

# NEW DIRECTION PARTNERS

New Direction Partners, LLC was 10 years old on March 25, 2019

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## Recent Transactions

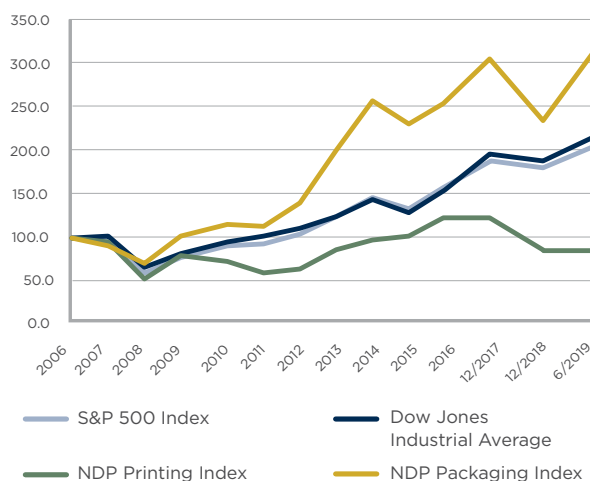
New Direction Partners, the leading middle market investment banking firm in the printing and packaging industries, has recently completed the following transactions:

- ▶ In an unannounced transaction, a NYSE publicly traded packaging firm purchased a controlling interest in a privately-held packaging entity. NDP represented the seller on this transaction.
- ▶ Sale of Sprint-Denver to Mittera Group. NDP represented the seller.
- ▶ Sale of Allied Bindery to a private Party. New Direction Partners represented the seller.
- ▶ Sale of Henry Wurst, Inc. Kansas City Division to Mittera. New Direction Partners represented the seller.
- ▶ Sale of Prographics to Drummond Press. New Direction Partners represented the buyer.
- ▶ New Direction Partners assisted SoftPrint Holdings, Inc. in the raising of growth investment funding through a private placement of a Convertible Debenture.
- ▶ Allen Datagraph Systems was purchased by a Private Party. New Direction Partners represented the Seller.
- ▶ Sale of Badger Press Photographic to Brookstone Printing. New Direction Partners represented the seller.
- ▶ Sale of Great Lakes Integrated to Traxium. New Direction Partners represented the seller.
- ▶ Sale of FLM Graphics to Phase 3 Media Corporation. New Direction Partners represented the Seller in this transaction.
- ▶ Sale of Screen Works Inc. to an Individual Buyer. New Direction Partners Represented the Seller.
- ▶ Sale of Gooding Company, Inc. to Nosco Inc. New Direction Partners Represented the Seller.
- ▶ Sale of Tepel Brothers Printing to The Vomela Companies. New Direction Partners Represented the Seller.
- ▶ Sale of McArdle (a wholly-owned subsidiary of Bloomberg BNA) to Corporate Press. New Direction Partners represented the seller.

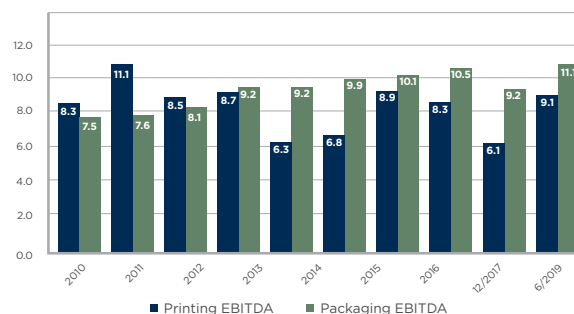
- ▶ Sale of Halm Industries to W&D Machinery. New Direction Partners represented the seller.
- ▶ Purchase of MHG by Michael Murphy. New Direction Partners represented the buyer.
- ▶ Sale of Consolidated Press to KP Corporation and Gemini Investors. New Direction Partners represented the Seller.
- ▶ Sale of ASAP Printing Corporation to 4over, Inc. New Direction Partners represented the Seller.

