



Global Soft Finds Success in CRM Niche

Background

Since 1998, Global Soft Digital Solutions (www.globalsoftdigital.com) has provided on-site and off-site digital production of documents for the software, training, and pharmaceutical markets. From its 28,000 square foot environmentally controlled facility in Mahwah, New Jersey, the company offers services ranging from printing to fulfillment to mailing services to campaign management.

In addition to its array of digital output devices, Global Soft also offers on-site finishing, media replication and inventory management. Chris Petro, Global Soft's President, wanted the facility designed as a "clean room," stating, "When we bring customers into our facility for a tour, they are more than likely marketing people rather than print buyers. The clean environment not only delivers more predictable digital printing results and a safer, cleaner environment for our employees, but it appeals to marketing clients as well."

Incorporated in the facility is a 15,000 square foot storage and fulfillment area. Global Soft has 28 full-time employees, as well as 19 production employees on call for peak production periods. Five sales people, a New Business Development manager and an outside print broker are responsible for getting work in-house.

Global Soft outsources offset printing using a set of commercial print partners for work beyond the scope of its digital shop, including the production of offset shells that can be overprinted to produce variable applications.

Petro says, "Three years ago, when we launched our corporate Web site, we took a different approach than most. Our site was not designed to be an informational or promotional site for the business; rather, it was designed as a tool to help us better serve our customers. I don't advertise, and I don't respond to RFPs. Basically, I don't do commodity work."

Petro, an industry veteran, spent time at UARCO (before it was absorbed into Standard Register), IKON and Cirqit.com before partnering to start their own venture.

Speed and Simplicity the Keys to Success for eProcurement Initiatives

According to Petro, there are three main reasons why Internet applications fail as a vehicle for print procurement. Says Petro, "First and most importantly is transaction time. If a print buyer must spend more time entering complex specifications into a Web-based print procurement tool than he or she would normally spend either on the phone or in person with the print provider, the transaction invalidates itself. Web-based print procurement will not succeed unless it saves time. Print buyers will not use a process that is going to make them less productive."

Second, Petro indicates, is the area of soft proofing via the Web. If the image takes too long to paint, users will lose patience with the system. Petro points out, "A lot of times, the users for these systems are remote or mobile employees. They may be trying to access a digital library to order brochures, and they may be stuck with a slow dial-up connection. Waiting for

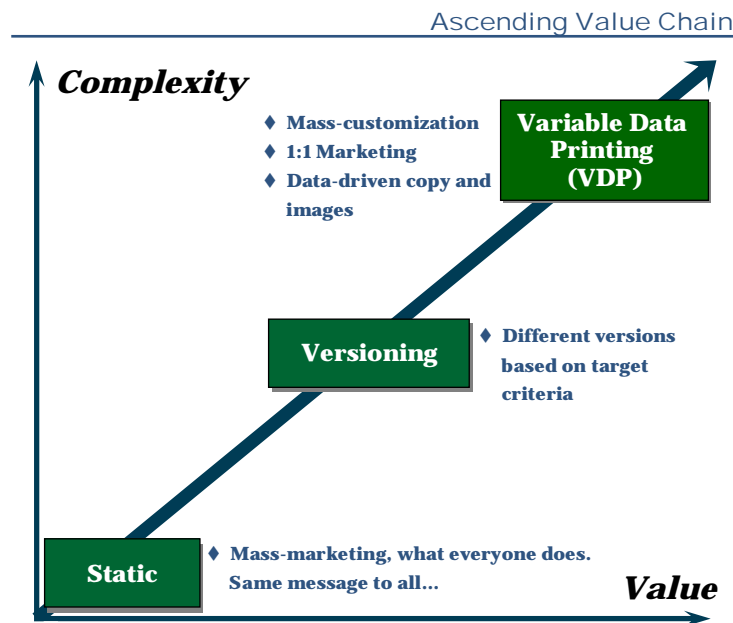
images to paint after a brochure is selected and customized is just not acceptable in today's fast-paced society."

