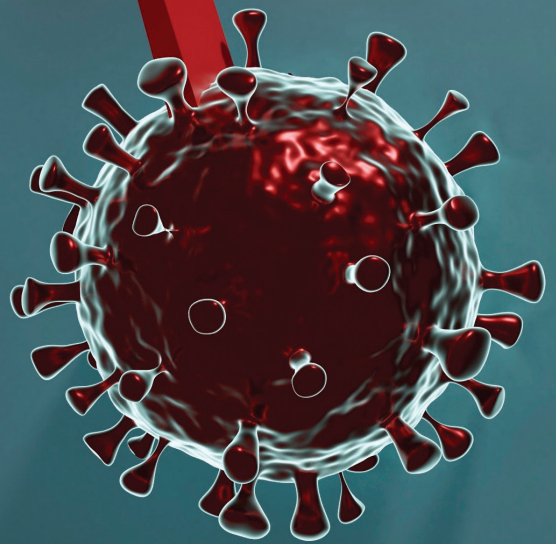


Business Strategies for the Distributor Sales Professional

PRINT+PROMO

Market Watch

COVID-19's impacts on key
verticals and how to recover





The **BEST** Approach

Industry professionals discuss selling to three major vertical markets

By Elise Hacking Carr

The decision to target one, three or five verticals is personal, and likely will bring up many questions. Which vertical aligns with my business philosophy? Which vertical interests me? Which vertical has lasting power? That last one carries special weight right now as businesses deal with the consequences of COVID-19. Although direction is changing rapidly, health care orders are still booming. Travel and hospitality orders, on the other hand, have come to a grinding halt with trips, trade shows and other events temporarily postponed or canceled altogether.

There is so much gray area to explore, but what we do know is distributors who position their companies as true marketing value-adds, selling on the merits of creativity and resourcefulness, will fare well. To help you along in the decision-making process, Print+Promo consulted with leading suppliers and distributors in three key verticals. Here, they expand on end-user needs, common pitfalls and the effects of COVID-19.

1. HEALTH CARE

The admissions department of a major hospital group was ailing from an ongoing problem with patient ID bands. Its printers were jamming, oftentimes resulting in multiple sheets to successfully produce a single wristband. Time was lost. Resources were wasted. Nurses and patients were frustrated. With more than 20 years of manufacturing its best-selling stock and custom medical ID wristbands, Ward-Kraft Inc., along with its distributor partner, had the remedy.

“The distributor was able to get us a sample of the current product, as well as the make and model of the printers used in the hospital, so that we could do internal analysis and testing in our lab,” Gina Staudinger, chief business officer for the Fort Scott, Kansas-based supplier, recalled. “We were able to keep the same construction the hospital was currently using (i.e., standard laminated band), and change the material to eliminate jams.”

As a result, the hospital was able to switch the bands over without changing processes or retraining staff on how to apply a new band. Rather, it removed the faulty band and replaced it with the new one, which easily eliminated a pain point.

This is nothing new for Ward-Kraft Inc. Over the years, the company has leveraged its knowledge and experience in the health care market to support distributors with actionable solutions. In addition to laminated, non-laminated and direct thermal wristbands, Ward-Kraft Inc. offers second sheets, known as charge labels or companion labels—a great complement to its bands. It has also built a reputation for other wide-ranging medical products that include pharmacy labels, laboratory/chain-of-custody forms and requisitions, pathology forms, patient sign-in forms, laser membership forms, badge buddies and laminated plastic signage.

“Because this is our top vertical market, we have a dedicated team of people to support our distributors and help them work throughout the process,” Staudinger shared. “With our machinery division and our R&D division, we are able to act quickly to our distributors’ needs. Our marketing division provides top-notch sell sheets, flyers, images, free samples, etc., to give our distributors the tools they need to sell.”

