



# digital IMPACT

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DIGITAL PRINTING APPLICATIONS & MARKETING

## The 2% Factor

By Ron Kendig, CEO, Winning Stance Corporation, and Bob Riefsthal, Managing Partner, 2WIN! Global

**Editor's Note:** When it comes to printing, the differentiators between companies are often not all that great. Even 1:1 personalization programs or customer-branded web-to-print solutions can start to become a commodity once there are many players in the field. The 2% Factor is all about differentiating you and your company from the competition, and while the team of Kendig and Riefsthal developed the concept to help equipment vendors sell to their potential customers (like those selling a press to you!), the tactics you will read about absolutely apply to selling variable data programs or custom web-enabled storefronts to your clients. As you read on, where a reference is made to a press, just think of your products—you will find the analogy fits.

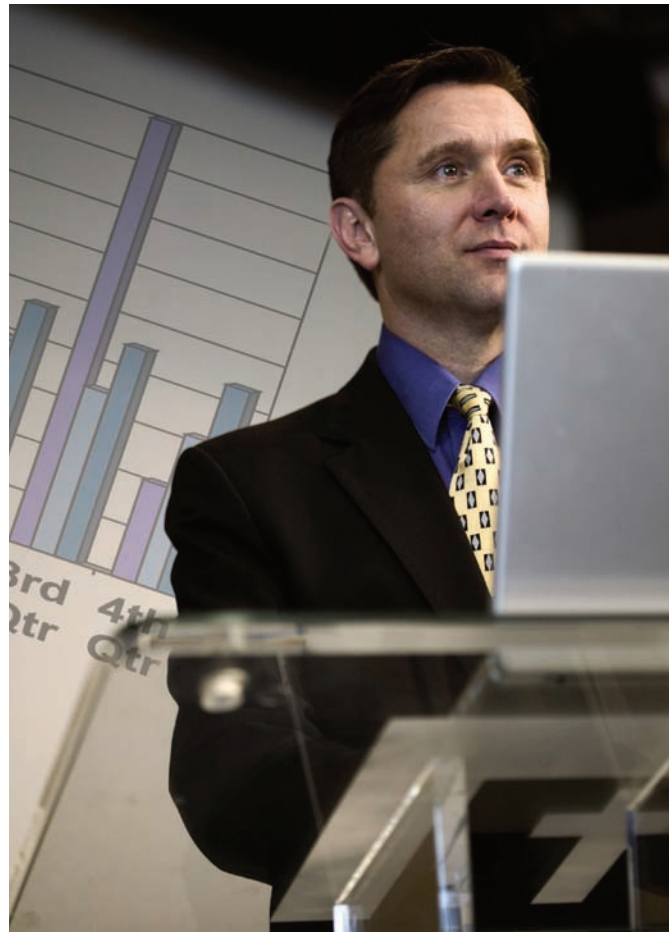
### The Situation

After working with a prospect for nearly a year, they decided to engage a consulting firm to help them define the requirements for their press selection [applies equally to web-portal or personalization campaign]. The consultants created a 120-page request for proposal (RFP) and sent it to ten printing equipment companies. We painstakingly answered the RFP and were one of three equipment vendors to make the short list. As finalists, the next step was a two-day-long product demonstration and print test. That was when the fun began. The consultants provided us specific scenarios and files they wanted us to demonstrate and print, along with very clear instructions: “Don’t deviate from the demo scenario or job sequence in any way!” Each element of the demonstration was weighted to reflect its importance to the prospect. Each element would be scored from zero to five, with zero meaning we couldn’t offer a solution and a five meaning we exceeded their requirements. (Sound familiar?)

### What's Inside

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Our sales team spent long hours preparing for the demo. We customized our data and evaluated their job files (two of the three were sent in advance). We tailored our equipment options to address every element of the demonstration. We created special presentations to address elements that would require hardware and/or software modifications. We were careful to follow their guidelines precisely. We established good rapport with their executives and had a solid understanding of their politics, power structure, and influences. We even had the luxury of being scheduled to do the final demonstration. Our strategy was set. A thorough demo that adhered to their defined scenario was the final step, and we delivered! On the ride to the airport after the presentation, we congratulated ourselves for a job well done. (Sound familiar?)

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Three days after the demo, on a beautiful Friday afternoon, I received a call from the consultant. I thought, all right, this order is going to put my sales team over the top for the year. “Ron,” he said, “First, let me congratulate you and your team for your hard work in preparing for and providing a good demonstration. Unfortunately, your team came in second place. While this probably won’t make you feel any better, you should know that the scoring was extremely close. In fact, your total score was within 2% of the vendor we selected.” I was speechless. My initial thought was to start selling, persuading, or pleading for another chance, but I knew it would be futile. Why argue with a police officer over a speeding ticket that’s already been written? I was left with many questions. How did this happen when we were in such a position of strength? Was our strategy flawed? Did we adhere too closely to the scenario they provided? Did our print test meet the customer’s need? Did we have a competitor who suddenly innovated past us? What went wrong?