## Industry Trends by Peter Schaefer

### The New Direction Partners Printing & Packaging Stock Price Index



### The New Direction Partners Printing & Packaging EBITDA Trend



**It is important to note that private businesses typically sell for lower EBITDA multiples than the multiples of their publicly-traded counterparts due to private company status and a lack of liquidity as well as size and risk differential.**

## Places to See NDP

- ▶ Paul Reilly and Jim Tepper will be attending and presenting at the Annual PIA Manager's Summer Conference in Ashville, NC in July.
- ▶ Jim Russell will be presenting on Succession Planning at the Printing Industry Midwest Smart Café in Minneapolis on August 14.
- ▶ Jim Russell and Al Reijmer will be attending The Printing Industries of Ohio N.Kentucky Leadership Conference in Columbus OH September 15-17.
- ▶ Jim Russell will be attending PRINT 19 in Chicago Oct 3-5.
- ▶ Jim Russel and Paul Reilly will be attending the annual FLAG meeting in Rochester NY October 16-17.
- ▶ Paul Reilly will be attending the Fall EMA Meeting Oct 22-23 in Charleston SC.
- ▶ Peter Schaefer will serve as a speaker at PRINTING United at the Kay Bailey Hutchison Convention Center in Dallas, Texas, USA, October 23-25, 2019.
- ▶ The entire New Direction Partners team will be attending PRINTING United, scheduled for 23-25 October in Dallas. To schedule a meeting at the show or before, please email [info@newdirectionpartners.com](mailto:info@newdirectionpartners.com) or visit [www.NewDirectionPartners.com](http://www.NewDirectionPartners.com) to directly contact a specific Partner or Director.
- ▶ Peter Schaefer will be presenting a session "Solution Selling," during the educational programming at PRINTING United.
- ▶ Jim Russell will be presenting "Ten Attributes of High Growth Companies" at PRINTING United's Graphic Production Luncheon.

## Recent Webinars

New Direction Partners experts present frequent web sessions in partnership with associations, publications and others. Some have no cost associated with them; others carry a small fee for non-members of the organization. We invite you to listen to some of our recent educational sessions and contact us at [info@newdirectionpartners.com](mailto:info@newdirectionpartners.com) with questions or for additional information!

- ▶ SGIA hosted a webinar "What Your Momma Didn't Tell You about BHRs", presented by Tom Williams and Joe Polanco. During the 20th century, using budgeted hourly rates (BHRs) to develop pricing was the de-facto methodology - as it had been in the 19th century. 21st century MIS applications continue to use this cost accounting approach. Yet, because today's print provider competes in an ever-changing marketplace and continues to add new products, it's time for a fresh look at budgeted hourly rates. In this session, our presenters will challenge our industry's focus on using "costs" to develop prices. Upon the completion of the webinar, the participant will have a better understanding of Budgeted Hourly Rates and how to utilize them in improving market share as well as profitability.

[View presentation here.](#)

- ▶ PIA-MidAmerica hosted a webinar "Trends in Today's M&A Print Environment". The experts from New Direction Partners also talked about the current M&A market, why now is a good time for these transactions, and how long the market might remain strong. They will also share real life examples of things gone right, and a few that have gone wrong, from the many transactions they seen over time. The presenters also outlined EBITDA ranges that affect the value of businesses being sold and how to enhance that value.

[For access to this webinar, please contact Teresa Campbell.](#)

- ▶ SGIA hosted a webinar "Calculating Ownership Costs and ROI" Paul Reilly and Thomas Williams shared essential strategies for any printing business! "Sure, you want to make that technology upgrade, but can your business really afford it?" Attendees learned to calculate the ownership costs for equipment, and determined their return on investment.

[View presentation here.](#)

- ▶ NAPCO recently hosted a webinar: "10 Attributes of High Growth Companies" In a highly competitive industry, printers must focus on two things to succeed: efficiency and growth. The first delivers a better bottom line; the second produces a more robust top line. In this session, New Direction Partners experts share what they have found to be the 10 attributes of high growth printing companies, providing insight to owners and managers about how they can ensure high growth in their own businesses. This includes:

- ▶ Ensuring the right sales and sales management strategies.
- ▶ Putting in the time and effort to create and execute on actionable business plans.
- ▶ Ensuring accountability within the organization for achievement of strategic and tactical goals.
- ▶ The role of mergers and acquisitions ...and more

[View presentation here.](#)

- ▶ Paul Reilly and Peter Schaefer presented a Dscoop hosted webinar on “Managing Customer Concentration In Today’s Printing And Packaging Environment”  
Customer concentration is occurring more frequently today, especially in family-owned firms between \$5 million and \$75 million in sales. This is the result of the successful outcome of a customer focus/solution selling sales strategy. While too much customer concentration can be risky, there are also advantages to embracing your strategic success. Our experts provide insight into how to manage customer concentration risks for profitable growth. The program focused on:
  - ▶ Managing customer departure risks
  - ▶ Leveraging customer concentration for business growth
  - ▶ Customer concentration considerations in mergers & acquisitions
  - ▶ ...and more!