The Issues

From prescription tampering to health care reform battles, the health care market certainly hasn’t lacked excitement. In fact, this vertical is in a constant state of change. Providers are challenged with new regulations and compliance requirements whose effects trickle down to medical forms and documents. Security features for prescription forms—or bar codes to ensure privacy and track patient care—need to be error-free and consistent. But the sector has never experienced anything like COVID-19 and its economic impacts. Beyond shuttering businesses and pausing daily routines indefinitely, the pandemic has challenged Americans to rethink their positions on the long-standing medical infrastructure and how they conceive the professionals they pay to provide care.

Thomas D’Agostino Jr., CEO of Smart Source LLC, a top 50 distributor headquartered in Atlanta, has seen the shift firsthand. His firm has enjoyed a long and rich history selling to the health care industry. Similar to its peers, Smart Source LLC’s roots were firmly planted in traditional printed materials, including operational forms, and promotional products serving hospitals, clinics and physician groups. However, as patient satisfaction emerged as a primary theme, D’Agostino and his staff soon recognized the impact such a change would have on reimbursements, directly affecting each organization’s bottom line. To respond to the new level of need, Smart Source LLC turned its attention to data-driven patient communications.

“Our data-driven communications begin with the first steps of the patient relationship, being appointment reminders that include all details related to the visit, even driving instructions to the treatment location,” D’Agostino explained. “This level of detail is followed in each step of [the] relationship and related communications, concluding with patient billing, which provides patient-friendly content. Our goal is to remove the mystery for the patient. This is a quantum leap



HEALTHCARE PRODUCTS

PATIENT ID WRISTBANDS
PLASTIC BADGES
LAB FORMS
PATIENT SIGN-IN FORMS

800.821.4021
wardkraft.com

Ward-Kraft Inc. has been manufacturing for the health care vertical for more than two decades. Patient ID wristbands, plastic badges, lab forms and patient sign-in forms are just part of its product line.

from the original products provided for years [that] we still supply.”

Now, almost as suddenly as toilet paper and sanitizer disappeared from retail shelves, Smart Source LLC has found itself pivoting to personal protective equipment (PPE), while making updates to existing systems.

“PPE has been a critical part of our product mix in this business segment for the last three months,” noted D’Agostino, who named masks, gowns and sanitizer as high-demand items. “In addition, as hospitals and larger providers are depending on government subsidies to support much of their current operations, their need for revenue cycle improvement has increased dramatically.

“As Smart Source is a leading provider in health care-related revenue cycle products and services, we have introduced further enhancements to our current statement processing functions, which include a wider variety of payment mediums, patient financing options and procedure estimating services,” he continued. “Once again, our focus is assisting our customers with improvement in their bottom line during an extremely challenging time.”

The direction has changed for Ward-Kraft Inc. as well. Staudinger mentioned that some areas have increased, such as stock integrated form and label orders, and custom lab forms used for COVID-19 testing. Other popular requests are badges and signage that promote social distancing, handwashing and cleaning.

With governors beginning to ease restrictions pertaining to elective and ambulatory surgeries, for example, trends are changing on a quarterly basis.

“The first quarter had a significant increase in wristbands and charge labels as hospitals stocked up in preparation of the pandem-

ic,” Staudinger said. “The second quarter has dropped tremendously as hospitals canceled and postponed surgeries, as well as shut down non-essential visitors, which includes sales reps. Unfortunately, this meant many opportunities that our distributors had in the works have been put on hold. As hospital and surgery centers open back up, the numbers continue to increase, and the opportunities that were put on hold are now moving forward.”

To bridge the gap caused by the acceleration to telemedicine, Smart Source LLC now provides patients with various types of communications containing education in the areas of telehealth and virtual visits.

“These services are being driven by the providers, but also in equal measure by the managed care companies,” D’Agostino said. “There is a defined cost savings derived from this form of health care, which are able to assist in communicating to each party involved in the treatment process.”

The Selling Process

Health care differs from other markets. This vertical requires nurturing and patience, because clients here are known to commit only after trust has been earned. In turn, the selling process can be quite long. Hospitals and medical groups cannot run out of product or have a product that doesn’t work. But because these professionals are so busy, they don’t have time to think about anything besides their patients.

