

feature

# The **MONEY** is in the **MAIL**

## Mailing & fulfillment services can mean more business and stronger customer ties

As a well-established commercial print company in Mississauga, Ont., Central Reproductions Ltd. ventured into mailing and fulfillment services a decade or so ago with one goal in mind: to gain control over its workflow.

But the decision to branch out has brought the company a host of benefits. It hasn't looked back since. As competition in the print industry continues to heat up, printing companies are seeking to increase market share by diversifying into everything from document management to web design. And more and more companies, like Central Reproductions, are looking to mailing and fulfillment services to do so.

By Rosanna Tamburri



PHOTOGRAPHY BY OKSANA MANSOUR



What started as a workflow fix for Doug Snow, left, and Ward Spencer became a way to increase customer engagement and get more print business

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### WHAT YOU'LL NEED TO START MAILING AND FULFILLMENT

Want to set up a mailing and fulfillment operation? These are some of the processes, functions and machines you'll need to consider.

- Addressing
- Bar Coding
- Caging
- Certifying
- Comingling
- Data Processing
- Folding
- Franking
- Inkjetting
- Inserting
- Labeling
- Processing
- Shipping and trucking
- Skidding
- Slitting
- Sorting
- Stamping
- Storing and racking
- Warehousing
- Weighing

At the outset, though, it wasn't a desire to diversify that drove Central Reproductions to branch out, explains co-owner Doug Snow. It was simply to overcome a scheduling problem. Before introducing the services, "the mailing house was calling the shots when it came to scheduling," he says. "But more importantly, we'd send the printed material to a mailing house and some of it would get damaged so we'd have to print more." By now, the benefits for Central Reproductions have gone beyond scheduling and diversification. Having the services in-house means there are fewer errors and faster turnaround times for the customer, but most importantly, it allows the print shop to identify

cost-saving ideas for the customer, and that builds customer loyalty. "It's easier to sell a direct mail program if you are actually doing the mail," Snow says. "Yes, you can sell the print, you can sell the design, but if the customer has to deal with a mailing house, that's just one more company that they have to deal with. This way...we take ownership of the whole thing. It's really the cementing of a customer relationship more than anything."

For the customer, the main advantage is that it cuts down on unwelcome surprises. "If I'm the one that's designing and printing the piece (as well as mailing it) then I'm not going to be throwing any surprises at the customer, like 'By the way

your postage has just doubled because it's the wrong size or the wrong weight," Snow says. The company's strategy has paid off. Its customized mailing division is now its fastest growing. "We do a fair amount of marketing material so it's very important," Snow explains. "It's a division I couldn't see us doing without."

Central Reproductions now offers a full gamut of mailing services which includes database processing, address verification, inserting, sealing and sorting; in short everything required to prepare the printed items for delivery to Canada Post. It also warehouses the printed products and distributes them, a task generally referred to as fulfillment. Its items are stored in a secure-area warehouse where they are identified and tracked electronically. Also on its menu are graphic design services, website creation, bindery and other print-related services. But mailing and fulfillment is clearly one the company's cornerstones.

Indeed, some recent studies in the U.S. have shown print companies that offer mailing and fulfillment services have benefited from higher rates of growth in print volumes and lower client turnover.

According to the National Association for Printing Leadership's 2005 survey of fulfillment practices, 76% of respondents said they experienced an increase in print volume after offering fulfillment services and 62% said they achieved greater profitability. The survey also found that the turnover rate was lower for clients who purchased both fulfillment and printing compared to clients who purchased print alone.

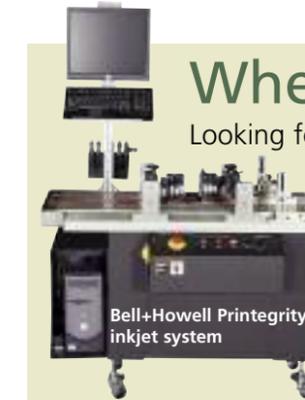
"The additional services are not only more profitable, but they also solidify the relationship with your customers, enabling you to secure more of their existing print business than before," writes Pete Basiliere in *Diversifying with Mailing & Fulfillment Services*, a NAPL handbook that provides a step-by-step approach for integrating mailing and fulfillment into printing operations. To be sure, it's a complex task. But once you have the clients, they will be less likely to move, Basiliere says.

