic. The usual objection is that they don't want to pay royalty fees. But as a couple of the franchisors pointed out to us, those royalty fees are equivalent to another employee, but one that perhaps is doing sales one day, customer support another, production, etc.

This takes into account the services the franchisor provides, including help with hiring, supply chain, marketing and marketing services for customers, training, technology and business advice. Plus, most of the networks are increasingly adept at sharing work across the network as a benefit to the entire network.

These are just the highlights, and as usual, we have included profiles of each of the networks in this report.

Alliance Franchise Brands Marketing and Print

The Alliance Franchise Brands Marketing & Print network delivered system-wide sales in 2021 of $214,395,601, up from $196 million in 2020, but not quite at the 2019 level of $249 million. The network is on track to reach, and likely exceed, 2019 numbers in 2022, according to President of Franchise Operations Ray Palmer, who notes that in January, the only monthly results that were available as of this writing, the network showed promising growth. The highest revenue center for the network delivered in excess of $10 million in revenue, and a number of centers generated revenue in excess of $1 million.

Due to the lingering effects of the pandemic and some owners of multiple centers downsizing, the number of locations in Alliance Franchise Brands' Marketing & Print Group has declined from 279 in 2019 to 247 in 2021.

For some centers, the challenge has been their

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Franchise	Total shops in system	Corporate-owned shops	How many shops in North America	Average sales per shop	Average investment to open new shop	System-wide sales	Highest Revenue Shop
Alliance Franchise Brands (Allegra Marketing Print Mail, KKP (Canada), Insty-Prints, American Speedy Printing Centers)	247	2	247	$875,186	$27,861-$378,185	$214,395,601	$10,509,401
AlphaGraphics	265	2	242	$1,007,214	$264,000-$364,000	$260,963,000	$7,928,605
Fortusis, LLC (Kwik Kopy Business Centers, Franklin's Printing, The Ink Well)	37	2	37	$318,730	$238,875	$11,792,996	$1,187,352
Minuteman Press International	959	0	788	$610,661	$75,500-$182,917	$442,695,806	$7,439,327
Sir Speedy, Pip Printing, Signal Graphics	208	0	208	$990,000	$290,000	$206,000,000	$13,000,000
Totals*	**1,716**	**6**	**1,522**	**$760,358**	**$221,277**	**$1,135,847,403**	**$6,443,073**

**All numbers are totals, save for average sales per shop, average number of employees, and average investment to open a new shop, which are averages.*

vertical market focus; obviously, those who had focused on verticals like events, entertainment and hospitality were continuing to struggle in 2021, but those verticals are now starting to come back.

"If you are in the medical vertical," Palmer added, "they can't get enough of what we make. So it just depends on which vertical market segments a particular franchise member focused on when they built their business."

Alliance Franchise Brands also has an active recruitment program, with their Resale, MatchMaker and Advantage programs.

The Resale program matches potential franchisees with existing franchisees who are retiring or leaving the network for other reasons, while the MatchMaker program helps entrepreneurs enter the industry by buying an existing independent business and converting it to an Allegra center. The Advantage program encourages independent commercial printers to join the network.

With the Advantage program, since they typically don't need to purchase equipment, find a location or hire staff, the investment can be as low as $29,000. Purchasing an existing center through the Resale program can require an investment of up to $379,000.

When we checked in last year, the network had 33 of its dual-branded Allegra and Image360 print/sign centers. As of the end of 2021, there were 37. Currently, only about 7% of revenue on the print side is generated through production of signs. Brands on the print side include Allegra Marketing Print & Mail, KKP (Canada), Insty-Prints and American Speedy Printing Centers. While the franchisor is not requiring franchisees to transition to the Allegra Marketing Print & Mail brand, many representing the other brands are choosing to do so.

The print network is also generating about 27% of its revenue from brokered services, which Palmer notes includes offset printing, mailing services and promotional products if they no longer offer those services on-site.

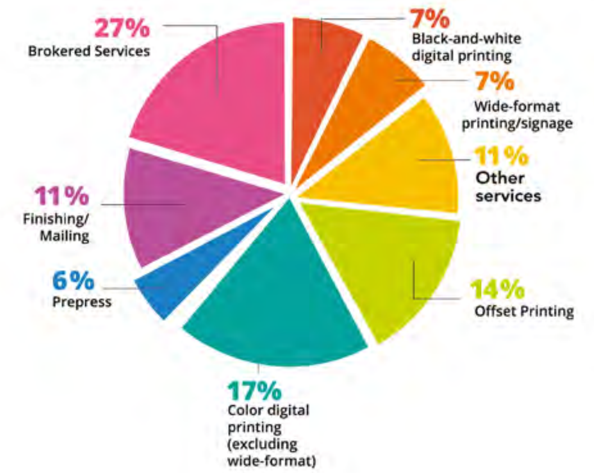
In terms of encouraging existing independent printers to join Alliance Franchise Brands, Palmer is still seeing resistance, often because they don't want to pay the 6% royalty, even though they understand how royalty fees are used to support franchisees.

Dual-branded Allegra and Image360 center.

"Having been a franchise member, I have a very different perspective on what the value of a franchise is compared to resources an independent might have," he said. "I would not have wanted to be an independent during 2020. To support our network during the pandemic, we were able to focus all of our energies on getting our franchise members the information they needed for government support. We created design packages and helped with marketing to specific verticals. We did a lot of the heavy lifting so that they could just focus on retaining and growing whatever sales were available. And we heard lots of thanks from our franchise members for all that work. If you're an independent, you do all that yourself; and forget about the intangibles, if you will, of being a franchise member.

"Alliance Franchise Brands is a network of people who are willing to help you if you get in trouble, or if you need something. But when talking to independents, it often comes back to a royalty discussion and explaining what that delivers. I look at that

Percent Each Job Contributes to Total Revenue— Alliance Franchise Brands (Marketing & Print Side)



royalty fee as equivalent to an employee. But it's a different employee every day. One day, it's an employee who works in production; one day, it's an employee who's helping you coach your salesperson. And the next day, it's an employee who is helping you with an operational workflow issue in your center. I never had trouble writing a royalty check when I was a franchise member, because it was just too valuable to me."

Allegra Marketing & Print also continues to roll out its WorkStream infrastructure, and there is some adoption of this workflow in the sign-focused centers as well.

"Our challenges are not unique to print providers," Palmer said. "Few industries have been untouched by supply chain issues, pricing pressures and labor shortages. With fewer mills producing product, national inventory levels at historic lows, distributor allocations limiting paper availability, and transportation challenges severely limiting the ability to get the paper to the print centers, the print market supply chain is being stressed at every turn.

"Our franchise members have been proactive with their client outreach, offering ways to help minimize the impact of shortages or longer lead times. This type of creative problem-solving has been welcomed. Recruiting, hiring and retaining talent is a perennial goal for business owners. With a contracted labor pool, we've put together resources to assist our centers with employee recruitment. We also have a strong network of supplier partners they can lean on, and our internal creative group is positioned to augment any shortfalls in graphic design services and project management.

The award-winning AlphaGraphics leadership team.

"On the upside, the mentality of being sales-driven solutions providers is one our franchise members embraced pre-pandemic. Doubling down on that business philosophy, we see great opportunity in service diversifications, like direct mail and mailing services, that complement their existing print capabilities. We are well positioned to respond to the buying trend of clients seeking a single-source provider for project start to finish: design, print and mail. We also have more of our members poised to complete acquisitions in their markets as a way to accelerate growth.

"The pandemic has certainly hastened the retirement timeline for many business owners in our industry and many others. Independent print company owners ready to move on to the next chapter in their lives have a viable means with our network to exit their businesses, confident that they'll be leaving it in good hands."

AlphaGraphics

AlphaGraphics closed 2021 with 265 centers, a net loss of 14 as compared to 2020. However, systemwide sales were up significantly, from $229 million in 2020 to $261 million in 2021, a 14% increase.

According to Ryan Farris, AlphaGraphics president and COO, the decline in centers was mostly due to owners of multiple centers consolidating during the pandemic. One large franchisee, for example, consolidated from six centers to one. Average store sales were up from $850 thousand in 2020 to just over $1 million in 2021, nearly an 18% improvement. The highest revenue shop weighed in at $14.9 million in annual revenue.

Farris reports that from August through December 2021, the system saw an upward trajectory in revenue.

"We are almost back to the 2019 numbers, but I am confident we will exceed those this year," he said. "December of 2021 was our best December for seven or eight years."

Part of the success in improving overall revenue results was continued closure of underperforming centers.

In 2020, AlphaGraphics had four company-owned stores, two of which have been sold, leaving two company-owned stores.

Like many in the commercial print space, AlphaGraphics has seen growth in its signs business, which grew to 22% of systemwide revenues in 2021, with a higher percentage produced in-house versus outsourced.

"That's our biggest mover," Farris said, "delivering roughly $50 million in revenue. The cut-sheet digital side is returning, but not on a growth path compared to 2019. The other segment that is growing and is really strong for us is our digital marketing services, which is currently about 6% of the portfolio."

Farris said the ideal mix in the future would be 25% to 30% signs, digital print at 30% to 40%, and 10% to 20% from digital marketing services.

Farris also noted that AlphaGraphics has placed increased emphasis on e-commerce as an enabler that makes it easier for customers to do business with them, with a goal of 25% of revenues generated that way.

For AlphaGraphics, digital marketing services consists of a whole portfolio of offerings, including SEO, SEM, CRM, website development, social media management, content management and video management.

"We had about 80 of our centers trained in these services through the month of December," Farris said. "We will finish up the training this year and then launch more advanced sales and marketing capabilities."

AlphaGraphics centers are outsourcing work to the tune of about 17% of revenues, primarily offset and promotional products, with that expected to remain about the same going forward. It also includes things like electrical work required for backlit signs and other installation projects. Farris said that only three locations have offset presses anymore, and those are 29", not 40", presses.

AlphaGraphics doesn't seem to be experiencing supply chain issues to the extent of some of the other networks.

"It's a little bit of a challenge in terms of educating the customer, but we don't spend as much time showing options in paper colors, weights and finishes, limiting the choices to one or two options," Farris said. "That streamlines the supply chain in a way. We also have been able to buy up inventory from some of our partners, who can replace it faster than we can."

However, Farris does cite labor as a challenge.

"Now it is time to staff back up since the volumes are back to pre-pandemic levels," he said. "But operators don't need the same skill set they did in the past, and the automation we have implemented with our partners makes them more efficient. We are also looking for, and training to, a more diverse skill set. Instead of just a bindery person, we are looking for people who can operate everything in the building. That cross-trained person is more of the skillset we are going for.

"Job descriptions are not plug and play, and talent is not plug and play. Talent pools are much more competitive. We are developing career platforms, more robust beginner-level training, and doing more coaching and mentoring than in the past with our owners to get past the ghosting effect – you don't have time to wait for three candidates and pick the best one. You pretty much have to make the decision instantaneously."

To meet these labor challenges, AlphaGraphics is grooming its own talent, hiring from a variety of schools and teaching them the skills they need, often using virtual training modules. In addition, all the equipment you might find in an AlphaGraphics center is now installed at headquarters in Denver. So owners can send new employees there for training.

"If we can help our owners find the right people and train them, it will be more efficient and add scale," Farris said.

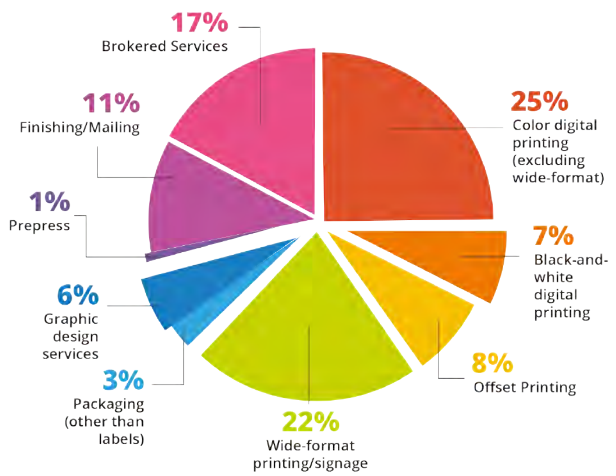
The new e-commerce platform will be launched nationally in July and includes an integrated, easy-to-use and intuitive design tool, allowing customers to do business with AlphaGraphics 24/7.

"Customers can order online and have their order shipped or picked up locally," Farris said. "It's not just your traditional commoditized items, but also value-added items like wide format, which no one is really doing super-well online. That will be a real growth enabler for us. We can get that after-hours customer, that smaller customer, and we can make their life easier for a quick order that is put into an automated system. In the back half of the year, we will go more aggressively after national accounts and other franchise organizations and big chains. We will provide them an ordering platform just for their products and services that taps them into our network, giving them flexibility as to where products are produced. And we can also do direct mail and email campaigns on a national level as a single source. All of that becomes a growth driver for our three main segments."

Farris also said that even during the pandemic, the network had good success finding entrepreneurial owners willing to build a center from scratch, as well as converting independents. He is looking to double the size of that sales team in 2022 to interact with more potential buyers, either existing operators or future operators, helping them through the build-versus-buy decision process.

"We've put in some phenomenal real estate tools just like real estate agents have in the commercial world," he said. "We help them find the right

Percent Each Job Contributes to Total Revenue—AlphaGraphics



demographic, foot traffic, street traffic, and our internal team helps them identify the right markets. A lot of candidates who have left larger printing companies are coming to our Discovery Days to learn more about what being an AlphaGraphics franchisee can do for them."

Fortusis

As 2019 came to a close, Fortusis was on a path to start actively recruiting new franchisees, but the pandemic had other ideas. The network held steady at 37 centers, and systemwide revenue increased from $11,367,787 in 2020 to $11,792,996 with two shops generating over $1 million, up from one the previous year.

Fortusis CEO Curtis Cheney credited growth in signage, 17% of the network's revenue, for its return. Currently, only one location has a flatbed printer, and the company has not yet entered the soft signage market, but is outsourcing both direct-to-rigid and soft signage projects.

"We expect to continue to outsource these products for the foreseeable future," Cheney said, "since most of our locations are 2,000 to 3,000 square feet, and there are many other organizations out there than can produce these applications efficiently and cost-effectively."

While Cheney notes that in many cases, it makes more sense to outsource direct-to-rigid printing rather than mount and laminate roll stock, he also explains that many centers are using foam board, that already has adhesive on it, to create some rigid signage.

"This material comes in 25"x40" sheets in a box of 25," he said, "and it makes mounting pretty easy. Some shops have cutting devices; others are hand cutting. Either way, there are a number of applications they can create for customers in this way, cutting down on cycle time and outside expenses."

But the big news from Fortusis is around center branding.

Fortusis brands included Kwik Kopy Printing, Kwik Kopy Business Center, Ink Well and Franklin's Printing. Cheney said that most Ink Well sites were closed in December, with one rebranding itself as Kwik Kopy, and there are two Franklin's remaining, one of which will remain Franklin's and the other rebranding to Kwik Kopy. The company is rebranding Kwik Kopy with a refreshed logo and messaging, and launching a new brand, KKP, for its larger commercial locations.

Fortusis is launching a new brand, KKP, for its larger commercial locations.