After a depressing weekend, I called one of our allies at the prospect. Here’s what she told me. “Ron, I still believe your solution is a better fit, in fact your print quality was superior, but to be honest, either one will work for us. The truth is that your competitor did a better job of grabbing and holding our attention. The selection team enjoyed their demonstration more than yours. I think people actually had fun in their presentation. They just seemed to connect with everybody. In the end, we all felt like their solution fit us better. I’m sorry.” I argued against the vote, but it didn’t do any good. (Sound familiar?)

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## Have you ever sat through a PowerPoint introduction that was so painful you stopped the presenter from continuing?

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### Analysis of What Happened

Here’s the harsh reality. If a prospect begins a product selection by evaluating ten companies, by the time they get to three, there aren’t going to be many differences. Print technology and software has matured to a point where all the good equipment have very similar capabilities. Many printers offer high-quality products and services, including variable capabilities or customized web-to-print solutions. In today’s competitive world, it’s no wonder that we win or lose by 2%!

So, how does your sales team gain a 2% advantage over your competitor? It’s not with features and functions or providing a thorough demonstration that adheres to their specific scenarios. They have to win over the audience’s emotions. Now, if your product has deficiencies, connecting with their emotions is not going to swing a prospect’s score on an individual element in the demo from one (poor) to four (very good), or two to five. However, by having a positive impact on their emotions, it’s very possible to shift the prospect’s scores from two’s to three’s or three’s to four’s. If your sales team can shift enough scores in the right direction, you’ll win by 2%. Ask yourself these questions to see which side of the 2% Factor your people often fall:

1. Are they adapting to the prospect’s world? Are they trying to impress the prospect by talking in technical terms, analyst terms, and your company’s jargon or are they using language and examples that make it clear they understand the prospect’s

world and challenges? Are they always presenting features, functions, and capabilities the same way, even though your prospect’s selection team has a wide variety of personality types (e.g., value oriented vs. process oriented)?

2. Are they employing solid presentation fundamentals? Is your team using a theme for the demo or presentation to help the prospect remember the material? Are they mixing their modes of delivery by using PowerPoint™, flipcharts, whiteboards, props, and stories? Are they varying their presentation techniques to keep the demo interesting? While demonstrating a specific element, are they completing that element by stating a benefit or measurable business value?
3. Are they avoiding crimes? Is your team committing the common mistakes that people make when presenting or demonstrating a complex solution (crimes)? For example, are they committing the “PowerPoint crutch crime?” Are they “data dumping” on the prospect? Do they cause confusion by failing to “finish that thought?” (More on these in a moment.)
4. Are they “bridge” demonstrating? Is your team leading their prospect across a metaphorical bridge from their existing solution to yours? Like it or not, a number of people on the selection team are afraid of change. Some people will go across the bridge to your solution willingly, while others stop and run back to the relative safety of their existing solution or worse, your competitors.

Let’s focus on demo crimes. In Bob Riefstahl’s book, *Demonstrating to WIN!*, he highlights 28 crimes. I personally have either committed or witnessed these crimes in my nearly three decades of selling graphic communications solutions. Remember, one of your team’s primary goals in a product demo is to convince the prospect to cross the “bridge” from their existing solution to yours. When your people commit demo crimes, bad things happen.

**Crime #1—The PowerPoint Crutch:** Have you ever sat through a PowerPoint introduction that was so painful you stopped the presenter from continuing? If you did, it was probably because the presenter had too many slides, too many words on slides, read the text on the slides, wasn’t sure what some of the “bullet” points meant, or even skipped some slides because the information on them didn’t apply to you. Welcome to the PowerPoint crutch.

Technology is everywhere. It touches everything. It’s pervasive! You know what I’m talking about. You used to call into the office and pick up less than ten messages in a day. Now you receive 22 voicemails, 87 emails, and 15 text messages each and every day. Consider how this same condition has infiltrated our presentation technology.

If you’re old enough, take yourself back to a presentation where the salesperson dimmed the lights, turned on the overhead projector, and began displaying black-and-white transparencies on the wall. The first thing you did was strain your eyes to see the thickness of the file folder holding the transparencies. This was your gauge as to how long the suffering would last!





Ah, but then we graduated to Microsoft PowerPoint. What an improvement! Presentations have become much more interesting and dynamic.

At the same time, the PowerPoint presentations have grown longer. The information on the screen has gotten busier. Cute little graphics have appeared in the corners of the screen. The new presentation equipment has become more sophisticated, allowing you to leave the room lights on. But the audience has run into an even bigger problem. There is no longer a thick file folder containing transparencies, only a huge, invisible disk drive. With PowerPoint, there is no way to gauge how long the suffering will last!