"It's no secret that the more you are tied into your customer base in terms of service offerings, the stronger the relationship tends to be," says Steve Hodson, product manager, print, mail and fulfillment, at The Data Group of Companies. Simply put: "The more that we are talking

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### Where to get it

Looking for equipment? Here's a selection of suppliers and their wares



■ BCC SOFTWARE Mailing software  
Contact: [www.bccsoftware.com](http://www.bccsoftware.com)

■ BOWE BELL + HOWELL Inserting, bindery, mail extraction, inkjet printers, polywrap, mail sorting, robotic delivery, plastic card systems  
Contact: [www.bellhowellint.com](http://www.bellhowellint.com)



Buhr BB700 envelope inserting system

■ BUHRS AMERICAS Inserters, feeders, addressing equipment  
Contact: [www.buhrs.com](http://www.buhrs.com)

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to our customers the less likely it is that they are talking to somebody else," he says. When The Data Group, based in Brampton, Ont., started offering mailing and fulfillment about a decade ago, it did so largely as a value-added service for its existing customers. But the division has

evolved over the years and is now an essential part of the company's overall sales strategy of providing all print-related services under one roof. The benefit for clients is that they deal with only one company instead of two or three. "Instead of managing multiple partnerships to get a

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Jetrion 4000 Inkjet system

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- BUSKRO Inkjet equipment, tabbing and labeling systems Contact: [www.buskro.com](http://www.buskro.com)
- CIMA-PAK Shrink wrapping, polybagging systems, protective packaging Contact: [www.cima-pak.com](http://www.cima-pak.com)
- DAVLIN SYSTEMS Mailing systems, packaging systems, polywrappers Contact: [www.davlinsystems.com](http://www.davlinsystems.com)
- DOMINO Inkjetting and addressing systems Contact: [www.domino-printingsolutions.ca](http://www.domino-printingsolutions.ca)

■ DUOSHARE Software, address validation Contact: [www.duoshare.com](http://www.duoshare.com)

■ DUPLO Collating and inserting systems Contact: [www.duplousa.com](http://www.duplousa.com)

■ EAM-MOSCA CORP. Strapping systems Contact: [www.eammosca.com](http://www.eammosca.com)

■ INSCERCO MFG. – MAILCRAFTERS Inkjetting systems, inserting machines Contact: [www.inscerco.com](http://www.inscerco.com)

■ JETRION Inkjetting systems Contact: [www.jetrion.com](http://www.jetrion.com)

■ KEPES Feeders, conveyors, folders, gluers Contact: [www.kepes.com](http://www.kepes.com)

■ KERN INTERNATIONAL Inserting, mail wrapping systems Contact: [www.kerninc.com](http://www.kerninc.com)

■ LONGFORD INTERNATIONAL Feeding systems, collating systems, batch counters, mail loaders, stackers, envelope inserters Contact: [www.longfordint.com](http://www.longfordint.com)

■ MAILING INNOVATIONS Inserting and addressing systems, polybagging and shrinkwrapping Contact: [www.mailinv.com](http://www.mailinv.com)

■ MSI MAILING SYSTEMS Digital mailers, folders/inserters, inkjet addressers, tabbers, labelers, feeders, conveyors Contact: [www.mailingsystems.ca](http://www.mailingsystems.ca)



Cima-Pak VISION 600 one-piece integrated shrink system



Buskro Atlas 3250



Duplo tabber with 920

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job done, [the client deals with one] who manages the whole process from soup to nuts," Hodson says.

And that, adds Shirley Lai, industry manager, real estate, at Teldon Marketing, a division of Teldon International Inc., "definitely builds customer loyalty." What's more, she says, because many of Teldon's competitors don't offer mailing and fulfillment services, "we see it as a real differentiation point for us." Teldon, in Richmond, B.C., produces personalized promotional products such as wall calendars for the real estate sector and other industries.

But perhaps the most compelling reason for branching out into mailing and fulfillment is that while demand for many printed products is declining, that for direct mail is on the upswing. Canada Post reports that while its volume of lettermail continues to slide, volumes of addressed and unaddressed ad mail are rising, accounting for 15% of its total operating revenues in 2005, up from 14% in 2004.

### Know your gear, regulations

So, having made the decision to get into the mailing and fulfillment business, where do you start? As Basiliere points out in the NAPL handbook, the centrepiece of any operation is the process of inserting pieces into an envelope. This is generally automated, although it can be done manually if the job is short or very complex. At minimum, you will need two pieces of equipment: a laser or inkjet printer to print addresses either on envelopes or directly on the finished product, and inserting machinery to stuff the pieces into envelopes.