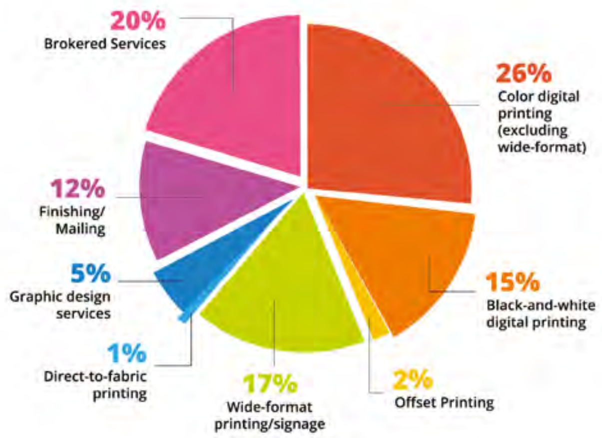
"We found that customers were sometimes confused by the Kwik Kopy name and believed that we might not be able to handle a lot of the jobs they needed. So launching KKP centers is more about aligning our vision and that of our customers."

Currently, two locations are branded KKP, Salt Lake City and Washington D.C.

Fortusis will launch the new branding to its franchisees at its annual meeting in May 2022 and is developing a new marketing program that will be rolled out at the same time. Cheney said that franchisees will be able to self-select branding, and some larger shops may choose to stay as Kwik Kopy due to brand recognition in their communities.

KKP branding, however, will have certain

Percent Each Job Contributes to Total Revenue—Fortusis



requirements, including specifications about materials for large format and finishing capabilities, and will likely add a requirement for a flatbed printer in the next couple of years. There will also be a requirement to have a certain level of redundancy built in and an equipment configuration that minimizes their need to outsource. Overall, the network outsources about 20% of its work, but Cheney says some locations outsource as much as 40%.

"I think with all the rebranding, it creates an excitement inside the franchise," Cheney said. "We have a lot of owners who have been with the same logo and branding for so long and have not seen a lot of movement. This is something that can breathe new life into the network. In addition, some owners are looking to acquire commercial operations that have been struggling during the pandemic and either fold those operations into their current locations or open a satellite center."

Another area of opportunity for the network is bringing on more corporate-owned locations.

"In 2020, we had one, in Salt Lake City," Cheney said. "In 2021, we had two, and we expect to add a couple more in 2022."

The average investment for a franchisee to open a new center is $238,875, down slightly from the previous year.

In terms of challenges, Fortusis is not unique in struggling with paper supply and staffing shortages.

"One of the biggest challenges I see for our organization this year is adapting to the constantly changing economy," Cheney said. "We see some of our centers struggling with staffing shortages, supply chain issues, and paper and equipment shortages. Up until recently, these constantly changing factors have not been a problem. I feel that if handled correctly and quickly, our centers can capitalize on the opportunities that it produces. On the contrary, if we cannot be nimble and make rapid changes it could have some devastating consequences."

Franchise Services

The Franchise Services network, which consists of Sir Speedy, PIP and Signal Graphics branded centers, saw its number of centers decline from 280 in 2020 to 208 in 2021. This was largely due to the fact that its 60 Multicopy centers were sold to MBE in March. Systemwide revenues fell from $252 million in 2020 to $206 million in 2021, again, largely due to the divestiture of Multicopy.

President and COO Richard Lowe noted that in addition to selling Multicopy, the network saw a decline of about 12 centers, mostly due to consolidation of locations by multi-center owners. Average sales per shop is $990 thousand with the highest revenue center weighing in at more than $13 million. Lowe notes that the average investment to open a new center in 2021 was $290 thousand, slightly higher than in 2020.

Taking Multicopy out of the equation, however, the network grew by 11% in systemwide revenue, still not back to 2019 levels but making significant progress. The focus for the network now is to continue to improve the customer experience, delivering as frictionless a process as possible.

"Customers don't want to work to do business with you," Lowe said. "And we don't want them to have to! Our position is that we won't ever say no."

To help with this continued improvement, Franchise Services is developing workflow best practices guides that cover every step of the process, with seven of 12 already out in the field. In addition, about 55 centers are using Plan Prophet, a highly effective CRM, forecasting, automation and reporting tool developed by one of their franchisees which is fully integrated with MIS solutions like PrintSmith Vision and Printer's Plan.

Like other franchise networks, Franchise Services believes that smaller to mid-sized independent printers can gain significantly from joining the network, but like others, they are still finding a great deal of resistance. In fact, a campaign during 2021 to attract independents delivered zero results. Instead, the network is seeking entrepreneurs who are interested in taking over existing centers as their owners look toward retirement.

"Fifty-five percent of our franchisees have been in our network more than 25 years," Lowe said. "We had a great renewal rate last year, with 20 or 23 locations that were up for renewal sticking with us, including our top revenue generating center

Mark Hildebrandt, David Robidoux, and Nicole Coughlin

and the top four PIP locations. When we reviewed those that didn't renew, it was primarily because they did not take advantage of all of the support services we offer."

Among other support services offered to franchisees, Franchise Services did 157 webinars in 2021.

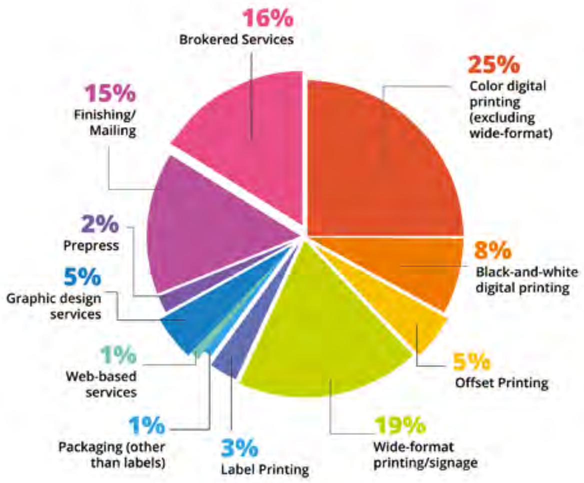
"In a normal year, you would probably have very few people watching these webinars because they are so busy," Lowe said. "But during COVID, they needed help and they needed something to think about in terms of growing their businesses. And it was also a lot of moral support during a difficult time. It's that type of support that is simply not available to independents, and that makes that royalty fee well worth it. It can be the difference between staying in business and washing out."

When we spoke to Lowe for our 2020 franchise review, he indicated that the long-term goal for the network was to reach a 50/50 split between signs and commercial print. Increased emphasis will be placed on this transition in 2022 and beyond. In 2021, signs represented about 19% of systemwide revenues, even with 2020. Lowe said that there are about 15 centers that are already doing more than a million dollars per year in signage.

Like the other networks, the Franchise Services network is also taking advantage of outsourced services, to the tune of 16% of revenues, with some centers outsourcing as much as 40%.

"I tell our franchisees that we need to have brokered services as a strategy and not a tactic," Lowe said. "What I try to convince them to do is to only produce the things that have the highest value for their customers, and that's mostly their ability

Percent Each Job Contributes to Total Revenue—Franchise Services



to deliver with short turnaround times as well as complex projects like direct mail. If you buy out the commodity work, that frees up more resources to do the value-based work, and that makes brokered services a strategy rather than a reactive tactic."

In terms of challenges, Lowe cites hiring and keeping qualified staff, especially salespeople, as well as the supply shortage.

"In terms of supplies," Lowe said, "we have made arrangements with several of our keystone vendors where they drop ship us supplies. So if a franchisee has an order into a vendor that is not going to be able to be delivered in time for a critical job, we will drop ship it out of our supply. We are very happy to be able to do that. Paper supply issues, in particular, are brutal. Almost every franchisee is on allocation. That's probably my biggest concern, because if you can only buy paper at the same level as you did last year, how can you grow the business? Envelopes are really hard to come by as well."

Minuteman Press International

Nick Titus, president at Minuteman Press International, reports that the network had already rebounded to 2019 levels in 2020 and continued to grow in 2021, with systemwide revenues of $442,695,808, up nearly 18% from the previous year. The system also added 11 net new centers for a total of 959, with 788 of them located in North America. Average sales per shop also grew, from $564,000 in 2020 to $610,661 in 2021, with the highest revenue center weighing in at nearly $7.5 million and nearly 90 centers generating revenue in excess of $1 million.

Several projects benefiting Minuteman franchisees and their customers were also undertaken in 2021, including a brand-new website at www.minuteman.com, launched in July of 2021 in the U.S. and Canada, and which is integrated with the network's Flex proprietary software infrastructure. It includes an online design and ordering platform for the stores and their customers.

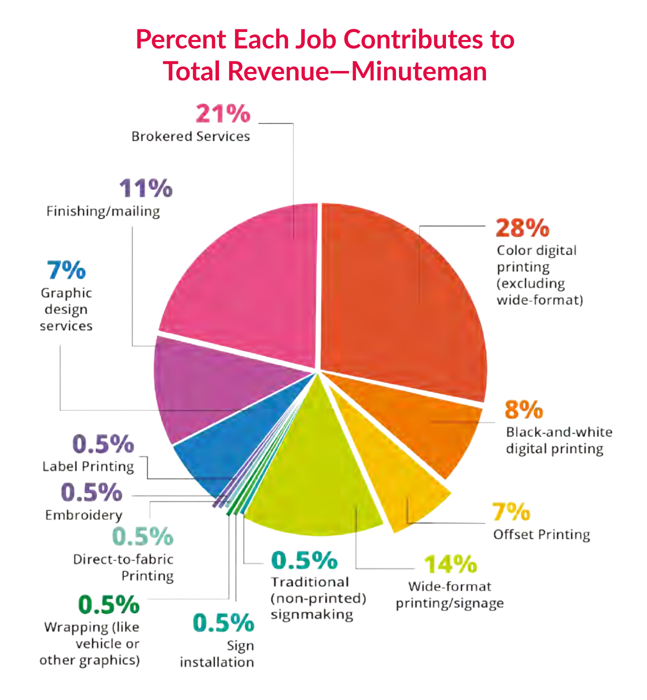
"A customer can set up an account, and they can see their whole order history, place reorders, edit previous jobs – whatever it is they need to do," Titus said. "They can also design about a dozen different products with more to come. Once they order, it goes directly into the workflow. Payment flexibility is also built in. Depending on the customer, they can pay outright for the job, put down a deposit or be invoiced and then pay online. It's great for customers and it's great for our owners. It's not yet 100% where we want it to be, but we have already put more than $11 million in online payments through the system."

Launch of the website for South Africa, the UK and Australia is planned for the end of March.

Minuteman is also planning its World Expo for July 2022 in Dallas.

"It will be great to get 800+ like-minded people together talking positively about the business and getting more ideas for building their businesses further," Titus said. "I think most of our owners are really looking forward to getting back together in person."

There are several things about Minuteman's operation that are unique to their system. For example, Minuteman was the first and only print franchise network to include heat transfer dye sublimation capability as standard in its centers,



offering on-site production capability for smaller runs of things like coffee mugs, t-shirts, photos printed on metal or wood, etc. Several centers are also offering direct-to-garment printing using Epson printers. The network also uses Epson and HP wide format printers for signage and more.

“One of the things I enjoy watching,” Titus said, “is what’s happening in the stores as they each grow differently. Everyone starts off the same way, and then depending on what their customers are looking for in terms of diversification, that’s the way the owner goes while still doing everything else. For example, once they get a handle on signage, they may boost their production in mailing.

Another unique aspect of Minuteman is the way it handles royalties, which are at 6% of sales, lower than most of the others, but which also has a cap on those royalties. Owners only pay 6% on the first $36,500 of sales.

“That means that our largest shop at $7.4 million only pays about $25,000 in royalties per year," Titus said. "And that’s a big boost to the bottom line for all of our centers.”

He also noted that Minuteman is quite aggressive in the way it helps independent owners sell their businesses by attracting entrepreneurs and converting those centers into new Minuteman Press locations.

“One of our advantages is the fact that we have 26 regional offices, and that staff works directly with centers in their regions on a variety of projects. But they also call on independent printers in person and seek out entrepreneurs looking to buy into a franchise," he said. "This in-person activity is a huge advantage for us.

"The other major advantage is that we do not charge any fees to the selling owner. If a seller uses an agent or M&A firm, they will likely pay fees in the range of 8 to 12 percent of the sales price. So our fee-free structure really makes a difference. And for buyers who might be a little bit reluctant about jumping in with two feet, it's easier for them to buy an existing business, and have the employees already in place who know the customers and know what's going on in the business. It makes it easier for them to be comfortable with the decision. Plus the seller is not required to stay on for months during a transition.”

In terms of specific growth areas, Titus, like many of his print franchise counterparts, cites signage as a growth opportunity, with all of its centers having at least one wide format printer.

Minuteman offers a variety of printed materials, offering on-site production capability for smaller runs of things like coffee mugs, t-shirts, photos printed on metal or wood, etc.

“We have owners that are doing full-blown commercial fabrication and routing and things along those lines, with bucket trucks and installations," Titus said. "It’s kind of a natural progression in the industry. There's a learning curve to do it, but we've made it easier for them to get involved. When a customer is doing an event, it’s so much easier for them to get everything they need from one source, from sell sheets to signs. And everything matches.”

Like pretty much everyone else, Minuteman faces challenges with hiring employees and with supply chain issues. Titus sees the launch of the new website as a big opportunity for the network and their customers, making it even easier to do business with Minuteman.

2022 ANNUAL SIGN FRANCHISE REVIEW

By Richard Romano

If nothing else, the pandemic year of 2020 proved that there is power in a union, that being part of a national (or international) network of print and sign businesses—a franchise—helped get many shops through a difficult year. And as the industry (and world) spent 2021 recovering and winding up to have a go at 2022, the sign franchises are in better shape than ever.

Two particular issues dominated this year's sign franchise review, and you probably don't need me to tell you what they are: employment (aka "The Great Resignation," or whatever we want to call it) and problems with getting supplies, such as paper and other consumables for print, aluminum and other materials for signmaking, and so on. That these were also the top two challenges cited by print businesses in general in our "Fall 2021 Print Business Outlook" survey (the results of which appear in our new "Printing Outlook 2022" report, found at https://store.whattheythink.com/downloads/printing-outlook-2022/) indicates the extent to which the print and sign franchises are a useful barometer with which to gauge the condition of the industry in general. It also helps confirm the results of other sources of industry analysis.

We have been talking a lot in recent months about how to attract people to our industry, but if there is one unique aspect of the print and sign franchise business, it's that it tends to attract entrepreneurs from outside the industry, bringing new ideas unencumbered by the old, traditional "way things are done" as dictated by what Dr. Joe Webb used to call "the Lords of Printing." That is, "The Great Resignation" had some positive results on the ownership side of the franchise business.

Over the years, I have spoken with many sign franchise owners, and the most common origin story was that they were entrepreneurial individuals by nature who got tired of "working for the man" and left a corporate position to pursue a dream of owning their own business—a sentiment that is, after all, a major contributor to "The Great Resignation."

On the production side of things, however, the franchises are having the same problems with recruitment and retention as other print businesses. Work from home remains a desirable option but is not an option for production staff—no one is going to be taking a CNC router or flatbed printer home to install in their spare bedroom.

As for the supply chain problems, that's another example of the power of being part of a network. In some cases, the franchise Mother Ship used its muscle to reach out to suppliers and secure needed materials, and in other cases, individual franchises sent supplies back and forth to each other as needed.

Despite these challenges, the sign franchises are bullish on 2022.

