The LeadINg Edge

The Newsletter of the Imaging Network Group

Fall 2021

There's a First Time for Everything

FOR the first time ever the annual INg Fall Workshop spanned more than one overly packed day and took place without a trade show on its heels. The change made a lot of sense because the usual one-day version often crammed too much into too little time and the trade show was no longer taking place. The 2021 versions of INg gatherings, with three days in the Spring and two and a half days in the Fall, make more sense given the complexity of the issues facing members and their businesses, so the board and members thought it was time for a new approach. Will it prove to be a better way? It's too soon to tell so be sure to let the board know what you think! Member input is vital to INg and is a reason this organization continues to be an essential part of member and partner success and why INg has grown over the past 30 years.

The venue was the **Hard Rock Hotel** in Orlando, a short walk or boat ride away from Universal theme park and the City Walk outdoor mall, home to more restaurants and bars than could be visited in a week. Some 112 members and partners made it to Orlando, more than have attended the one-day Fall Workshops, perhaps hinting that this longer format may be worth repeating in years ahead.

It's interesting that many of the same topics taking center stage in Orlando are the latest versions of those discussed at previous INg conferences and workshops. This underscores the need for fresh insights and ideas about staffing, marketing, sales, the USPS, physical and cyber security, and other day-to-day concerns. As times change INg members often look to each other for the best approaches. While the details of these issues have evolved, the topics themselves remain top-of-mind to members and partners alike. So we gather and learn more. Every. Single. Time.

Read on for the key points of Episode 30 of the INg Fall Workshop >>>

"**We** are at an important juncture in our industry," said **Fred Van Alstyne.** "We are poised at the intersection of the Covid and Post-Covid eras and success. We know that as a group none of us are alone. We have each others' backs. This makes a big difference in how we handle the day-to-day and how we face the future."

Fred also noted how the markets INg members serve have been impacted by the pandemic and that our conferences always focus on topics relevant to members' businesses. This has proven to be a successful formula for INg, reflected by the member companies continuing to stay involved over the years, even when ownership changes. Fred noted how all members face ever-increasing needs for compliance with regulatory and mandates and the continuing evolution of the technologies we use. Collectively, we are smarter than any one of us, and INg enables us to share experiences and ideas in ways that are not possible in most other trade organizations.

Fred encouraged members to take a seat on the board of trustees and even take over his role as president, although he said he will remain in place for at least another year. Finally, he encouraged members and partners alike to recommend new members. INg has long tended to grow just one or two members at a time, nearly all recommended by existing members. So if you know a company that would fit into this somewhat exclusive club, pass their name along to Fred, a board member, or **Shelly Anderson**, executive director.

> **We are poised at the intersection of the Covid and post-Covid eras... and success.**

Packages or Letters: The USPS Mail Game

Leo Raymond talked at length about the differences in producing and processing letter mail and packages. This is a non-trivial matter because Postmaster General Louis DeJoy, has a 10-year plan for having packages take precedence over letter mail and become the service's cash cow. According to Leo though, the economics don't work and first-class mailers are in a situation where they cannot do much.

Can packages be profitable for USPS?

Can USPS provide comparable service at rates competitive to such package-centric rivals as UPS and FedEx? Mr. DeJoy claims they can, but Leo notes that it is hard to make the math work, especially considering shortcomings like trucks, facilities, and the many sizes, shapes and weights packages come in. In short, the costs of new or upgraded facilities, handling equipment, trucks, and people cannot be borne by regular mail.

For example, UPS and FedEx have weight limits for a reason, and some of which involve with costs and profitability. Then there is the issue of package handling. FedEx and UPS have massive facilities and trucks that are often customized for handling packages. The USPS does not. Building, acquiring and making such facilities operational, with both equipment and staff, are not fully