Many salespeople and demonstrators use PowerPoint presentations as a crutch and most prospects don't appreciate it in the least. Prospects want to see a product demonstration from a real person who can lead them across the bridge from their old system to a new, highly productive one. They've spent a lot of money to sit through your presentation and they want steak, not just sizzle. Gone are the days of making a visual point by using a whiteboard or flipchart but, so too are highly interactive, focused demonstrations of the product that fits their needs. They've been replaced by canned PowerPoint presentations. Well, if that's what your sales team has been doing, they need to rethink this kind of presentation.

There's nothing wrong with an organized, focused PowerPoint presentation. I use them in every demonstration. However, they should never:

- Be more than 15 minutes long.
- Contain more than 15 slides.
- Have more than six bullet points on a slide.
- Use an overabundance of cute graphics. (The only exception to this, of course, is if you're selling PowerPoint!)

On the other hand, if your sales team is going to use PowerPoint in their presentation, they should always:

- Use graphics that are professional and pertinent. Whenever possible, avoid using the clipart that comes with PowerPoint.
- Use a flipchart to illustrate points and engage the audience.
- Check with your prospect during the discovery (initial needs analysis) to make sure they aren't anti-PowerPoint. If they are, material should be presented using notes or a flipchart.

Lengthy PowerPoint presentations have a tendency to lure salespeople and demonstrators into teaching the prospect about your company and product instead of effectively demonstrating how your solution will improve their situation. It's very common for demonstrators to spill out the raw capabilities of your solution in a PowerPoint presentation without focusing on benefits that specifically apply to this prospect. Obvious, you say? I challenge you to look at your sales team's existing library of presentations and review the date they were last changed.

**Crime #2—The Data Dump:** Have you ever witnessed your demonstrators rambling from one feature to another? When they do this they're performing a "data dump" on the prospect. You know the situation. They start out showing someone a particular feature, and it quickly manifests itself into six related but different features. By the time they finish (five minutes later), you look at your bewildered prospect and they have no idea what your team was just attempting to demonstrate. They just committed the "data dump" crime.

Assume for the moment that your demonstrator is selling a web-to-print server system along with the press. The primary purpose of the software package is to allow customers to easily order and reorder products and services from your customer via the Internet. They're about to demonstrate





a feature in the software that allows the prospect to build a business card and begin the process of entering the basic information to produce the card. They start by saying, “At this point, I’m going to show you how you can simply call up a business card template and enter the information. What I can do is open up the template and enter my customer id#. I could also do a lookup by my company name. If I need to, I can enter the numbers on the keypad or use the pull down for each division name. In fact, from this same screen, you can browse any previously entered orders for recall! Anyway, now that I’ve entered the correct customer id# into the system I can begin entering my name, address, email, and phone number. If the phone number is the same as the corporate number it will automatically appear. However, if I get interrupted during the process, I can stop what I’m doing and begin entering another order, maybe a letterhead for one of my associates.” At this point, the prospect stops the demonstrator and says, “Wait a minute, I would never allow one employee to enter a print order for another employee. Why in the world would you let them do that?” Your demonstrator now begins playing defense, and 20 minutes later the prospect has no idea what they set out to demonstrate to them!

Data dumping has a number of causes. First, your demonstrators feel compelled to show anything and everything your product can do right now because:

- This is the one and only chance they have to impress this prospect with their solution.
- The prospect might interrupt and ask them to explain the feature more thoroughly.
- The competitor has this feature so they better explain that your solution has it also.
- The prospect might not be impressed with the feature they set out to demonstrate, so they feel compelled to reach further and show more.

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## Your demonstrators should always tell the prospect what they are about to see, show that particular process or product function, and then tell the prospect the benefit.

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Second, data dumping comes from a lack of proper preparation. If your people don’t know what is or is not important to the audience, how can they possibly focus the demonstration on the prospect’s primary needs? This is one reason why a discovery of your prospect must be done prior to each demonstration.

Third, data dumping can be a byproduct of sheer excitement. Your demonstrator is so excited about the depth of features in your product that they discuss each one of them at every possible opportunity. Their knowledge of the product isn’t in question. Your prospect knows they understand the functionality of the system. The prospect simply can’t digest it all.

Finally, data dumping is caused by not following a feature with a benefit. Your demonstrators should always tell the prospect what they are about to see, show that particular process or product function, and then tell the prospect the benefit.

Data dumping achieves one clear result: it confuses the prospect and stops them from crossing the bridge during a demonstration. We’ve all been there, haven’t we?

It’s counterproductive for your demonstrators to data dump on the prospects. Tell your people to demonstrate one process (or scenario or function) of your product and demonstrate only that process. They spent hours preparing for a demonstration. Tell them to stick with their original plan.

### **Crime #3—Would You Please Just Finish that Thought?:**

Want to know something that’s even worse than data dumping? How about when your demonstrators start to show a scenario but then jump to something else before they finish showing the scenario they started? If they’re data dumping, at least they’re presenting a complete scenario even though they explain too many features along the way and leave out the benefit. Contrast that with the rambling and meandering that occurs when they don’t even finish a thought.