Diving In

Because I love playing with data, I always include some general Census Bureau data on the sign industry. The Census Bureau has two different classifications for signs and display graphics:

- **NAICS 339950 Sign Manufacturing:** This industry comprises establishments primarily engaged in manufacturing signs and related displays of all materials (except printing paper and paperboard signs, notices, displays).
- **NAICS 541850 Display/Outdoor Advertising:** This industry comprises establishments primarily engaged in creating and designing public display advertising campaign materials, such as printed, painted or electronic displays; and/or placing such displays on indoor or outdoor billboards and panels, or on or within transit vehicles or facilities, shopping malls, retail (in-store) displays and other display structures or sites.

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According to the latest County Business Patterns, in 2019 (the most recent year for which the Census Bureau has data), there were 5,865 Sign Manufacturing establishments, an increase of +0.2% from 2018, and 2,462 Display/Outdoor Advertising Establishments, a massive drop of -11%. For most of the 2010s, this category was the closest the Census came to having a "wide-format printing establishment" category, but the declines in this category toward the end of the decade reflect the migration of wide-format capabilities to other, more printing-related categories, as well as consolidation, with "outdoor advertising" largely coming to refer to billboards and the like rather than what we usually think of as signs and display graphics.

In a nutshell, the last year of the "Before Times" marked the end of a strong growth trend in the number of sign manufacturing businesses that started in 2016. (We are not looking forward to the 2020 County Business Patterns data, which may end up being called the "Black Book.") This trend has been reflected in the growth of new centers

2021	Total Shops In System	Corporate Owned Shops	Shops In North America	Avg. Sales Per Shop	Average Number Of Employees Per Shop	Average Investment To Open New Shop	System-Wide Sales	Highest Revenue Shop
Alliance Franchise Brands (Signs By Tomorrow, Signs Now, Image 360)	290	2	290	$642,377	5	$28,647-$393,496	$186,100,538	$3,046,961
FASTSIGNS	762	0	713	$900,000	5	$225,000	$638,000,000	$19,000,000
Signarama	700	0	399	$506,757	5	$119,713-$313,782	$354,729,638	$6,111,784
SpeedPro, SP Franchising, LLC*	163	0	163	$635,00	4	$200,000	$90,805,000	$2,258,000
Totals*	**1,915**	**2**	**1,565**	**$671,033**	**5**	**$213,205**	**$1,269,635,176**	**$7,604,186**

**All numbers are totals, save for average sales per shop, average number of employees, average investment to open a new shop, and highest-revenue shop, which are averages.*

amongst the franchises, which previous years' franchise reviews have tracked.

In the 2020 and 2021 franchise reviews, we naturally saw very little growth of new centers (though there were some), and some attrition, which continued through 2021. In 2022, we are starting to see some new growth of centers, but one interesting trend this year was that even if the franchises weren't dramatically increasing the number of centers, revenues have been way up from last year, perhaps best reflected in a slate of new "highest-revenue" locations.

The Sign Franchises

So, how did the sign franchises fare in 2021? The franchises included in this year's review are:

- Alliance Franchise Brands (Image 360, Signs By Tomorrow and Signs Now)
- FASTSIGNS International (part of Propelled Brands)
- Signarama (part of United Franchise Group)
- Speedpro

All told, there were 1,915 centers among the four franchises by the end of 2021, which represents a -0.7% decrease in total centers from last year's franchise review. Yet, sales were up 12.6% over last year. Indeed, the major trend this year was flat or declining total centers, but increased sales among those centers that remained.

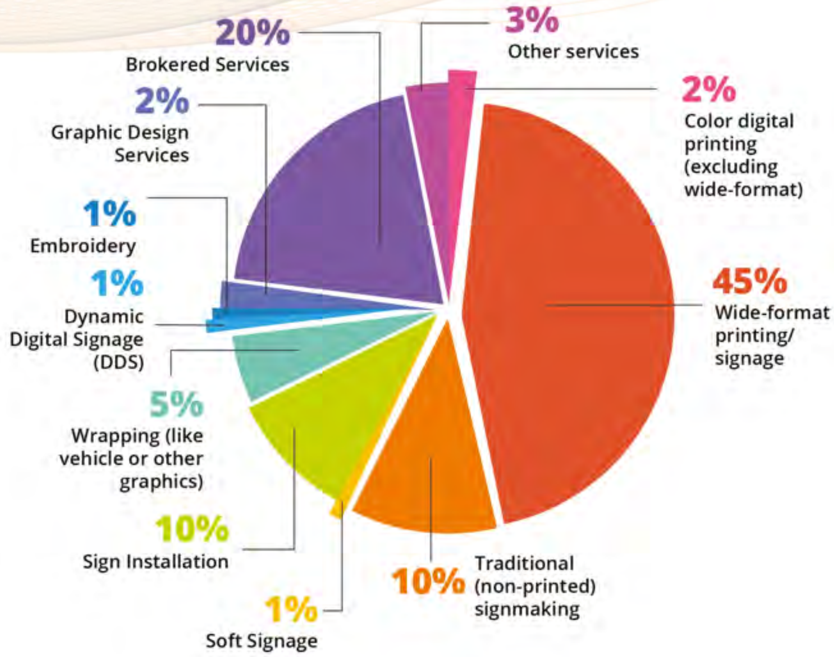
Let's look at them in turn.

+14.8% from last year's highest revenue shop. Here we see the first instance of this year's major trend: little growth—or even a decline—in overall centers, but a large increase in revenues.

According to Ray Palmer, president of Franchise Operations, the decline in centers was due in part to the lingering of pandemic-related effects, with some "Great Resignation" trends thrown in.

"Like in most industries, some of our franchise owners who were approaching retirement decided to bow out a bit earlier than they had originally planned," said Palmer. "We've attracted well-qualified entrepreneurs to take over those long-standing businesses to maintain continuity in those markets while infusing new energy locally and to us as an organization."

Percent Each Job Contributes to Total Revenue—Alliance Franchise Brands (Sign Side)



Alliance Franchise Brands (Image360, Signs By Tomorrow, Signs Now)

In 2021, Alliance Franchise Brands saw a -4.3% drop in total number of centers in the sign division, but total system sales increased +12.3%, and the highest revenue shop came in at $3.0 million, up

The Alliance Franchise Brands sign brands are Image360, Signs By Tomorrow and Signs Now.

"More than 90% of the time that a new owner purchases an existing AFB center, they want to migrate to the Image360 brand if it isn't already branded as such," said Palmer. "While all of our brands deliver both traditional signage solutions and innovative, higher-end options to customers, the ‘fast’ connotation of our Signs By Tomorrow and Signs Now brands may incorrectly lead you to think they’d be unable to redo an entire wayfinding system in a hospital, which they can.”

Image360 implies a vast panorama of services, which better represents what Image360 centers are producing.

ALLIANCE FRANCHISE BRANDS℠
SIGN & GRAPHICS DIVISION

“If you look at the work that some of our members are doing now, especially in the experiential graphic design area, it’s tremendous,” added Palmer. “They are converting entire environments with graphics and displays, and in some cases, even artwork and statues that they’re commissioning. It’s pretty amazing to see these franchise members embrace the brand and really grow their brand presence to be a visual communications company, not just a sign company.”

As with everyone else in the industry, finding employees has been the major challenge, said Palmer.

“I think it’s starting to ease up. What we’re finding now is flexibility. The mentality of what the workforce wants today, especially from younger potential employees, has changed.”

Palmer said that the key is finding a balance that works for the company and the employee so that the team has the flexibility to work at home. Obviously where this gets tricky is production staff.

In the sign world, this usually means that a “graphic designer” has a dual role in the sign business: design, obviously, but also assisting in physical production. So when a sign shop is looking for a “graphic designer,” that can get challenging.

"Understandably, graphic designers are focused primarily on their design work, so if their role includes assisting with production, it often takes a bit more work to find someone with the right skill set and operational profile for what you need," said Palmer.

On top of that, salary pressures and inflation are also posing challenges, although they are challenges we are all facing.

"There are a lot of factors but I think the key is being flexible in thinking how the new workplace environment needs to operate," said Palmer.

The 20% "brokered services" are things like traditional signage like electric signs, channel letters, digital signage and things that smaller centers that only have a basic printer–laminator setup need to outsource.

FASTSIGNS International

FASTSIGNS saw a +1.6% increase in the total number of centers in 2021, the only sign franchise that reported an increase in overall centers. Total system sales also increased +17.1% and the highest revenue shop came in at $19 million, up +35.7% from last year's highest revenue FASTSIGNS shop.

The biggest issues for FASTSIGNS this year, according to CEO Catherine Monson, are the unholy trinity of labor shortages, inflation and supply chain problems. The labor issue is especially vexing.

"We have over 1,300 open positions in the U.S. in the FASTSIGNS system alone," said Monson. "Some of that is inside sales and some is outside sales, but even more of those are in production and in installation."

With the average number of employees per establishment in the five to nine range, a staff shortage is a serious problem.

"If you're a five-person business and you're down an employee, you're down 20% in what you can produce," she said.

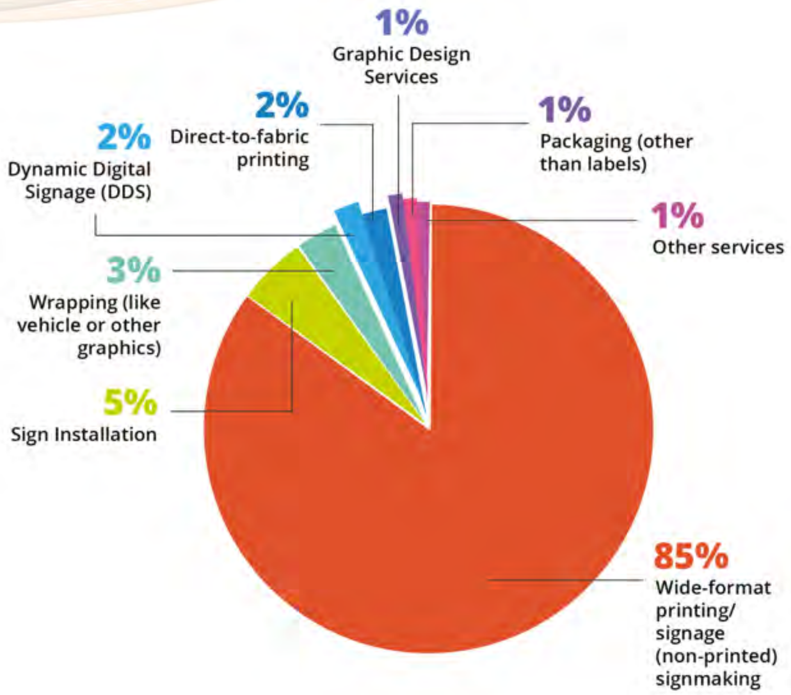
And while the usual work-from-home issues are in play (sales yes, production no), even remote graphic design has its problems.

"There's that collaboration between the client, who kind of knows what they want but isn't certain exactly certain, and the graphic designer and the salesperson," said Monson. "When they can talk together and say, 'Well, I don't really like how this looks over here, put it over there,' even though there are some great work-from-home tools, it's just not the same as that collaboration in person."

Being part of a network also helps with labor sharing.

"There are times where a franchise has a client who has locations in four states," said Monson. "The customer likes to deal with one sign company, and our franchisees can call on fellow FASTSIGNS for production of a large job. Whether it's having multiple centers work on it at the same time or helping with installation in different geographic areas, that

Percent Each Job Contributes to Total Revenue—FASTSIGNS



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power of the network certainly is a real value from a capacity and installation standpoint."

The supply chain issues illustrate another example of the advantage of being part of a franchise.

"Many of our key vendors have held substrates and vinyl and ink aside for us," said Monson. "We have great relationships with our vendors, and that has been a benefit to our franchisees."

Still, that only solves some of the problem.

"There are still times where, whether it's acrylic, .05 aluminum, or a particular kind of canvas, you just can't find it for a while. And we certainly, from a corporate standpoint, spent a huge amount of time finding incremental sources of supply; where we might have had five key vendors for certain substrates, we're now at 15, as we continue to look for more and more ways to help keep our franchisees' pipelines full of the materials that they need to produce successfully."

Franchisees also help spot other franchisees with certain kinds of materials like inks and vinyl. And the franchise as a whole—being as large as it is—can negotiate better deals on pricing of consumables, substrates and even equipment. Through the combination of increasing sales and cutting costs, FASTSIGNS franchisees have been able to drive up profitability, which is a strong focus for the franchise.

"Our top key strategic objective is to further increase franchisees' profits," said Monson.

Last year, we noted that some of the franchises were looking at acquiring other types of print businesses to complement their sign and display business, but FASTSIGNS is pursuing a tuck-in strategy, or franchisees buying books of business from other struggling independent sign businesses. This involves buying the customer list, artwork, and perhaps select employees and equipment of failing independent businesses.

"So that's a real focus for us, and we have a lot of those in process right now," said Monson. "We think that franchisees will be buying even more books of business this year."

The work-from-home boom helped out FASTSIGNS franchisees in another way: interior décor.

"We had a good boon during the work-from-home phase where someone wanted to have something that made their bedroom look like an office," said Monson.

It was certainly a vast improvement over those horrible, head-devouring Zoom backgrounds.

2022 started strong for FASTSIGNS, with five FASTSIGNS franchises sold in the first two months, and profitability up across the network.

"We continue to have the highest franchisee satisfaction in signage franchising and really very high throughout all of franchising. Our franchisees are happy, they're making money, and they're well supported by the business. It's a great time to be a FASTSIGNS franchisee," said Monson.

Signarama

Signarama saw a -1.0% decrease in the total number of centers in 2021, although total system sales increased +3.9% while the highest revenue shop came in at $6.1 million, up -27.5 % from last year's highest revenue Signarama center. Signarama was another case of seeing center growth flat or declining, but overall revenues up.

Signarama
The way to grow your business.

"We been pretty flat in terms of growth of overall centers, but our franchisees have actually grown quite rapidly," said A.J. Titus, president of Signarama. "We've had really great growth in terms of our franchisees selling signs, adding to their space, buying buildings, buying equipment—all of that fun stuff. We would like to grow more from the franchise sales point-of-view and the overall units, and I think that's coming this year. But overall, it's been a great year for Signarama."

Indeed, the franchise now has multiple $4 million centers, where previously they had only had one or two.

"Our franchise owners' revenues have gone up and in turn our royalties go up from that, so overall from signs sold the revenues are up and our internal revenue from the corporate office has grown," said Titus.

Titus attributes this revenue growth to rebounding and recovering from the pandemic as businesses opened up and people started getting out and about more—as well as another effect of "The Great Resignation."

"I think more and more people are starting to start a business or look at the opportunity to start a new business, so that's definitely contributing to it, as well," said Titus.

Whereas other franchises have been looking at opportunities in other kinds of printing, Signarama is staying focused on signs, and is looking at new technologies and new products—but keeping them firmly grounded in signage.

"Everything touches signs because we're a sign company, so we do want to stay with that," said Titus. "But a lot of the stuff we're looking at right now, and some owners are, is digital signage—LED message centers, digital signage and then the content for that. There's a revenue model in terms of helping business owners create the content for their digital message centers."

So getting into small-format commercial print is pretty "meh" for Signarama.

"A lot of our stores will dabble in things like that, but it's definitely not something that I'm focused on," said Titus. "We're very focused on being the best sign company, and there are so many different products in that."