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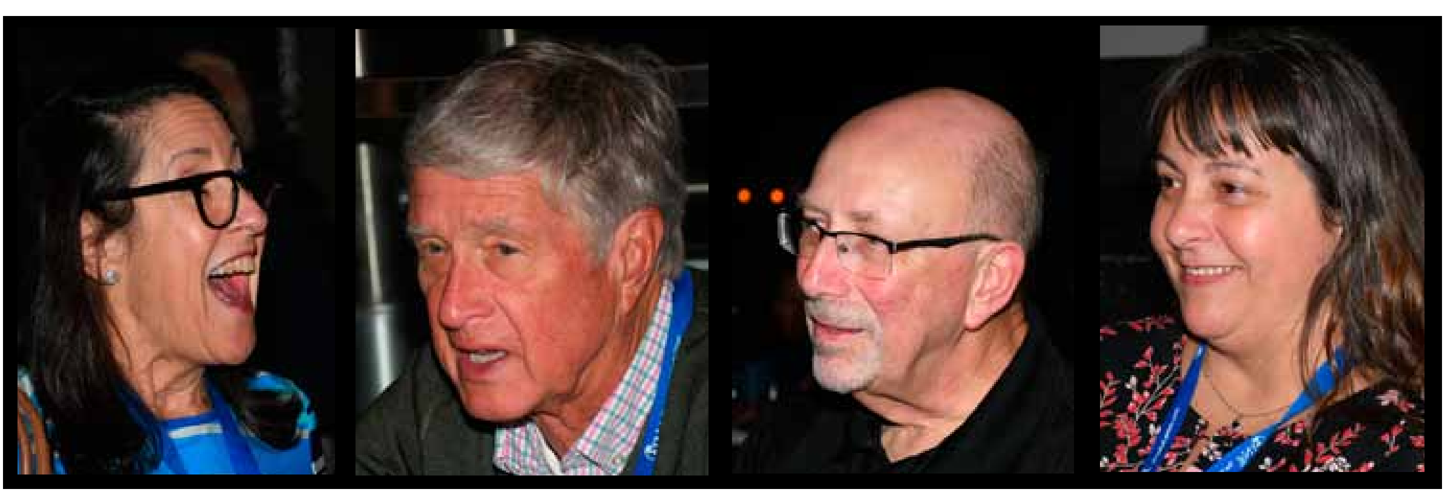

addressed in detail in Mr. DeJoy's 10-year plan.

According to Leo, any changes from USPS are typically referred to as coming from Mr. DeJoy. In Leo's opinion USPS may be able to handle a high volume of packages but would need to change its service standards for such items. A further complexity is that companies using United Parcel Service (UPS) are often taking advantage of UPS's logistics services, which may include strategically located warehouses and/or staffing in multiple locations. Whether the USPS can quickly and cost effectively replicate this does not seem to be part of Mr. DeJoy's 10-year plan.

First-class mailers are in a situation where they can't do much.

Leo offered a sports analogy: Lowering the goal posts in football, the outside wall in baseball, and the net in tennis would make these games easier, yet we don't see these changes happening. Mail delivery is not an entertainment sport. Not only does all kinds of "stuff" have to be at its destination when expected it is not merely a sporting matter when the package that doesn't arrive on time contains a needed medication.

Other ideas that may work. Or not. As Leo explained it, Mr. DeJoy claims air is not reliable even though it is usually faster than a truck. Then again, Mr. DeJoy has probably not spent much time in the cab of an 18-wheeler or talking with truck drivers about delays when goods are not ready to go, or been down to 40 mph on an interstate for ten hours due to ice and snow and accidents while a plane flew above the weather.

Transfer Centers, another Louis DeJoy idea, are places to which mail would be routed while en route to its final destination. Some of these already exist and although they may seem like a way of smoothing delivery they can also be bottlenecks. Mr. DeJoy claims Transfer Centers will save $170 million, yet the savings could come at the expense of delivery times and additional mailing costs. It could also be that Transfer Stations provide USPS and businesses with a way of leaving physical mail altogether by slowing mail and increasing costs. Stay tuned.

DeJoy may be with us a while

Mailers sent a letter to Post Master General, hoping to get Mr. DeJoy's attention. Turns out, he will listen but still say you are wrong because he apparently disagrees with anything not aligned with this thinking. The irony is that mailers understand all angles of the mailing business while Mr. DeJoy and his advisors do not.

Although appointed by ex-president Trump, President Biden cannot fire him, said Leo. That is up to the Board of Governors, a group largely appointed by Mr. Trump. President Biden may change the make-up of the board but this takes time and President Biden has larger issues to worry about. Worsening matters is the paucity of knowledge among board members of how the mail system works. As a result, Mr. DeJoy gets inaccurate info from the Board that he appears to accept as factual. Arrogance and willful ignorance at the top are not a good combination for the U.S. Postal Service.

The new workshop format also provided more "Speed Dating" opportunities, intervals valued by members and partners alike by breaking up the presentation sessions and letting members and partners talk candidly. The first Speed Dating sessions took place on Tuesday followed by a second round on Wednesday morning. Partners held down tables to which members rotated every 10 minutes.

The time allowed members talk candidly with partners about their issues and concerns. This fostered conversations that allowed for a two-way dialogue. Partners and member alike later said this provides members the opportunity to explain any challenges they are facing while providing partners with fresh insights into individual member needs.