And finally, says Petro, "Too many providers implement a 'one size fits all' approach. In my experience, every customer has different requirements. The system must be flexible enough to meet those individual requirements and you must have talented development staff that can quickly implement necessary modifications."

Global Soft took this advice to heart as it was building its site and selecting the infrastructure components, structuring its offerings to avoid these common pitfalls.

The Ascending Value Chain

Global Soft serves a wide variety of customer needs, all centered around its digital output capabilities. Petro likes to talk with customers about an ascending value chain for digital printing applications.



He says, "I can offer value to a customer in three specific areas, and I can tie improved ROI, better response rates and more to the applications we produce the higher up the scale you go."

Short-run static documents fall at the lower end of the scale. These tend to be short runs of static pieces for a smaller company who just needs a brochure. This used to be unachievable in the days before digital printing, but with today's technology, a small business owner can easily procure affordable, high-quality four-color brochures in quantities as low as 50, or 75 or 100. This allows them to remain responsive to market conditions without the need to maintain large inventories of brochures that all-too-quickly become obsolete.



As you move up the scale, according to Petro, often four to six months into a customer relationship, the customer can migrate to versioning. This means that the same basic static brochure might now be produced in four different versions to meet disparate geographic market needs. "For example," he says, "I may be selling the same bicycle in Texas and Los Angeles, but I can reflect very different background graphics that are more geographically representative of the specific market. And I may also include specific dealer contact information for each individual dealer who sells my bicycles." This model benefits the customer by delivering a higher ROI and reduced carrying costs, and this model also delivers higher margins for Global Soft because the customer perceives more value to the piece.

At the top of scale is one-to-one marketing through variable data printing, which incorporates biodata, or behavioral science, into the one-to-one marketing piece. These pieces deliver an even higher customer ROI, and increased margins for Global Soft. Petro says, "There is actually one level higher, which is the integration of the Web with one-to-one marketing. I believe the market as a whole is still twelve to eighteen months away from widespread adoption of this model."

In a true integrated Web scenario, a sales representative orders documents through the Internet for a customer he is calling on tomorrow morning, resulting in the creation of one custom kit that is sent overnight to the sales rep in time for his meeting. Petro indicates he has one or two clients that have deployed that solution set, but most of his clients are at the versioning and variable printing levels today.

How It Works

Global Soft has implemented HP's Custom Publishing solution as its online order entry and job management interface. Global Soft was an early customer engagement site for the solution and worked closely with HP during the development process. Custom Publishing is based on HP development combined with intellectual property from Printable, who acquired the solution when they acquired Collabria some time ago.

HP Custom Publishing is specifically designed to work with HP Indigo output devices, streamlining the workflow for the print provider, automating the job submission process by processing a customer order from creation through submission to the print queue without human intervention on the service provider side.

The Global Soft implementation addresses the pitfalls Petro has observed in many other applications available on the marketplace by using simple job entry screens, incorporating extremely fast painting of screens—even for soft proofing—and being easily customizable to accommodate unique customer requirements.

Petro says, "We do projects from start to finish, performing all the work up front with our client, and establishing a catalog of materials and the rules by which they can be modified and ordered. So when the remote worker accesses the system through an AOL connection, she is not required to enter a lot of complex information or wait long periods of time for the transaction to complete. These buyers are typically not professional print buyers and they need a solution that does not require print domain expertise to effectively use."

Global Soft's site was also designed to allow the simultaneous uploading of three assets, allowing users to submit a native application such as Quark, a Word file for a cover letter, and a database file for merging into a variable data application.



The solution was developed so that clients can access the application from anywhere via the Web. They simply sign in with a unique password and fill out very lightweight job specifications – not designed for pricing or manufacturing, but more for user identification: user name, client identification number, due date and a little information about the application. The user then uploads the assets, and the system generates an email to Global Soft's administration center and the appropriate sales representative.