Signarama is very much a family business. Titus is President, his father is CEO, and he recently hired his brother, Andrew, to be in charge of sales.

"I think he's going to do a great job," said Titus.

Another strategy is to revamp Signarama's marketing efforts and take advantage of "The Great Resignation" to recruit more new center owners.

"I think people want to control their own destiny, and I think franchising is going to reap the benefit of that," he said.

But like everyone, Signarama has felt the dark side of "The Great Resignation," as well, and the challenges of retaining employees.

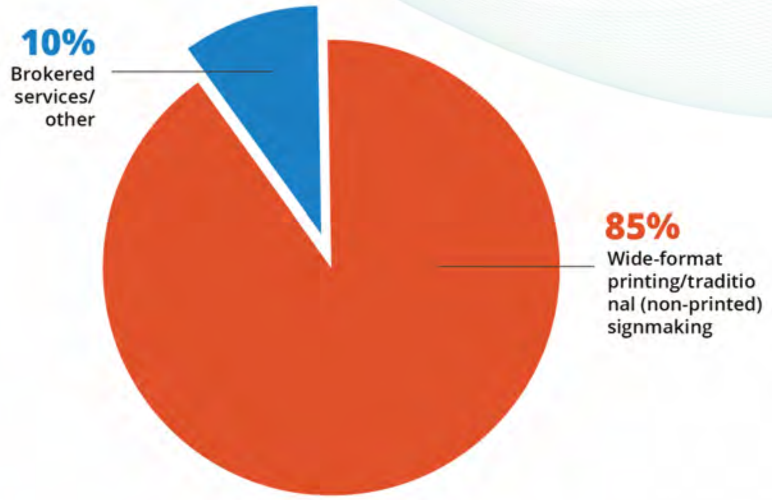
"The expectation of salary has changed, and employees are asking for things that they weren't asking for before, like flex schedules," said Titus. "It's hard to have a flex schedule with a sign company when you're physically making signs, but I think we've done a good job."

He remains philosophical about the current challenges.

"I tell franchise owners all the time that we're always going to be dealing with pricing, and we're always going to be dealing with staff and being creative and educating our staffs on the value-add and the good things about the sign industry."

The strategy going forward is to adapt to whatever forces they need to adapt to, but not let it fundamentally change Signarama.

Percent Each Job Contributes to Total Revenue—Signarama



"We're going to keep being the company that we've been for 35 years. We're going to focus on our relationships with our franchise owners, and we're going to look to grow internationally and domestically," said Titus.

"Although we're going to still be a face-to-face company and still shake hands and network and care about our community, there might be different ways that we need to do that moving forward," he added.

And that also means not leaving older franchise owners in the dust.

"How do we help our franchise owners, some of whom are in their late 50s, 60s and 70s and in some cases are not very comfortable with technology?" he said. "How do we help them and train them, or how do we help them position the business to sell and move on?"

SpeedPro

SpeedPro saw a -3.0% decrease in the total number of studios in 2021; however, total system-wide sales grew by 22.4% and existing, same-studio sales increased by 29.3%. In both 2020 and 2021, owners retired, closed due to government-forced shutdowns, and there were even some owner deaths. The total number of new owners to the network over the last two years was nine, driven by new, start-up franchises and ownership transfers. Thanks to the recovery from the pandemic plus leveraging a larger marketing fund and new marketing and sales campaigns, the studios that remained boosted overall revenues.

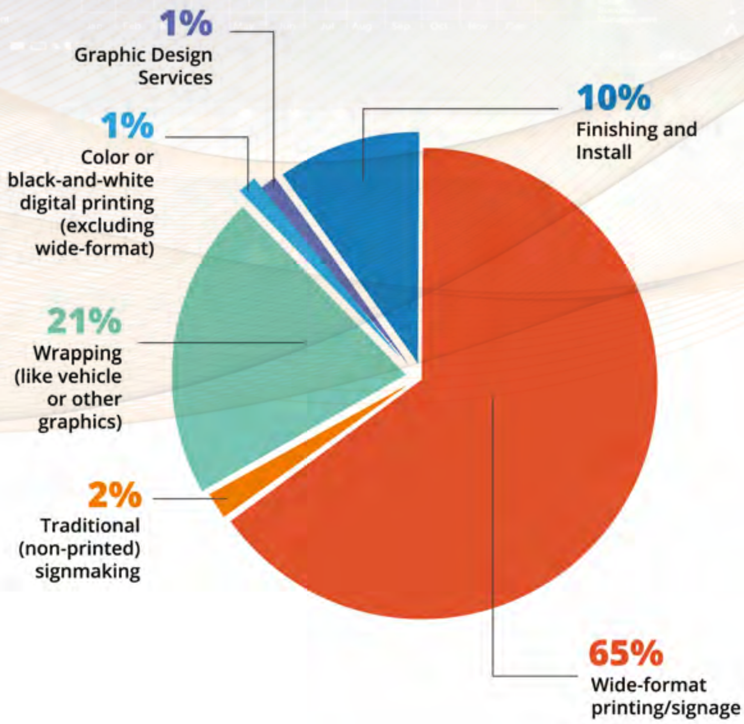
The top challenges are labor and supply chain, "but supply chain is probably the biggest," said Larry Oberly, Chief Executive Officer and Chairman of SpeedPro.

SpeedPro studios have also boosted business by growing their equipment capabilities. "Since 2015, we've increased the net number of flatbed printers by 168% and flatbed cutters in the network by 567%," said Oberly. "We're really adding a lot of capabilities, so we're able to upscale considerably the types of projects we are doing and have streamlined and automated our finishing capabilities thereby reducing the reliance on labor.

"We've gotten a lot of new traction with national accounts with those increased capabilities and color consistency," he added. "So that's an area where we really see a great opportunity for us." SpeedPro has also been successful at expanding into packaging, with more to come in 2022.

SpeedPro just held its first live convention in 34 months. "We had a great turnout from our owner and management network, and we had a very vibrant trade show," said Oberly. "We ready to have an amazing 2023 and beyond."

Percent Each Job Contributes to Total Revenue—SpeedPro



At the End of the Day

In our "Fall 2021 Print Outlook" survey, we asked print business professionals if they saw "becoming part of a franchise" as a business opportunity, and no one did. Obviously, it's not for everyone; but the last two years have shown us that in times of trouble, being part of a network can be a positive boon, if not a way of simply surviving. Still, as the declines in centers among the franchises demonstrate, it's not a total guarantee. But for entrepreneurial businesspeople, a franchise can be a great opportunity to run one's own business—and have someone get your back. It can be the best of both worlds.

NEEDED: QUICK-TURN LABELS

A trio of OEMs share what to expect in label printing trends.

If not for persistent labor issues, COVID-19 could have been a boon for label printing as well as for the manufacturers selling equipment that prints labels.

Todd Blumsack

As the global population was forced to hunker down at home in 2020 and 2021, many shopped online for "nicer," specialty items – from coffee and food to shampoo, according to Todd Blumsack, labels/packaging director for digital printer manufacturer Xeikon America. These products need labels printed mostly in short-run lengths on digital machines.

Despite its obvious downsides, "the pandemic has helped our capital equipment sales and recurring revenue," Blumsack said. "We had a good year in 2021 – stronger [financially] than we had anticipated. Our warehouse was busier than we thought it would be."

But getting people to work there is another story.

Fellow OEM Konica Minolta also reported robust label device sales last year, according to Russell Doucette, product marketing manager for the manufacturer's labeling products sector.

"Normally, we might sell one or two presses per month," Doucette said. "But during COVID, we were selling six to eight [per month]."

Despite some supply chain hiccups involving adhesives and substrates, it was a very good year, with profit margins up some 50%, he said.

His colleagues average about two demos (now, mostly virtual) weekly and are sending out sample sets.

"Short-run labels are in demand because people don't want to wait three weeks for them," Doucette said.

Runs of 500 and 1,000 are commonplace, but the OEM also makes devices capable of reproducing 10 times that quantity in under one hour.

In the health-care sector, increased patient loads at hospitals also increased demand for label printers, according to Toshiba.

Senior Marketing Manager Jessica Bernardo said that in the past 18 months or so, businesses across numerous verticals have dealt with pain points such as space constraints and multiple settings.

"Adapting to these changes requires the proper equipment," she said.

For desktop, thermal label printers, features such as recessed connectivity ports and power adaptor covers can make a big difference.

Toshiba created what Bernardo describes as an

***Mark Vruno**, a Chicago-based business publishing professional, has reported on the global commercial print industry for more than 20 years.*

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efficient service chain, including a depot service for returns. For onsite service contracts (ranging from one to five years), customers can now purchase parts and put the order under the same P.O. as their onsite agreement. In addition, Toshiba looks at emulations that exist with other label printer brands, such as SATO and Zebra, to foster seamless operations in the customer environment.

Substrates in Short Supply

Xeikon, acquired in 2015 by Flint Group, experienced none of the dreaded supply-chain issues with its toner, which is self-manufactured, but substrate supply has not been so painless.

Prior to about a year ago, substrate orders were placed just-in-time, Blumsack said.

"But now it's cash on hand -- and funneling into inventory," he said.

He has heard some "crazy" stories about printers trying to get innovative with materials.

Continued on page 62

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And more are coming.

Look outside your front door and the chances are that there is at least one, if not multiple cartons stacked up. They are not just stacked up by your front door. it is a growing global phenomenon.

In fact, corrugated, solid-fiber packaging and flexible packaging use are each projected to grow by about 13% between 2022 and 2027. Considering the global population growth rate has declined from approximately 2% in the 1960s to 1.05% today, that means we are purchasing and consuming a lot more products. In fact, global retail sales are expected to increase at a CAGR of 7.7% through 2025 as a result of the growing middle class consumer population.

There are many forms of packaging available today, and boxes play a role in almost all of them, whether directly for the product, product aggregation or transport.

That growth includes all sizes and shapes of flexible packaging, both preprint and postprint corrugated and carton production, an important distinction. That short-run growth will come from flexo, offset and digital. As the generational purchasing shifts take hold, the quest for more product variations, sizes, tailored messaging and promotions will continue to drive SKU proliferation and more packaging.

Enter Online Transaction

Web-to-print, or webshops, are a growing part of the commercial print market, however it is also growing in packaging procurement. ePAC has led the way with on-demand flexible packaging, and their growth has been explosive. Since their first plant opening in 2016, they have expanded across the North America, into Europe and Asia.

Web-to-pack shops, both connected to converters or standalone, act as transaction engines for a wide range of digital and flexo printed products. They include solutions for labels, folding carton and corrugated packaging, and continue to expand.

Unlike most web-to-print applications and print providers, ordering a box online can be a complex process. After all, a box can take many shapes and sizes, and if you are not a packaging engineer, how do you create the template, die outline and ultimately the graphics to fit?

Giuseppe Priorie is the founder of Pakly, a unique web-to-pack company located in the Province of Campobasso Italy, near Naples. Priorie graduated with a degree in electronics, but entered the print industry in 1994. In 2000, he started a photo album company in the Netherlands with the help of an accelerator fund called Rockstart. By 2013, he realized that commercial print could not maintain his interest, but he thought he could probably figure a way to do something interesting with packaging.

Since carton manufacturing was new to him,

like many commercial print service providers who take that first leap into packaging, he reached out to Aviv Ratzman, the founder of Highcon, for some initial guidance. Once he began to understand what he needed to do, in addition to his offset press, he purchased a digital press, and learned what it would take to create a carton.

He developed his online transaction software in 2014 and launched the initial build in 2015. The software walks the customer through the box creation based on size requirements and then produces a die outline, and a 2D and 3D preview of the box.

Priorie approached HP in 2018 after seeing the HP 20000, and asked if they could build one he could use for folding carton work. That became Pakly's first Indigo 90K. They also have three Highcon laser die cutters.

Initially their client base was local, but they started to see a lot of interest from other customers outside the area. They worked with other converters by taking the order and shipping the files for production and distribution in their own local areas.

Today, he also licenses the software to converters around the globe, who want to enter the web-to-pack market.

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Box It Now developed an online custom box creation software tool, but unlike Pakly, it isn't a converter.

Kerry Drake, the VP of sales and marketing for PXI Digital Solutions, the creator of Box It Now, came from the packaging industry, and was National Graphics Manager for Packaging Corporation of America.

He describes the software as a "collaborative web application, primarily used for new packaging development in the consumer product development cycle."

It is available to consumer product companies, as well as printers and converters, through a monthly subscription model, and available as an e-commerce widget for easy integration into a website.

If you are looking for a way to offer packaging visualization and/or take it through the production design process for converting, iC3D from Creative Edge Software may be what you are looking for. It goes beyond just carton creation to address flexible packaging and shrink film as well. It is available in three modules: suite, designer and modeler. The floating license offers package animation, shelf visualization and compatible integration formats for almost all of the professional package converting applications.

Just as in web-to-print software solutions for commercial printers, online package creation is facilitating the rapid growth of shorter-run packaging to address the shifting market demands. These new online transaction design and procurement web-to-pack solutions, in combination with digital presses and laser die cutters, are also enabling many commercial printers to find a lift into becoming a packaging converter. ●

David Zwang specializes in process analysis, and strategic development of firms involved in publishing and packaging across the globe. Contact him at david@zwang.com.

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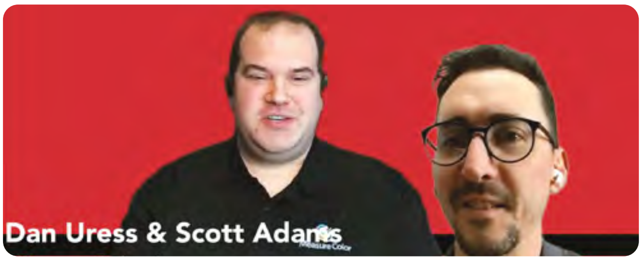

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ALIGN YOUR GOALS

Pre-call prep leads to better prospect meetings.

Most salespeople agree that advance prep for important prospect meetings is a precursor for successful call outcomes. However, based on my observations from working with hundreds of salespeople over the years, many continue to just "wing it." Sales call after sales call, they leave the entire outcome to chance.

Yet, statistics are clear. Sellers can gain at least a 20% bump in productivity through consistent pre-call work. What does a 20% increase mean for you? It means 20% improvement in revenue and a huge boost in sales commissions.

The purpose of pre-call prep, used in all stages of the sales process, is to meet your prospect where they are and design a conversation flow that ensures advancement. It starts with a clear understanding of which stage of your sales process you're in and where the prospect is in their buying journey.

Advance planning ensures that you and all participants involved are on the same page prior to the meeting, thereby increasing the overall effectiveness of the meeting. At its core, pre-call prep allows meeting participants to truly listen and stay flexible and responsive, which is a game changer for advancing with your prospect.

Lisa Magnuson is an author and founder of Top Line Sales in 2005. It has a proven track record of helping companies overcome the barriers to winning TOP Line Accounts. Learn more at www.toplinesales.com.

Alignment is Critical

Imagine prepping for your next big prospect meeting. You worked incredibly hard to secure this appointment, and you've put in a lot of work hoping it will lead to a next meeting.

During the discussion you plan to share information about your company and show a couple of features of your product. But your prospect's goal is to learn more about their problem, so they can decide if it's severe enough to allocate resources to solve. Clearly, your meeting goals are out of alignment.

If you move forward with your current agenda, your prospect will be frustrated since they didn't get what they hoped from the interaction. And you'll be discouraged, since they won't agree to a next step.