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A Word from the USPS: Aiming at 95 Percent

Wednesday presentations began with a counterpoint to Leo Raymond's discourse on the future of USPS. **Robert Cintron**, VP for Logistics at USPS, provided a sales pitch on Mr. DeJoy's strategy.

Unfortunately, Mr. Cintron had no idea he was talking to a group that collectively produces about 10 billion first-class and standard mail pieces a year, constituting a significant force in the mailing industry. Throughout his presentation he made almost no specific mention of transactional or direct mail.

The presentation was seemingly generic, modified for use with multiple audiences rather than mailing professionals. It was laden with unexplained jargon and internal USPS buzzwords. A neutral observer would quickly surmise that if this gentleman is responsible for logistics the U.S. mail system is doomed.

Fixations

Mr. Cintron spent some time talking about packages, which Mr. DeJoy considers the salvation of the Postal Service. While acknowledging the system experienced "a lot of issues" over the past year, Mr. Cintron said the present capacity of the USPS system is about 41 million packages per day. The present focus, he noted, is getting all mail through a building. He did not provide any detail about how this is being accomplished.

95 Percent

Beyond the fixation on packages, the bright shiny object in the world of Mr. DeJoy and his acolytes seems to be a goal of 95% on-time delivery. Yet Mr. Cintron neither explained this number nor how USPS plans to attain this objective. Instead, Mr. Cintron talked repeatedly about 95% on-time delivery while not providing supporting data. By the third or fourth time he quoted this number it seemed like a stat he was supposed to quote.

It does sound impressive, yet in response to questions he said present systems were not capable of this goal and that except for some instances of 4–5-day delivery, that the present rate was closer to 92%, with some locales achieving greater or lesser rates. However, putting the mail and packages on "right network" (more on this in a moment) would help meet the goal. Yet in other parts of his presentation he was talking about how USPS was already achieving 95%. Mr. Cintron also talked about 2-, 3-, and 6-day delivery but provided no metrics for these claims or promises about when or how this would take place.

"We have to get smarter about how we build and manage density," said Mr. Cintron. Given that Mr. DeJoy and his logistics experts are taking over an existing system it is curious that they do not seem to know more about this.

At one point, **Chris Irick** of Xerox pointed out, "You guys [USPS] are not doing a good job. Customers of service bureaus, frustrated by the USPS, are saying 'go to email,' but that is not a good solution." Dancing fast, Mr. Cintron buried his response in jargon and came back to his fallback of 95% on-time delivery. Mr. Cintron admitted, "It does not go as it should every day." This should hardly be a surprise for any business, especially a large and diverse delivery operation.

"It does not go as it should every day."

To mail or not to mail?

At one point, Mr. Cintron said USPS was trying to drive billing into organizations. His meaning was unclear, although he seemed to be implying that the USPS would prefer that businesses send out mail directly—as opposed to using service bureaus—even though the benefits of doing so are not apparent. This strategy certainly puts the mail on the street—which still has to be delivered—so there would seem to be no real advantages, never mind that most companies are ill-equipped to print, process, and mail large volumes of mail on a regular basis.

Pointing out that mail was the most secure way to send critical information **Fred Van Alstyne** noted, "…if all transactional mail were to switch to electronic delivery we would have more data breaches. Mail is the safest way to communicate."

Mr. Cintron went on to his next slide.

Jargon: the key to obfuscation

Some things not going right apparently has to do with putting mail and packages on "right network" to meet the goal. Airplanes are the "air network." Presumably there is also a "truck network." It was not clear what other networks, if any, are being employed.

In addition to networks he talked about yards and yard control, doors, using data and technology, flow models, MTE (he did not define this acronym, although it may mean Mail Transport Equipment), and more. No specifics were offered. Little was said about how delivering mail is being done.

"We have daily interaction with major mailers and package shippers," he said. (Apparently, those the USPS talked with did not include INg members.) He encouraged INg members to communicate with the USPS, saying his organization wants to know more, and that information matters. But he did not offer meaningful ways for INg members to communicate.

Air mail

In contrast to Leo Raymond's remarks Mr. Cintron said

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USPS is not abandoning air. He said air usage has actually increased 12% and Southwest Airlines has been added as a mail carrier. Although not stated, this increase is presumably over 2020 when fewer planes were flying. By comparison, the U.S. Department of Transportation reports 2021 passenger air traffic increased about three times over 2020. However, Mr. DeJoy has claimed air to be unreliable and called airline schedules too rigid. Furthermore, Mr. Cintron noted, "You can't always assume air is faster. It may not be." In all fairness, this can be true, yet the decision of whether (and when) mail goes by plane or truck was not part of his presentation just that, "Air will be used differently."