This crime is driven by a fear that they won’t have another opportunity to show the prospect the other important features later on in the demonstration. They may be baited into committing this crime because they think the prospect will surely understand the benefits of the breadth of your product. This is no way to demonstrate any solution. Prospects can’t relate to this kind of meandering thought. They need concise thoughts, benefits, and closure.

For example, assume your demonstrator is showing a Job Definition Format (JDF) interface to Chris who is the pressroom manager for a medium-sized print provider. Chris’s company has many presses on the floor. His press operators are responsible for color, registration, etc. On occasion, they’ll make adjustments and corrections for color and registration.

Your demonstrator wants to support these needs by showing the flexibility of the JDF interface and how it feeds presses. The dialogue might go something like this, “OK, Chris, I’m going to show you all the different ways you can utilize our JDF interface to preset your press. As I reference the job data, which by the way, I can find via a job number, customer, or job description. In fact, why don’t I do that now (3 minutes later). Anyway, I find the item job and tell the system which elements I want to transfer via JDF. I know this because the system gives me a breakdown, and if I look on the screen I can see the different JDF components (2 minutes later). If I want to transfer the color settings, which by the way, is determined by my prepress and a plug-in that they used. Our CIP4 connection is really powerful....”

Forty-five minutes later, Chris finally learns how to automate the press setup! What do you want to bet Chris had just a few unrelated questions along the way? Plus, he’s got to be thinking, “Wow, this JDF interface is really complicated!”





Your demonstrator set out to show Chris how he can selectively download specific JDF components. He should demonstrate that and only that. Do not under any circumstance allow them to meander to other subjects. If Chris asks him the question, “Ron, how did the system determine the finishing requirements for this customer?” tell them to delay the answer with a response like, “Chris that’s a good question and one I’ll be covering in great detail a little bit later, if that’s OK with you.” Nine times out of ten they’ll say, “No problem, as long as you’re covering it later.”

Some key phrases will warn your people that you’re about to begin committing the “finish that thought crime”:

- Which by the way...
- In addition to...
- Oh, by the way...
- We also can...
- I forgot to mention...
- Another feature we offer is...
- Not only can we...

Help your people to listen for these phrases, and coach them to STOP! If they have trouble recognizing when they do this, tell them to ask a teammate to flash a non-verbal signal when they start committing the crime.

Think of each scenario in a demonstration as a complete thought. Tell your demonstrators to concentrate on demonstrating features associated with

one process flow from beginning to end. Have them stick with their flow as they demonstrate a piece of functionality. Failure to do so will frequently result in taking one step forward across the bridge and three steps back.

## Conclusions

Face the brutal fact that very few companies today have the good fortune of securing a significant, innovative advantage over their competition. Most competing products do basically the same thing. If you really want to win by 2%, dare to be different. Be adaptive. Be creative. Be crime free. Be a “bridge” demonstrator.

*Bob Riefstahl has spent over 20 years selling and demonstrating technology solutions to all sizes of companies and audiences. His firm, 2WIN! Global, provides sales and demonstration training for technology companies in every corner of the earth. The training focuses on winning tactics that complement your existing sales strategy. His book Demonstrating to WIN! has been distributed in over 75 countries and is available at major on-line booksellers and at his company’s website, [www.2WinGlobal.com](http://www.2WinGlobal.com).*

*Ron Kendig has spent over 28 years selling and demonstrating conventional and digital print solutions in the graphic communications industry. Ron formed WinningStance Corporation and leads 2Win! Global’s initiative for that industry.*



# KNOW IF, ANDS, OR BUTS

## Overcoming objections in the variable digital marketplace

*By Brad Lena, Digital and Variable Data Consultant, PIA/GATF*



Every salesperson encounters customer and prospect objections. In the traditional offset markets these objections and the tactical responses to them have been explored in depth. In the digital marketplace and particularly variable digital print, this isn't the case. Why? After spending several years selling variable digital print products and programs to a variety of business segments, both public and private, I have a pretty good idea why, and it's my hope that after reading this article, you will as well. What follows is an exploration of why digital objections are different from those in traditional offset, some common objectives/responses, and an action plan.

### Different Product

Variable digital products are more complex for a variety of reasons. Many of them pertain to prepress, production, programming, printing, etc. In other words, they are provider issues. Customers and prospects do not care about those issues—those are our problems. VDP is complex for customers and prospects because it involves data, and if data is involved so are a number of related issues. From their perspective, it requires more resources and decisions than a mass-produced, one-size-fits-all promotional piece. Again, from their perspective, offset is a manufacturing decision and VDP is a marketing decision. If you as a sales consultant do not understand this difference going into a call or presentation, the chances of converting an opportunity to a sale are greatly diminished.