[View the presentation here.](#)

- ▶ Dscoop hosted a webinar with Joe Polanco and Paul Reilly and “Creating the Perfect Sales Compensation Plan”. Sales are the life blood of any organization, and it’s no different for print providers who compete in the dynamic ever-changing world of communication. The 21st century sales rep must understand the broad range of solutions offered by today’s print/marketing provider and how those solutions help a client’s business. Just as important is management creating a sales compensation plan which creates the right incentives for growth and balances it with the company’s profitability.  
  
In this presentation, explored the various compensation methods used in the industry and discuss the strengths and weaknesses. Commission, salary-based plans, value added, and hybrid plans were covered in this quick moving session along with key points in creating the “Perfect Plan.” This session discussed:
  - ▶ Which Plans are commonly used in the industry - and are successful.
  - ▶ Changing compensation strategies reflecting changing product mix.
  - ▶ Balancing incentives with profitability
  - ▶ Why matching individuals with right plan is more crucial than ever.

[Download the presentation here](#) or [view the webinar archive here.](#)

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- ▶ NAPCO hosted a webinar on “M&A Trends in Print & Packaging” Presented by New Direction Partners’s Paul Reilly. The webinar covered what is happening in today’s M&A market. Today’s transaction structures are different from just a few years ago in response to a restructuring industry. Participants learned why an acquisition strategy has never been more important and what types of transactions are occurring. They also covered the details of these various types of transactions in order to make better decisions for their own businesses. The experts from New Direction Partners also talked about the current M&A market, why now is a good time for these transactions, and how long the market might remain strong. They will also shared real life examples of things gone right, and a few that have gone wrong, from the many transactions they seen over time. The presenters also outlined EBITDA ranges that affect the value of businesses being sold and how to enhance that value [View Archive.](#)

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- ▶ Jim Russell and Al Reijmer presented a webinar hosted by GLGA on “GLGA’s latest Profit Matters webinar - the Great Lakes Graphics Association’s effort to address all issues regarding profitability in the print industry in a session entitled Are You a Buyer or a Seller?”  
  
In today’s print market, organic growth is hard to come by. In an industry that is still contracting, and with buyers and marketers who have less time to meet with new vendors (your sales people), organic

growth is a serious challenge for most printing companies and their sales teams. For the last few years, the team at New Direction Partners has been advising that printers who are struggling with organic growth should be either a buyer or a seller... And that is still the case today.

Which one should you be? Is your company positioned properly to effectively manage a “tuck in” of new business and grow through acquisition, or should you be considering the sale of your company to another firm better positioned to help you grow your revenue? And if so, how do you determine your company’s value. Takeaways from this session included:

- ▶ Identify the key traits and characteristics of businesses that should be buying other companies
- ▶ Learn which types of businesses might be better suited to merging with or selling to a friendly competitor
- ▶ Find out how values are determined in those transactions, and
- ▶ End with a few guidelines for ensuring your business has the best value

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## Upcoming Webinars

- ▶ NAPCO will host the following webinar:
  - ▶ Succession Planning July 16. [Register Here.](#)
- ▶ PIASC will host a webinar:
  - ▶ Like A Pro: How to Analyze an M&A Opportunity August 27.
- ▶ PPI will host the following webinar:
  - ▶ Succession Planning September 17. [Register Here.](#)
- ▶ SGIA will host the following webinars:
  - ▶ Emerging Technologies: Differentiation is Returning September (TBD).
  - ▶ Managing Customer Concentration in Today’s Printing and Packaging Environment October (TBD).

## Featured Listings

### Firms for Sale

#### ▶ Midwest Based Commercial and Digital Printer

Very Profitable general commercial printer with sales of \$8 million and no significant client concentration. Located in a mid sized midwestern city, the company has expanded its market by successfully marketing to the trade throughout the Midwest. With a strong balance sheet, up to date equipment, and a loyal customer base, this is a great opportunity for an owner/operator to own their own business or for an existing company to expand geographically.