People & Machines

Mr. Cintron admitted that the USPS has high personnel turnover and reducing that turnover is part of Mr. DeJoy's 10-year plan. He offered no specifics but noted difficulties in hiring, never saying that potential workers don't seem to want the jobs being offered. This is hardly a surprise. Who really wants to schlep mail and boxes in all weather for $16-18 an hour in a 15 to 20-year-old truck? Onboarding new USPS employees is another challenge for which Mr. Cintron provided no plans.

As reported in mainstream media, Mr. Cintron noted that the USPS has taken equipment out of some facilities. He said equipment was also added back. He was not clear was what drove the changes. Were such changes upgrades? Were old machines being replaced? Were machines dumped because they were not being used? If machines were being upgraded, how much time was lost in the changeover from old to new? We simply don't know. Nor do we know why a large sum was spent on pallets. Later during breaks, INg members—people who know a thing or two about warehouses—wondered why USPS bought so many pallets.

When Mr. Cintron was done he departed promptly, not staying to talk with people from whom he may have learned something.

To Mail or to E? That is the Question. Is Payment Processing a Solution?

With the future of physical mail under attack by USPS and companies beginning to question the cost of postage, how are e-presentment and e-payment faring? These long-predicted alternatives are still out there but are they poised to really change the game? There are a lot of variables. A casual poll of INg members shows that they often receive bills via mail but pay them electronically. So do a lot of people who don't know an inserter from a pickup truck.

Pat McGrew of the McGrew Group gave us a look at what's going on now and what could be the future. Not surprisingly, most INg members presently focus on transactional and/or direct mail. Payment processing is well down the list of priorities for most members. But this may be destined to change with payment processing expected to expand. Note here that this is a small sample of only INg members that are influenced by customer needs. That is, the extent to which customer needs may cause a member to take on more payment processing can be totally different from of members with a different customer mixes.

CX is a key driver in how companies prefer to interact with customers.

Another factor is CX, aka customer experience, which has become a key driver in how companies prefer to interact with customers. Pat said companies see e-presentment as a way of…

- providing customers with instant access to documents and archived documents,
- giving access a consolidated view of documents across multiple lines of business,
- improving customer satisfaction by decreasing calls to customer service,
- eliminating costs of printing, paper and postage,
- improving cash-flow by receiving payments faster.

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E-presentment options and features change rapidly, making it hard to keep up, and can be driven by the software that makes e-presentment possible. No bureau can really do everything, said Pat, so look at what is important to your clients' core customers. For example, look at what you are and should be charging for long-term storage. You should have an archival strategy that can go back decades, not just the 7-year recommendation of the IRS.

Any bureau owner knows this is much more than a print stream or a data transform. So be smart about it. Information is a lot more than ink or toner on a page because people often look at info on their phone or tablet so the CX has to work on those devices. A PDF, for instance, is no longer enough. But HTML 5 is securable and scalable to a device. PDFs don't always scale well or easily,especially on a phone.

This is all part of making sure what you present on-screen is end-customer-friendly. If you are not doing this well your clients and their customers are at risk—and may go shopping for another providers. E-presentment has become essential to a positive CX.

Once the bill arrives in a person's mailbox, phone or email it still has to be paid. This used to be called EBPP (Electronic Bill Presentment and Payment) but is now somewhat loosely termed e-Payment. A key wrinkle to be ironed out is that payments can come in via computers, phones, tablets, with some customers not using the same device twice in a row. The upshot is that if you don't have a solid e-Payment system in your bureau you need to see if you are following best practices for *each* customer's business.

For instance, make sure your system works on all devices and is not limited to a person's email. There are a growing number of people—especially millennials who all but live off their phones—may use email lightly. They still need bills from utility providers, banks, credit card companies, and more. Making bill paying easy is crucial to providing a positive customer experience.

If you aren't already doing this, emphasized Pat, you won't be ready for whatever is next. Along the way, talk with your insurance providers (which may not be up to date) to learn where they are and that you understand the riders on your policies so you are covered. For instance, you should be responsible for your end of it, but not for having a bad data feed from your customer.

On a related note, said Pat, if you use a standard errors and omissions clause, it may be time for some hygiene. If things go sideways you can count on a customer's lawyers coming after you. They may have a lot to chase because much more data is involved an e-transaction than a paper one. Bear in mind, many people went back to paper over the past few months—partly due to pandemia-induced screen fatigue. This underscores the need to fully support both paper- and electronic-based and presentment and payment.

Everyone wants an "Easy" button but there may not be one. So talk with your customers. Some are all electronic, some prefer mail, some go both ways. Know what each wants, and deliver it.