“Selling in the health care space requires an understanding of the needs of patients, providers and managed care companies,” D’Agostino remarked. “All three parties are an integral part of each transaction. Then, we have another layer, which includes companies ranging from pharmaceutical organizations to medical device manufacturers, with many others in between. Many of these companies have stringent compliance requirements.”

Considering that health care is one of the largest segments of the U.S. economy, it may be surprising to learn that there is a relatively small community of decision-makers. As distributors prepare to move prospects along the path to purchase, they must first research how buying groups operate. Staudinger acknowledged that health care organizational structures can be tricky to map out, and with many GPO contracts out there, distributors are often hesitant to play in that world.

“I have found that although some hospital groups are very compliant with the GPO contract, there are still a number of hospitals, surgery centers, clinics, etc. that buy outside those contracts because they know they can save money in the long run,” she said. “It’s extremely important to understand the hospital’s organizational structure. Sometimes, it can be hard to identify who makes the actual decision. Some health care organizations have a single decision-maker, while others require you to work with a buying group. You can be competitive against the GPO contract on many products, but you need to understand their structure.”

Of course, getting a recommendation from someone within the organization is always helpful in reaching decision-makers. Before talks occur, however, distributors should know what the prospect is

currently using and be ready to discuss how their product or service can offer a better experience for patients, employees or organizations. Staudinger offered a list of sample questions to ask that include:

- Are they under contract?
- Can they buy outside the contract if you are more competitive?
- What is their pain point?
- Can they benefit from multiple products or services?

To that last point, Staudinger has noticed a tendency for distributors to stick to one product offering instead of bundling solutions.

“If you already have a relationship with the purchasing department, then the resellers should let them know about all the other products they could sell to them,” she instructed. “For instance, if you are selling wristbands to a hospital, you should also consider selling them plastic badges or plastic signage. Hospitals are purchasing those products, so the reseller should let them know that they can help them with those other products.”

Do keep in mind that for as technologically sophisticated as hospitals and physician groups may be, they are slow to adopt new ideas and philosophies. This is a common challenge D’Agostino faces particularly when pitching Smart Source LLC’s data-driven patient communications.

“When we introduce the concept of patient communications improving bottom lines through increased patient satisfaction scores, there is typically no shortage of skepticism,” he said. “The only way to overcome this level of reluctance is to share statistical results that we have delivered for other organizations, accompanied by ample referrals.”

No matter how successful Smart Source LLC’s efforts are, D’Agostino said that wouldn’t be possible without the help of reliable trade printers. In his mind, those relationships are key to finding new clients and sustaining trust with his existing base.

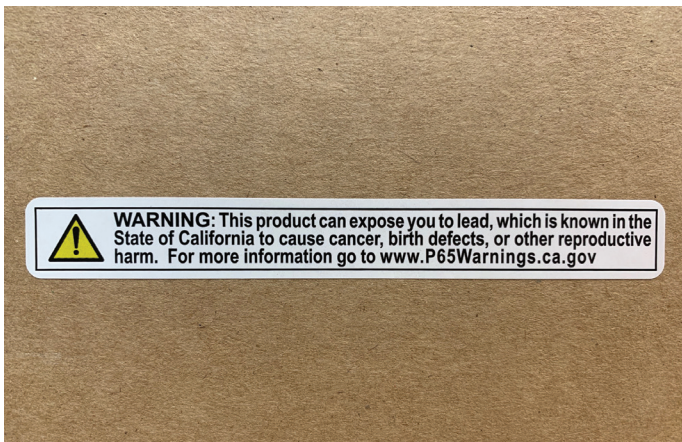
“As with all of our customer relationships, they are only as strong as the relationships we share with our partners/suppliers,” D’Agostino said.