If you want to avoid being out of sync with your prospects, I've got two simple steps for you to follow as part of your pre-call prep:

First, start with your prospect's goals for the interaction. And the best way to find out is to ask them! Here are two critical questions:

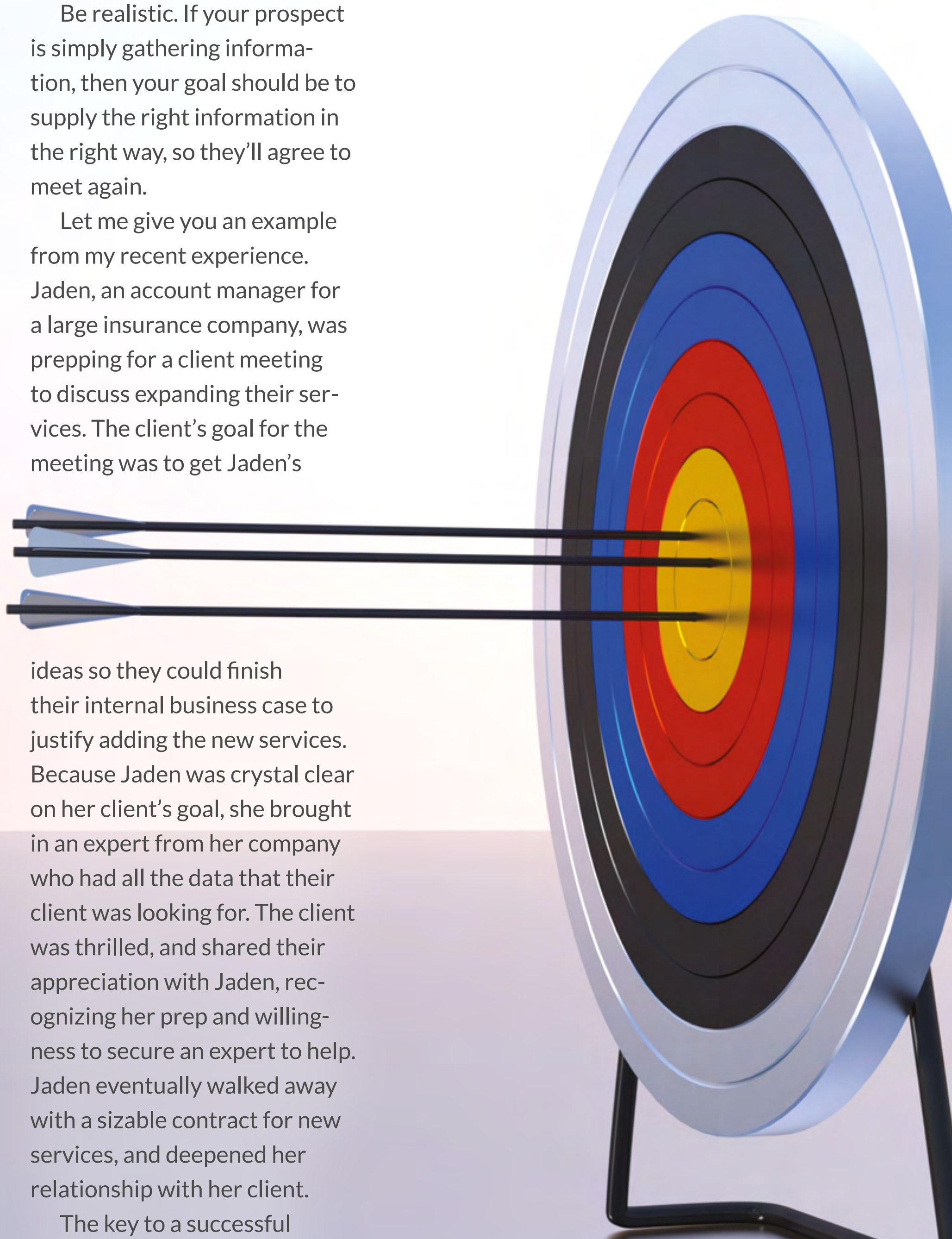
- What would make the meeting productive for them?
- What do they envision as possible next steps following the meeting?

This second question is powerful, as your prospect thinks about next steps in advance, It's also a good idea to send them the agenda or discussion points a few days in advance, and ask them for input.

Now that you have that information, you have to align your goals for the meeting with their goals.

Be realistic. If your prospect is simply gathering information, then your goal should be to supply the right information in the right way, so they'll agree to meet again.

Let me give you an example from my recent experience. Jaden, an account manager for a large insurance company, was prepping for a client meeting to discuss expanding their services. The client's goal for the meeting was to get Jaden's



ideas so they could finish their internal business case to justify adding the new services. Because Jaden was crystal clear on her client's goal, she brought in an expert from her company who had all the data that their client was looking for. The client was thrilled, and shared their appreciation with Jaden, recognizing her prep and willingness to secure an expert to help. Jaden eventually walked away with a sizable contract for new services, and deepened her relationship with her client.

The key to a successful prospect conversation is to meet your prospects where they are. ●

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HP INDIGO BRINGS NEW PRODUCTS, NEW ENERGY TO DSCOOP 2022

A conversation with Haim Levit

By Cary Sherburne

HP Indigo delivered strong performance in 2021, and the team headed out to Colorado for DSCOOP 2022 armed with enthusiasm and lots of news. In this sponsored interview created from written answers provided by HP Indigo, Senior Vice President and General Manager, HP Indigo and Industrial Go To Market, Haim Levit, shares an update and a look ahead.

Haim Levit

***WhatTheyThink:** What can you tell us about the last two years? How did you do as a business? What trends so you see impacting our industry?*

Haim Levit: There is no doubt that, like others in the industry, vendors and customers alike, we also took a hit in the earlier stages of COVID-19, but we bounced back immediately. We identified the rapid changes in the market; and we responded to them, eventually leading to the best two years we've had in our history from a growth perspective.

The market around us has changed and shifted towards localization, personalization, e-commerce, short runs and automation. We saw the rapid rise of local micro brands and a sharp increase in on-demand personalized goods in the labels and packaging space. We also saw the continuation of the inkjet momentum in publishing, direct mail and high-volume commercial pages. We understood that this is the time to fire on all cylinders and help our customers leverage the change in market trends.

Our strategy and game plan were very clear. First, we did everything in our power to help our customers at the heart of the pandemic. We came out with significant relief programs that helped many of our customers and channel partners go through the rough waters.

In parallel, we took a critical market leadership decision to move forward and release our drupa portfolio, when many others decided to wait or scale down. We launched new solutions that span multiple segments, commercial (Indigo 100K, 15K), labels (Spot Master), flexible packaging (Indigo 25K and the pouch factory), folding cartons (Indigo 35K), the Indigo Secure solutions aimed for the security print market, the HP T250 HD and HP Brilliant Ink in production inkjet and significant advancements in workflow and automation.

We also launched virtual events and an innovative communication platform, so we could still broadcast to our customers, including virtual demo experiences. As a result, our net new placements started to pick up, reaching historic levels we've never seen before. In labels and packaging, for example, we see our customers adding capacity buying their 2nd, 3rd and 4th presses, trying to deliver against the market demand. We also saw outstanding momentum in the high-volume inkjet markets on both commercial and publishing, leading to multiple unit placements.

Simultaneously, we accelerated our efforts to create advanced remote support and predictive care systems that have substantially improved the customer experience and allowed us to support our customer even in the very early days of COVID when travel was almost impossible.

The last two years were definitely complex for our customers and for us, but resilience, clear strategy, agility and deep partnership with our customers enabled us to deliver remarkable growth, selling more than 1,200 presses into the market, capturing outstanding amounts of incremental pages.

WTT: *What's the status of the commercial and L&P businesses? How do you see the future?*

HL: The commercial market saw a big drop during the pandemic and is still not fully recovered, mostly in the travel, leisure and gaming segments, and that will probably take some time to recover. However, pockets in the market saw growth, especially when it comes to analog to digital conversion as a result of the localization and personalization trends and the challenges around offset media availability. In publishing, high-speed Inkjet has seen great momentum across the board.

When it comes to the labels and packaging business, we really saw the market booming, and our sales have been simply

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phenomenal. The market trends and the quest of the brands to differentiate themselves from each other have created an outstanding opportunity for HP. We placed more than 500 presses in this market segment, and we are leading the digital labels and packaging market with more than 70% market share. In the next few months, we will disrupt the labels market again with the Indigo V12 press that will have six times the productivity we have today.

When it comes to flexible packaging, while the digital transformation is just starting, we already see amazing success stories like e-Pac, which I'm sure most of your readers have heard of — an account that saw the advantage of the only real end-to-end digital flexible packaging solution in the market — and decided to open up franchises around the globe. ePac today has close to 60 Indigo 20000s and Indigo 25Ks.

***WTT:** How do you support your customers with increased automation, even more important with the difficulty many companies have attracting and retaining talent?*

HL: Automation is an important trend, especially in a post-COVID world where labor rates and availability of resources are limited, and efficiency is even more important. While this is still in early stages in our industry, HP has decided to put a lot of focus on automation, and is already delivering a range of solutions that help our customers automate their production floors, increase quality and better serve their end users and brands.

Our PrintOS platform includes an ecosystem of Industry 4.0 tools that are being used by more than 4,000 of our customers on a daily basis. Print beat, color beat, siteflow, OEE, service XR and others are only a few of the tools HP is bringing to the advanced factories of today and the future to promote automation, multi-site and fleet uniformity, save labor costs, reduce waste and improve time to market.

***WTT:** What new product news did you bring to DSCOOP 2022?*

HL: The message we brought to DSCOOP was a message of continued growth, the strength of our business, the resilience of our customers, the power of the DSCOOP community and the partnership between HP, DSCOOP and our customers that is basically leading the digital print transformation.

We talked about some impressive milestones we've achieved. We already sold more than 100 x Indigo 100K presses since launch, but the bigger story is the attractiveness of the B2 format in the market. We already have more than 1,300 active B2 presses in the market that are playing a major role in transforming analog pages to digital.

From a new product perspective, we announced the fifth color station and the Auto Pallet Replacement (APR) for the Indigo 100K, the commercial availability of the all new Indigo 15K, and HP Spark, which is the next generation of the award-winning Mosaic and Collage solutions. We also showed some new inks and future developments from our R&D labs.

We talked a lot about sustainability and HP's mission to become the most sustainable company on the planet. Sustainability is much more than a slogan or trend, it's our way to return back and care for our planet. Beyond the basic level of printing, only what you need when you need it, we provide another unique layer of sustainable options such as circular printing, recycling of spare parts, ability to use recycled and/or bio-degradable substrates, etc. In fact, we have quite a few amazing campaigns running with leading global brands such as Hershey, that are also leveraging sustainability as a driver to impact communities, minorities, diversity and making this world a more equal place for all of us.

WTT: *What's the latest DSCOOP news?*

HL: DSCOOP is a phenomenon that is really hard to explain. It's by far the largest users community in the industry and definitely the longest lasting one, and I'm proud to be part of such a community. During the pandemic it was simply amazing to see how our members shared knowledge, ideas and new business opportunities around the world.

DSCOOP serves as a platform for education, networking, sharing best practices and forming partnerships that otherwise are impossible to create. DSCOOP delivers constant content virtually and face-to-face to its members to keep them up-to-date with trends and happenings in our industry. It creates a strong sense of belonging for its members and a unique sense of family. The annual conventions are a celebration of innovation, learning, networking and fun. In pre-COVID years, we used to see more than 3,000 participants in the annual conventions. The surprising fact is that during the last two years, over 12,000 members participated in the different virtual events that took place. We were expecting a much smaller event this year due to ongoing uncertainty, but I'm excited to share that we had over 700 registered attendees.

Our solutions partners are another integral part of our ecosystem and the DSCOOP community. This unique structure allows our partners to stay closely connected to our customers and even interact with other partners themselves. That unique relationship fuels growth and innovation. It brings up ideas that later become solutions we deliver to the market and ultimately help create cutting-edge end-to-end automated printing solutions. I have no doubt that these relationships will keep getting stronger.

HP's bond with DSCOOP is the most significant growth generator we have had in our history. Even more so, this relationship is creating partnerships for growth that go far beyond the transactional part of selling presses. We form long-lasting relationships that are based on trust and common goals. Our customers appreciate that, and together we are writing the history of the digital print revolution.

WTT: *Anything else you would like to add before we close?*

HL: Yes, I would like to use this opportunity to thank our customers for allowing us to partner with them in this journey. We never take them for granted, and we remain committed to this deep bond we have with our customers and partners. We are committed to continuing to listen, collaborate, respect and deliver the most innovative solutions that will allow our customers to grow.

I would like to acknowledge our incredible employees who spent days and nights making sure we successfully got through this period. They worked in impossible conditions and took risks, but they never lost sight of the customers and the goals we set for ourselves.

I know COVID is still around us, and some of our customers are still fighting to recover. Still, I'm proud of what HP has achieved in the past couple of years, I'm proud and honored of the partnerships we created with our customers. I'm grateful to be part of a fantastic company that remains committed to leading the digital print transformation. ●

__Cary Sherburne__ is a well-known author, journalist and marketing consultant whose practice is focused on marketing communications strategies for the printing and publishing industries.

TURN OFF THE POWER

Why IT shouldn't drive operational decisions.

By Jennifer Matt

When I think about operations in a print business, I think about the end-to-end business process "order entry to invoice." The operations of getting jobs out the door and cash in the bank is another way to put it. This business process encompasses a lot of different functional areas of your business, many people, and a handful of software technologies.

Recently, I watched a large organization make a critical operational decision driven almost solely by IT's desires and needs. For most organizations, IT is not part of operations. IT is a function that manages the technical infrastructure. So yes, IT gets involved when your on-premises Print MIS/ERP system goes down due to hardware issues, but they are NOT involved when you need a new custom report or a configuration change due to policy changes in estimating.

I have said this many times; one of

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"An ERP implementation is 1000% operational. Your Print MIS/ERP is THE system that runs your operations."

the biggest mistakes made in print businesses is putting IT departments in charge of Print MIS/ERP decisions and/or implementations. An ERP implementation is 1000% operational. Your Print MIS/ERP is THE system that runs your operations. It is generally the system that tracks order inquiry to invoice. What happens when IT makes the decision to change ERP systems, and that change is purely based on what's important to IT?

First let's review what factors an IT department is interested in. Typically IT departments want simplicity in the form of reduced security surfaces (the amount of area they must keep secure to prevent hacks, viruses, etc.), and reduced technical debt (the care and feeding of different technologies). These are very good priorities and very important to your company - no matter the size.

The issue is that the software systems that you utilize to run your operations cannot be evaluated by IT. Your IT department does not know the specifics about custom manufacturing estimating, order processing or raw materials inventory tracking. The priority for your operations is the efficient working of your people across estimating, prepress, customer service, production, finishing, shipping and accounting. IT knows how to keep the systems up that these functional areas utilized, but they don't know how these systems are specifically used.

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NEW DAY, NEW CHALLENGES

Three factors driving growth in large-format and signage

By Joanne Gore

When the pandemic first ensued, printers were left scratching their heads wondering how to keep business flowing. Many seized the opportunity to bounce back and stepped into the wide-format space, producing pandemic-related signage, floor graphics and face shields. Fast-forward to 2022 and these wide-format heroes find themselves facing a new set of issues - all threatening its continued growth.