**Contact:**

*Jim Russell @ [JRussell@NewDirectionPartners.com](mailto:JRussell@NewDirectionPartners.com)  
or by phone at 248-891-6992.*

#### ▶ Florida Grand Format Graphics Manufacturer

Our client is a well established grand format printer located in Central Florida. The company serves a diverse range of clients and industries and has a management team capable of running the company after the owner exits. Revenue is in the \$3.0 million range with EBITDA around 10%.

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#### ▶ Midwest US Book Printer

The company is a well-respected midwestern U.S. based book printer with \$15 million in annual revenue and EBITDA in the 8-10% range. The company serves a diverse range of clients, and has long-term contractual relationships with three of their top five clients, providing a solid base of business year after year. The company also has strong management who desire to remain with the company post-sale.

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#### ▶ Southeastern Large Format Print Provider

Our client has a 30-year history of serving the large format print market with a broad spectrum of retail clients utilizing digital UV printers and backlit displays on various media. Equipped with a full range of digital prepress equipment, printers and finishing machinery, orders turn quickly from proofs to high quality products totaling approximately \$2.5 million annually. Strategically located a major Southeastern city, the modern 30,000 square foot building also owned by the company CEO, and the option of leasing is available.

**Contact:**

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or by phone at 770-601-0199.*

▶ **West of the Mississippi Paper Merchant and Envelope Printer**

Client is well managed and profitable firm seeking to sell firm in order to begin retirement after the buyer's required transition period.

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or by phone at 303-520-7803.*

▶ **Southeastern Printing, Packaging, P.O.P. and Direct Mail Operation**

Our client's state of the art pre-press, printing, advanced coating and finishing capabilities contribute to this company's superior reputation for high-end products. Complex multi-dimensional specialty pieces are produced with speed and efficiency. Each division, Commercial Printing, Packaging, Direct Mail, Fulfillment and P.O.P. Display, is focused to provide customers a competitive edge. Products include general commercial printing, folding cartons, point-of-purchase displays and sophisticated personalized direct mail design, data management and production. Capabilities include the ability to produce heat-transferred materials for the garment and fashion industries up to 60 by 81 inches. Revenue exceeds \$30 million.

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or by phone at 203-856-0120.*

▶ **Midwestern Packaging Partner**

Our client designs and manufactures both boxes and folding cartons. Products include candy boxes, gift boxes, cosmetic boxes, complete folding cartons and gameboards. Revenues of this highly profitable firm are approaching \$10 million.

**Contact:**

*Peter Schaefer @ [PSchaefer@NewDirectionPartners.com](mailto:PSchaefer@NewDirectionPartners.com)  
or by phone at 610-935-1000.*

▶ **National E-Commerce Web-to-Print Provider**

Our Client is a company with Eastern and Western facilities allowing one and two-day delivery to North America. Their E-Commerce web-to-print online portal supports all types of products including commercial print, promotional products, inventory fulfillment & packaging. With a sophisticated e-commerce operating platform, robust marketing capabilities, and technically advanced production capabilities, this is a highly desirable property.

**Contact:**

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or by phone at 203-856-0120.*

▶ **Midwest Direct Marketing Provider**

Our client is a leading solution provider of marketing and direct mail production services to the automobile industry. The firm is fully integrated with the automobile industry including providing call center support. Our client provides a complete range of direct mail services including products covered under US Patents. With revenue of approximately \$10 million it is highly profitable. SPECIFICALLY OUR CLIENT HAS ASKED US TO IDENTIFY A DIRECT MAIL PRINTER AND MAILER WHO IS CAPABLE OF TAKING OVER THE PRINT AND MAILING PRODUCTION.

**Contact:**

*Paul Reilly @ [PREilly@NewDirectionPartners.com](mailto:PREilly@NewDirectionPartners.com)  
or by phone at 303-520-7803.*

▶ **New England Area Grand Format Printer**

Our client produces large format banners, signs and in store window displays and graphics for many well-known national retailers and regional business. With revenue of \$4 million and an impressive EBITDA margin of nearly 30%. This represents a great opportunity for a commercial printer looking to enter the grand format market in a big way, or for an individual looking to own and operate their own very successful business. The company is not a likely tuck-in candidate.

**Contact:**

*Jim Russell @ [JRussell@NewDirectionPartners.com](mailto:JRussell@NewDirectionPartners.com)  
or by phone at 248-891-6992.*

▶ **Industry Specific Temporary Employment Provider**

We represent a progressive, national temporary and permanent employment firm heavily servicing the graphic communications industry. This is a very innovative firm that has developed and implemented procedures and practices to attract, screen, and supply highly qualified, skilled workers to their clients. With offices in numerous cities across the US, and a number of significant contracts, they are able to successfully provide service to the industry's major firms.

