Print Buyer's Software
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PRINT PRICING:

Think You're Getting the Best Price? Think Again!

"There's no way that I could get a better price than what I'm already getting..."

We hear it all the time - someone telling us that there is no possible way they could get a lower price on the printed marketing, direct mail, point-of-purchase and other printed marketing materials that their organization manages and executes. They are usually confident in this because they have done one or more of the following:

- Negotiated pre-determined, or rate card, pricing
- Received special prices because of long-term relationships
- Reduced the number of vendors and consolidated volume to get bulk pricing
- Bid projects using an enterprise resource planning (ERP) system or reverse auction tool
- Gained greater buying power by hiring a business process outsourcer or broker

If we were talking about buying off-the-shelf goods or commodity items, it might be hard to dispute such a stance. After all, these tools and methods are all tried and true when attaining prices and placing orders for such goods. But, in the case of custom printed marketing materials, we're talking about something different. Printing is never ready-made. It is always produced to order based on unique, custom specifications. Printing requires management and execution of many details that are crucial to attaining the right stuff at an accurate, let alone best, price. Tools and methods used to procure ready-made goods do not take care of these requirements and fail to take advantage of market conditions. In reality, the tools and methods that many people think enable the lowest possible price on printing actually hinder it.

The key to getting the best possible combination of price, quality and service on printing is to take advantage of the marketplace in a way that benefits your vendors. Just like hotels are willing to discount rates in order to fill unsold rooms, print vendors are willing to offer deeply discounted pricing to fill unsold production capacity. Why? Because printers, like hotels, run a business with high fixed costs that wait for orders to arrive so idle presses mean cost without revenue. However, when idle time can be converted to productive time, revenue generated at any amount over the cost of materials contributes 100% to the bottom line. This is something referred to as contribution pricing.

Contribution pricing benefits the buyer and the vendor - making both parties happy. But print buyers can't realize it unless they create an environment where:

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- Details like specifications, schedules, expectations and files are correct, consistent, trackable and sharable
- Communication and actions are efficient, consistent, transparent, trackable and automated
- Vendor capabilities are pre-qualified on a strictly objective basis
- The pool of qualified vendors is sufficient to consistently present one or more vendors with open production capacity
- Vendors understand they will receive all opportunities for which they're qualified and will compete with equally-qualified competitors
- Vendors know they can bid high, low or not at all without risk of setting a precedent – but the low bid among qualified vendors wins

Unfortunately, for print buying organizations, none of the common tools for procurement foster that environment. When you buy off of a rate card, even if open capacity is available, you will be charged the pre-determined price. Even in the best of relationships, without the environment described above, printers know that if they offer you the absolute lowest price one time you will expect it in the future. Consolidated buying means using a very small vendor pool which greatly reduces access to open capacity and limits supply chain redundancy.

General-use ERP systems are not built to handle custom-made printing so they don't have the functionality to foster contribution pricing. Outsourcing brings an intermediary who adds a markup to the equation. While they may get some kind of discount from their vendors, the chances that they will be passed to you are slim. In fact, you may pay more than market value because of all of the other fees that resellers add on.

There is only one solution that is the right tool for sourcing, managing and executing custom print projects for the lowest price possible. eLynxx software is purpose-built to create the environment necessary to truly obtain the lowest possible price while ensuring the required quality and service. eLynxx is proven to enable savings, on average, of 20-40% on its users lowest per-unit cost and increase efficiency by over 50%, Because eLynxx is software, not a middleman, there is no sacrifice to the people, processes and vendors its users already rely upon and trust.

Let your eLynxx representative show you how to stop thinking, and start knowing, that you are getting the best price on your printing.