Many states have lifted COVID restrictions and are returning to "normal," significantly reducing the demand for pandemic-related signage.

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This hits the provisional revenue streams many printers – especially wide-format print shops – have been relying on for the past 18 months.

Creating further challenges are supply chain and labor shortage issues, which in some instances are fueling one another. Some economies, like the U.S., are opening – while others, like Canada and Asia, continue to face restrictions.

While U.S. import demand for printing products/supplies has increased dramatically, many exporting countries are neither at full production, nor logistical capacity. The result? A supply impasse, increased costs and backlogging.

Adding to the pressure are labor shortages, compounded by "the great resignation," an aging workforce and a lack of skilled labor amongst the Gen Z and millennials entering the workforce.

The challenge of attracting the younger generation to the printing industry, albeit not a new one, is often where the topic of increasing automation to circumvent labor challenges weaves its way into the conversation.

While workflow automation can reduce the amount of people needed per job (and is often a by-product) it's not a solution to today's labor crisis. One of the main benefits of automating repetitive, error-prone tasks is that it frees up your employees to focus on what will best help the company hit its targets – whatever they are.

Attracting and retaining the skilled workforce needed to run, manage and maintain your workflow's touchpoints continues to be a challenge that printers across the globe face.

Three factors drive growth in large-format and signage.

New Businesses. New Brand

After a nearly two-year absence, trade shows are back – and they're feeding a voracious, competitive appetite for business.

A hiatus from the show floor, new competitors and a shift in buyer and business behavior and values, has led companies to re-think ways to showcase their brand – with booth signage, graphics and new interactive print solutions, that can generate engagement, traffic and business. With hundreds of trade shows scheduled in the U.S. for 2022, wide-format shops have the opportunity to keep the job pipeline flowing.

Plus, the "great resignation," fueled by those who have re-evaluated their career plans due to either being laid off, working from home, or being unable to find work, has resulted in a rise of new business establishments – and brands. The Economist reports that four times as many single-person companies have been founded since the pandemic began.

New Technology. New Solutions

Constantly improving technologies and trends impacting the growth in wide-format include artificial intelligence, 3D modelling, virtual reality, packaging and prototyping, interior décor, short-run wall coverings and sustainable solutions – to name a few.

Tim Greene, research director for IDC, sees some interesting trends on the equipment side. New requirements for sustainability, turnaround time, drying time and running costs continue to drive innovation in UV, dye sublimation and latex.

Curation processes and technology are a prime example of just how far equipment and technology has progressed over the last five years, enabling printers to offer more competitive solutions and better customer experiences. An increasing demand for cost-effective and textured-coating printing inks, has increased the popularity of UV-curated inks – and a shift to UV-gel, which produces a high-quality product, reduces curation time, saves costs and has a significantly smaller odor footprint.

It's a similar story for white ink, with equipment evolving over the past five years to not only improve the quality and durability of the ink itself, but to also increase production speed, efficiency and product quality – resulting in more vivid designs and more application options in signage, backlit signage and window films.

However, a discussion about improved technology in the print industry is incomplete without mentioning the impact of web-to-print software. With more integrations, better user experience, easier implementation, increased options and better customizations, e-commerce helped many printers reach new customers and geographies 24 x 7 x 365 – while simultaneously gaining access to real-time, business-defining data. It's a market that's expected to grow at a CAGR of 7% between 2022 and 2027, according to Expert Market Research.

Having an online storefront allowed buyers to shop with their keyboards to fulfill their print needs – from zoom-ready backdrops and wall murals, to safety, wayfinding and re-opening floor graphics and signs – all from the comfort of their laptop, tablet or phone.

People are still spending a lot of time online, and likely will continue to do so, even as economies re-awaken.

DataReportal's Digital 2022: "Global

Overview Report" reveals that most of the connected world continues to grow faster than it did before the pandemic. While Insider Intelligence expects U.S. e-commerce sales will cross $1 trillion for the first time in 2022. Prior to the pandemic, they did not forecast e-commerce reaching this milestone until 2024.

New Trends. New Expectations

The thing about popular culture is it's not static – it's constantly shifting and adapting to the changing times. And boy, have times changed. Just look at recent pop-culture design and environmental trends.

Digital platforms like TikTok, Instagram and Pinterest influence the look of many new "micro" brands, influencing young entrepreneurs and startups to turn to bright, attractive images with muted presets — aka: the "Instagram aesthetic."

Embracing this minimalist, clean design trend over the past few years are brands like Burger King, Mastercard, Warner Bros., Nissan, VW, Volvo, GM, UPS and Pepsi. Plus, with these brands eager to create memorable, physical experiences, printers can seize the opportunity for photography, logos and website design – previously tethered to the dimensions of a screen – to be brought to life with full-size, 3-D, touchable print.

Another trend in pop culture is increased ecological awareness. While this has impacted nearly every industry, the print and paper sector have been particularly hard-hit, again falling victim to greenwashing statements.

Two Sides North America, an independent, non-profit organization, has made it its mission to bust paper myths and spread the sustainability story of print, paper and paper-based packaging. Contrary to popular belief, the forest products sector is, in fact, central to the ongoing transition to a low-carbon and circular future rooted in renewable, natural resources, according to World Business Council for Sustainable Development. To further "green" their supply-chains – printers are reducing carbon footprints, migrating to sustainable inks and consumables, and adopting more sustainable printing practices.

The Shifting Landscape of Large-Format Printing

In early 2021 I wrote about how critical print is to the brand experience, and how it takes more than 10 interactions before brand recall even begins to set in. Big, beautiful print increases the chances of being noticed and provides a powerful way to reinforce that brand recall, whether it's in-store, in-office or on the trade show floor.

Climate change remains an important issue in many aspects of life – business and personal – impacting equipment, technology, printing practices, supplier and material choices.

While each day sees new hurdles and challenges, an abundance of opportunities for wide-format shops to tap into revenue streams exists, when focused on what's driving growth. With constantly improving technology and equipment, the signage and large-format landscape can become greener, leaner and stronger. ●

__Joanne Gore__ is founder of Joanne Gore Communications. She has spent the last three decades helping companies maximize their marketing and communications efforts. Contact Joanne at joanne@joannegorecommunications.com.

TRANSFORMING THE LEARNING ENVIRONMENT WITH SIGNS

Signarama's Chuck Gerardi highlights the opportunities educators have to enhance their students' experience.

No one could have predicted the effect a sustained pandemic would have on our workspace and learning environments. For many, after a prolonged hibernation at home, returning to the workplace or classroom was met with hesitation and anxiety. For some, working and learning from home gave us time to take a step back and reflect on priorities, spend more time with family and rethink our surroundings. Businesses, including our learning institutions, continue to pivot and change course to fit the needs of its students, parents, customers and staff.

While our classrooms sat empty, many administrators took the opportunity to give their schools a fresh look. Similar to re-branding in the business world, the "brand" of a school suddenly took on a heightened importance.

More than just repainting the hallways, re-imagining our learning environments became an avenue to build a sense of community, and improve engagement and interactivity. This focus on environmental immersion is a once-in-a-lifetime opportunity for Signarama owners worldwide to make a dramatic

impact on the lives of students in their learning community. Our signage experts worked closely with their education partners to help with their signage renovation needs.

As more and more students return to the classroom, the use of environmental branding is crucial in welcoming them back. Environmental branding takes the visual and emotional aspects of branding and translates them to the physical space. Effectively designed graphics on walls, windows, floors and doors can transform a dull, sterile school hallway into a place of inspiration and safety. What better way to put our students in a better frame of mind than by having them enter a lobby filled with bright and inviting words and graphics. This is what we do every day at Signarama.

Effective environmental branding in schools delivers a positive return-on-investment in the following ways:

- **Signs create IMPACT.** Bold colors can create a mood. The right type of font triggers emotion. Logos and graphics create awareness.
- **Signs support IMMEDIACY.** Banners, retractables and cut vinyl can be designed, manufactured and delivered quickly against tight deadlines.
- **Signs foster COMMUNICATION.** Floor, door and walkway signage have become a staple during COVID-19, sharing the latest open or closed status of locations and sharing information with the public.
- **Signs foster SAFETY.** Drop-off and pick-up times have often been contentious touchpoints, so ensuring the safe and less stressful transfer of students in and out of school can be aided with signage to clarify changes in directions and procedures.
- **Signs reinforce BRANDING.** Effectively designed signage can create a positive identity, show value and trust, and of course promote school spirit.
- **Signs are AFFORDABLE.** Signage provides a variety of options for your budget, and can be easily changed to fit your messaging and needs.

In the "new normal," educational signage and environmental branding goes well beyond just showing school spirit. Signage options like large EMCs (electronic message centers) were installed to keep students and parents informed of upcoming re-openings and ongoing events and announcements. Large murals were added in hallways, doors and windows, walkways, stair faces and open areas, with bright colors and inspiring messages for learners.

An imaginative use of substrates, applications and the latest technology can create hands-on, interactive designs that engage students, teachers and the community at large. Environmental branding can make a positive impact on the lives of students and school culture, leading to better educational outcomes.

Last year, Signarama celebrated 35 years in business as a globally known, locally owned brand. Even throughout the pandemic, our brand has seen tremendous growth with many of our owners achieving personal successes through expanding their team, achieving sales milestones, and even moving to larger facilities to increase their signage footprint in a community they already know so well. ●

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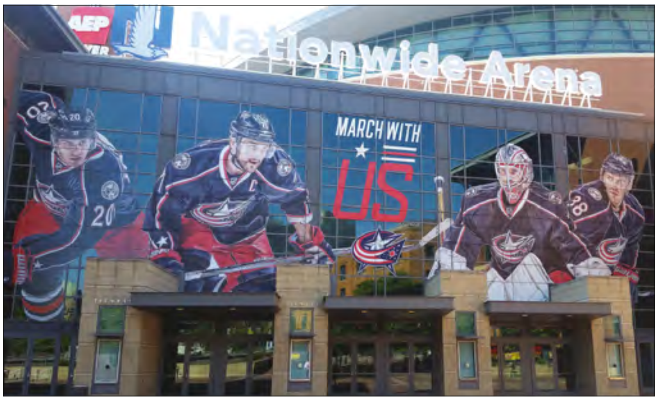
Chuck Gerardi, vice president of operations for Signarama, adds invaluable wide-format printing experience, and insights from his years of sales management to the Signarama team.

PANE POINTS

A window graphics photo gallery

By Richard Romano

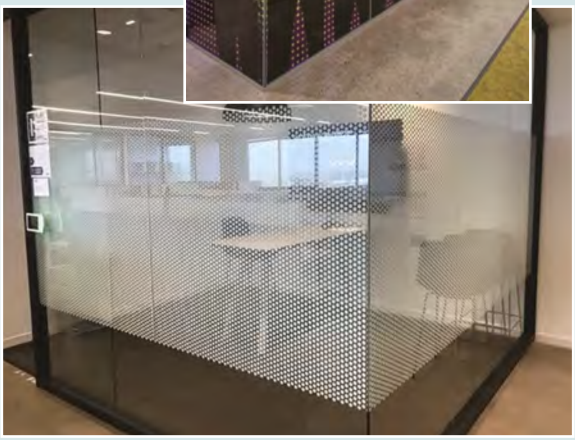
In this photo gallery, we highlight some recent window graphics projects that display graphics providers have produced. These application galleries are intended to serve as “food for thought” in developing creative applications for clients.



▲ Slap Shot
This exterior window graphic was produced on an EFI VUTEk roll-to-roll printer by WestCamp, in Westerville, Ohio, for the Columbus Blue Jackets NHL franchise at Nationwide Arena.

▲ Running the Gamut
Gamut Media in Fullerton, Calif., specializes in creating eye-catching window graphics like these on its Roland DG printer/cutter.



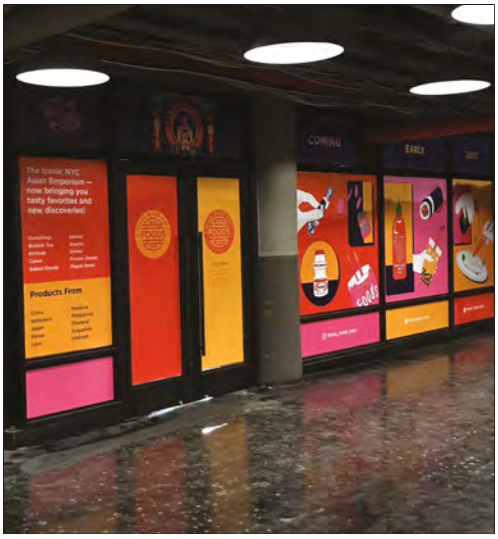



Conference Call
These interior windows were printed by Renze Graphics on a swissQprint Nyala.

▲ Window Graphics Go to the Movies

(Top) Film and television graphic designer Martin Charles created these eerie graphics for a hospital scene in the recently released Apple+ movie Finch using his Roland DG printer/cutter.

(Above) For the movie “42,” Martin Charles used his Roland DG printer/cutter to produce these graphics, designed to recreate a street in Brooklyn.



◀ Food for Thought

Vadim Rabinovich of DaSign Guy in Long Island City, N.Y., used his Roland DG TrueVIS VG2-540 to create attractive “coming soon” graphics for a restaurant.

◀ Meatless Media

Vancouver, B.C.-based Premier Graphics used Drytac SpotOn White Matte for this window graphics project for vegan food business The Very Good Food Company.

◀ Getting the Full Point

(Left) Full Point Graphics owner Hiroshi Kumagi of Brooklyn, N.Y., designed these vibrant graphics for The Bronx Museum of Art’s "Born in Flames" exhibit, printed on his Roland DG TrueVIS VG2-540 printer/cutter.

(Center) Full Point Graphics also used its Roland DG TrueVIS VG2 printer/cutter to recreate colorful signage from Lincoln’s run for president.

I am always on the lookout for new and creative printing applications and projects, be they small or wide format. Have you worked on something unique and of which you are proud? Feel free to share them with me at richard@whattheythink.com.

FUTURE FIBERS

Innovative fibers are set to improve textile sustainability.

By Cary Sherburne

It is estimated that some 60% of apparel is made of petroleum-based polyester or polyester blends. As the world moves to diminish its reliance on petroleum, polyester fabrics are an attractive target.

Although waste fabric and used clothing can be recycled to create fibers that can be again put to use in a circular economy model, it does not appear that this is being done on any kind of massive scale. Collection can be difficult, and detection of the exact composition of the fabric can be equally problematic.

We encourage continued development of recycling processes for polyester and polyester blends, since they are not going away anytime soon, and they are taking up a lot of landfill space.

In parallel, however, there are several initiatives underway to develop more sustainable fibers that are made from natural materials. At the same time, digital textile printing continues to evolve – especially pigment inks – that will allow quality printing on fabrics made from these new fibers, suitable for a variety of uses, including apparel.

HeiQ AeoniQ spun filament
(Image sourced from HeiQ)

Conventional analog printing and dyeing processes, of course, will also continue to be used for the foreseeable future, but to the extent significant volume can be offloaded to digital technologies, sustainability will be improved, especially for smaller and customized runs.

We are interested in hearing from companies that are working on sustainable fibers for the future, but in the meantime, here are a few examples of new or improved fibers we have learned about.

HeiQ AeoniQ

HeiQ is an innovative company founded in 2005, and is well-known as a developer of a variety of textile finishes.