### Different Objectives

VDP objectives, because of VDP's very nature, are different than traditional offset as it addresses several market segments simultaneously. Each of these segments, from the customer/prospect point of view, has its own objectives/challenges. In VDP, this segmentation takes place within a single manufacturing operation. Consequently, it requires more coordination on the customer/prospect end. Depending on their internal structure, this can appear and indeed may be problematic. The sales consultant must help them navigate and think through these issues. This means it is important not to propose a project that is too complex or has too many variables or requires too much change from a company. The consultant has a powerful ally on the VDP side of the table; it's called efficiency and enhanced ROI.

### Different Decision Makers

As there are several marketing objectives to VDP, not to mention the data issues, the decision to adopt VDP is made at the higher levels of management for it often affects several internal departments and those that cross department lines such as marketing, creative, and IT and Web programmers, etc. These decisions naturally accrue to those with broader or corporate responsibilities. Furthermore, as a VDP consultant, you're helping to shape and influence the decision making process. In the offset markets, many of these strategic decisions have already been made





allowing the awarding of projects to be made on the basis of manufacturing considerations. If you are not prepared to address the issues that concern a higher level of management, be prepared to be shown the door.

## Different Value Proposition

Make no mistake, in the VDP marketplace you are not selling printing, at least not directly. Here's an example of what I mean; in the offset manufacturing process, spoilage is just that, spoilage. In VDP it isn't just spoilage. It's a product with high value-added content with a predetermined message built on transactional records, demographics, and lifestyle preferences, that will not reach a predetermined individual because it just got trashed. Now of course, when you tie that in with great manufacturing assets, then you really have something to offer. But at the end of the day, if the sales consultant doesn't understand what a VDP product actually represents, he or she has little chance of communicating its real value and productivity to customers and prospects.

## Common Objections

### Solutions/Responses

As in the traditional offset markets, digital objections revolve around certain issues that come up over and over again. Here are some of the more common ones and some possible solutions.

### Poor or No Data

In reality if a company has customers, it has data. Now it may be poor data, but that isn't a problem—it is a sales opportunity. The challenge for the VDP consultant is to educate the customer or prospect to the fact that there is untapped marketing value in the data, no matter what the condition. The marketing use of data, as opposed to it sitting around in a computer file, enables a company to better serve the needs of existing customers as well as provide profiles for new customer acquisition. Tell them how you can improve, repair, or start over with their data. Ask to see just the header fields from their data as that will tell you what they are collecting and its applications for marketing. It will also tell you what they do not know about their customers and that is another opportunity for the consultant.



### Objection: Poor Data

**Client: State University**

**Objective: Promote Summer Arts Festival**

**Promotion: Direct Mail—VDP Postcard**

### Status:

Festival attendee database was missing some fields, data entry was inconsistent, previously purchased lists were poorly defined, etc. Client was uncertain as to how they would benefit from a VDP application given this circumstance.

### Solution:

1. Append missing zip codes and street addresses as much as possible
2. Standardize uppercase and lowercase data entry
3. Append demographic information to existing database (i.e., age, income, lifestyle interests—arts, outdoors, travel, etc.)
4. Use the appended profile as model to acquire new prospect mailing list (additional criteria of travel distance to event)
5. Use VDP to segment the mailing based on profile

### No Need

Some companies do not have a need for VDP, and if you're talking to them about VDP it means your preparation was inadequate (more on that later). Generally speaking, if a company uses direct mail to promote their products and services, they are a potential candidate for VDP. As I mentioned before, the VDP consultant has a powerful ally called efficiency and enhanced ROI. Diplomatically probing the productivity of their current direct mail marketing or customer retention will help uncover possible VDP applications as well as selling opportunities such as the database services mentioned above.

### Cost

Is VDP more costly than traditional offset? Absolutely, and the reason is that it is a more sophisticated and complex marketing product—one that is enhanced with data and programming, perhaps linked to a PURL, etc. There are ways to mitigate the cost of VDP, especially in larger volumes, by using hybrid products. Print four-color shells offset, then imprint the data on a color and black-and-white digital press. One might say that this still utilizes two manufacturing operations rather than a single offset, but keep in mind that the addressing and postal sort is taking place at the same time the data is being digitally imprinted. Another cost issue is that of measurement. In traditional offset, the manufacturing measurement of cost per piece is the yardstick. While this is a true measurement, it does not reflect the total cost inputs from marketing, creative, and other services, let alone the cost per sale. Now we're getting to the heart of the matter. Cost per sale is where the rubber meets the road in direct mail marketing. Framing discussions regarding cost in cost per sale terms shifts the argument to productivity and ROI which are VDP strengths.



## Objection: Cost

**Client: Publisher—Home School Curriculum**

**Objective: Promote Nationwide Book Shows**

**Promotion: Direct Mail—VDP 8-pg. Booklet**

### Status:

Proposed VDP booklet is double the cost of the current promotion—16-pg. 4/4 catalog

### Solution:

1. Redefine issue from cost per piece (manufacturing expense) to cost per sale (total expense ÷ total sales) to reveal true cost
2. Educate client on the superior marketing value of the VDP booklet (i.e., branded to individual sales reps throughout the United States, segmented cross promotions based on transactional customer data and preferences, geographic segmentation, built-in response, and sales measurements, etc.)

