

## What's Vital to Printing Business Performance? – Planning!!

### *More knowledge from our April 2022 PIPI study*

In multiple studies, we have found that planning is vital to a printing company's performance. However, a deeper dive into the April 2022 PIPI (Printing Industry Performance and Insights) data caught our attention. That data analysis strongly reinforced the importance of planning in printing firms. Interestingly, our process started by exploring effective sales management. Here's the story.

We started by looking to see if printing firms that applied effective sales management were high performers. Effective sales management includes the following:

- Monitoring each salesperson's professional development through activities like making calls with them or requesting and reviewing call reports.
- Developing salespeople through activities such as applying various training approaches and setting individual performance goals.
- Evaluating each salesperson's performance in revenue and profit generated but also non-financial metrics, such as the number of prospects identified, percentage of wins, new customers landed, and others.
- Rewarding each salesperson based on revenue/profit generation and meeting non-financial performance goals.

We expected to find a solid and very strong statistical relationship between applying effective sales management and firm performance. Doesn't it make sense that if firm leaders diligently manage their sales team, their firm will perform well?

But did we find a strong relationship between effective sales management and firm performance? NOPE! Indeed, we were pretty shocked by the weak relationship between effective sales management and firm performance from our April PIPI data. So, we unpacked our shovels and started digging into the data again, and here's what we found.

We next explored how printing firm leaders engage in strategic and marketing planning. Planning includes identifying targeted customer groups and the specific value they deliver customers, developing a marketing plan with clear objectives, and continuously analyzing the business environment and competitors.

Here's the significant and applicable knowledge drawn from our study. Sales management is "indirectly related" to firm performance. In short, effective sales management requires effective planning to influence firm performance.

What does this mean? It means that if you are managing your sales team very well but are not planning proactively and effectively, your firm will probably not perform at the highest level.

But if you manage your sales team well *and* your leadership team proactively and effectively plans, odds are your firm will perform at a higher level.

These findings support the dual importance of effective sales management *and* proactive planning, which *in combination* lead to higher firm performance. These findings are consistent with the results from multiple other studies we have conducted in the printing industry.

What are actionable takeaways for printing company leaders?

- Set a firm schedule for planning meetings, maybe monthly or quarterly, and discuss each point or question below in every planning meeting.
- Who are your target customer groups, and what value do you bring to each group?
- Does your marketing plan, with objectives, include strategies for effectively sharing your message with targeted customer groups?
- What are your business goals, and are you meeting them?
- Continuously analyze the business environment for emerging trends and new competitors.
- What are your values, and does your business reflect them?
- What's standing in our way? What should we do or change to eliminate these obstacles and keep moving ahead?
- Conduct these meetings in a manner that solicits inputs and thoughts.

Candidly, our industry faces challenging times: paper supply issues, trouble attracting employees, substitutes for our products, and others. Trust us, there are firms who are performing very well in our industry. Fortunately, our PIFI research and industry connections enable us to identify high-performing, successful printing companies and learn from them. The above story reinforces something we strongly believe and see in strong-performing firms: Winning firms in the printing industry are led by effective planners! Bottom line – Planning is VITAL!

***Dr. Ralph Williams, Jr.***

Middle Tennessee State University

***Dr. Scott Manley***

Midwestern State University

***Dr. Randy Clark***

Middle Tennessee State University

***Dr. Joe Hair, Jr.***

University of South Alabama