

EPISODE 737**[INTRODUCTION]**

[0:00:00] DC: This podcast conference is brought to you by GelatoConnect. Learn how to get control over your entire print operation and work more efficiently at gelato.com and through the links in the show notes.

It takes the right skills and the right innovation to design and manage meaningful print marketing solutions. Welcome to Podcasts From The Printerverse, where we explore all facets of print and marketing that creates stellar communications and sales opportunities for business success. I'm your host, Deborah Corn, the Intergalactic Ambassador to the Printerverse. Thanks for tuning in. Listen long and prosper.

[INTERVIEW]

[0:00:43] David Folwell: Hey, everybody, welcome to Building a Print Business That Will Last, sponsored by Gelato. In today's fast-evolving market, staying competitive requires a strategic approach, expanding service offerings to capture new opportunities, leveraging automation to enhance efficiency, and building strong supplier relationships for long-term success, and why embracing data analytics, optimizing customer engagement for retention, and adapting to technological advancements are all essential strategies for future-proofing your business. Joining me on this discussion today are Pradeep Sankaran, the Senior VP of Product at Gelato, and Rick Bellamy, the managing director of Inflecton. Welcome, gentlemen.

[0:01:30] RB: Hi, Deborah. Great to see you.

[0:01:32] PS: Hi, Deborah.

[0:01:32] DC: Great to see you, too. Hey, Pradeep. Rick Bellamy, what are you doing on this podcast?

[0:01:39] RB: Well, as you mentioned, I'm the managing partner of Inflection. I work with business leaders to help them scale their businesses sustainably. As a lot of people know, I'm a fractional COO for Bennett Graphics, for example, and we use Gelato. And I also advise the Gelato team as well. Help them to navigate the exciting world that is the print industry. I have a couple of clients I can talk about.

[0:02:01] DC: Excellent. Well, you and I have known each other quite some time, so I was very excited to know that you were not only joining this podcast, but were part of this Gelato team, because this is definitely something I believe in, which is why I've been stalking Gelato to work with that. Because what are the risks of staying stagnant in the print industry? And how can printers balance introducing new services without overextending their already limited resources, which include people?

[0:02:34] RB: I think I'll take this one to start. I think most people in the industry understand the risks of being stagnant are absolutely catastrophic in today's environment. It's part of the reason that every two years, half the number of printers exists that existed the year before. Industry has changed so much, not to mention since I've started, but even in the short time in the last couple of years. It's changed so much. Industry's gone from analog to digital, long-run, short-runs, manual order taking, to e-commerce. The list goes on. I predict that we will see more change in the next two years than we've seen in the past 10.

If you look at things like AI and automation, that is changing our industry at a super-fast pace, and every industry, quite frankly. Add to that macroeconomic trends like tariffs that are impacting access to capital, sustainability that customers are demanding, and workforce demographics, just to name a few. Running a print company today, you have your hands full. In order to survive and in order to thrive in this environment, you've got to focus on your core competencies. You've got to use partners for everything that is not your core competency, which today is usually a very narrow band of things that you do in the print facility. The old ways of doing everything internally yourself, I've done it many times from many of the companies I've run, just doesn't scale in today's environment. Companies that specialize in all their core competencies are going to thrive. And that's an exciting place to be today.

[0:04:09] DC: When we say stagnant, right? Is a printer who was primarily digital printing, and they add one piece of white format equipment, is that not stagnant, or is it bigger than that?

[0:04:22] RB: I think it's bigger than that. But yes, making investments in your business and key areas where you want to expand is really important. Let me put it a different way. If strategically, you say, "Hey, I am a general commercial printer, and I want to expand into wide format because my customers would utilize wide format for their retail displays," then that could be an absolutely phenomenal way to go into your core competency and make wide format a core competency. That absolutely works.

When you look at the industry, though, a lot of – we can talk about demographics. I could go on and on. We can talk about demographics. But a lot of the owners of these businesses are people my age and older who don't have a clear succession plan. And so that means they're hesitant to invest in the business. More importantly, if you look at what's happening in most of the modern print facilities, it's automation, automation, automation.

You also have a hard time attracting young people into the industry, and certainly enough of them, and your costs are running out. Everybody is focused on automation, automation, automation. And that's really where you're talking about, in manufacturing, you need machine-assisted manufacturing today in the print industry.

[0:05:42] DC: I just wanted to drop in that this can be something that's done in stages. It doesn't have to be all of a sudden we're one way and tomorrow we have to be another way. And I think that that's what freaks printers out more than anything. And this is exactly why, because new services require new production and workflow processes. Where does that assessment start? And what is the one thing that often gets missed besides the tolerance of the print business owner of what's going on in their shop, or what they think is going to happen?

[0:06:23] PS: I can take that. Firstly, Deborah, thank you for having me on the podcast. This relates to technology. And I can just introduce myself. My job at Gelato, Gelato builds software for printers to drive growth and profitability. And to link to what Rick said, to automate, automate, automate. That's the direction. And my job leading product is to enable that with software, and technology, and AI. That is my role.

