

Business Forms & Checks:

Unlocking New Profits for Commercial Printers



Business Forms & Checks: Unlocking New Profits for Commercial Printers

Content

Introduction	2
Still a Viable Product Line.....	3-5
Why Selling Business Forms Is Key to Higher Profits	5
Why You Should Still Sell Business Forms	6-7
The Business Model	8
What Products and Applications to Sell	9
Conclusion	10



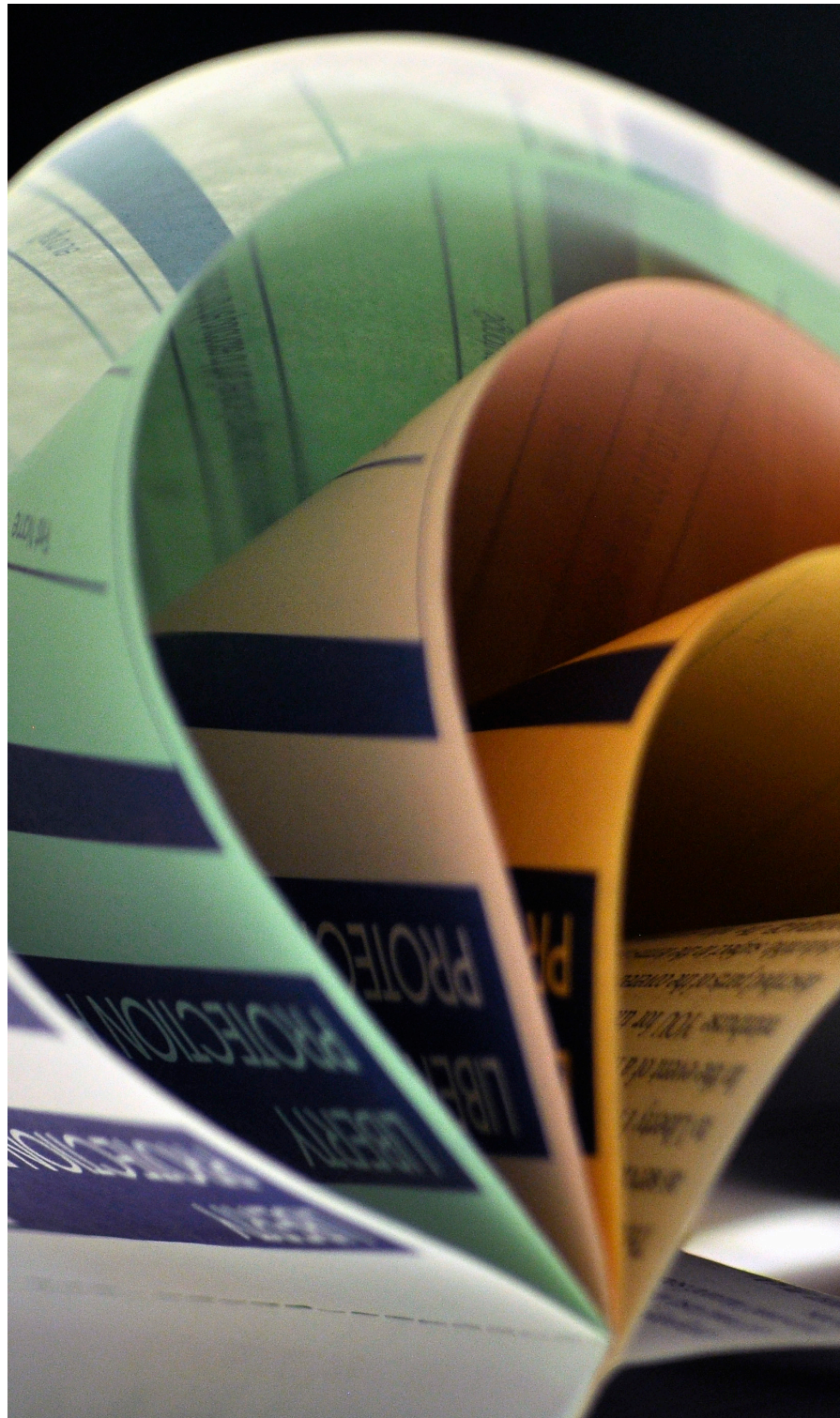
Introduction

As a commercial printer, how do you grow your business and expand into new markets without exhausting your resources? Budgets are tight, profitability is razor thin, and staffing is at a premium. The commercial print market offers many pockets of profitability, but it would be impossible to invest in the hardware, software, and staffing to tap them all. This is where outsourcing can be a game-changer.

