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Suppliers. Here Today. Gone Tomorrow.

by William Gindlesperger, chairman and chief executive officer, e-LYNXX Corporation

There was a time when you could buy buggy whips. You could also depend on the same print supplier to produce a project time after time after time. The print supplier was the buyer's friend, confidante, and fishing, hunting or golfing buddy. The sour economy made obsolete those relationships.

Then, the U.S. Postal Service increased its bulk shipping rates. This rate increase was so extravagant that the bottom fell out of the direct mail business. Direct mail that was 51% of all of the print produced in the USA died. The impact was and is catastrophic. It changed the song to which the relationship buyer and its print supplier danced.

Here's how and why. Printers are customized manufacturers that are busy 70% of the time with average 2.3% profitability. Drop 25% or so out of the market through a sour economy coupled with direct mail decimation – and that 70% drops like a rock... and so does profitability and the lack thereof. The only thing that goes up is bankruptcies.

Print suppliers are dying like flies. This leaves relationship buyers in the lurch, hanging out to dry. With a limited supplier pool or no supplier pool at all, relationship buyers are being caught with nowhere to go, no safe and proven supplier pool, and no back-up plan.

Think what happens now. Where does a relationship buyer that was dependent on a single printer or a handful of suppliers turn to get the work done? Of course, every printer still breathing will want this work, but just as before, not every printer is capable of doing it, and not every printer is as good as its word (believe it or not). The buyer has to learn how to ride the bike all over again – and this is both risky, costly, and may lead to serious problems in supply chain coordination, quality and delivery.

Sad as it may be, before disaster strikes, every buyer needs to take the appropriate steps to protect its own organization and its own interests. The buyer must institute a more dependable, efficient, transparent and cost effective way of ensuring the print supply regardless of promises made and financial security assurances given.

Here is a safe, proven and recommended series of steps to ensure continuity of service and print supply.

- Create a pre-qualified supplier pool in which all suppliers are uniformly evaluated. Yes, that means adding new suppliers, and, no, that does not mean getting rid of existing suppliers. The idea is to expand the supplier pool with vendors that are objectively qualified. Of course, all suppliers – existing and new alike – must be thoroughly reviewed and capable of meeting 100% of the project specifications and requirements 100% of the time. Now when printers close their doors, others with whom the buyer is familiar and comfortable are ready to be of service.
- Create thorough bid specifications with full details so that changes are avoided later. This allows suppliers to price accurately and best determine when there will be a production opening for producing the job.
- Create a fair bidding environment in which the computer matches buyer project specifications only with suppliers capable of doing the work. With detailed project and supplier data, the computer will automatically match each project up for bid with only those suppliers with matching capabilities. This levels the playing field.
- Create efficiencies to save time and money. Since critical data already is in the computer, the buyer does not have to "reinvent the wheel" each time it wants to put a project out for bid.
- Create mutual acceptance of the process whereby every supplier in the pool knows that it can bid low on any project without setting pricing precedent for the next project. The suppliers with open production time to fill and a resulting low price will vary from project to project.

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- Award bids in a timely manner so the winning supplier will hold a production slot for the project, schedule staff, prepare equipment, order materials and make other preparations required to do the work. **Suppliers learn that *performance is required to receive opportunities, while price is the criteria to win projects.***
- Establish full transparency by sending bid results to all suppliers that submitted a bid. This not only creates greater credibility for the buyer among suppliers, it also promotes improved competition.
- Monitor every step of the workflow process to ensure clear communications, attention to every detail and a deliverable end product. This must begin with the conceptualization of the project and continue through edits, changes, reporting, production, packaging and delivery.
- Ensure that work is performed per specifications and on time. By establishing full accountability, the buyer is protecting itself against delays that could cause artificial pricing hedges in future bids from the winning supplier.
- Complete the project with accurate invoicing. By making sure the invoice is complete, correct, agreed upon and reconciled, both the supplier and the buyer successfully end the project.

These recommended best practices work to protect buyers in a financially unstable marketplace while ensuring that work is not disrupted. Additionally, this approach improves risk management, quality control, workflow communication and transparency.

About William Gindlesperger

William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant in print and procurement. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Under Mr. Gindlesperger's leadership the firm has grown into the recognized profit enhancement leader. Print buyers and suppliers alike have benefited from his insight and innovation.



Mr. Gindlesperger has directed major in-plant studies in both the private and public sectors and he is highly regarded for his knowledge, advice and work on behalf of firms in matters pertaining to the U. S. Government Printing Office (GPO). He has testified before the U. S. Senate Committee on Rules and Administration regarding government print and procurement policy. He also has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of GPO print procurement and the federal print program in general. He was founder and the first chairman of Printing Industries of America's (PIA) PrintPAC (political action committee), and he has been recognized for his contributions to PIA and services to the printing industry.

Mr. Gindlesperger invented the methodology that optimizes cost reduction in the procurement of specification-defined goods and services. He has been granted two separate business method patents by the U. S. Patent Office, first for the competitive procurement of print and then for the competitive procurement of *all* specification-defined goods and services.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College.

About e-LYNXX Corporation

e-LYNXX Corporation, the North American procurement authority, is exclusively endorsed by *Printing Industries of America (PIA)* and *Educational and Institutional Cooperative Purchasing (E&I)* and recognized as a top 100 procurement firm by *Supply & Demand Chain Executive*. Founded in 1975, e-LYNXX has three divisions. • American Print Management provides enterprise print procurement solutions and patented competitive methods to reduce costs for direct mail, marketing materials, packaging and other procured print. Results include enhanced quality and service levels, efficiencies, process control, transparency and procured print cost reduction of 25% to 50%. • Patented Procurement Method grants patent licenses for supply chain optimization. Results include substantial reduction in existing costs of competitively procured goods and services. • Government Print Management offers U.S. GPO bid services, access and assistance. Results include filled downtime, operational stability, improved cash flows and increased profitability. www.e-LYNXX.com – 888-876-5432