Several types of inserting equipment are available to suit both low-volume, short-run operators and high-speed, high-volume businesses. The type of inserter you choose and the number of insert stations you create will depend on your projected volume of business and the type of mail you will be handling. You can also purchase tabbers and other finishing and bindery equipment for sealing and bundling envelopes. A number of mail-equipment manufacturers can guide you on your equipment purchase. (See sidebar on pg. 25) For instance, Central Reproductions has two inkjet printers and two inserting machines including a Bell & Howell six-station high-speed inserter that can handle up to 10,000 envelopes an hour. It also has a shrink-wrapper, a meter and sealing machine and tabbing equipment. Choosing what equipment to purchase is the easy part and it isn't all that expensive, says Snow. The key to success is finding qualified staff to manage the operation and understand the myriad postal standards and regulations. "It's not something that you can go

and pick up overnight," he explains, adding you're probably going to have to hire staff away from a mailing house.

One essential source of information is Canada Post. It provides a number of guides and manuals to walk you through the mail-sorting process. And it offers on-site support and training for printers that are just entering the mailing business and those already established in it, all free of charge. The manuals are available online and cover mail preparation and sorting requirements for different classes of mail, as well as postage rates, size, weight and other specifications. The essential ones are The Mail Preparation and Presentation Guides and The Product Customer Guides. If you have questions, you can call Canada Post's commercial service network toll-free and speak to a service representative or ask a rep come to your facility to ensure you're doing the mailing correctly. (See sidebar on pg. 28 for links to Canada Post's online guides, services and its toll-free number.)

Canada Post requires bulk mailings to be pre-sorted according to postal code. To do so, you can purchase Canada Post software that electronically presorts mail for you or you can sort it manually. The software is

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■ NEOPOST Mailing machines, folding and inserting equipment, addressing equipment Contact: [www.neopost.ca](http://www.neopost.ca)

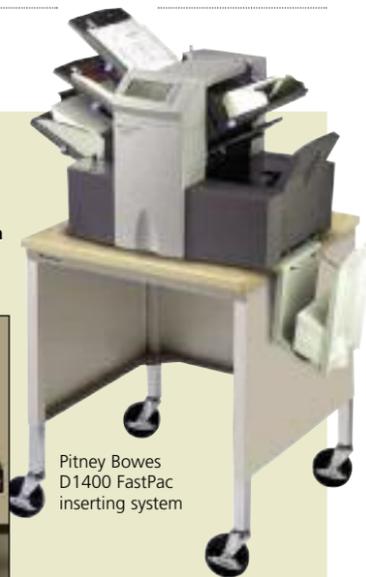
■ PITNEY BOWES Folders, inserters, mail openers, addressing equipment, digital mailing systems Contact: [www.pitneybowes.ca](http://www.pitneybowes.ca)

■ PRISM INCORPORATED Inkjet, controller products Contact: [www.prismincorporated.com](http://www.prismincorporated.com)

■ PROFOLD Tabbers, folders, feeder and transport equipment, DOD inkjet, mail preparation systems Contact: [www.profold.com](http://www.profold.com)



Profold RSC tabber



Pitney Bowes D1400 FastPac inserting system

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sold by a number of Canada Post-recognized vendors and makes the process much easier. Sorting mail manually is a "very tedious" process, says Cathy Dornig, a Canada Post senior serve specialist. Those new to mailing services who aren't using software often get tripped up by the sorting requirements, she says. Another stumbling block is deciding what type of mail to use,

whether it should be addressed ad mail or publications mail. "There's a lot of information that we give people before they start to do this and I think it's a little overwhelming until they do it a few times," she says.

If you're just starting out, Dornig recommends completing an online training exercise for sorting mail on the Canada Post website to become familiar with sorting reg-

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Satori software

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■ **PRO PACK GROUP** Pack materials and machines  
Contact: [www.shrinkfilm.com](http://www.shrinkfilm.com)

■ **SATORI SOFTWARE** Addressing management software  
Contact: [www.satorisoftware.com](http://www.satorisoftware.com)

■ **SIGNODE** Packaging systems  
Contact: [www.signode.com](http://www.signode.com)

■ **VIDEK** Vision products: character recognition, bar code reading, matched mail verification Contact: [www.videtek.com](http://www.videtek.com)