Did you know that there is one pocket of opportunity, in particular, that is consistently overlooked? This is traditional business forms and checks. These products are often called “operational print” because they originate, not from the marketing department, but from the operations department as they perform a functional rather than a marketing purpose.

While not flashy, business forms and checks are not only highly profitable, but they are repeatable, providing a recurring revenue stream month after month, year after year, with minimal effort after the initial sale. You can tap into this opportunity with a combination of sales training and outsource relationships.

Commercial printers may not be set up to produce printed business forms and checks, but because of these products' extremely high level of profitability, they have the margin to outsource them to a vendor whose workflow is optimized for this type of production.



Still a Viable Product Line

Hold up — printed business forms and checks? Haven't digital forms and e-payments long replaced them? Who is even talking about those products anymore?

Just as in the world of commercial print, the world of operational print is changing. Volumes of business forms and checks have declined, but they aren't dead. As Mark Twain has been famously quoted as saying, "The rumors of my death are greatly exaggerated." Just because the category as a whole is declining doesn't mean that it is disappearing altogether. These products still represent highly profitable pockets of business, and because so many

sales reps are overlooking these products, this leaves high-margin work out there to be had.

Commercial printers may not be set up to produce business forms and checks themselves. However, with the high profit margins offered, they can sell these products and still make money by outsourcing them to a vendor whose workflow is optimized for this type of production.

This white paper will take a closer look at why it's worth your time to learn to sell printed business forms and checks and how you can refine your strategies to take advantage of these opportunities.

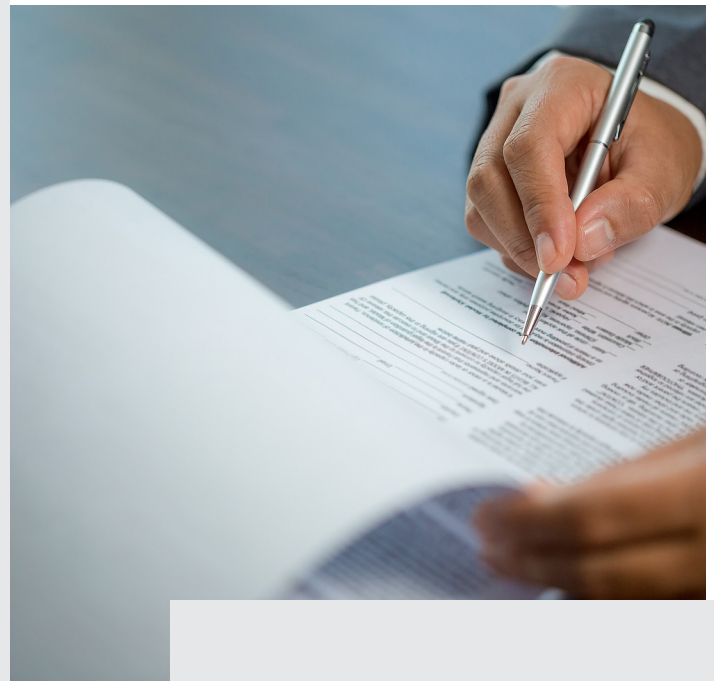
Mistaken Impressions

Even as we point out the continued value in selling printed business forms and checks, we acknowledge that these markets are shrinking. However, even declining markets can have highly profitable niches, and that is the case here. Printed business forms, checks, and other types of operational print offer these profitable niches if you know where to look.

Let's start with business forms. There is no question that huge volumes of paper forms have gone digital. Yet paper forms haven't gone away entirely. For many businesses, especially smaller ones, they aren't easily replaced.

Why Is This?