And on the upside, this stuff is sufficiently complicated that most companies do not want to take it on themselves. As a result outsourcing continues to grow, which is good for service bureaus.

Navigating New Privacy and Data Security Legislation

Data security is not to be taken lightly and should be a top-of-mind concern for every bureau owner. While new security policies and procedures are put in place on the heels of every breach or intrusion, every bureau and its customers have to do all they can to ready for whatever comes next and to have a plan to minimize or mitigate damages.

State and federal government agencies have instituted new rules and guidelines for privacy and data security.

These are not changes you can ignore or plan to "get to" at some point in the future. "The only way to keep even close to even with the bad guys is being pro-active and working with partners who know how bad things can get," said **Kris Francis** of 360 Advanced, who was joined by **Gretchen Renaud** from PrintMail Solutions.

360 Advanced is in the business of evaluating and implementing state-of-the-art security measures at a wide range of companies, including service bureaus, and has a close acquaintance with the breaches and intrusions that we hear about on the evening news.

To start, Kris encouraged reviewing security measures more frequently. "This should be once a month instead of once a quarter because the threats are growing fast. Passwords," he added, "are not enough. Think in terms of pass-phrases." While these can still be broken with brute force attacks, it is harder and takes longer, which may discourage would-be intruders who may go to a softer target.

He also suggested bureaus should talk with their

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Need Pictures?

Fall Workshop photos are available at

https://spaces.hightail.com/space/qXG9kaYucN

insurance agents about the amount of cyber insurance they carry, and especially about how it may be applied to customers whose businesses pose a greater risk. Some bureaus' customers may already be asking about this, because their own IT team and insurers are concerned about breaches. Such insurance is an added cost but a bureau does not necessarily have to bear the cost alone.

"This stuff is not going to stop!"

"Some companies demand you carry more cyber insurance," said Gretchen, "It is worth discussing whether a customer is willing to split the cost of the added coverage with you. We've done this and it seems to work well."

While not applicable to every customer, it may be possible to add riders to your insurance policies that provide additional coverage for specific customers. To find out, talk with your present insurer—and other ones—to find cyber-coverage that will work for your business.

It is not uncommon for smaller businesses to fail entirely following a large data breach, so making sure every aspect of your data security is as strong and resilient as possible is a proactive business strategy, especially if you do so on a regular basis. The extra costs of labor, time and insurance for outweigh the costs of a breach, let alone the permanent damage to your business and even those of your customers'.

Hope for the Best, Prepare for the Worst

The old saying that "Anything that can go wrong, will go wrong" applies to all phases of life and certainly to service bureaus. While many INg member have two or more facilities to provide disaster recovery (DR) capability when things go sideways there are still a lot of moving parts to consider. It gets more complex when your back-up (or even some of it) is another member. The equipment and the datastreams may be similar, but the details that make up the rest of the process for any given customer can make that sideways slide go right off the road.

Anticipation is a big part of disaster recovery. Create scenarios to be better prepared.

Pat McGrew brought up **Marianne Gaige** of Cathedral, **Henry Perez** from FSSI and **Eric Hollingsworth** of RevSpring to sit on a panel that provided insights gained from their experiences.

"It's easier to coordinate DR processes with other INg members and partners because we already have relationships," said Henry.

Then there's planning for things to go wrong. You cannot wait for a disaster but should be anticipating things going sideways and how INg members can help each other.

"We create scenarios to anticipate what solutions are needed so we can be better prepared," he continued. For instance, one tactic is to extend a shift's hours. "We could go into weekends or third shift if needed and have thought about it in advance and have ways to keep things moving if there is a big problem."

When working with another member or bureau, trusting each other and working together to manage the process is a key part of preparation. Panel members agreed that testing processes on normal work should take place regularly to help work through the variables in the process. The testing should also include your customers to help close the loop on back-up strategies.

According to FEMA: 90% of smaller companies and 40% of all companies fail within a year unless they can resume operations within 5 days after a disaster.

Software and print engine vendors can be a major resource if you talk with them before trouble arises. They are likely to know if the original site and the DR site are running the same software and hardware and if there may be subtle differences that won't show up until the job is processed or the ink hits the paper. It is essential to identify and resolve these issues before the dragons come to call.

There is assumption that a disasters include such events as earthquakes, tsunamis, tornadoes, or hurricanes that shred your building or put your presses hip-deep in turgid water. All are possible but so is a week-long power outage, a massive ice storm (we're looking at you, Texas!), a fire, or these days, a ransomware attack. So how do you prepare for these? What capacity is available? How long would the delay be? Think about—and prepare for—things to get really bad. Because they could.