Your question directly sort of links to that, right? There is a need for new production and workflow processes. How is that approach today? My role is to speak to these printers to understand what the problems that they're facing so we can solve them. What I hear from them is that everyone recognizes the technology trends. This is no surprise that everything is moving from offset to digital, from bulk orders to micro, small orders. And most of these commercial printers, they're all coming from the world of offset and bulk production.

And from there, they're getting new customers come in and say, "Hey, can you produce this new type of product, or can you produce in small quantities, or can you enable technology to personalize my orders or send it programmatically through different storefronts?" for example. And that is when the printers are like, "Okay, this is a new avenue for growth. I'm starting to get more of these requests. How can I support this type of growth?" And then they start to look at not just machine for production or printing, that is natural, but also technology to be able to support those customers.

We did a study with McKinsey, one of the consulting companies, with 100 different printers, and what they found is quite staggering. They found that a printer who started to grow in this direction have an average of 4.2 softwares to manage their production processes and workflow. That is just a lot. This means that there are just silos or different point solutions within your production that doesn't talk to each other, and therefore you end up with inefficiency.

Going back to your question, Deborah, what is the one thing that often gets missed? What gets missed is that I don't think printers are asking themselves, "Is this a solution that is going to work for this specific customer, or is this something that is going to help me drive growth for many different customers who are going to come in this direction?" Often it's like, "Oh, I have customer X who have this solution." You put some kind of custom solution for them together. And then there's a new customer who comes in, you start again, right?

And Rick spoke about core competence, and if IT and technology is not your not your core competence, this is going to basically just suck time, but the visibility for profits and volume is simply not there. The best analogy I would share is if all of us had to build our own Microsoft Word to start writing documents, it just sounds crazy. And we're all laughing right here.

But me, I don't come from the print industry. I have 15 years of experience building software. And I'm an engineer by education. For me, what is really surprising is that this is really happening in the print industry. Every printer is doing this, but no one is laughing about it. That is the norm. Look up the area where I also feel this type of software companies and partnerships can really help. And that's why I'm excited to help printers take this journey towards the future of volume, which I fundamentally believe is not someone sending you an email or a phone call, but this is going to be B2B corporations or consumer print-on-demand businesses sending volume to different printers around the world.

[0:10:07] DC: I don't disagree with you at all. But I would say that growth is subjective with that term. Because a lot of the printers I speak to, when they hear their orders of 10,000 a week are becoming 10 orders of a thousand a week, and they're like, "Well, then we can't work with this customer anymore." And they go after somebody else, and they basically say, "Nope, can't do that volume. Have a nice day." We see this a lot in digital packaging. My God, those packaging people, they're like Linda Evangelista. They don't get out of bed for less than \$10,000 a day, right?

That is what is scary. Everything you just said about taking all these orders in and putting a new system in place with all this software and with limited resources and limited people, how are they supposed to figure it out? That's where, "You know what? Let's just get the right clients for our business," comes in, versus transforming our business to get the right clients that will actually take you to the next 20 years. Go ahead.

[0:11:15] PS: Yeah. I think this is the moment to say that software will play this role. It is already playing this role in many different industries. When you go and look at car manufacturing or any sort of manufacturing process, even in the world of custom manufacturing, there are softwares out there that operators use to be able to scale that, which means any new customer or volume coming in, you're able to use that software. This is an important aspect where this software, you don't buy a project, but you buy a solution.

If you buy a point solution, let's say you just buy something that does imposition, right? And then you need to then go and buy something that does some kind of shipping. This is the challenge.

And a horizontal software that covers it end-to-end, that needs to be the solution. This is already the solution in different industries. And I'm here to argue that GelatoConnect is the best solution out there. And I would use our customers as testimonial.

I mean, we launched at Drupa last year, and we have 50 customers just in the onboarding pipeline who are all wanting to grow in this web-to-print space, which is booming. They're getting these inbound requests, but how do they tap into that growth? GelatoConnect, to make it clear to anyone listening, this is exactly what we do. The web-to-print type of work for a print company that wants to grow in this space.

Typically, we work with a printer, sort of one million and upwards. But if you're a small printer and you land a big client or you see an opportunity, then of course we can help you as well to onboard them, but also create a template so you can onboard many different customers. Just laying it out there, what exactly Gelato or GelatoConnect does.

[0:12:51] RB: And I'll just build into that as well to answer your question, right? The trend in the industry across, I don't care what market segment you're in, it is for smaller orders. And there's a lot of reasons for that. One of them is, of course, just the cost impact, right? Their costs are rising. And so brands are spending less. Well, they're spending more and doing less print. Let's put it that way. Because they want that print to be more impactful. Because that physical item in your hand actually works, whether that's driving you into a certain shelf in the store, whether that's the package of your product, or whether that's the marketing materials that are driving it.