"We have come up with more than 200 innovations so far and have received 19 awards for our work," said Carmen Danner, director of business development. "In these development efforts, we work closely with research institutes and universities to align our efforts with the needs of the industry and the private sector."

We were interested to see an announcement late last year from HeiQ concerning development of not only a new fiber, but also spinning the yarn as a continuous filament. This is the first foray into fiber for the company. It's long-term goal with this new fiber, AeoniQ, is to provide the textile industry with a more sustainable solution with a smaller CO2 footprint and a reduction of microplastics pollution.

AeoniQ is created from 100% natural cellulosic feed stock. The first target is next-to-skin garments with first trials in the knitted sector, with woven to follow. Other industry segments, such as automotive, will be targeted in the future.

"We use a very special and quite flexible process to make the fiber that can use different types of cellulosics, such as pulp coming from food, and a variety of recycled cellulose, including recycled cotton, viscose and other not-so-commonly-used cellulose sources like algae or bacteria," said Enrique Herrero Acero, chief technology officer for HeiQ AeoniQ. "It's basically a drop-in solution – whatever you can do with a cellulosic fiber you can do with AeoniQ."

This R&D project is in the middle of the lab stage and pilot plant phase.

"We have approached a number of partners to come on board to make this a fully commercialized product," Danner said. "We are building a pilot plant in Austria, and the next step will be to build a full production plant in Europe by 2024. The goal is to reach mass production levels in 2025. This means not only our brand partners, but for everybody, because we really want to drive change in fashion."

9FIBER

9FIBER is a start-up in the industrial hemp material converter space backed by 10 years of R&D, according to Adin Alai, CEO.

Industrial Hemp Field

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They take agricultural waste and hemp stalks and stems and convert them into two main ingredients: bast fiber, which is the outer skin of the plant, and cellulose, which is the inner or woody core of the plant.

"We have a patented technology that allows us to remove all the impurities and contaminants from both of these elements," Alai said. "This eco-friendly degumming and decontamination technology allows us to unlock the potential of this material and insert it into our nine target markets, creating multiple end products within those nine markets."

In textiles, like in the paper industry, degumming and decontamination, getting rid of herbicides and pesticides, heavy metals, gum, lignum, pectin, wax, etc., the process typically uses caustic chemicals and acids, and is largely done overseas, according to Alai.

9FIBER's solution is to accomplish that process stateside with only water and oxygen as emissions.

"That same technology is used in cleaning of other materials such as plastics and paper," Alai said. "Once the material is prepared the right way, there are a ton of applications for it. We see ourselves as the door that unlocks the potential of these plants by running it through our process. This includes not only textiles but also automotive, paper, plastics, nonwovens and semiconductors. There has also been progress in labs to use hemp as a source for creating graphene."

Alai points out that industrial hemp grows to maturity in 90 to 100 days, with two growing seasons in warmer climates.

"According to a study that was done in the UK, hemp has about a 4X ability to carbon sequester than trees do," Alai said. "It's a biomass material that's renewable, usable, sequesters more carbon, and you don't have to cut down as many trees, which obviously take much longer to get to maturity. The timber industry is well-established, and we are not going to stop cutting down trees in the near term. You can't just slide hemp into the process; there has to be quite a bit of R&D in order to see how well you can replicate it and which cultivars are best at doing that. The entire industry is in that learning phase right now."

TENCEL

Another sustainable fiber that has been around for 30 years, but has been continuously improved over that time is TENCEL branded lyocell and modal fibers, manufactured by Lenzing AG.


Dress created using TENCEL fibers.

It is produced from sustainably-sourced wood using environmentally responsible processes. TENCEL lyocell fibers are versatile and can be combined with a wide range of textile fibers such as cotton, polyester, acrylic, wool and silk to enhance fabrics with regard to their aesthetics, performance and functionality. TENCEL modal fibers can be blended with most fibers and processed using conventional machinery.

TENCEL modal is a highly compatible blending partner for cotton, and owing to the fiber's sleek cross-section, adds long-lasting softness to fabrics, enhancing the touch even after repeated washing. Blending fibers with TENCEL modal fibers significantly improves softness and overall comfort.

Depending on how they are used, TENCEL lyocell and modal fibers can offer a range of benefits including efficient moisture management, sustainable production, long-lasting softness, silky smoothness, gentleness on skin, versatility, color fastness and biodegradability. They can also reduce the use of petroleum-based fibers such as polyester.

The company also offers VEOCEL, wood-based fibers used in nonwoven fabrics that absorb and retain liquid efficiently.

Kyorene from Graphene-One

Kyorene graphene composite fiber has bacteriostatic, mite repellency, UV resistance, deodorant properties, heat dissipation and increased mechanical strength functions. It can be widely used in knitted and woven fabrics and nonwoven materials.

The focus of this fiber is both sustainability and functionality, enabled by graphene, only discovered in 2004 and often described as a miracle material. The list of functionality we have here just scratches the surface of what graphene is being used for. The viscose staple fiber is cotton-like, smooth and soft, and is suitable for a wide variety of apparel and home décor applications.

Graphene-One has perfected a process that allows yarn to be spun with a graphene core. I had the opportunity to see this product at a trade show a couple years ago, and as a fiber artist myself, I can tell you that the yarns were just as soft and pliable as any other yarn. It is certified safe for use with infants and young children and breathable and comfortable on the skin. It can also be used in conventional melting or wet spinning production lines for large-scale manufacturing.

Armor Guys protective glove made with Kyorene fiber, comfortable and with high cut resistance. *(Image sourced from Graphene-One)*

Graphene-One fibers are produced using state-of-the-art fiber spinning and is not a coating or treatment.

Kyorene graphene oxide is covalently bonded to a polymer backbone, making it permanent and effective for the life of the fabric, extending the life and increasing the sustainability of the finished garment.

The company also developed Kyorene Graphene Denim, a denim fabric infused with graphene nano particles. It consists of a Kyorene nylon filament combined with the cotton in denim, strengthening the denim fabric and providing thermal regulation.

Looking Ahead

This is just a small sample of the fiber innovation occurring today. And we are sure there is much, much more happening in this arena. If you know about or are creating sustainable, innovative fibers for textiles and apparel, or are a brand incorporating these fibers into your products, we would love to hear from you. ●

THE SHROUD OF TURIN

EFI Reggiani makes history printing the only authorized replicas.

By Heidi Tolliver-Walker

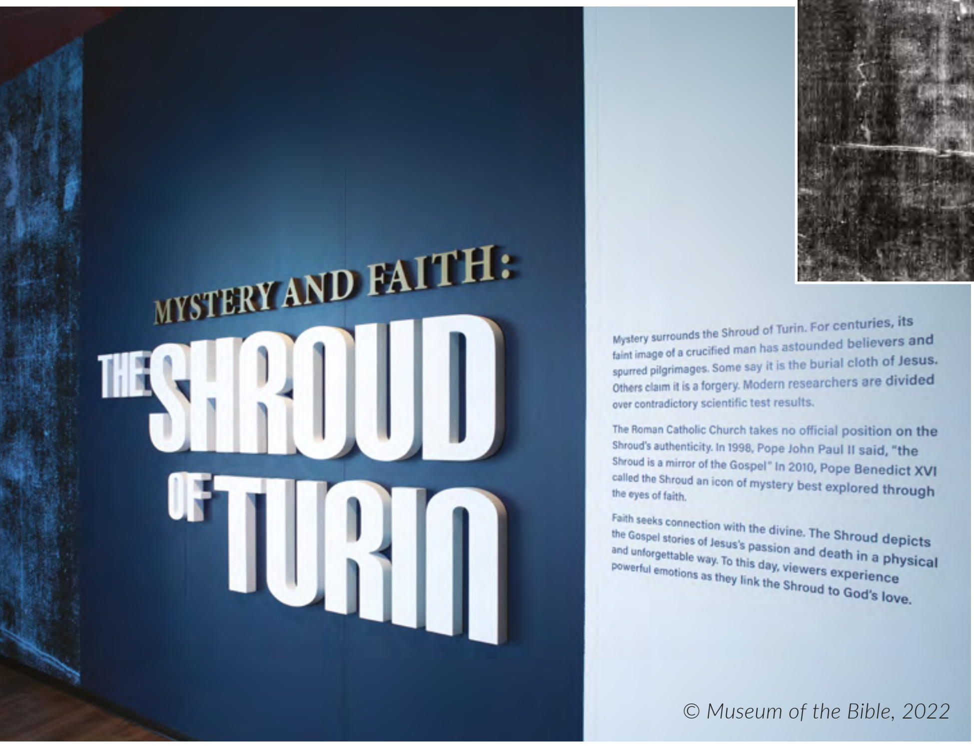
When you want to create an authentic replica of one of the most famous and treasured historic artifacts ever discovered, where do you turn? If you are the curators of the Shroud of Turin, you turn to EFI Reggiani, EFI's sustainable pigment-based digital textile printing technology.

February 2022 saw the opening of the exhibit, "Mystery and Faith: The Shroud of Turin," at the Museum of the Bible in Washington, DC. At the center is the replica of the Shroud printed by EFI Reggiani on its TERRA Gold Digital Press at EFI Reggiani's headquarters in Grassobbio, Bergamo, Italy. It is one of only 100 official replicas authorized.

Dr. Jeff Kloha, chief curatorial officer for the Museum of the Bible, speaking at the press event several days earlier, noted the irony of the timing of the opening of the exhibition.

"This exhibit was planned to open last year; then COVID-19 happened, which in some ways, was oddly appropriate," he said. "The Shroud has always been connected to times of stress and danger, and yet has also been a source of comfort, all the way from the Black Plague [in the Middle Ages] to the ostentations during the last two years during Holy Week."

For EFI Reggiani, the honor of being selected to create the only



© Museum of the Bible, 2022

Because of the natural coloring of the Shroud of Turin, the subject matter is best visualized as the high-contrast black-and-white positive as seen in inset. *©1999 Barrie M. Schwortz Collection, STERA, Inc.*

Museum of the Bible © *Museum of the Bible, 2022*

authorized reproductions of this historic artifact cannot be overstated. National Geographic has called the Shroud "one of the most perplexing enigmas of modern times." It stands unique among all historic artifacts, with no established explanation for the haunting image it carries.

Replicating History

First mentioned in historical documents in the mid- to late-1300s, the Shroud of Turin measures 14 feet 5 inches by 3 feet 7 inches and bears a faint, yellowed image of a naked, crucified man, with his hands folded across his groin.

Despite centuries of study, the presence of the image remains unexplained. Images painted with dye or pigment, which would have been characteristic of the time, would have soaked down into the cloth, yet the image of the crucified man rests on top of the cloth. The image also has characteristics of a photographic negative, a concept not introduced until 1826 by French inventor and scientist Nicephore Niepce, centuries after the Shroud was discovered.

Radiocarbon dating conducted in 1988 puts the age of the shroud between the years 1260 and 1390. However, the dating is disputed. Crucifixions were abolished by Constantine in the fourth century A.D. The mysterious origins of the cloth, the samples of pollen, dirt and other environmental artifacts embedded in the cloth, and the unexplained negative image bearing striking similarity to the New Testament descriptions of the crucified Jesus have led many throughout history to believe it is the cloth in which Jesus was buried.

Many theories have been put forth as to the existence of the image, but none have been conclusive. This has left the Shroud of Turin cloaked in mystery. If it's not the image of the crucified Jesus, what is it? History awaits the answer.

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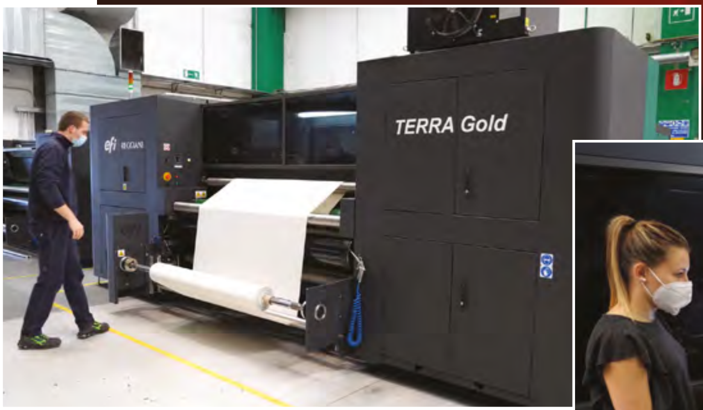
Centuries of History

As the debate around the Shroud continues to swirl, the relic sits quietly in the Cathedral of St. John the Baptist in Turin, Italy, where it has lived since 1578. Because of its age and historical significance, it is rarely removed for examination. The haunting image has captured worldwide interest thanks to photographs taken in 1898, 1931 and 1978 (ultraviolet). High-definition imaging was authorized in 2008.

© *Museum of the Bible, 2022*



EFI printing the replica.

Work on producing replicas began in 2020 with a project called Lino Val Gandino that included Italian municipalities, districts and a family-owned textile company called Torri Lana 1885, which produced the linen on which the replicas were created. Only 100 replicas were produced to be distributed to museums and churches around the world. The process was meticulously overseen by a consortium of companies, including EFI Reggiani.

To produce replicas with the greatest possible historic accuracy, Lino Val Gandino chose the EFI Reggiani digital textile printing technology using water-based pigment ink, high-resolution printing, and the ability to reproduce even the most subtle variations in color. EFI Reggiani was also selected for the technology's image fastness and overall sustainability of the printing process.

How to replicate the gradations of an image and a substrate aged 700 to 2,000 years? As with any printing process, it started with the right substrate. Since the type of linen used for the Shroud is no longer manufactured, ancient seed was used to grow the linen on land owned by the Torri family. The linen is from the flax plant of the Eden variety, cultivated in Egypt using the same process as 2,000 years ago. After harvesting, processing the flax plant into fibers and spinning, the resulting linen yarn was used to weave 600 meters of canvas used in the official replicas.

The linen fabric was delivered to the EFI Reggiani headquarters, where it was printed. The

***Heidi Tolliver-Walker** has been a commercial and digital printing industry analyst, feature writer, and author for more than 20 years. Her industry commentary can be found in national printing publications, blogs, and marketing publications.*

MUST SEE:

EFI Reggiani TERRA Gold Digital Textile Printing Technology for Prestigious Shroud of Turin Replica Project

Adele Genoni, Senior Vice President and General Manager, EFI Reggiani, shares the story.
Find video here: www.printing-news.com/21159314

file size necessary to maintain even the finest details of the image was extraordinary—1 GB—taking up the entire hard drive of a single PC.

"Thanks to the performance of EFI electronics and the TERRA Gold printing engine, we were able to manage a file of that size and stream it to the printer quite quickly," said Micol Gamba, product marketing manager, EFI Reggiani.

Working with the Museum of the Shroud of Turin and in collaboration with the International Center for Studies on the Shroud, the team began the process by sampling the face portion of the Shroud in six different variants. This allowed the replication of the very subtle and unique shades of color as authentically as possible. The image was output on EFI's TERRA GOLD digital textile printer, whose high resolution (up to 2400 dpi) and variable dot size (4 to 72 pl) allows precise detail down to even the smallest variations in the cloth.