Testing, Testing

A period longer than a few days probably means no single bureau can take on all your work, so you may need to divide the load across two or more companies.

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Using any number of multiple sites requires advance testing, including running normal jobs at the other sites. This should include regular testing at your own branch locations. This is the only way to ensure the work is not all new at the other location(s). This can even help for localized disasters, like the storm that takes out a sub-station a few blocks from your facility. Even a fairly common need such as regenerating damaged pages, can be a challenge with a remote DR site. This requires visibility into what the DR site is doing (and can do) so you can quantify any problems and act to remedy them.

Even if you use distributed print across your own facilities there are probably some jobs that are probably done in one location. But if that facility is down those jobs may have to be done elsewhere. Test all jobs at remote locations before you find yourself out of options. This way you can know they will print and mail correctly.

Pat suggested choosing DR partners who are equally secure and put your expectations into a SOW (Statement of Work) that includes the financial side. It's one thing if the DR site is your own operation but quite another when the company is another print provider or INg member. You must have an agreement ahead of time so you can make it all work. You cannot do this under the stress of a disaster.

Details matter

The SOW can get into the details of how and when work gets done. For instance, the company that is helping you still has their own obligations plus a portion of your work. Does this mean they have to add a shift? Can their staff handle the extra load or do you need to send some of your own people?

"We try to keep our third shift clear for maintenance and to provide space for DR," said Marianne. Remember, DR can also mean that your main operation is running at only 40% of capacity, so your third shift might need to make up the difference.

Marianne also noted that problems can go all the way down to say, envelopes. A customer may expect 78,557 green envelopes for the job going out tomorrow. But the company being used for DR doesn't have any of those and you can't get them there in time. This is just one reason it is important to reach out to customers, have a plan in place, assure them this is a very temporary problem you are working to resolve, and reset expectations.

SLAs

"Customers need to feel comfortable. They also need to know in advance that the output may look a bit different but that jobs will still be done," said Eric.

This brings up your obligations in the form of

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Pat's Disaster Recovery Checklist

ON the heels of the panel Pat provided a DR checklist to help prepare members for things going south in a big way. Here are some key points:

> Disaster Recovery is the wrong focus: It should be ***business continuity***, focusing on getting your business back to full operation.

> The Cloud is not a satellite: It is just a server someplace. Always have a backup beyond the cloud that you can physically connect to a computer.

> Make sure your generator is up to the job with the capacity to run most or all of your plant. While an $800 generator from Home Depot may help put your data in the cloud, your presses and inserters are not going to work with only 240 Volts.

> If you are in a ransomware scenario—a very modern type of disaster—the malware may have been running a while. How far back do you need to go? Six months? A year? Longer? Then how long is recovery of the old data going to take? Despite what your IT guy says, it could be hours… or days.

> Find out what your customers need and expect. For example, a monthly bill has to go out, but they may be OK if the marketing offers don't make it into the envelope.

> Plan what happens after the disaster, because as bad as downtime can be recovery can be worse and take longer than expected. This needs to be in your business continuity plan.

> Have a plan each type of disaster. Losing power is not the same as flooding. Flooding is not the same as an earthquake. None are remotely like having a plane go down with your IT team on it.

> Your DR plan should include your emergency responses, how you will handle operations and your restart plan. The old 6-P military acronym applies: Prior Planning Prevents Pretty Poor Performance

> Be sure to document all you did after the recovery is complete so you know what was done the next time you need it. While nothing will be perfect, this at least provides a starting point.

SLAs, both with vendors and customers. It's a good idea to be upfront and tell customers when an SLA will not be met but don't do this out of the blue. Pat suggested talking with clients in advance and try to have written agreements (when possible) with regard to how SLAs and mailing dates may shift, and how due dates and penalty periods should adapt if a mailing will be delayed by events outside of your control. And keep the customer looped in. As you do this, though, bear in mind that the people you work with at vendors or customers may change jobs or no longer work in the industry. This is one of the reasons to have a written agreement with the company involved (not just the individual you have worked with) that includes potential changes to SLAs.

The sum of all these elements is that you and your company are prepared in advance "It will still be a fire drill," said Eric, "but it all works and the jobs go out."

Market Supply Chain

"This session would be shorter if we talked about what is *not* going wrong!" opened **Mike Mulcahy** of OBRIEN who was on a panel with **John Delaney** of OSG and **Pat Beddor** of Japs-Olsen.

