

sublimation quick stop

WITH MATT WOODHOUSE & KEVIN LUMBERG



Show Me The Money: Tools & Strategies For Greater Business Success

Of all the things involved in sublimation, by far the most difficult is how to turn a beautiful product into dollars. The problem is that, because there is such a diversified market that sublimated products can be sold to, there is no single strategy or key to success.

Because the items that we can sell are very diverse, so must be the sales strategies we employ. We will take a look at the basic tools for pricing and marketing, stock business plans, some unique ways to make the most of your time, and forming strategic alliances.

STRATEGIES

There are two primary reasons sublimation dealers do not make money. The first is that the value of the time spent between taking the order and printing the transfer is disproportionate to the gross margin of the order. In other words, the time that is spent in designing and cleaning up artwork exceeds the sales price of the product.

The second is working on a "if you build it, they will come" philosophy. Just because some samples of sublimated products are on the walls of the store, that doesn't necessarily make sublimation a hit. Proactive sales and strategic alliances can bring in a large revenue stream, making sublimation a valuable complement to your business.

Target Channels: A target channel is any group of customers that are in similar businesses or activities that you can focus on, to leverage your designs, skills and experiences. Targeting sales that utilize the same products and background art, with only minor copy changes, will help eliminate the time drain of design. Instead of selling one name badge for \$10 that took 45 minutes to design (a.k.a. money loser), focus on selling an entire organization name badges.

The difference in time between producing one versus twenty can be as small as 15 minutes. Simply duplicating the one badge 19 times and changing names on each one takes care of the artwork. Pressing



Figure 1



Figure 2

one versus twenty is minor as well. There will likely be a couple of minutes to stage the product and transfer. While one badge took one minute in the press, twenty will be two minutes. The extra 15 minutes took \$10 dollars in revenue and turned it into roughly \$200.

No Design Products/Photo Gifts: The world of photo gifts is growing rapidly today. This can make just about anyone who can snap a picture your artist. Since your customer is supplying the basic art, simply resizing and printing typically does not require much time.

Today we have an extensive array of sublimatable products (See Figure 1); simply adding a picture makes a very attractive gift. Once again, the less time we spend on design, the more the revenue of a sale becomes profit.

Sales Reps/ASI Distributors: ASI (Advertising Specialties Institute) distributors act as a sales agent to companies who are

looking to purchase promotional products. They are working with other companies to have the products produced, and they sell them to the end user. When working as an ASI supplier, you will typically see high-volume orders coming in from the distributors. The trade off is there is less made on each product you sell.

Typically, ASI distributors make about 30% of the MSRP (manufacturer's suggested retail price for one piece). Since this is a high-volume channel, some other discounting may come into play. On average, 20% off MSRP will be passed on to the end user for a volume purchase. That means when selling a volume order to an ASI distributor, you are only making 50% of the MSRP. The upside is that because the revenue is so large (and the same artwork is being used), the reduction of profit margin makes sense.

Wholesale Fulfillment: Similar to working with an ASI supplier, wholesale fulfillment is decorating a product that is sold

to a retailer or reseller who sells to the end consumer. This type of work is typically divided into two classes: fixed-design products, and custom-designed products.

Fixed-design products are often sold to gift shops. Museums, resort area gift shops, winery tasting rooms, and golf pro shops are all great examples. Stores of this type cannot afford to buy hundreds of pieces at a time; they typically need 20-50. There is some initial cost of setting-up and creating the artwork, but it is easily absorbed over the volume of production.

Custom-designed products are just that—something completely customized for the end user. You can team up with retailers who offer the product in their stores, then flip the order to you for production. A great type of business to team up with is a sports team photographer. They are already taking high-quality pictures and selling them to the participants. Why not give the photographer more to sell than just prints? Work with the photographer to create some product samples, and a sales sheet (See Figure 2).

These can be included with the order form for the prints. This is another case where the margin will likely be lower. The photographer is selling items at full MSRP, but you the decorator are selling the items to the photographer at 50% off. As there will be little to no design time to produce these products, and all the sales are being promoted by the photographer, sacrificing some margin for the bigger revenue picture once again makes sense.