■ **VIDEOJET TECHNOLOGIES** Finishing control systems, inkjet printers, material handling equipment, addressing applications  
Contact: [www.videojet.com](http://www.videojet.com)

Signode's Raptor 1500CN turnable series stretch wrapper



Videk montage



A one-step shrink-wrapping system from Pro Pack

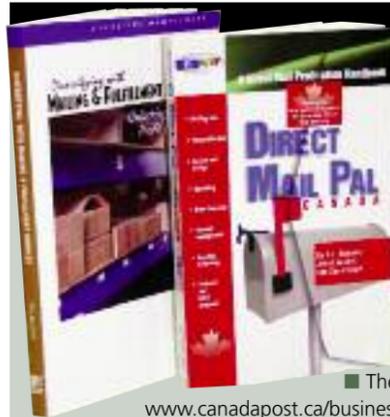
ulations and then calling a Canada Post rep to ensure pieces are being sorted, bundled and containerized properly. It's also important to keep abreast of changes to Canada Post's requirements, which are posted regularly on its website. All of this can be a complicated process and having qualified staff is essential. The number of employees you'll need will depend on how big your operation is. The minimum number required will probably be three or four people: one to run the inserter, another the inkjet or laser printer, and a third to work with the mailing list database and the mailing software. Larger companies typically have more and Dornig says she's worked with some large printers who had as many as six people trained on Canada Post regulations.

Fulfillment services generally refer to the storage, management and distribution of a customer's materials and can include everything from simple warehousing to print-on-demand, database management, kitting and assembly. The services you offer will depend on your customers' needs. It isn't as complicated as mail because there aren't as many regulations that have to be followed, but much of the work is labour intensive and is done manually.

Your main competitors in the mailing and fulfillment business will be other printers who offer these services, and mail-service companies that typically offer only mailing and fulfillment solutions. Some small printing companies and even a few large ones prefer to outsource mailing and fulfillment services to mailing houses, says John Leonard, vice-president, sales and marketing, for SmartDM, a bindery and mail-services company in Toronto. This can be one way for printers to get some experience before venturing out on their own. "We have seen printers who have slowly brought the work inside," says Leonard, a co-author of *Direct Mail Pal - Canada*, a production handbook that covers postal rules and standards, data cleansing and management, mailing lists, inserting technology and other direct mail topics.

Before jumping in, Central Reproductions' Doug Snow offers one word of caution: make sure you have the work to justify the time, effort and expense of setting up a mailing and fulfillment division. "You have to put the horse before the cart," he says. If you're just starting out, think of this as offering a value-added service to your existing customers. "Then, if you do it right you will end up getting more business as a result—and not just mailing business but print business." ■

*Rosanna Tamburri is a freelance writer living in Oakville, Ont.*



### CANADIAN MAILING RESOURCES

#### Reading

- *Diversifying with Mailing & Fulfillment Services*, by Peter Basiliere, NAPL, 2005.
- *Direct Mail Pal - Canada*, by T.J Tedesco, John Leonard and David Engel, PIA/GATF, 2006.

#### Links

Links to Canada Post mailing guides and other sites:

- The Mail Preparation and Presortation Guides [www.canadapost.ca/business/tools/pg/preparation/default-e.asp](http://www.canadapost.ca/business/tools/pg/preparation/default-e.asp)
- The Product Customer Guides [www.canadapost.ca/business/rates/coming-e.asp](http://www.canadapost.ca/business/rates/coming-e.asp)

#### Vendors

- Recognized Canada Post software vendors [www.canadapost.ca/offering/address\\_management/pdf/serp-e.pdf](http://www.canadapost.ca/offering/address_management/pdf/serp-e.pdf)
- The National Presortation Schematic Guide, a booklet used to sort data files manually by postal code [www.canadapost.ca/business/offering/nps/can/default-e.asp](http://www.canadapost.ca/business/offering/nps/can/default-e.asp)
- The Small Publishers Guide to Mailing Your Publication, a guide for those using publications mail [www.canadapost.ca/business/offering/publications\\_mail/pdf/small\\_pub\\_guide-e.pdf](http://www.canadapost.ca/business/offering/publications_mail/pdf/small_pub_guide-e.pdf)
- Canada Post hands-on sorting exercises [www.canadapost.ca/business/ndg/default-e.asp](http://www.canadapost.ca/business/ndg/default-e.asp)

#### Call

- Canada Post toll-free number: 1-866-757-5480