2. MANUFACTURING

On the surface, the goal of the manufacturing vertical is straightforward: use components to make a finished good. Those who specialize in this area say it’s a little more complicated than that. Manufacturing can cover a broad scope of industries—from companies that produce equipment, components and electrical supplies to televisions or vacuum cleaners. Though many acknowledgements are now electronic, opportunities for paper-based forms remain across departments. So, where is a distributor to turn? A knowledgeable supplier.

Royal is one trade printer keenly aware of the unique needs of sales, production, shipping and marketing departments. As Kim Suchy, sales and marketing manager for the Brooklyn Park, Minnesota-based supplier noted, the required breadth of documentation is a key focal point that ties everything together.

“There are many print solutions that may be used during the manufacturing process, such as request for quote forms or purchase order forms to buy the necessary components, inventory labels or documents to keep track of the components, and work order forms,



Royal manufactures these labels in response to Prop 65, which requires businesses to warn California residents about significant exposures to chemicals in their products.

time sheets, quality control labels or documents to be used during the production process,” she explained. “Upon completion, shipping documents, such as a bill of lading, pick/pack list or shipping label may be used, along with packaging labels, such as a warning or promotional label.

“And, of course, payroll checks for the employees and accounts payable checks for the component suppliers, along with invoices and return labels that go out with the product,” she added. “There are also marketing opportunities, such as flyers, brochures, booklets and letterhead.”

The Issues

A large aerospace manufacturer was preparing to open a new facility, complete with a massive production floor with more than 20 different manufacturing lines. It’s the kind of job Jake Chanson, new business development for Meridian, loves. So, when the client approached the distributor for signage that would identify stations for both facility tours and employee training, Chanson jumped at the chance to help.

“We supplied hanging textile signage rings, like you see on a trade show floor, that were color-coded for different processes and branded to their guidelines,” he said.

Manufacturers are the No. 1 targeted vertical for Meridian. In addition to aerospace, the Loves Park, Illinois-headquartered firm serves government, automotive, military, trade and OEMs. Because manufacturers have a lot of vendor options, stock safety catalogs, online print vendors and larger safety distributors, like Cintas and Aramark, it is important for Meridian to offer a consolidated experience, on-site consultation and cost savings, Chanson said. Some of these full-service, end-to-end solutions include business cards, environmental graphics, company stores and safety programs. Then 2020 came and changed normal ways of doing business.

As the COVID-19 crisis stretches into its fourth month, businesses are adjusting their operations as consumer buying habits continue to shift. Manufacturers have not been affected quite like the travel and hospitality vertical, but they are still up against major challenges.

According to the U.S. Census Bureau, new orders for manufactured durable goods fell 17.2 percent, or by \$35.4 billion, to \$170 billion in April from March. This prolongs the downward trend of three of the past four months, with a 16.6 percent decrease in March as well. Takeaways from a recent Census Bureau report on durable goods manufacturers’ shipments, and inventories and orders for April 2020 showed the following:

- Excluding transportation, new orders declined 7.4 percent. Excluding defense, new orders fell 16.2 percent. Transportation equipment orders decreased 47.3 percent.
- Shipments of manufactured durable goods declined 17.7 percent. Again, transportation took the largest hit, falling 42.7 percent.
- Unfulfilled orders for manufactured durable goods fell 1.6 percent. Transportation equipment declined 2 percent.
- Inventories of manufactured durable goods rose 0.2 percent. Transportation had the largest increase, rising 0.3 percent.
- Nondefense new orders for capital goods increased 8.2 percent. Shipments fell 12.6 percent. Unfilled orders declined 2.2 percent. Inventories rose 0.1 percent.
- Defense new orders for capital goods declined 30.8 percent. Shipments rose 3.9 percent. Unfilled orders declined 0.8 percent. Inventories rose 1.4 percent.

On May 28, the National Association of Manufacturers released findings from its Manufacturers Outlook Survey for the second quarter of 2020. Optimism declined to a historic level of almost 34 percent, but manufacturers are innovating to keep their businesses running, with nearly 22 percent retooling to PPE, a trend that is in line with Chanson’s observations of which also include safety signage.