And we like to talk about web-to-print, right? I was early in the photo industry, and that's where we pioneered the product of one. Today, that's becoming commonplace. Today, it's triggered marketing automation systems. It's short-run packaging, to test a product package. It's individual banners for different stores that are regional. And it takes a mind shift and a cultural shift within your facility.

And you're right. A lot of print facilities today say, "I don't know how we make money and producing 10 items of this. I mean, I used to make all of our money doing 100,000 items, and we barely were making it." And the answer is you have to have machine-assisted manufacturing. That's how it works. And the software is what allows you to do that efficiently.

And just to address what you were saying earlier, too, Deborah, I think what scares people is they're like, "Well, how do I transform my entire company to do this?" Well, don't. Do a line for the customers who are doing small orders, and just focus on that and do it side by side. And start your cultural transformation with a small group of people. And with that, you don't have to forklift your company.

[0:14:46] DC: No. Or the customers that could that aren't, that you can say, "Listen, let's segment these things to people who have cats and people who have dogs." I always just use a veterinarian as an example.

[0:14:57] RB: There you go.

[0:14:59] DC: That's the simplest way. I don't need to really know anything else other than you bring your animal to me, and it's a dog or it's a cat. And when I get it – or you could get even more crazy because they do have pictures of your animals. I could get my own animal on my postcard, you know? You could just show people new ways. And I love that ramp-up thing. Because you're just like, "Hey, look." I used to do that with Project Peacock, just like, "Hey, look what's possible," and then step away and let people go, "Oh my God, we can do this and we can do this." And that's what this sounds like. And I like the idea of the crawl, walk, run, because I just want to make sure everybody understands out there that they can do that with Gelato.

[BREAK]

[0:15:42] DC: Are you looking to elevate your game, take your bottom-line customer relationships, and events to the next level? Then, I want to work with you. I'm Deborah Corn, the Intergalactic Ambassador to the Printerverse. I engage with a vast, global audience of print and marketing professionals across all stages of their careers. They are seeking topical information and resources, new ways to serve their customers and connect with them, optimized processes for their communications and operations, and they need the products and services and partnership you offer to get to their next level.

Print Media Centr offers an array of unique opportunities that amplify your message and support

your mission across the Printerverse. Let's work together, bring the right people together, and move the industry forward together. Link in the show notes. Engage long and prosper.

[INTERVIEW CONTINUED]

[0:16:44] DC: Last question before we move on to some others. Is there a minimal amount of printing equipment in a print shop that has to be there for Gelato to have relevance for a printer. Pradeep?

[0:16:57] PS: Yeah. If you're a digital printer and you have a digital print machine, you're basically ready to go. The software itself supports basically any machine out in the market. We're a machine-agnostic software. And we're also product-agnostic. When I say agnostic, it means it doesn't matter. My example of Microsoft Word again, it doesn't matter what you want to type. This is the tool that's just going to let you type, and just applying that to a printer.

We cover everything from procuring material, managing your inventory, moving that into the print machine, comes out, all types of post-press equipment, and ship it out. This could be sort of a one-million operation, or it could be a hundred-million operation. But from a technology perspective, there is just absolutely brutal scale.

We've had customers – this crawl, walk, run. Super relevant, right? When someone buys GelatoConnect, they typically go through that. There is no big bang in this because I have learned – and I'm speaking as the outsider of the industry coming in here, I have learned, and I have deep respect for the different customers and how service is such an important part of this industry. There is so much customization in this industry. But at the same time, the service that you need to deliver is tomorrow, the day after, right? There's actually a very high bar for what each printer needs to deliver to their customers. And therefore, there is a level of – and many of them, they own the company themselves, right? They need to make those bets.

Typically, a printer would move their first customer who's doing some sort of web-to-print type of work, and they're having high inefficiency. Let's say today, you're receiving orders, and then it becomes some kind of – you need to print that out as a job ticket or put it into your conventional MIS system. It just doesn't work. And it's too efficient. And the minute you start to print and start

working with it manually with today's labor rates, you've already made a loss on that order. They would transition one of those customers and then train the team on how this software works. It's completely paperless, fully cloud-based. And therefore, you know, everything is ready for you to go into the print machine. The post-press part is simplified and automated.

Once the team is trained and they're comfortable, they start to see the value. That is the most important thing. Our customer, Exacta in Sweden, they saw 50% increase in packaging speed efficiency. And it was the users or the operators who said, "Okay, this is fantastic. We're not removing the rest of the volume because this simplifies my life as well." Then there is buy-in from within the team to deploy and just move the rest of the team members. It's not a technology limitation as such in terms of the crawl, walk, run. But it is more the team and the culture, and making this transition where this phased approach is important.

[0:19:40] DC: We are living in strange times, gentlemen. Economic uncertainty compounded by supply chain disruptions, increasing supply costs, and declining print volumes, even though they're shifting, they're still declining, keeps most of the industry awake at night. How can print businesses protect and diversify their supplier network without sacrificing efficiency? Before you answer, I just want to recommend everybody watch the replay of a really fascinating webinar that Gelato did about tariffs. I will put a link in the show notes. Please.