Challenges Beyond the Usual

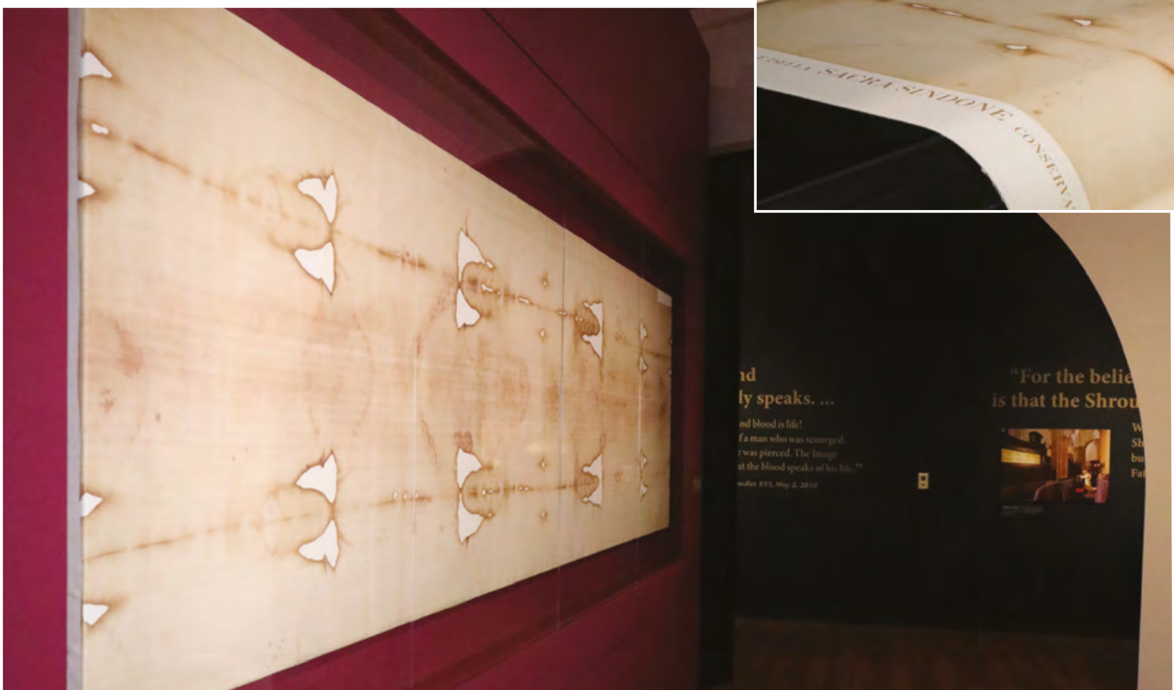
"The challenge, compared to a normal print, was the impossibility of comparing against the original and being able to read the actual color to be reproduced, as we normally do when profiling on specific color targets," Gamba said. "The experience of our technologists and printing experts and their deep sensitivity to color and digital reproduction have been core to achieving a highly accurate final result."

Also helpful is the fact that the TERRA printing solution uses eight colors rather than the traditional CMYK. The addition of red, blue, orange and green inks aided in the ability to reproduce these very difficult colors with great accuracy.

The EFI Reggiani TERRA Gold uses a highly efficient polymerization process that takes place as the printed textile goes through the printer's on-board dryer. This eliminates the need for steaming or washing, normally required for direct-to-textile applications. Not only does this result in a greener process that uses less time, water and energy, but it achieves a superior printing result.

"In the TERRA Gold, we have a very precise machine capable of enhancing and reproducing even the most sensitive details," Gamba said. "The TERRA pigment inks create images not only with great definition and color intensity, but with tremendous light fastness, which means that the print and the colors will be able to resist years and years of exposure."

Want to see for yourself? The exhibit "Mystery and Faith: The Shroud of Turin" is running from Feb. 6 – July 31 at the Museum of the Bible in Washington, D.C. ●



Commemorative print of the 1578 exhibition of the Shroud in Turin.
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ISA ROCKS!

ISA Sign Expo returns in person with upcoming Atlanta show.

By Richard Romano

It's been a long three years since the International Sign Expo was last held in person. 2021's virtual event was a success, but there's nothing like in-person networking, demos, educational sessions and parties.

"We haven't met since 2019, so our industry is super-ready to get together," said Alicia Auerswald, International Sign Association (ISA) VP marketing, membership and communications.

This year's International Sign Expo (www.signs.org/isasignexpo) comes to the Georgia World Congress Center in Atlanta, May 4–6, and if early registrations are any indication, the sign industry is eager to return to normal.

The Sign Expo traditionally alternates between Las Vegas and Orlando, with this year's event taking place in Atlanta. Comparisons of non-Vegas to Vegas years isn't entirely fair, but this year looks to be comparable to the last Orlando Expo (2018).

"The fact that we are trending ahead of 2018 definitely gives us lots of optimism and enthusiasm that we're heading in the right direction," said Iain Mackenzie, ISA's VP of meetings and events.

The return of the Expo also introduces some new elements.

The Wrap Experience, a car-wrapping challenge, has long been a hallmark of the Sign Expo, but this year it is being complemented by a new competition: The Fabrication Experience.

"It's a nod to a traditional component of the sign industry," said Mackenzie.

Designed to be both educational and fun, teams will compete against each other to build a lightbox. And, during the competition, said Mackenzie, "the instructor is going to be talking about the products, how the products work and their benefits in different weather conditions."

Another feature new for 2022 is Community Cohorts, a peer-to-peer learning experience.

"One thing we've learned over the course of the last couple of years is that learning, finding solutions and how to fix certain things from your peers really makes a difference," said Auerswald.

Community Cohorts was born during last year's virtual Sign Expo and proved so popular that ISA is bringing it to the in-person event. There are four one-and-a-half-hour sessions on Friday covering such topics as CEO/C-Suite, sales, print, and

project managers.

Registration is separate from the general Sign Expo; attendees can register for the individual Community Cohort sessions at **https://www.sign-expo.org/community-cohorts/**.

Another feature that was ported from the virtual to the in-person Expo is a kind of "matchmaking" event for national and local sign companies that was itself spun out of a long-time networking event and reception.

"Over the last two years, we pivoted and converted it into a virtual event, and it became a more matchmaking-oriented type of event with one-to-one conversations," said Auerswald. "What we realized was that even though we were going back to in-person, the success of this virtual event led us to reinvent that event, and it's already nearly sold out."

Essentially, it's a kind of "speed dating" that lets national sign companies find local installers and other providers. It was such a hit in its virtual incarnation, said Auerswald, that "it really shows the need for those connections between the nationals and the installers."

There are several pre-conference sessions on Tuesday, May 3, including a "Business Boot Camp for Wrap Professionals," sponsored by Avery Dennison; "Developing Exemplary Project Management Teams;" "Finding Success with Wide-Format Print;" and a "Dynamic Digital Workshop." More information about these sessions can be found at https://www.signexpo.org/pre-conference-workshops/.

In addition to sign-industry-specific educational sessions, the Sign Expo traditionally features a keynote speaker from outside the industry to deliver a talk that is more inspirational than educational. This year, Shon Hopwood will deliver a keynote provocatively titled "Second Chances: Shon Hopwood's Incredible Story of Robbing Banks, Winning Supreme Court Cases and Finding Redemption."

"Over the last two years, there has been so much change, so many people have had to pivot and adapt what they were doing, and Shon's story is absolutely amazing, because it really talks about perseverance, finding the silver linings, and finding the motivation to be successful and overcome the hurdles to success," said Auerswald.

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The Sign Expo will also include a brand-new mobile app and app platform, the emphasis of which is going to be on networking.

"One of the key things that we want to do is make quality connections at the Sign Expo, and our mobile app has those matchmaking capabilities to connect attendees with other attendees, exhibitors with attendees, and exhibitors with exhibitors," said Auerswald. "It's really going to be the tool that can drive those connections on the show floor—and after the event, as well."

There will not be a virtual component this year, as ISA made the decision to focus on an in-person experience.

"People want to come, see and touch all the products and really meet face to face with people," said Auerswald.

"People are desperate to get back and see each other, do business, and see and purchase new products in person because an industry such as ours is very much based on seeing materials and actually seeing equipment and comparing products," added Mackenzie. "As great as virtual is, it's hard to do that."

And of course there is the return of ISA ROCKS, the industry party.

The sign industry hasn't met in person since 2019, so this year's Sign Expo may feel more like a homecoming or family reunion than a trade show. WhatTheyThink | Wide Format & Signage will be there!

Continued from page 31

"Some of our customers are telling consumer-goods clients, 'You've got to try a different label substrate.' They literally can't get their hands on certain, specified substrates. Out of necessity, most brand managers have become less particular and seem to be 'content with getting a label that represents their product fairly,' Blumsack said.

Since early January 2022, the ongoing UPM paper mill strikes (Finnish Paperworkers' Union) have exasperated the supply issue, he added. Fierce competitors even helped one another by building substrate networks. This spirit of industry cooperation now is quite prevalent.

For the most part, "face stocks have stayed the same," Blumsack said, but liners have seen more migration away from paper and toward polyethylene terephthalate (PET). End-users are "less picky about cost" these days, especially printer customers in the pharma- and nutraceutical vertical markets, where variable-data print also plays a large role.

Some top-selling labels for Konica Minolta's customers include pressure-sensitive varieties that require finishing, such as laminating or die-cutting. Its larger, faster PLS 402f digital label press was rolled out in 2020. Wet-strength (anti-curl) products remain popular, as do Classic Crest (roll) labels for applications on beer and wine bottles. Demand is up, too, for labels produced on plastic.

"Polypropylene is a best-seller. The colors jump off the page," Doucette said.

To ensure a seamless solution, Xeikon also works closely with its finishing partners, including Grafotronic, which counts a major automotive manufacturer among its clientele.

Obtaining parts for its printers has not been a problem, Blumsack said, primarily because the OEM largely supplies its own imaging heads and other components for its dry-toner and UV-inkjet devices. However, finding workers and the associated labor costs have proved challenging.

"All label manufacturers are searching for staff," he said.

Permanent Changes?

With limited ability to travel and "get in [to see] accounts," up to 70% of Xeikon's product demonstrations have gone virtual via Zoom video-conference technology.

"Our team had to buy cameras and tripods. They're booked up through the next two months," Blumsack said. "The days of 90% travel are gone. Maybe we will get back to 50%."

He projects that, in the near future, between 20% and 40% of demos will remain virtual.

On the fix-it side, while remote diagnostics is nothing new for Xeikon or other OEMs, its use increased substantially during COVID. Service technicians have been, perhaps, hit hardest by the pandemic. Without being able to go out into the field, performing preventative maintenance on machines has posed challenges.

Aside from core manufacturing operations, separation continues within Xeikon's offices, Blumsack said.

"Our estimating staffers are still working remotely, as are the prepress and finance departments." ●

Continued from page 43

So in my example, a large company's IT department forced a change in an ERP that disrupted the entire operational business process. All the operations folks at all levels disagreed vehemently, yet IT proceeded (and upper management allowed them). After many months of planning, many more months of an attempted implementation, IT finally gave up and retreated to the system they attempted to replace. Their attempt was to replicate a complex business process by simply adding user defined fields to a general ERP solution. The result: it took 10x as long to do everything in the business process. IT got what they wanted - all manufacturing plants on the same ERP, providing a single data source for reporting up to finance. In the midst of that transition, they broke the entire business process.

IT does not get to make operational decisions. IT gets to participate in operations decisions. They have a strong influencer role. Their needs DO NOT override operations. Sometimes operations need to stay on a solution that isn't ideal for IT because it's the solution that best fits operations. IT often must live with more technical debt, and more data management so that operations can be as efficient as possible.

I like the idea of a meritocracy here, which is "...the holding of power by people selected on the basis of their ability." Your operations leadership should have power in the decision-making process of the software they use for the functional areas under their management. The IT department should have influence over the selection of tools based on how it will impact their security surface and technical debt. A Print MIS/ERP might be selected that adds considerable effort for the IT department because it adds so much value to the operations.

In this example, the meritocracy gives more power to operations than IT. In a reverse example, IT would likely have more power in the decision of where to host their technology stack, whereas operations would have little to add to that decision.

All businesses are run on software. Just because software is involved doesn't make the software decision an IT decision. Software is fundamental to your business success. In my mind the MOST important user of software is the set of individuals who have the software open all day, every day in the "doing of their job." These users are the most important to me.

By important I do NOT mean they should be given the power to decide about new software solutions. What I mean is their level of efficiency is primary to the overall business's success. Software should serve its users. A software that makes users more efficient is returning the value of the investment to the business owners.

Too many business owners/managers allow themselves to be intimidated by their IT departments. Do not allow this to happen in your organization. Your IT department is in the service of your operations. They should be making it easier on you to get jobs shipped and invoiced, not getting in your way of making that happen.

A team effort is only available when leadership creates the meritocracy, so IT holds power in their areas, and operations maintains power in their functional area of expertise. ●

***Jennifer Matt** writes, speaks, and consults with printers worldwide who realize their ability to leverage software is critical to their success in the Information Age.*

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THE CAT AND MOUSE GAME

A Marketing Lesson from Walter the Cat

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Walter the Cat lives with me in a large house on a big lot in a rural area with a cold climate, all factors which add up to mice. Walter's job is to hunt mice in the house and outdoors around the perimeter.

Since Walter spends much time outside, his veterinarian recommends treating him topically to prevent fleas, ticks and ear mites on his coat, and roundworms, hookworms and heartworms internally.

This chemical treatment is sold under the trade name Revolution Plus by the pharmaceutical company Zoetis Petcare. Like human medicine, it is available only by prescription.

Revolution's maker knows that nobody likes paying exorbitant prices. What to do? Introducing Zoetis Petcare Rewards, which is really just a rebate program. Buy stuff, get money back.

A program can be as simple as including a coupon in each package or as complex as the monstrous disaster Zoetis created. Allow me to guide you through what should have been a simple process.

First, I was sent to their website. Ok, but now I must create an account which means filling in pages of required fields with personal information. Once I did so, I was prompted to upload a picture of my receipt. There was no drag and drop feature, even though the site was constructed to look like it.

Next, I was prompted to fill out a questionnaire with duplicate information: everything asked for was already in the account I had just set up or on the receipt I had just uploaded.

Whew! Done with that; now where's my money? Instead of a rebate, I'm "pending approval" and it may take 5-7 days to be approved. Approved for what?

A week later, I'm approved. So where's my money? No money, just points. I've earned points that can only be converted into money after I accumulate enough. It isn't clear to me how points = dollars, so I must take what I get on faith.

Fast forward a year. I finally have enough points. They don't redeem automatically, so it's back to the website...log in...another form...but still no cash! They will mail me a gift card that can only be used at a veterinarian. They will recharge this card after I accumulate more points in the years to come. Recharging takes 5-7 days as well.

Highly paid experts in corporate America actually think this is a great program. It creates customer involvement. It increases website visits. It forces users to "opt-in" and surrender their personal data and that of their pets. All wonderful things to internet marketeers...and horrible things in the view of customers.

I've sent the company emails and filled out surveys telling them how user antagonistic their program is. Now here I am in a national magazine letting 100,000+ readers know how much I detest this "customer loyalty program" that in fact alienates customers.

Heed my words, business people! You can do better than this. Stay in touch with your clients. Trust your instincts but verify with your customers. Above all, don't become dazzled with your own brilliance.

Zoetis may be a $100 billion company, but Walter the Cat is unimpressed. ●

Steve Johnson is a successful print owner and digital pioneer. Each month in Johnson's World, he offers up his take on the day-to-day world of graphic communications.


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