- Many companies are running legacy systems and don't have the capability of supporting a full transition to digital forms, especially if they need cross-platform support for online, offline, and mobile.
- Many have multiple locations or high numbers of mobile users for whom providing access to digital forms would be cost-prohibitive (such as providing an iPad to every mobile user).
- There are still areas in the country where Internet access is spotty, and it can be cost-prohibitive to provide every delivery vehicle with a hot spot.
- Companies may have older, highly traditional sectors of their workforces for whom paper forms are comfortable and familiar.
- Some users (such as fuel delivery drivers) may also need to provide on-site receipts immediately, and paper-based forms serve this function nicely.



Vertical Markets Committed to Paper Forms

There are also many vertical markets that are still committed to paper forms. A recent survey found that large market verticals such as heating and cooling, hospitals and medical offices, mechanics shops, and city inspectors' offices (among others) are still using them.¹ Whether it's a hospital needing to accommodate elderly patients uncomfortable with filling out intake paperwork electronically, or an old-school mechanic needing to provide a receipt or write out an estimate with grease and oil still on his hands, sometimes paper remains the best fit.



For details on vertical markets using carbonless forms and how to sell into them, scan this QR code to check out this great tutorial from Next Day Paper.

We see a similar situation when it comes to business and personal checks. While the market is shrinking, there are pockets in which paper checks remain an important part of the mix.

Between 2010–2020, the volume of business checks dropped from 7,712 million to 3,767 million, a decline of 52%.² Yet a March 2020 PYMNTS playbook found that 81% of businesses still pay other firms via paper checks, making this the most common B2B payment method. In terms of total B2B payments, paper checks account for 40% of them.³

There is a similar trend on the consumer side. In a 2021 study from the Federal Reserve, consumers were asked which payment forms they tended to use, and—no surprise—checks were at the bottom of the list. Yet, even with the preference for plastic and digital commerce, checks still account for 8.3% of all consumer payments. Nearly two-thirds (61%) of consumers reported having used a paper check at least once in the last year.⁴

¹<https://nextdaypaper.com/custom-carbonless-forms>

²<https://www.pymnts.com/news/b2b-payments/2021/deep-dive-why-paper-checks-still-factor-into-b2b-firms-payment-optimization-plans/>

³<https://www.federalreserve.gov/paymentsystems/2019-December-The-Federal-Reserve-Payments-Study.htm>

⁴<https://www.federalreserve.gov/paymentsystems/2019-December-The-Federal-Reserve-Payments-Study.htm>

Why Are Checks Hanging Around?

In today's e-commerce world, the continued use of paper checks may seem counterintuitive, but as with paper-based forms, there are reasons for this.

On the B2B side, especially for small and mid-sized businesses, paper-based products are still important. Paper checks are familiar, they are trusted, and they are well-established in businesses' accounts receivable and accounts payable processes. Transitioning to e-checks would require a major overhaul that they are not yet prepared to make.

On the consumer side, many Americans still trust paper checks for certain applications, especially for paying bills. For others, it is the only way to make certain payments. According to Pew Research, 11% of Americans still don't have broadband internet, and among other demographics, such as older, rural, and low-income Americans, lack of broadband access is still a significant issue.⁵



Scan this QR code to check out why paper checks will remain a viable market for some time to come.

Paper checks account for 40% of all B2B payments.