[0:20:19] PS: Yeah, what a timely question. Basically, a tariff war that is causing uncertainty all around, right? And I have spoken to some of our printers in the US, let's take that example, who today procure materials from somewhere in Asia. And it's in containers, right? They would plan these containers, bring them across. And then this is going to change. And we just know that. And when you add not 100% tariff, whatever percentage it may be, we know that this is all going to shift. And there is a need for, I would say, resilience in your supply chains in terms of how you operate.

And this is an area where we feel printers can actually work together versus each other. At Gelato, we believe that the competitor or the printers is not the other printer down the street or the rest of the players, but it's actually the inefficiency that is clouding the industry. When you take paper production, it is the type of mass production that is happening in one side being shipped all across the world, right? That is also going to change.

Then when you think about apparel, it is all these containers that is coming across. Is it Gap or Zara? This type of production is going to go into customized local production. There is a lot of shifts happening, and this is going to change. How are we addressing this? And how could, potentially, Gelato help here? Within GelatoConnect software, we have a platform for procurement where we list suppliers. Suppliers want to be part of the software to be able to sell to all the GelatoConnect printers. They are giving better terms and rates because they want to win that volume. This is something that each printer can take advantage of to combine forces and build up that resilience versus having to rely on a single supply chain, which is going to be disrupted by the macro environment. That is one element.

The other element as well is in terms of production. We have a customer in New York who has large clients who have international print needs. Within GelatoConnect, you can actually connect with any other printer using GelatoConnect in a different country and outsource that order and get paid for it. You wouldn't have to ship. Customers are happy. No customs. But at the same time, you are able to use that local production capacity.

For us, we come from the technology industry, and we think about companies like Airbnb and Uber. What could software and platform thinking bring to the print industry? And these are two examples. One is the procurement marketplace. The other one is the sort of outsourcing or outward marketplace for printers.

[0:22:59] RB: And just to add to that, margin pressure is not new to the print industry. Having said that, it's about to accelerate. If you think about the US, we have consolidation in the paper mills that has occurred in the US and is occurring in the US as we speak. A lot of our paper comes from Europe, or it comes from Canada, that's going to get tariff, or is being tariffed, and will probably increase.

But also, a lot of people don't know this, most of the pulp that is used by US mills comes from Canada, also being tariffed. We're going to see an increase in paper pricing. I think we can all just count on it. And I'm also guessing that most of us have dealt with over a doubling of our materials costs since the pre-pandemic period. It's not new to us.

But in the meantime, I think you mentioned that the battle is not between printers. The battle now is customers are looking at their print costs compared to their electronic marketing costs in the marketing space and saying, "Great, I know I'm getting a better return from my print. But as that price goes up, I need somebody to lead me down the path of the best way to do this." Because if that price gets too high, the extra conversion rate doesn't matter.

To Pradeep's point, being able to produce locally is a key point, not only to avoid the tariff, but also from a sustainability perspective. And then if you look at something like Gelato procurement, if you look at most PSPs, they do not have control of their inventory. Meaning, usually the inventory inside of their facility is probably double or triple what it needs to be if they had a supply chain. Gelato, for example, has an AI module that orders just in time for you and tracks your inventory. That has allowed many of the people using it to reduce their inventory in half. That's just cash that's sitting on your floor. By the way, that you bought at a great price compared to what it's going to be or what it is becoming. It is something that software can help you with. And this is a time when you need to optimize.

[0:25:09] DC: I just want to go back and clarify something. Pradeep, you said GelatoConnect printers, right? And then you have Gelato the network, right? Do you have to be part of the Gelato network to be part of the GelatoConnect network? How does that work? We kind of skipped over that, and I think it's important.

[0:25:28] PS: Yeah. I mean, this is a question we do get a lot because we have a lot of history in the industry. We're at 15-plus years. We did start off as Gelato, the network, which aggregates – and we are the leading player in the print-on-demand space. Thousands and thousands of Shopify merchants and Etsy. And all of this type of print-on-demand volume funnels over Gelato. And we built a network of 150-plus printers who are producing this locally in more than 30 countries. And the way we scale that and the way we enabled our growth is actually software.

When we need to add a printer, let's say in Brazil, we would just go and install our software, and they're ready to go. During COVID, we had to bring up printers within one day to produce micro, small quantity orders. And we were able to do that, thanks to our software. And once these printers started using that software, they said, "Hey, this is really efficient. Can I use this for this

other client who's asking us to also produce this type of work?" And they kept asking. And we didn't respond up until 2021, when we raised capital from the investors who backed companies like Shopify.

And we said we will take the software, which is now used only for Gelato's networks orders, and we will create a software that any printer can buy. The whole industry can benefit from that. To answer your question, this is a pure software player where any printer out there can come and buy the software, install it, and produce for any of their clients. The customers we are signing now, the printers we are signing now, they don't even do work for Gelato. They purely buy the software to produce for their existing clients or tap into new clients that they haven't been able to access before.