Petro says, "It is more customer friendly than FTP, and we initially made a decision not to implement e-commerce, although we have subsequently been able to accommodate specific customer requirements to allow users to purchase goods using a corporate credit card. This application, though, is not meant for 'walk-up' traffic, but rather as a business-to-business (B2B) information transmission vehicle."

With Custom Publishing, which is an ASP hosted by HP, Global Soft's customers have the option of paying a fixed monthly maintenance fee based on projected volumes or taking advantage of a transaction-based fee arrangement. Individual sites are customized, or "skinned," by Global Soft's staff, who can also make other individual customizations required by the customer. For complex changes, HP's technical staff is available, and Petro says, "They have been wonderful to work with. They have turned some very complex modifications around in an amazingly short time."

Petro also likes the sophisticated remote diagnostics HP has implemented for the Indigo press. Press activities can be monitored from the company's Woburn MA office for preventative maintenance purposes.

Global Soft Delivers Results

One of Global Soft's early clients was Guardian Life Insurance of America, a good example of how the solution has benefited both Global Soft and its customers. Guardian Life field reps conduct seminars for high wealth management customers. They have a series of well-known speakers they can use for these seminars. When a rep wants to promote a seminar, she logs on to the system, selects the picture and bio of the speaker, integrates them into a mailer template and uploads a mailing list.

Petro says, "This is a true customized mailer. We keep the high-resolution assets on our server, and the low-resolution assets for soft proofing on the HP-hosted site. Once the mailing list is integrated and the user okays the proof, the system calls up the high resolution images, creates a job ticket and flows the job to the production queue."

Global Soft has five big name customers using the solution, and Petro is quick to assert that his business is not just about print anymore. "One company sells medical parts," says Petro. "This customer asked us to fulfill promotional items, CDs and videos along with printed materials. They wanted their sales team of 750 reps to use same web site to order all of these items and we were able to accommodate them."

This solution has allowed Global Soft to address what it sees as a high potential market niche—the linking of digital printing with customer CRM implementations to allow customers to maximize the value of those investments. Petro indicates that up to 85% of the work that goes through his facility is dynamic, using variable data at some level. "Customers come to us



first for the dynamic work, but they love the outcome so much that they ask us to produce static applications as well.”

Petro admits that these applications carry a longer sales cycle than conventional print, but believes the effort pays off. “Four to six months is not uncommon,” says Petro, “and it can even be a year for more complex applications. But once we have won the deal, it continues to deliver annuity revenue over a long period of time—unlike a transactional sales model which usually results in a single job that must be resold over and over again to keep the volumes growing.”

Petro indicates that about 50% of the facility volume is currently comprised of program print, generating recurring revenues. This has grown from a starting point of 15%, and Global Soft expects to achieve its target of migrating 75% of its business these repetitive print programs. And even in a tough economic climate, Global Soft grew by 24% year over year last year, and is projecting 46% year over year growth for the current year.

What is the most exciting application Petro has acquired recently? “We just contracted with a major pharmaceutical firm to produce a patient support program for a particular brand. This project could represent 25 million impressions a year, and we are using completely dynamically produced Digital Offset sheets. When this program hits the streets, we think the pharmaceutical industry is going to be amazed at what we have been able to do, and we expect to see a lot more business develop in this arena.”

The Heroine Factor

Petro says, “These applications are absolutely addictive. I call it the heroin factor. It takes you forever to try it, and you are afraid. But once you try it, that’s it, you can’t get enough. Once we get a client to do one variable application, they get addicted. The ROI is so loud, so clear, so fast, that marketers—who are getting pressured to do more with less—get more results and look like heroes. Marketers are looking to keep the customers they have, and keep them happy. And they are delighted they can do all of those wonderful things without a huge investment. If a customer wants proof, we pick a subset of customers and conduct a test campaign. When I show them a 35% response, then we take the project to a larger scale. It works nearly every time.”

Petro concludes, “As the market changes and world changes, and as printers fall off the map every day, successful providers realize you have to have a complete rounded set of solutions for your customers or they will find them elsewhere.”