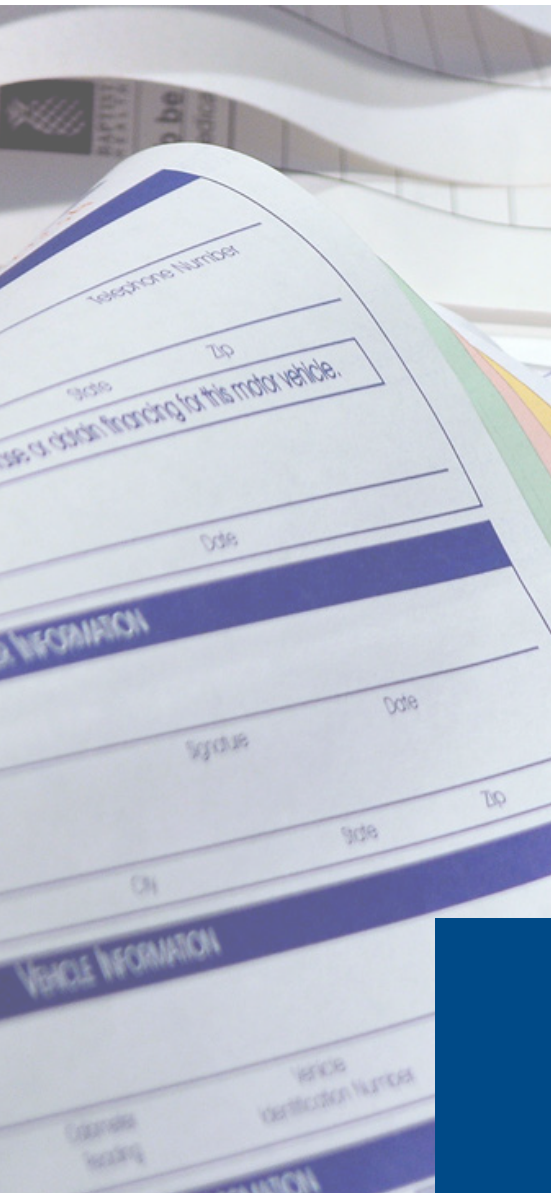
This doesn't mean that paper forms and checks will remain cash cows forever. Inefficiency, errors, and costs from manual processes remain significant pain points for businesses. (PYMNTS.com has found that it can cost up to \$22 to process a single invoice.⁶) While paper-based products will continue to be gradually replaced by digital alternatives, full replacement (if it occurs) is still some time away. In the meantime, sales of traditional forms and checks remains a legitimate source of revenue.

⁵<https://www.reviews.org/internet-service/how-many-us-households-are-without-internet-connection/>

⁶<https://www.pymnts.com/news/b2b-payments/2021/deep-dive-why-paper-checks-still-factor-into-b2b-firms-payment-optimization-plans/>

Why You Should Still Sell Business Forms

Commercial printers are already being successful expanding their businesses by selling into new markets such as wide-format, packaging, and promotional products. However, this doesn't mean that business forms and checks aren't a good opportunity, as well. Here are three other reasons printers should consider enhancing their profits by focusing on these areas.



1. They are key to the profits of high-margin shops.

While order volumes of traditional products are decreasing, profitability isn't. In an older but still relevant study, the PSDA Benchmark Study (2015) found that sales of forms, documents, and other forms of operational print accounted for nearly 30% of net revenue for the typical distributor. Yet among high-profit distributors (defined as companies with before-tax profits in the top quartile of all participating firms), these products account for about 40% of net revenue.⁷ Furthermore, the before-tax profit of high-profit distributors was 13.5% vs. 2.2% for the average distributor.

In other words, high-profit distributors for whom traditional products accounted for 40% of revenue were *more than 6x as profitable as the average distributor for which traditional products accounted for 30% of revenue.*

While these numbers apply to print distributors, not commercial printers, it shows the level of profitability that these products offer. At this level, printed business forms and checks can be sold by commercial printers and outsourced, and both companies still make money.

⁷<https://wbf.com/blog/2015/09/23/the-psdas-latest-study-shows-continued-growth-in-print-distribution/>

2. They are highly repeatable.

Why is this product category inherently more profitable than many other segments? The answer is repeatability.

As any commercial print salesperson knows, project management is the most time-consuming part of any print job. That's why operational print products like business forms and checks are so profitable. Once they are sold, repeat orders essentially run on autopilot, especially when set up in a self-service e-commerce portal. Printers serve as the front man, fulfilling these orders with very minimal cost. Thanks to the tremendous profit margin, they can increase their sales volumes without the additional investment in the hardware, software, and staffing necessary to support them.

In addition to business forms, other types of operational print such as tags, shipping labels, and tickets tend to be repeat orders, as well. Like business forms and checks, they have very high profit margins and can be outsourced while maintaining a high level of profitability.

Repeat orders essentially run on autopilot. Commercial printers can fulfill these orders with less cost, and each one has a tremendous profit margin built in.



3. Repeatability leverages the time of both the organization and the salesperson.

Another key reason paper forms and checks can deliver so much profit is that they offer leverage. Repeat orders are not just profitable. They are also simple and easy to fulfill. This frees up the time of a printer's sales reps and other personnel to devote to other areas, including pursuing new sales opportunities and internal marketing strategies.