## Good Idea, but Not for Them

Companies, like people, can suffer from inertia. It's easier to do what had been done before rather than try something different or new. It's the job of the VDP consultant to help companies "see" themselves using VDP. As mentioned, if they market via direct mail they are a candidate for VDP. What's more, they have plenty of collateral material that can be modified to really help them see. For example, in past experience, I've acquired, as part of my preparation, some of a prospect's direct mail marketing and would have it scanned back at the shop, making it alterable, and then slightly reconfiguring the text for personalization, 1:1, etc. The end result is a VDP facsimile, albeit at low resolution, that indisputably illustrates that the step up into VDP is not a giant leap. Showing them a VDP application using their own collateral refocuses the issue from "not for us" to considering the business case for VDP.

## Turf Issues

The acceptance of VDP by customers and prospects can be constrained by the level of cooperation between and the workload of various internal departments. Frankly, there is only so much the VDP consultant can do to overcome this potential roadblock. What the consultant can do is to be sensitive to these issues and offer varying levels of support to help these various departments with whatever task is in hand (i.e., data, creative, communications, etc.). Internal IT/Internet departments are often stretched thin, for example. You can tell them to give you the data and do the extraction, reformatting or programming for them. What is important is that you are seen as a resource and not part of the problem.

## Uncertainty/Unfamiliarity

In the marketplace, familiarity with VDP is all over the board. Some companies are doing it, others are conversant with it, some have an idea of what it's about, and for others it is a complete unknown. For all of these situations it comes down to education and lowering perceived risk. Education often takes place as a brief presentation in which the technologies

and tactics of VDP are illustrated. Case studies are ideal, especially if they are in the same industry segment or the marketing issue is similar, but most important is that they have demonstrable results. If there isn't a case study you can create an illustration using PowerPoint. Testing is the most effective way to lower both perceived and actual risk. Propose a modest pilot program with clear and reasonable objectives. In fact testing is an ongoing aspect of VDP. Tactics such as various marketing messages, offers, segmentation, etc., can be tested continually for the optimum offer/incentive.

## Objection: Uncertainty/Unfamiliarity

**Client: Executive Placement Company**

**(specializing in transitioning military)**

**Objective: Reconnect with previous clients for new personal placements/referrals or new business**

**Promotion: Direct Mail VDP with PURL**

### Status:

Unfamiliar with VDP/PURL, limited budget, old database

### Solution:

1. Use case studies to educate client
2. Propose test with response measurement for evaluation
3. Determine amount of working capital, scale project accordingly
4. Extract most relevant information from old database (date, placement details, military, etc.)
5. Use as model for future projects if test results merit further use of VDP

## Action Items

In VDP, the selling consultant/provider is an active participant in the development of the products and programs. Establishing the credibility that the company you represent has the resources, skills, and experience to participate at this level is critical to being successful and it starts with the very first meeting you have with a customer or prospect about VDP. The best defense to the objections encountered is a good offense and that starts with preparation.

## Preparation—Internal Capabilities

Job #1 is for the VDP consultant to have a solid understanding of what his or her company can produce internally or with its partners. This includes being conversant with databases, programming, digital press attributes and constraints, mailing regulations and rates, W2P, P2W, PURLs, hybrid products, and pricing. Note that I said conversant, not to be an expert. If you can converse about these issues and how they are or are not used, you will be way ahead of most of those who you'll be initially talking with regarding VDP.





## Preparation—External Research

It is equally important for the VDP consultant to have a solid understanding of the customer's or prospect's business models. This of course means online research, but it often means a preliminary meeting that gets specific answers to a rather detailed survey. Acquiring this much information upfront is time consuming which means an initial VDP qualification process has determined it is worth the investment of time and resources to pursue this customer or prospect. This investment pays its dividends when VDP is presented as a marketing tactic. The predetermination of how VDP can be utilized and why it makes sense for a customer or prospect to, at a minimum, test it lends to the authority and credibility of the VDP consultant.

## Summary

Granted, we've just taken a whirlwind tour of the objections to VDP. It nonetheless reflects what VDP consultants will find in the marketplace to a greater or lesser degree. In practice, some companies have an internal specialist in this market who is brought in to support the sales staff in the acquisition and development of VDP business. This makes sense from a practical and tactical perspective. A resident "expert" can be leveraged across a sales force that possesses varying degrees of ability and, frankly, enthusiasm. Another issue is that while the sales rep may have a great relationship with existing customers or great sales skills in general, they

simply may not be comfortable with the issues pertaining to VDP. Obtaining a specialist also demonstrates a depth of expertise to the customer or prospect. Once a project had been secured, the expert steps into the background and the rep, with internal support, handles the day-to-day issues. In the process, the rep gains experience and knowledge in the VDP marketplace positioning them to fly solo. An important issue I've left unconsidered is pricing, but that is a subject for another article.