[0:27:08] DC: How can printers use data-driven decision making to stay ahead of competitors? And what are the data points that are critical to capture for this investment?

[0:27:20] RB: Well, I think to answer this, I'm going to say that we're all seeing the incredible rise of AI right now. If it's not blowing your mind, you don't understand, and you're woefully unprepared. AI is impacting every aspect of our lives. And it's really hard just to keep up with what that means.

When you think about how that applies to the rate of development, or the analysis of data, or making decisions inside of your facility, we're now performing tasks that only a few months ago took 100 times longer than they do today to accomplish. When you think about your data, and if you're still doing it an old-fashioned way, you need to start changing, right? Because we all know that in this industry, machine-assisted manufacturing, and I don't care if you're doing long-run offset or anything else, being able to manage your costs and understand your costs and how your margins are, are the difference between succeeding and not succeeding.

And so when I think about how you apply AI to that, you're not going to go out – we have a little margin of work. We can't afford to go out and hire the super expert AI guy to come in and do it for us internally, right? That's what I hear over and over, "Oh, that's great, Rick. How do I do that?" And that is really finding a partner like Gelato, who is a leader in the industry – well, the leader in AI in general. But fortunately, they're in our industry, which is kind of the first time I've

seen a real software company develop software for us. You can utilize that to really analyze your data at a rapid pace. And at the same time, it's unlocking the ability to make decisions we talked earlier about, "Hey, where do I expand?" That analysis allows you to unlock the data and information you need to make intelligent strategic decisions about, "Okay. Turns out my customers are actually buying a whole bunch of work in this market segment. Do I find a partner to do that, or should I do that myself?" Or, "Hey, it turns out my customers are also using Salesforce marketing cloud, and I found that out through an AI analysis. Should I be connecting this Salesforce marketing cloud as a triggered program for my customers?" It would have taken us decades to find that before. And today, it's at the tip of your finger.

It also unlocks personalization, right? You talked about that earlier when you say, "Okay, now I'm moving into this world of micro-orders." And now that I've got all this data and analysis, that's unlocking personalization at a rapid rate, so that you can essentially make your print much more effective. To your point, I'm not sending the dog postcard to my clients with cats. I'm a snowboarder. Why do many of the companies that I buy stuff from know that I'm a snowboarder? Because I don't buy ski gear. I buy snowboard gear. Send me ski catalogs. I'm like, "That doesn't make sense." And increasingly, that will be the case because that's the expectation of our generation today. When you ask about that data-driven decision-making, it really is a broad spectrum of data. And we all know that, and we've been doing it manually for too long. You need a partner like Gelato Otter to help you analyze that, quite frankly, and utilizing AI.

[0:30:38] PS: Rick, this is very interesting. I mean, there is this notion of hype. It's like AI is going to solve everything. And then there's this other spectrum, which is just like a ton of skepticism. For me, I want to be very nuanced here and actually speak about real things that are, today, solving problems within the print industry. And those are the examples.

There is a webinar that we did a few weeks ago, which I was part of, where we demonstrated the AI tools and the value that it's creating for customers. I just want to call out one part of that. Let's say a big e-commerce brand, just think of the biggest brands. They come and say, "Hey, I want to do business with you." Or a local e-commerce seller who is selling, wants to do work with you. The first thing they're going to come and tell you is like, "Hey, how can I send you orders? And how are you going to produce my products?" which is going to be like let's say

they're selling books and canvas. Just imagine that that would be easily 20,000 products. Just when you think about all the variability.

If you don't want to do this whole sort of manual coding estimation, all of that to be able to produce that automatically, you need to be able to input thousands of products. How do you do that? And this is our AI product mapper, which we released and demonstrated in this webinar. This is basically letting our customers add such big customers and go live within hours, right? Because AI can do this, not human beings. This is a very tangible and real use case I want to share.

But in sort of 15 years of being in software, one thing that has fundamentally changed is how we also internally within Gelato work in terms of building things. A number of pieces that we've built over the years, we are basically almost reinventing with the possibilities of AI. You can expect also a lot of powerful things coming your way. One example is estimation, right? By definition, is a computer better to estimate something, or is it human beings? If you give the estimate to three different people, will they give the same answer? Will it be a good answer? We don't even know what our margin was, or whether you price too much and you're gonna lose your job, or price too little, you won the job, but you're going to make a loss. These are all things that we are automating. And AI has just opened up this magical way to solve use cases like that.

The other one I would call out is also scheduling, right? How many rules that you have to write to be able to schedule something, right? And I spoke to one of our customers recently, said, "Hey, how do you schedule?" It was just like, "Tim over there. He knows all of these constraints of what can come after what in order for this whole floor to be efficient. And therefore, it's his full-time job. He just does that." That's fantastic. But what happens when Tim retires or takes a vacation, right? You have one backup person on staff just to do this task. And this is precisely where I think AI and agents.