The Business Model

To enjoy the benefits offered by traditional forms and checks, commercial printers need to understand how to sell them. There is no doubt that focusing on these products can deliver major revenue, but this is only true when your sales representatives know what types of businesses to approach and who within those businesses will be their best prospects. Here are seven tips to jump-start your efforts:

1. Look for small, underserved clients.

Small, successful companies off the beaten path are often underserved and open to new partners. These businesses should have at least 20 employees and revenues between \$5 million and \$100 million. Such companies are a bit harder to find, but once you win their business, they tend to become long-term, loyal customers.

2. Look for industries/companies that have lots of transactions and invoices.

Aim for family businesses: Family businesses tend to hang on to older formats longer than other types of organizations. This makes them invaluable clients for business forms work.

3. Find the right decision-maker.

Depending on the size of the company, buyers could be the office manager, accounting manager, IT manager, human resource manager, production manager, or general manager, to name a few.

4. Avoid marketers and purchasing personnel.

Both marketers and purchasers will have demands and requirements that can dilute a salesperson's focus on finding these business opportunities. By avoiding these departments, salespeople will be better able to secure the profitable, repeatable orders highlighted above.

5. Focus on operations.

Selling business forms and checks is not only profitable in itself, but it leads to opportunities with other forms highly repeatable and highly profitable jobs. These include labels, envelopes, tags, and utility commercial printing.

6. Find the niches.

Niche businesses are more likely to require highly repeatable products of some form or another, so these represent an important potential client base. Because of their specialized focus, these firms are likely to stick to their existing forms without upgrading or tweaking them as often.

7. Get your boots on the ground.

Sometimes the only way to find business opportunities is physically to go out and look for them. By traveling to underserved areas, searching for companies that satisfy these descriptions, and meeting with decision-makers face to face, print sales representatives will find more success than they could while relying on less personal methods.



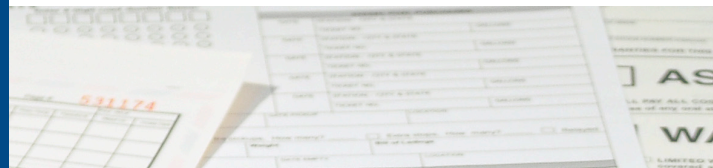
Products and Applications to Sell

What are the best products to sell into these businesses? Any products that are, by their nature, repeatable. Here are some examples:

- Unit sets (including wraparound books)
- Sales books
- Continuous forms
- Cut-sheet forms
- Labels (industrial and prime)
- Utility commercial printing

Within these product categories, the applications are endless. From invoices and statements to checks, purchase orders, and company handbooks, opportunities reach into every market vertical for nearly limitless applications.

Commercial printers should jump at any opportunity that suggests a need for repeat orders, even if it is a very small initial purchase. Fulfilling these orders can create strong client relationships, and they offer ongoing, steady profitability, even at a small scale.

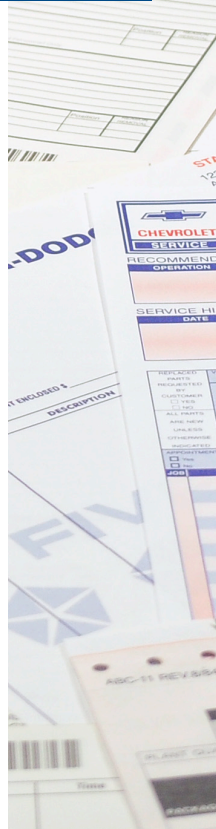


10 Large Industries Using Custom Carbonless Forms

Where should you look for highly repeatable, highly profitable custom carbonless forms orders? These ten industries still offer tremendous opportunities.

1. Heating and Cooling
2. Hospitals and Medical Offices
3. Mechanics Shops
4. City Inspectors' Offices
5. Transportation and Moving
6. Retail and Restaurants
7. Schools
8. Funeral Homes
9. Agriculture
10. Police and Fire Departments

Source: NextDay Paper



Conclusion

Print associations and publications have adopted a definitive, alarmist message when it comes to sales of printed business forms and checks. However, as the print distribution market illustrates, that is simply not the case. These companies thrive by focusing on highly repeatable orders of operational print that offer tremendous profit margins and require minimal time or effort to fulfill. There is plenty of room for commercial printers to follow their lead by selling and outsourcing these products, allowing them to enjoy major success, both now and well into the future.