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# HEADS UP—HERE IT COMES

**By Mary Ann Bennett, President and CEO, The Bennett Group, Inc.**

Once again, the mailing industry finds itself standing in the batter's box, facing a Clemen's fastball, minus a batting helmet. May of 2007 has brought us the implementation of the proposed USPS rate case with its cacophony of changes and increases. Even USPS officials refer to the changes to rates and preparation requirements as a "monster." The mailing industry has been uneasily consumed with conversing and debating the merits and demerits of the postal proposals for many months. Our focus on the rate case has allowed that dangerous fastball, with CASS-DPV Cycle L written on it, to make its way straight for our unprotected head(s) without even entering our field of vision.

## ZIP+4 Is OUT and DPV Is IN.

As the 90 days left before the implementation is dwindling, you have found that your current CASS certified software product, which you have trusted to perform ZIP+4 encoding of your mailing lists, has been replaced with CASS Delivery Point Validation (DPV) encoding software. Your software vendor is required to put DPV encoding capable software into your hands 90 days prior to the implementation date of August 1, 2007. This requirement is not tied to the rate case! There will be no presentations to, or rulings from, the Postal Rate Commission or the Board of Governors. There will be no waiting for "will they or won't they?" This is a done deal.

Your new DPV encoding software will definitely consume many times more space on your computer systems and will probably process many times slower. The DPV database of delivery points is much larger than the ZIP+4 database of address ranges. And, the DPV software must search harder to find a valid, existing address compared to the ZIP+4 searching, which only had to find the placement of an address within a range of addresses.

ZIP+4 encoding is the equivalent of locating the Electrical aisle in a Home Depot. DPV encoding is similar to locating a 15-Amp Female U-Ground Straight Blade Cord Connector on a shelf in the Electrical aisle.

How will this affect you and your company? The reality is that you will not know until you test the software with your own lists on your own computer systems.

- Encoding processing times will probably be the most troublesome for most mailers. Hardware will have to be enhanced because it will typically take twice as long to DPV encode a list. Maybe three times longer? If your production times and costs will increase



dramatically, how will your pricing be adjusted? Certainly, your costs are higher.

- If you want to increase your processing speeds, maybe you purchase a second or a third computer system. Remember to contact your CASS software vendor and inquire about the costs of additional licenses.
- Since the DPV database is so much larger, you may have to invest in a DVD drive because the data may no longer be coming to you on a single CD. Some vendors may be sending you the database on multiple CDs that you will have to load onto your system. Check with your software vendor.
- Mailing lists that are passed through the CASS-DPV process will receive multiple return codes, markers, or flags that can be invaluable in performing very basic mailing list maintenance. Again, check with your software vendor because the DPV return codes may or may NOT be the same as your current ZIP+4 return codes.

## CASS-DPV processing policies and procedures that you should incorporate:

### Customers

- Always ask for the DPV counts from your list processor.
- Consider deleting any records that cannot be Delivery Point Validated from any mailing list.
- Ask for a listing of return codes or flags from your CASS processor and work with the various codes to improve the general hygiene of your mailing lists.
- Have your mailing list NCOALink (FSP) processed on a scheduled basis.
  - Additional benefit—NCOALink assures that your list meets USPS Move Update requirements
- Check CASS-DPV encoding rates before ordering print quantities or determining a mailing class.
  - Delete or suppress any addresses that cannot be DPV encoded from Standard Class mailings
  - Mail any addresses at First Class rates that cannot be DPV encoded if the addresses must be mailed to. Remember, you will not be able to claim any barcode discounts. No DPV= No discounts.
  - Update your database with any information received back from those First Class pieces with the bad addresses. . . you paid for it.



- If renting a list from a broker, only include (and pay for) addresses that have been DP Validated. Require that CASS-DPV documentation accompany the list.

## Service Providers

- Always provide your client with a hardcopy of CASS-DPV encoding results.
- Ask for specific instructions for the handling of unencoded addresses. Do you delete, suppress, or allow to remain in the list?
- Inform the customer of the financial ramifications of leaving the bad addresses in the list. Include print, processing, and postage costs in your calculations and don't forget response rates. Rates will automatically increase because of the elimination of the bad addresses.
- Get specific instructions in writing with signature if the customer insists that undeliverable addresses remain in their mailing lists.

## Don't be the bad guy with your customers—not when the USPS will do it for you.

Meet with your customers and provide them with the following USPS document:

<http://ribbs.usps.gov/files/cass/CASS%20Cert%20Req%20MAILERS%20guide.pdf>

They do a decent job of explaining the changes, and it shifts the onus from your company to the USPS. By sharing this document, you lend credibility to the request to perform many more services for your clients. After all, you are acting as an upstanding member of the mailing community and are following the new rules. Chances are that if you don't share the info with your customers, your competitors will be happy to do it for you.