We are very focused on specific use cases, which are going to be highly applicable to AI. Three examples here. One is adding products, which is a laborious task of thousands of products. We've solved that. Estimation, scheduling, these are all like real tangible use cases. I think we in the print industry don't have to just to just keep looking at the Googles and the OpenAIs of the world and say, "Hey, you know what? That's a different industry. I don't have anything to do with

that." But I think we all need to relate to what are the real problems that we have within the industry, and what opportunities does AI have to solve that. And what are the companies or services that I can tap into who are working to solve that?

[0:34:05] RB: And I can give a real-world example to build on that. One of the companies I work with, I'll just use their name, Bennett, was working to implement 18,000 products for various e-commerce companies. And we talked to Gelato because it had taken my tech guy roughly six months to do 180 of them. They did it for us in about 25 seconds, put in the entire catalog.

[0:34:30] DC: What?

[0:34:32] RB: That's what I said. And so my tech guy, when it was shown to them, did this.

[0:34:36] DC: Yeah, I'm doing that too. I still have PTSD over a sunglass catalog that I did with SKUs for all the different frames, had all these different colored lenses. And there was so many SKUs. We carried this job around for a year. It was a nightmare.

[BREAK]

[0:34:53] ANNOUNCER: The print shop of the future isn't coming. It's already here, and it runs on GelatoConnect. Built on 15 years of insights, GelatoConnect is the operating system for digital print production, connecting every machine, product, and process with real-time control and AI-powered automation. Printers using it are increasing packaging speed by up to 5X, reducing stockouts by 85%, and doubling profit margins without adding headcount. Unlock growth, increase efficiency, and take back control. Power your print business with the operating system built for growth. Learn more at gelato.com/connect.

[INTERVIEW CONTINUED]

[0:35:31] DC: All right, I want to say something that I think is super important here, which is that I get why you're focusing on the print shops because that's what you do, but we're sort of leaving out the uneducated print customers that have to now send files through this system, or the printers have to educate them on, "You know that job that you were doing that was all the

same? Now you could do it differently. And here's what we need from you." And I'm giggling because, I mean, once in my entire advertising career, we sent a file that was actually print-ready and the printer called and said, "Whoever did that, don't let them go. We've never seen—" they made it a game at the print shop to find the mistake. And nobody could find the mistake because they've never gotten a file that was perfect. There's a push me, pull me going on here. What role does technology and automation play in print customer acquisition, retention, and loyalty? And I have a weird follow-up to that, which is, is automation killing creativity?

[0:36:39] PS: Well, I want to speak about where the customers are because we can debate or argue, but this is where it is. I was explaining to my nephew, who was 15, 16 years old, and I said, actually, a lot of the work today in printing still happens where someone sends an email or a phone call." And he was just like, "I will never do that." And these are going to be the buyers of the future.

[0:37:02] DC: Or have to talk to somebody. A human.

[0:37:06] PS: Exactly. But he hates humans. I don't know. It's like is there an article that I can read? Can I just use voice to place – the customers are already moving. This is an extreme example of my nephew. But let's speak about B2B companies, right? They're moving their files over to a digital asset management solution, and then creating a marketing program to be able to centrally control what gets printed and where.

The customers have already moved in this path of technology. In some cases, the printers are holding them back, "Hey, I don't support that. So please send me an email." But then, if you or that printer says, "Hey, hey, hey. Wait a minute. Actually, you don't have to talk to me. You don't have to have a person investing time in your company working with me. But you could just push that in based on rules, whatever you have, and we will be able to support it." That will already give you that differentiation.

Here I want to nuance and say it's not that technology needs to have customers. I actually think technology – the customers are ahead with the technology. We need to catch up in the print industry to be able to serve them better. And what this means is, how do you support program of print production? Meaning an example of companies wanting to produce all of their marketing

material for a specific event. They don't want to call and ask you for an estimate and figure out which of these four printers in my area can produce it. And my nephew will never do it. I mean, I just know it. But this is going to happen everywhere. And I think we need to catch up and make sure that we can support that. And if you're a printer, this is going to give you the edge to win the business volume of the future.

[0:38:45] RB: The new print buyer is Madeline. She's 28. And when you call her up to ask her to go to lunch, the answer is she doesn't want to go to lunch. She wants to order through an e-commerce site, just like anybody else does today in that generation. And we have been slow to adapt, quite frankly.

Add to that, the barrier to personalization has not been the data. It's been the access to data that the brands have. And that barrier has been eliminated for the most part. They are also looking at how do I customize or personalize? And it's up to us to lead them there because they don't naturally know how to do that. The print facilities that are guiding their customers into the future, utilizing their data to personalize the product, which has been a long-time dream of mine, and it's actually happening now, and are doing that in automated way so you're taking those orders, processing those orders, and putting them into your facility without any touches. It is the wave of the future. And I don't care what market segment you're in.