The dynamics of the nation's partially collapsed supply chain have become leading stories in all forms of media. From products to people to logistics to the ballooning costs of needed goods that don't make it to where they are needed, supply chain disruption is impacting every type of business. This ties in with the emergence of what the panel called unforeseen shortages. "We are running low on toner because a vendor had a fire" said Pat Beddor.

"This session would be a lot shorter if we talked about what is NOT going wrong!"

Other shortages include ones that cannot be predicted such as an auction-like environment that has some vendors selling to highest bidders. While not yet common this may be contributing to inflation in both the U.S. and Europe. High demand and low supply drive prices higher, feeding inflation which won't end until supply levels increase. By then, say some cynics, the market may have shown what products are really worth to buyers. This could keep prices high for some products. This may be why some vendors are urging bureau owners to order parts and supplies as soon as possible.

Connect the dots

Compounding the problem, customers don't always realize that a bureau also has rising costs, just like a car maker or company that makes TVs. Almost suddenly the deal can change. "We put a renegotiating clause in contracts," said Mike. These can help but are not a solution that makes all players happy.

While many INg members are raising prices to accommodate cost increases customers have budgets that were set months ago. Most bureaus already look at profitability per customer but it is now essential to do so with a more critical eye.

While the media makes noise about microchips and consumer products, paper is a major challenge for print providers. Looking ahead, many INg members and other print providers ordering more paper. "Price increases on coated stock are averaging about 8 percent for each shipment," noted Pat. "It's a hard conversation to have with customers. We're ordering more paper than we usually do so we can buy it at a lower price. Who knows if it will show up?"

"One option is to go to two-sided print use lighter paper or fewer types of envelopes. Still, it all requires conversations with the customer," added John.

Labor

Another challenge is having people who can do the work. "Labor is a global problem," noted John. "Lack of people ties to how workforces being managed—how the people you have are being allocated." Some bureaus are pooling jobs on printers to reduce labor and use fewer machines.

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But where are the problems? Ships? Factories? Ports? Trucks? It's not always clear. Is the answer more automation? Programming that helps reduce steps? One approach is knowing what each employee can do. **Henry Perez** of FSSI chimed in, "…it's important to pay attention to the people doing the jobs. Help them be more."

"OSG does this," agreed John. "We train people to do more, be more and also to draw on their experience. They can usually go backwards in a crisis."

The RFP Challenge

Mark Fallon, CEO of The Berkshire Company (TBC), walked us through the steps his company takes when helping clients respond to RFPs and was followed by **Fred Van Alstyne** who related recent experiences his company had with customers and RFPs.

Mark began with deconstructing a recent RFP that his company had worked on. "There is a methodology for this," he noted, "and it's important to follow each step."

The process begins with evaluating the request and how a bureau plans to respond to it. Mark creates a calendar with a series of events, including calls or meetings with software and equipment vendors so all are part of the response. TBC runs the meeting for its client (say, a bureau), acting as an intermediary to define needs and expectations and learning strengths and weaknesses of all involved.

The idea is to evaluate the response to the RFP as it would be seen and heard by a company seeking to engage the bureau. This kind of "third-party" evaluation can be critical to winning the business.

TBC also calls all a company's references to see what they say—which may not be as positive as a bureau hopes. Mark also recommended that all IT requirements be set down by the company issuing the RFP. This way a bureau can address those matters directly and specifically, rather than merely stating capabilities that may or may not be relevant to the RFP.

It can be important to differentiate the bureau by including details (and value) of any new technology a bureau may offer. This could be on the IT side, software used, the types of presses, intelligent inserters, and more. Things that differentiates a company can be very important—or be seemingly more mundane. For example, having facilities on both coasts and the mid-west might make having a bill in customers' hands by specific date each month could be a deciding factor in which company gets the business. Or be of no importance at all.

Following up on Mark's advice **Fred Van Alstyne** recounted Content Critical's experience when responding to an RFP, thanks to a RFP review done with the customer. Fred brought up several points worth consideration:

- Some prospective clients may expect bureau execs to be wearing a coat and tie. Dressing otherwise may be considered "too casual," which could be seen as a reflection of a bureau's approach to operations. This can be a make or break factor. Find out what you can in advance, but wearing a coat and tie never hurts.

- "Too casual" can also be a weak company background, so be thoughtful about how your company's history is portrayed. Other signs of "weakness" may be outside of your control. A slow connection with Go to Meeting, Zoom or MS Teams can make a company seem a step behind. When in doubt, Fred recommended turning off the images of participants during a presentation, then turning them back on after the presentation.

- It can be important to have a mix of race and genders on screen. Fred said many procurement officers and influencers are female who notice the participants on a call. In some cases a woman may think a lack of female executives or managers in your company might be indicative of the company's policies.

