Case Study











Business Development Services









September 2012

AlphaGraphics' Investments in Business Development Yield Double-Digit Sales Growth

An AlphaGraphics Winston Salem Case Study

Comments or Questions?



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Introduction

AlphaGraphics' overall business has achieved 15% growth year-to-date. Back in 2005, Andie and Wes Carpenter started a small quick printing operation. Just a year later, the Carpenters decided to join the AlphaGraphics franchise network. With more than 270 independently-owned business centers, the franchise network provides a full range of solutions for design (e.g., digital, offset, and large format printing; marketing communications; promotional products; digital archiving; and mailing services).

Today, Andie and Wes work with corporate resources and leverage the assistance of a Xerox Business Development Consultant. They are beginning to add new services to their already healthy business portfolio. Even in today's questionable economy, the Carpenters describe themselves as "cautiously optimistic" when discussing business growth.

Capitalizing on its longstanding relationship with Xerox, AlphaGraphics Winston Salem (Winston-Salem, NC) is exceeding business goals and driving digital print volume in unexpected ways. The company's overall business has achieved 15% growth year-to-date.



Reaching Out to Xerox

AlphaGraphics Winston Salem has continually reinvested in its operations and upgraded its digital printing devices in response to growth. The company has purchased various Xerox devices over the years, including a DocuColor® 2045 in 2005, a DocuColor® 5000 in 2007, and a Xerox® Color 800 Press with clear toner in 2010. Its stable also includes a Xerox Nuvera™ 100EA and a DocuColor® 252 device for monochrome printing.

Shortly after the Carpenters purchased the Xerox Color 800 Press, their focus shifted to business development and strategies to drive output on the device. Wes explains, "We were offered the assistance of a Xerox business development consultant as part of the deal. We heard about the work a Xerox consultant had done for a firm in Pittsburg that helped it drive volume. We were interested in having that consultant do the same for us."

Andie and Wes enlisted the services of Xerox Business Development Consultant Toni S. Deal as part of the program. In addition to providing the marketing support to help the Carpenters grow their business, Deal also delivered education and resources for the company to realize future growth.

Moving Into Cross-Media Marketing Services

Leveraging the New Hardware Investment

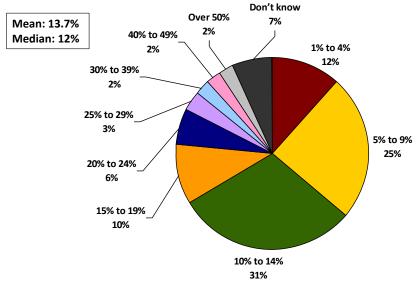
As part of the Xerox investment process, Toni Deal prepared a six-month plan for growth. Once equipped with a plan, the Carpenters were confident in making the commitment to upgrade. They installed a new Xerox Color 800 Press in May 2010, and were then eager to pursue new business opportunities to boost their current customer business.

The plan for growth included a list of capabilities to help add volume, and one of these capabilities was cross-media services. AlphaGraphics corporate recently launched a network-wide initiative to help all of its franchise owners transform their businesses from print service providers to marketing services providers. The Carpenters were familiar with cross-media services, but Xerox helped them to make the leap and branch out.

Once equipped with a six-month plan for growth, the Carpenters were confident in making the decision to upgrade their equipment.

One of the key benefits of cross-media services is that they can drive an increase in digital printing volumes. According to a recently completed research study from InfoTrends entitled *The Evolution of the Cross-Media Marketing Services Provider*, firms that were offering cross-media marketing services reported an average increase of 14% in their digital printing volumes.

Figure 1: How much have your digital printing volumes increased as a result of offering cross-media marketing services?



N = 119 Print Service Providers who have seen an increase in digital printing volumes Source: *The Evolution of the Cross-Media Marketing Services Provider,* InfoTrends 2011

Reflecting on his decision to expand into cross-media services, Wes Carpenter states, "We saw that our customers—mostly small and medium-sized businesses—could not afford big marketing agencies. We saw that as an opportunity and decided to expand our services. Now, when we come in to talk, we can help our customers by identifying their pain points and offering a solution."

The 6+ month business development engagement with Xerox included campaign planning and implementation support, as well as assistance in creating a strategy plan for growth. The plan included additional open houses, follow-up engagements (e.g., lunch-and-learns for customers and prospects), and hiring new sales team members.

The First Campaign: Focusing on Self-Promotion

Now equipped with the right support, the AlphaGraphics Winston Salem shop was ready to go to market. With the guidance from Toni Deal, the Carpenters created self-promotion campaigns that served to inform consumers and educate internal staff members on the new capabilities.

Having identified an opportunity among small and medium-sized businesses (SMBs), AlphaGraphics Winston Salem sought to illustrate why it was deserving of clients' crossmedia work. AlphaGraphics Winston Salem's first self-promotion campaign was designed around the company's open house event that showcased its new Xerox Color 800 Press. The Xerox Business Development Consultant (BDC) helped the Carpenters through the entire campaign production process, including scheduling, printing, mailing, and response tracking for pURL campaigns. The experience gained from the first campaign was applied to subsequent campaigns. Wes recalls, "Toni Deal was instrumental in a variety of areas... from planning and creative all the way through being present at the event."