[0:39:47] DC: Okay. Well, I just want to bring it down from the clouds, gentlemen, because you're talking about brands and marketing agencies, and I'm talking about the yogurt store on the corner that needs some direct mail has been go in a 1-800, get me a postcard, or typing in postcards are us and ordering postcards. And now the printers can have those orders if they can accommodate that reference. But those systems that those civilians, that's what I call them, use, have design templates on it, have – I don't know. I'm not a designer. I don't know how to make a business card. Oh, don't worry. You like this font? They don't even know font. They're like, "Do you like the way it looks here? You like shiny stuff?" And it guides them through it.

I don't necessarily agree that the customers don't need to be educated in what's in it for them. Although I would say this, when it's working, they don't know it's not working. And I really appreciated the example of Uber and Lyft. Because why can't print be the exact same way? I need some postcards. I go to my app, I just pick what I want. And if sustainability is something

important to me, then I pick my vendors that are as close. I go into a system that maybe is a little more expensive, but it's all local production. If timing is more important to me, then it goes through the system, and I get it that way.

I agree with that. When it's just there to take advantage of, it's customer convenience. Nobody will know. Your nephew will never know because he lives his life that way. But for some reason, printers feel they have to speak to people. Rick, I'm going to give that to you.

[0:41:45] RB: Well, I guess just to build on that, yeah, that's going away, right? People are ordering the e-commerce sites, and they do everything else. And you don't need to speak to it. Quite frankly, that order comes in. And if you have a software like Gelato, it's directly integrated with the website. It's processed. It's optimized for whatever press it's supposed to go to. And the first time somebody touches it, it's coming off the press, and the press person is simply looking at it to make sure that the quality of the printing is good.

And from there, it's going through an entire manufacturing process to create the card and push it out same day or next day. Because Amazon has created an effect of everything I get, I should get into no more than two days. And if I can get it the same day or next day, that's even better. That is the way print is changing, the way you described it, Deborah. And it's in a massively growing section of the market.

[0:42:41] PS: I'm going to add the example of the yogurt store that you mentioned, Deborah. Let's take this example where there is a yogurt store and they have two options. One is they can reach out to a couple of their printers that they know. I don't know how they would even know anyone.

[0:42:55] DC: Hopefully, they were smart enough to introduce themselves and welcome them to the neighborhood when they opened up the store.

[0:43:00] PS: Let's assume that happened. And then there's two options presented to them. One is that they could just go online, and they're able to place that order with this specific printer directly. And I will just add some more flavors on top. And because this is going to be online and

you don't have to have your salespeople manage these things, you're also going to get a better price. That's one, printer.

And then there's another printer whom you have to email, and you have to wait for an estimate, and a quote, and figure it out. And their prices are – if they're not going to make a loss, their prices need to be higher. Yes, you get that personal touch, right? I think that's what you're referring to, Deborah. Why is it that they want to keep this relationship through sort of transactional communication? If those are the two options, I think there may be – that owner of the yogurt store, maybe today, might be torn which way to go. But in the future, we know which way that is going. You'd rather lean towards that printer who has this capability to get that volume in an efficient way and process it. That would be my argument.

We do hear a lot, like, "How do I still continue? My salespeople are doing a fantastic job. My customers love them." Yes, there is a role for these people in the team, and they have a role to play. An example here is some of our customers, one of the things that our customers do when they onboard GelatoConnect is that they will set up storefronts for their existing customers. If their existing customer – I'm just going to make this up. If that is Coca-Cola, then if they used to just send emails to get quotations, that team can now go and place those orders.

But this salesperson at the printer, they would still call them every other week or a month, where they have a monthly business review and say, "Hey, how has our service been? Is there anything we can do better?" There's that opportunity to do relationship building with a focused conversation rather than just taking transactional – if you're people whom you're paying quite a lot, frankly, are going to take transactional communication for very small orders, it is just not a viable business.

[BREAK]

[0:45:12] DC: Like what you hear? Leave us a comment, click a few stars, share this episode, and please subscribe to the show. Are you interested in being the guest and sharing your information with our active and growing global audience? Podcasts are trending as a potent direct marketing and educational channel for brands and businesses who want to provide

portable content for customers and consumers. Visit printmediacentr.com, click on podcasts, and request a partner package today. Share long and prosper.

[INTERVIEW CONTINUED]

[0:45:46] DC: I want to make one comment about what you guys said is the frying pan to the head reality here, right? If I'm at the yogurt store and I go on Mr. Google and I search postcard, what's going to come up? Not my local print shop. It's going to be all the giant networks that buy up all the advertising and have that customer convenience of, "I don't even know what I want. But it says, "Oh, if you're a small business, click here." And then it shows me everything that I can possibly have.

Just having a system is not enough. And I can't stress that a printer who is investing in this and not telling their customers of the fact that they are making these investments to get better supply chain, better timing, more customer convenience, you can have a portal after you order with us three times. You can have a portal and keep all your stuff in there. And we can help you set up files and all of this other stuff. Then it's almost like if the tree falls in the forest, does anybody hear it? Now you have a souped-up Ferrari of a print shop, and Google is sending all of that to somebody else.