Although the numbers are grim, Suchy remains hopeful. She has seen growth in the medical manufacturing market as more products are needed to battle COVID-19. Proposition 65 warning regulations requiring manufacturers and businesses to alert California residents about exposure to certain chemicals has provided new opportunities as well. For Suchy, safety items and labels and packaging, especially on goods that are used by consumers, such as food and beverage, have proven to be big growth areas.

“We’ve seen manufacturing companies be creative with adding new products during the COVID-19 pandemic,” she shared. “For example, we recently worked with a distributor on an opportunity to produce five million instruction sheets and labels that were part of a new face shield production package. ... As another example [in the food industry], we recently received a large reorder on some shipping order forms for a food manufacturing company. Their reorder came sooner than anticipated due to increased volume they have been experiencing.”

The Selling Process

Efficiency is crucial in the manufacturing market; therefore, distributors must be able to offer ideas that reduce cost and increase productivity. Supply chain partnerships built on trust and transparency are critical to achieving these goals. In a nod to its tagline “your success is our business,” Royal has found that some of its greatest victories

in the manufacturing vertical come from working with distributors to solve production inefficiencies and other pain points. Doing so oftentimes turns prospects into clients, and Suchy gave an example to prove it.

Royal teamed up with a distributor on a machine-applied label item that was being produced elsewhere with several quality problems. The labels were periodically falling off or ripping during the auto application process, and the ink was periodically blocking the eye of the machine as it read for application. There were also die-cutting issues causing the liner to break.

“We developed a customized checklist and quality control process specific to this item to solve the issues, and provided a test run at no charge,” Suchy said. “We were awarded the business and have been producing the order for several years now without issue.”

As a trade printer, Suchy said it is important for Royal to continually invest in technology, add new capabilities and collaborate with its distributor partners to create solutions that are vital to the long-term success of the independent print market. Approximately seven years ago, Royal was researching new products and equipment that would best fill a need for distributors. Its efforts led to flexo printing, a process commonly used to produce labels. At that time, Royal purchased a brand-new generation of equipment from Mark Andy, and hired an experienced flexo product specialist.

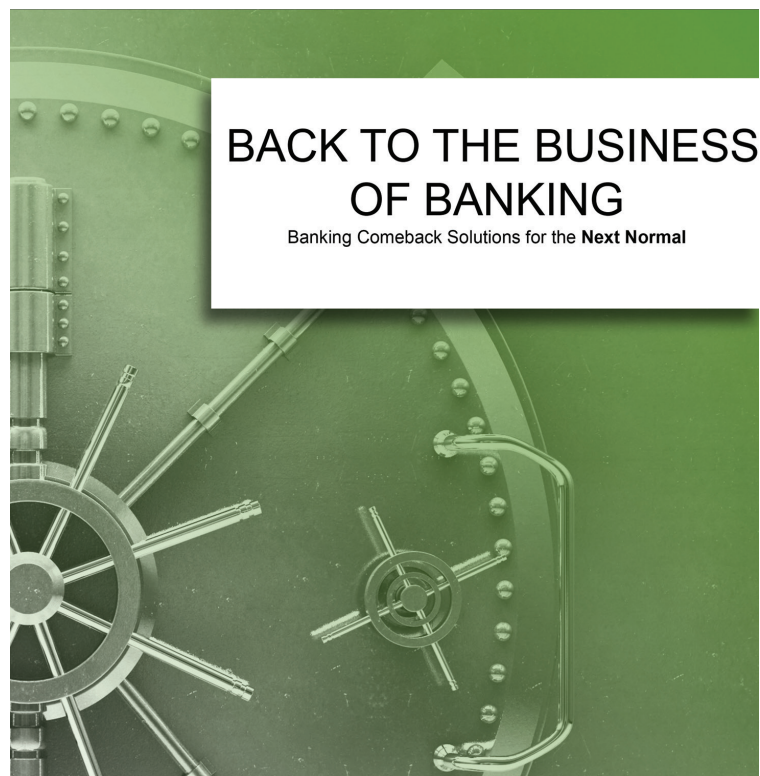
“Labels have been our fastest-growing product ever since, and we purchased a second press a couple of years ago to maintain our service and delivery standards,” Suchy said. “We have also made investments in technology and equipment to help our distributor partners land specific projects. For example, in order to help our distributor earn a large piece of business from a local company, we invested in new digital equipment to produce a higher quality bar code on the end product.”