TOOLS

The first of the many tools we can use to make money is a business planning system named Sublimation Target Marketing. This is a multi-faceted program which combines a "Base Module" and several specific "Target Marketing Modules"; this program will help you find contacts to approach that are primed to buy in volume.

The Base Module is a three-ring binder with an accompanying CD-Rom. (See Figure 3) It walks you through how to identify both a primary and a secondary target market, and includes pricing guides, and even pricing calculators which will provide all of the cost factors that come into play when producing sublimated products.

From phone scripts, to sample introductory emails, and even some helpful CorelDraw tips and tricks, this module packs a

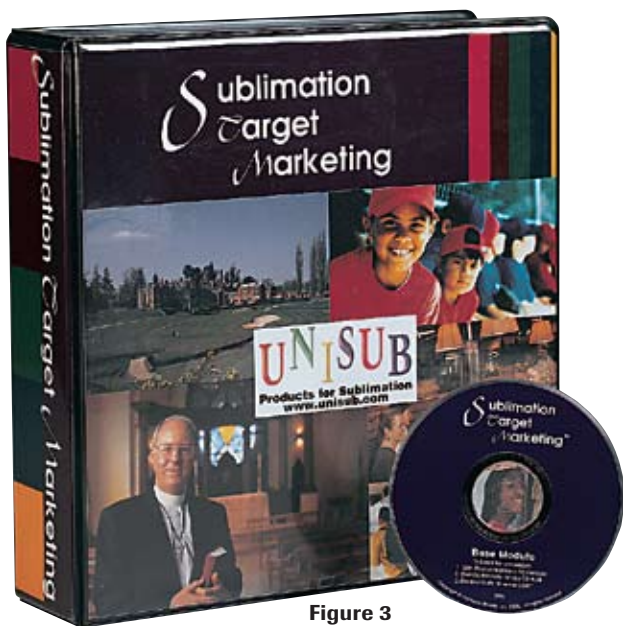


Figure 3



Figure 4

big punch. Most of the sublimation distributors simply refer to this guide as the “business bible” for sublimation. Distributors typically sell this guide for about \$75, and will often include it with start-up packages, or with certain starter product kits.

The Target Marketing section is broken up into three modules—one each for team sports, religious organizations, and inner high school clubs (chess club, drama club, etc.) and collegiate organizations. (See Figure 4) These modules come with specifics of the demographics of the different groups they are targeting, and include sample brochures; most even have signage you can put in your retail location.

The modules, in combination with organization’s websites, will help you find local contacts, which can be approached about purchasing packages of products for several members of a team or group. The Target Marketing Modules are also available from sublimation distributors for approximately \$130 each. Another set of stock business plans are also available. They do not contain all of the items that are incorporated with the plans you can purchase (brochures, etc.), but the plans themselves are a great way to help jump start not only ideas, but also revenue. At www.unisub.com you will find six free plans that can help get you on your way.

So to recap, make use of the business aids that have been produced by the industry. While some are free and others do cost a few dollars, they have a wealth

of information within them that can help you avoid some of the potholes along the road to success. Don’t just assume that the display of products on the wall will drive sales to the point of success.

Work to target channels that make sense for your business and set of skills. Use sales reps and ASI distributors to send orders your way. And finally, wholesale fulfillment can drive a lot of orders to your business without you having to leave the shop. These and other strategic alliances that can be formed can save you a lot of time knocking on doors, and keep you focused on producing products to make you money.

A QUESTION FROM A READER

Joe from California writes, “What is the difference between SubliJet and ArTainium inks?”

This is a question we receive a great deal. Both inks are manufactured by Sawgrass Technologies. The SubliJet ink is positioned as the premium ink on the market, while ArTainium is positioned as a good budget alternative.

The inks themselves both perform well, but the color management solution for SubliJet is far superior. The SubliJet inks come with a program called PowerDriver Pro, which installs into your computer as a printer driver. The program not only tells the printer how to work with sublimation ink, but allows color continuity across the different substrates we can decorate.

Since the products are not necessarily

the same color, an image might look different on each product we apply it to. PowerDriver allows us to tell it what we are going to make, and will automatically adjust the color for you. The time savings this tool provides can prove invaluable.

OUR NEXT QUICK STOP

Sublimated ceramic tiles create a stunning first impression. We will discuss the different uses for tile, methods of production, and some tips to producing and selling tile murals.

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