AlphaGraphics Winston Salem's first cross-media campaign yielded a 33% response rate.

Leveraging AlphaGraphics' corporate resources as well as XMPie, the Winston Salem location's first cross-media campaign yielded an impressive response rate of 33%.



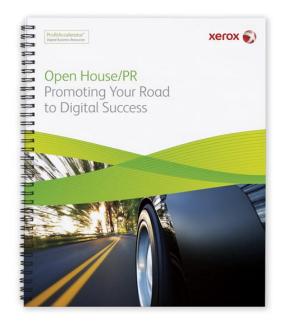
Figure 2: Owners Wes and Andie Carpenter at the Company's Open House Event Showcasing the New Xerox Color 800 Press

Wes Carpenter notes, "Corporate does the legwork for design services and implementation. Whether it's for a QR code, a mobile web page, or an e-mail campaign complete with campaign tracking and management tools, the franchisee has the corporate resources at its disposal. Corporate gives us the tools, then it's up to us to determine how these tools are used."

Deal also helped Alphagraphics Winston Salem to plan and promote other open house events. Each event had its own audience, creative concept, and objectives. Using the

Xerox ProfitAccelerator® Open House and PR Toolkit, the Xerox BDC also helped the Carpenters turn their events into instant successes.

Figure 3: Xerox ProfitAccelerator® Open House/PR Toolkit



Customer Appreciation Event

In the fall of 2010, Alphagraphics Winston Salem invited 150 of its best customers to the AlphaGraphics Customers of Excellence (ACE) Awards. The company entertained those guests and showed off its newest capabilities at the event. Promotion for the event included variable data printing and personalized URLs for responses.

Figure 4: Alphagraphics Winston Salem's Customer Appreciation Event Invitations and pURL Website/Questionnaire



"Our customers suddenly wanted to do things that they hadn't done with us in the past, simply because they never knew that we had the capabilities."

As a result of showcasing its capabilities, Alphagraphics Winston received eight to ten new orders from current customers for new projects. Wes elaborates, "Our customers suddenly wanted to do things that they hadn't done with us in the past, simply because they never knew that we had the capabilities."

Open House Event

In May 2011, Alphagraphics Winston Salem held another open house event that was focused on attracting prospective customers. The creative campaign included three-dimensional mailers and pURLs. It also involved a more extensive follow-up initiative, including follow-up mailers, e-mails, and phone calls.

Alphagraphics
Winston Salem's
most recent open
house event resulted
in 90 replies and 50
event attendees.

Invitations were sent to nearly 500 prospects from the local community within a 3-mile radius of the shop. The "Discover the New World of AlphaGraphics" campaign was positioned as an informational event to introduce prospects to the company and showcase its capabilities. In addition to generating 90 replies and 50 attendees, the open house event resulted in two new clients for marketing projects and 5-6 new customers for printing services.

Figure 5: May 2011 Open House Event Invitations & Event Photos









The Bottom Line

Capitalizing on its longstanding relationship with Xerox, Alphagraphics Winston Salem is exceeding its business goals and driving its digital printing volumes. Fueled by a double-digit response rate from its very first campaign, Alphagraphics Winston Salem has subsequently launched additional campaigns to further promote its offerings. These efforts are paying off—the company's overall business has expanded by 15% year-to-date.

Alphagraphics Winston Salem has invested in new sales personnel to help manage its additional print volumes, application offerings, and new customers. The company also grew its business by educating specific vertical customer segments on their full capabilities to overcome the image of being "just a printer." The Carpenters attribute much of their successes with the ongoing promotional events and campaigns to the support received through the Xerox Business Development Program. They believe that Xerox helped to remove much of the guesswork associated with making the transition to a cross-media and marketing services provider. Wes Carpenter considers his company to be a success story in the industry and he concludes, "If we can do it, so can you!"

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Featured Xerox Business Development Consultant



Toni Deal

Xerox Business Development Consultant

Antonia.Deal@xerox.com

704-557-2579

www.xerox.com/driveprofit

About the Authors



Nichole Jones
Senior Research Analyst
nichole_jones@infotrends.com
+1 781-616-2191

Nichole Jones is a Senior Research Analyst for InfoTrends' Business Development Strategies Production Printing and Packaging Consulting Services. Ms. Jones' responsibilities include managing the promotion and distribution of InfoTrends' content and assisting clients and channels in building business development programs. She is also responsible for developing curriculum and content for InfoTrends' e-Learning programs, which deliver online sales training.



Lisa Cross
Associate Director
lisa cross@infotrends.com
+1 781-616-2192

Lisa Cross is the Associate Director for InfoTrends' Business Development Strategies service. She is responsible for conducting market research, supporting market forecast estimates, managing custom consulting projects, and reporting on industry events.

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