As for the distributor perspective, Chanson needs expertise on technical manufacturing processes, samples, prototypes and manufacturing flexibility from supplier partners.

“A lot of it comes down to a partnership, lead times, commitment and cost,” he said of the selling process. “Most of our products are essential to [the client’s] business, so we can’t run out of instruction sheets or we can’t ship a welcome kit to a new employee that arrives late. Allowing flexibility in access and a variety of manufacturing options is key to our success (e.g., digital printing, decoration on demand and in-stock fulfillment).”

3. FINANCIAL

Every business in every industry has had to face threats to their stability. For the financial sector, the global financial crisis of 2008 immediately comes to mind. Over the short term, the crisis affected the banking sector by causing banks to lose money on mortgage defaults, interbank lending to freeze and credit to consumers and businesses to dry up. To prevent a repeat of a worst-case economic scenario, buffers were designed in the form of new regulatory actions, including the Dodd-Frank Wall Street Reform and Consumer Protection Act. More than a decade has passed, and now the world is experiencing unprecedented interruption in its livelihoods and a crushing cash crunch at the hands of COVID-19. So, what does that mean?



Navitor’s new comeback, or recovery, booklets highlight 10 verticals with ideas and inspiration for these market segments in a post-COVID-19 world.

It’s too soon to make bold predictions, but banks and financial institutions are in a unique position as they cope with coronavirus lockdowns, in part because they are among the most stringently regulated industries, both from a domestic and international standpoint. Secondly, they are considered an essential business and remain open, even if many of their employees are working from home. They are still placing orders, and while their needs may evolve as stay-at-home orders are lifted and companies adapt to new ways of working, the opportunities are there. Distributors just need to know where to look. An experienced trade printer is a good place to start.

Take Navitor, for example. With a tagline of “the power of us,” the North Mankato, Minnesota-based supplier has committed itself to maintaining symbiotic relationships with customers. As part of that pledge, Navitor built vertical market kits that highlight the 10 top industries it sees in its facilities. Most recently, it created an eFlyer for finance/banking that customers can download for free at Navitor.com, along with digital comeback, or recovery, booklets that detail ideas and inspiration to help end-users communicate that they are “open, safe and ready to conduct business in a meaningful way.”

Products, which serve commercial banks, credit unions and brokerage and mortgage firms, have a variety of purposes, ranging from business identity promotion to marketing collateral. Featured in “Back to the Business of Banking,” they include:

- Outdoor signage for advertising special financing options, lobby policies and new hours of operations.
- Window decals to make customers aware of new safety protocols

and updated hours before they enter the building.

- Communications pieces, like postcard mailings and door hangers, for educating existing members and attracting new ones.
- Acrylic partitions used at counters and desks for added safety during customer interactions.
- Functional and durable full-color floor decals to enforce social distancing.
- Writing instruments to be given away to avoid contamination after use.
- Brochures and rack cards to convey special rates and offers, or to reference all bank and satellite locations.

According to Beth Marston, vice president of sales for Navitor, distributors are already having these conversations with clients. Two “new next normal” projects stood out to her.

“One, we worked with a distributor to equip a group of nine regional banks with acrylic partitions for the tellers and the various locations,” she relayed. “They also had an impressive social distancing and traffic flow program for window decals and floor graphics. Messaging included the new rules for staff and members, but also inspirational messaging about the community coming back together and coming back stronger.