Fred also encouraged use of professional backgrounds, lighting and high-quality audio. Next, rehearse—rehearse—rehearse. Even Steve Jobs—often noted as a master of quality presentations, rehearsed and used a script. A key reason for rehearsal is so presenters don't come across as stiff or scripted, providing a balance of professionalism and authenticity. It is OK to vary the talk track somewhat, but stay on-message.

In these days of remote events, a video tour of facility can be a compelling tool. Ideally, have it done and produced in advance or talk through a video tour. However, if you do the latter it must be well-timed and thoroughly rehearsed, with a smooth transition from the live presentation to the tour video. (Dress the same when possible!). It should be with the top executive, mostly because it shows the she/he is familiar with the facility. Pulling in other staff, such as a COO or production managers can also be good but they must be relaxed and comfortable on camera. Many people are not comfortable on camera.

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Need Pictures?

Fall Workshop photos are available at

https://spaces.hightail.com/space/qXG9kaYucN

Noel Ward noted that if the top person at a company is not relaxed on camera another person should be the spokesperson on a video. “People who have a sales role are usually better than someone who is more behind the scenes,” he said. “For instance, a technical person may be OK one-on-one, but terrible in front of a camera. And you often don’t find this out until the day of the shoot! Then there’s the iPhone effect: Millennials are often much more relaxed on camera than Boomers.”

Noel also noted that if you are scripting a “talk track” yourself, have a professional writer review and edit it. If the owner of a company is doing the voice over for the video it needs to be carefully scripted and the timing must be set to fit the length of the video. “It comes down to words per second,” said Noel “Most people talk at about three words per second, so a 20-second segment of video (which may use up to 20 individual video clips) should have about 60 words.” He also recommended using on-screen text to augment and reinforce messages.

These RFP responses are two ways members can use for winning new business in an age disrupted by Covid. The world has changed the game but life and business still go on. We are all using technology in the best ways we can and need to be creative, innovative and look for ways to succeed in the new normal.

Update: Wayfair Decision

“It’s a pain and no one wants to deal with it, but things are not so bad,” began **Bob Arkema** of Johnson and Quin (JQ). He was talking again about the Wayfair case (originally brought to the court in South Dakota and made more relevant to mailers in a North Carolina decision) that is adding stress to the lives of companies whose businesses involve mailing documents to other states. Bob, **Dave Henkel,** and their team at Johnson and Quin talked at length about this issue at the June conference in Denver and spent some time in Orlando bringing us up to date. Bob also introduced **Mike Robinson** of Summit Direct Mail in Dallas, Texas, which joined with Johnson & Quin in addressing the issues associated with the Wayfair Decision.

“You need to begin by doing a VDA (Voluntary Disclosure Agreement) that shows how much you are spending on postage and other mailing costs, even though those costs may actually be paid by your client,” explained Bob.

Although a VDA is not necessary in all states it is good to be safe. A VDA matters even when a customer pays directly to the USPS and money does not go through your business. Some states may still consider your company to be the payer.

Bob said JQ worked with accounting firm Grant Thornton (GT) to create a program that worked for clients in several states. “There were many questions to answer, calculations to do, and the issues involved had to be explained. Many were unaware of the Wayfair Decision or that it could impact them.”

Having GT in the process helped ensure that tax calculations integrated with JQ’s internal accounting systems; that VDA and state registrations were correct; and enabled GT to act as a third-party for remittance and filing of taxes for each state. The takeaway is to partner with an accounting firm that can do the heavy lifting.

Summit Direct partnered with Thompson Reuters, Virtual Systems, and DS Tax on multiple aspects, resulting in an implementation that included a tax calculation engine that integrated with Summit’s ERP; a third-party company to remit and file taxes for each state; and a NY state law firm that was knowledgeable about Wayfair and was part of the ruling.

In summary, Bob and John encouraged members, to be smart about this issue, saying:

- Don’t wait! Implementation can easily take several months.
- Client resistance/concern was not an issue.
- Seek help from a tax accounting firm or tax attorney for guidance to determine potential tax exposure
- Have a go-forward plan and have a third-party firm act as the processor for sales tax collection and remittance.
- Limit exposure by having clients fund postage via EPS or check paid directly to USPS.
- Put your plan in place, contact your clients and move forward.

The Wrap

Wrapping it all up, **Fred Van Alstyne** announced we are headed to the Ventana Canyon Resort in April for the spring conference. This fine venue is one INg has visited before and will make for an excellent location. Mark

your calendars for April 11-13 in sunny Tucson, Arizona. Be there or miss out!

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