It's important to say it's not just put the software in and sit back. I mean, obviously, there's a network where orders can come through. But customer communication is still required, not to say how it works, but just to say we've invested in making things better for you. Along those lines, how is GelatoConnect helping print businesses transform, meet the moment, and most important, pair for the future?

[0:47:32] PS: I'll give an example of one of our customers in Germany. They're called Oschatz, who signed up last year, and they're a wide-format printer. Do commercial work. And one of the first things that they did was that they were able to go to prospects, prospect the clients and say, "Hey, we have the software now, and we will be able to manage your type of volume, web-to-print, high volume, during the peak season, more efficiently than anyone else out there." And they were able to make a case and win that customer, which helped them to basically triple their volume in Q4. It's a 30-year-old business.

I think those are the key aspects here. This doesn't mean that just install the system, lay back, Google will send you. The Google won't send you anything. This is a system to meet and exceed your customer's expectations, and you have that important role to play. If you look at your local big business or small business, they are looking to do repeat work with their printer, which could be you if you are able to give them great service, fantastic quality, predictable, and efficient system, and prices, right? You want to be able to show that you have that amount and have that capability. You will need to continue investing in delivering on that.

This is not a replacement for your sales, but it's a tool in your salesperson's back to go and say, "Hey, last year, we delivered all of these clients 100% happy, right? This is a reference customer. You can go speak to them. They love working with us." This is going to give you testimonials to win other customers versus letting – there is an e-commerce player which is going to be coming through the networks. But all of these networks, if you want to work with these networks, it is a prerequisite for you to have a software like this. That's a different segment of the market. But your current segment of the market, which is business is doing existing customers, you can delight them, retain them, and grow that business with them, with the software.

[0:49:35] RB: Yeah. And I think to add to that, right? Your salespeople are still needed. You've got to go out and demonstrate that you have this capability. And it is all about how you are delivering. When you talk to a customer and you say, "Hey, I've got an API, it's an easy API to connect to," even that today is a bit of a differentiator. I'm shocked at how many customers go, "Oh, you have one already?" Great, fantastic.

What also is happening is, quite frankly, it's moving from a project sale to a program sale. No longer are you selling a project, quoting that project, entering that project, producing that project and getting to go compete on the next one, you're signing a contract, usually a two to three-year contract where you're producing products based on some criteria that e-commerce company, or brand, or whatever network it is putting in place.

That also helps increase the value of your business because you've got a predictable incoming revenue stream that is repeating, and you're not just winning on jobs. You still need your salespeople. They still need to go out and communicate. It's just who they're talking to changes.

[0:50:45] PS: I'm going to add one thing there, Rick. This is what we hear from customers, which is that, yes, the salespeople are needed, but it's more like less than half of what we have today. If they don't have to do transactional work with each of the customers every single day that is going to be done by software, you don't need that many salespeople. Absolutely not. Of course, if you're able to deploy to win more business, that's okay. But once you start signing these program contracts for years, that's a different type of sales motion, which requires a different type of salesperson, and a few of those good salespeople would do the job. While I agree salespeople are needed, you absolutely don't need as many as you have today.

[0:51:26] DC: Gentlemen, thank you so much for your time. I really appreciate it. Everything that we've spoken about, including the two webinars that we mentioned, we'll put links in the show notes. Until next time, everybody, Gelato long and prosper.

[OUTRO]

[0:51:43] DC: Thanks for listening to Podcasts From The Printerverse. Please subscribe, click some stars, and leave us a review. Connect with us through printmediacentr.com. We'd love to hear your feedback on our shows and topics that are of interest for future broadcasts. Until next time, thanks for joining us. Print long and prosper.

[END]

Mentioned in This Episode:

Pradeep Sankaran: <https://www.linkedin.com/in/pradeep-sankaran/>

Rick Bellamy: <https://www.linkedin.com/in/richard-bellamy-0196941/>

Gelato: <https://www.gelato.com/>

GelatoConnect: <https://www.gelato.com/connect>

GelatoConnect Success Stories: <https://www.gelato.com/connect/customer-stories>

Transform Your Business with GelatoConnect: <https://www.gelato.com/connect/why>

What's New in GelatoConnect: <https://www.gelato.com/connect/product-news>

Free Webinars: <https://www.gelato.com/connect/webinars>

GelatoConnect Product Demo: <https://www.gelato.com/connect/product-demo-home>

'Tariffs in a Changing World: How Local Production Can Unlock Growth': <https://www.gelato.com/connect/webinars/tariffs-in-a-changing-world-how-local-production-can-unlock-growth>

'Hot off the Press: Your Q2 GelatoConnect Release': <https://www.gelato.com/connect/webinars/hot-off-the-press-jul-25>

Inflection: <https://inflecton.com/>

Deborah Corn: <https://www.linkedin.com/in/deborahcorn/>

Print Media Centr: <https://printmediacentr.com>

Subscribe to News From The Printerverse: <https://printmediacentr.com/subscribe-2>

Girls Who Print: <https://girlswhoprint.org>

Project Peacock: <https://ProjectPeacock.TV>