“In another example, we served up a curated set of products most relevant for small to medium financial institutions for a distributor who focuses on this vertical,” Marston continued. “The products (e.g., postcards, rack cards, business cards, badges, floor decals, window decals, labels, folders and pull up banners) were quickly integrated to the distributor’s e-commerce platform, so the client was able to self-serve an ongoing multiproduct program centered around ‘We’re Open!’”

The Issues

Before targeting the financial vertical, there are certain things distributors should know. For instance, customer needs differ depending on the size and scope of the conglomerate. Marston noted that local and regional banks, as well as credit unions, focus on loyalty and the lifetime of the customer. National and global banks have similar goals, but their strategy and buying is typically centralized and awarded through RPPs. Last, the terminology may be unfamiliar, so get to know it better.

“Most financial institutions do not speak about customers, but they speak of members—make sure you are aware of this type of language nuance before walking into any meeting,” Marston advised. “... The financial sector is in continuous development of new offerings and services to support evolving customer needs, address the competitive landscape and other areas of growth.

“Whether it is orders for sell sheets, letterheads, folders, in-store posters, business cards, notecards, brochures, labels or badges, these are some opportunities that shouldn’t be overlooked in this industry,” Marston went on to say. “If you can get in with a single small credit union, for example, then build into larger banking systems, then you’ll find yourself better able to speak the language of finance. Stay aligned with the community’s growth and development, and you’ll

be aligned with any financial institution.”

Another overlooked area is the need for the financial vertical to create hyper-personalized materials that optimize the customer experience. The financial sector has considerable data, but as Marston pointed out, it is often a challenge to get access to unified data across multiple systems.

“Distributors need to be ready to manage many data sources and spreadsheets to any program,” she cautioned.

The Selling Process

Although directional signage and other items that promote safe customer engagement are trending up, Marston acknowledged that mainstays, like checks and forms, are still very much a part of the solutions that financial institutions want. Therefore, distributors’ sales pitches should reflect that.

“As with many sectors, we anticipate continued needs around standard products; however, we are seeing a shift as a result of necessary communication tools to engage, educate and facilitate business in this current state, along with each stage of our new normal throughout recovery,” she said. “The financial sector often is a community core where businesses go to for information on newly available funding through programs like the CARES Act, as well as state and local funding. Banks are also centers for development in a community, and while much is delayed during this time, banks continue to work in the background to keep up the momentum.”

Typically, distributors can expect to work at both the branch manager level and with the HQ teams of marketing and procurement. Added of late to the process, Marston said, is the inclusion of human resources for the bank employees and operations for the proper running and safety of customers. Questions that should come up, and be answered, are:

- How do you centralize your data for programming?
- What type of partnership are you interested in? Will you be coming with a prepared marketing/communications program, or will we be engaging together to track customer interactions and continually adjust the program?
- What type of personalization techniques are you using in your current programming?
- How much distinction is there from branch to branch to the overall messaging?
- What company (in your industry or not) do you admire for its messaging and customer engagement?

Marston shared one final piece of selling advice, pertaining to standardization and compliance. It is critical, she said, to have standardized language on documents and signage, and this needs to remain consistent from product to product and between branch offices, requiring a methodical approach from distributors.

“Distributors need to be organized and clear in the structure of the program, its art files, delivery arrangements and installation instructions,” Marston concluded. ■

WHO WE ARE

PRINT+PROMO

Print+Promo is the leading source of business strategies for the distributor sales professional. Featuring a monthly print magazine, weekly e-newsletter (*The Press*), in-person events (Distributor Connect) and an updated website that includes a free product search database to sort through more than 300,000 promotional products, Print+Promo helps print industry professionals protect legacy revenue and grow new revenue streams.

NAPCOMEDIA

NAPCO Media, Print+Promo's parent company, is a leading B-to-B media company specializing in creating community through content via integrated media programs, video services, marketing services, events and event management, custom content, eLearning and market research. NAPCO Media has rapidly expanded its portfolio to include NAPCO Video Services, NAPCO Events, NAPCO Marketing Services and NAPCO Research.