## Sample of USPS information:

“Frequently Asked Questions Regarding CASS™ Cycle L (2007-2008) Certification

# Even USPS officials refer to the changes to rates and preparation requirements as a “monster.”

## Recommended Action Items (if you have not received the CASS-DPV software)

- Contact your CASS software provider and ask when you can expect to have the new CASS-DPV software in-house.
- Evaluate your in-house computer system. Consider contacting your mailing software vendor to see if they can assist in the evaluation.
- Evaluate/update all processing forms related to customer service, data processing, and mailing to accommodate new CASS-DPV capabilities.
- Institute a policy of reviewing mail-related websites/forums on a daily basis.
- Join mailing organizations. Examples include:
  - Mailing & Fulfillment Service Association (MFSA)  
Ph: (703) 836-9200, (800) 333-6272, [www.MFSAnet.org](http://www.MFSAnet.org)
  - Association for Postal Commerce (PostCom)  
Ph: (703) 524-0096, [www.postcom.org](http://www.postcom.org)
- Subscribe to USPS Publications
- Subscribe to mailing industry-related publications

## Recommended Action Items (Timeframe 30–90 days)

- Identify possible new processing charges
- Identify DPV processing costs and turnaround times
- Incorporate DPV costs into upcoming bids and proposals
- Determine if claiming the barcode discount will be worth your increased costs
- Identify new In-house Delivery times once your mail hits the USPS mailstream if it is not barcoded
- Develop an education plan for your internal staff
- Get in touch with your mailing organizations (PostCom, MFSA, PCC, etc.) and ask questions about the educational readiness of the business mail entry clerks at your postal facility

## What is CASS Cycle L?

CASS Cycle L is the next regularly scheduled update of address-matching software. The USPS requires address-matching software vendors to update their software logic once a year to meet higher quality standards. Mailers seeking postage discounts are required to use CASS Cycle L address-matching software to remain eligible for discounts.

## What does CASS Cycle L mean for mailers?

Beginning with Cycle L, CASS Certified™ software will assign a ZIP + 4® code to a mailpiece only if the primary number of the address is verified through DPV™ software as a valid point of delivery. CASS Cycle L also requires the use of LACSLink™ software to update addresses that have been changed due to 911 implementations.

## Why is the Postal Service implementing this requirement?

The Postal Service wants to preserve the integrity of workshare discounts, which have been beneficial to both mailers and the agency. The provision of workshare discounts is predicated on the expectation that there will be a reduction in processing steps for the Postal Service. In 2004, there were 1.3 billion mailpieces with incorrect primary numbers that required manual processing, at a cost of \$100 million. Effective August 1, 2007, the Postal Service will begin requiring mailers to use CASS-DPV for discounts.”

Back to that CASS-DPV fastball. A very few will successfully take advantage of all that DPV brings to your company and your customers, and hit the ball out of the park for a homerun. To do that, you will have to see the ball coming and your vision must be focused enough to see the stitches on the ball. The opportunity for success does exist and it certainly can happen. For most of us, these DPV requirements coinciding with the rate case will, undoubtedly lend to some initial complication. The last line of Ernest Lawrence Thayer's poem, “Casey at the Bat” is “But there is no joy





### ZIP+4 and DPV Encoding of Mailing List Address: 25 Boulder Drive Rush NY 14543

**14543-9449** ZIP+4 for addresses on the North side of Boulder Drive ranging from **17 - 39**

**Boulder Drive Rush NY 14543**

**14543-9450** ZIP+4 for addresses on the South side of Boulder Drive ranging from **16 - 38**

**ZIP+4 Encoding ✓**  
The address of 25 Boulder Drive would receive a ZIP+4 of 14543-9449 because the address number **DOES** exist within the number **RANGE** of 17 to 39 on the North side of Boulder Drive in the 14543 ZIP code.

**DPV Encoding - Delivery Point Validation ✗**  
The address of 25 Boulder Drive would be coded or flagged as **UNDELIVERABLE** because the address number of 25 does **NOT** exist on Boulder Drive in the 14543 ZIP code. The Delivery Point could not be validated.

**ZIP+4 Encodable ✓ YES    Actually Deliverable ✗ NO**

*Addresses that currently receive ZIP+4 encoding using CASS certified software today may not be encodable using the new CASS Cycle L encoding software in the future because ZIP+4 will only be applied if an address is found to be deliverable through DPV encoding. As of August 1, all addresses MUST PASS THROUGH CASS CYCLE L, DPV encoding to get discount.*

in Mudville: Mighty Casey has struck out.” Striking out, after all, is much better than taking a career-ending hit to the temple.

CASS-DPV will be implemented on August 1. Watch for it. Use it. Embrace it. Share it—inside and outside of your company. Capitalize on it. Stay in the mailing game and live to play another day.

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