**Contact:**

*Paul Reilly @ [PREilly@NewDirectionPartners.com](mailto:PREilly@NewDirectionPartners.com)  
or by phone at 303-520-7803*

▶ **West Coast Commercial Printer**

Our client is an established, profitable firm located on the West Coast of the US. It has a strong, stable listing of customers from varied industries all with consistent track records. The firm has long-established relationships with many of these clients and successfully attracts new clients with its service offerings and its dedicated focus on building



strong strategic partnerships with clients and suppliers. Our client provides a complete range of capabilities for customers from prepress through mailing and fulfillment. With a capable management team in place, and the principal of this privately owned company exiting for retirement, this is an excellent opportunity for a quality, growing acquisition.

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or by phone at 303-520-7803.**

▶ **Southeastern Print Solutions Provider**

Our client is an established, high-growth print solutions firm located in the Southeast region of the United States. The firm's strong year over year growth has been fueled by leveraging their core competencies of quality craftsmanship with 21st century technology to create a sustainable competitive advantage in the commercial printing marketplace. While high-end printing is at the heart of the company, they are a true end-to-end solution provider. From pre-press services to optimized manufacturing processes through on-demand fulfillment, the company offers their customers a complete communication package without the hassle of coordinating across several smaller firms.

**Contact:**

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or by phone at 203-856-0120.**

▶ **Central Texas Print Provider**

Our client is located in Central Texas and is one of the largest full-service commercial printing operations in this rapidly growing region of Texas. Sales in FY 2018 were \$10.3 Million, with Fortune 500 companies comprising a major portion of its client portfolio. Along with state-of-the-art prepress capabilities, the firm offers its clients a broad range of services including offset and digital print, plus variable data print, data processing, direct mail, fulfillment and warehousing services. The Company is family owned, holds minimal debt, and is profitable.

**Contact:**

**Joe Polanco @ [JPolanco@NewDirectionPartners.com](mailto:JPolanco@NewDirectionPartners.com)  
or by phone at 214-336-8586.**

▶ **Southwestern US Commercial Printer**

Our Client is located in a large city offering a full spectrum of print and web-based business tools. The company has a strong reputation within its industry and the local business community. The Company's technical resources include state-of-the-art digital premedia in conjunction with traditional offset

printing, digital presses, large-format capabilities, and comprehensive binding, mailing, and fulfillment capabilities.

**Contact:**

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or by phone at 303-520-7803.**

▶ **Producer of Flexible Packaging and Labels**

New Direction Partners has been retained to sell a leading producer of flexible packaging film, labels, shrink sleeves and pre-formed pouches. Strategically located in the Far West, the Company is growing and is highly profitable, generating revenues in excess of \$5 million with an EBITDA margin in excess of 20%.

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or by phone at 610-935-1000.**

▶ **Southeastern Packaging, Label & Commercial Printing Marketing Services Provider**

Our client is a privately-held marketing services provider specializing in the manufacture of folding carton packaging, commercial printing and flexographic labels. For over 25 years, their dedicated team has delivered award-winning, customer-centric, print and packaging solutions. The firm operates a state of the art facility with over 70,000 square feet of manufacturing and fulfillment space in a major Southeastern city. They offer a wide range of in-house capabilities and marketing services, integrating print with a variety of electronic correspondence, social media and mobile technologies. Annual revenue exceeds \$15 million.

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or by phone at 203-856-0120.**

▶ **Digital Book Printer**

The Company is a leading, response oriented digital book printer located in the Midwest. The Company's platform provides customers with the ability to print short run lengths more efficiently and cost effectively. All of the Company's revenues are generated via the Internet, eliminating the need for any sales representatives. The Company has grown each year to its current level of \$5 million in revenues and an extremely impressive EBITDA margin in excess of 30%. It has been exceptionally profitable each year.

**Contact:**

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or by phone at 610-935-1000.**

▶ **Highly Differentiated Omnichannel Marketing Partner**

Strategically located in the Midwest, the Company specializes in one-to-one communications by providing fully integrated marketing across all relevant channels including variable data inkjet print, personalized websites and interactive video. Its services encompass the entire cross media life cycle, including design through creation through personalized media solutions. The business has generated outstanding organic growth with unparalleled profitability. Revenues are approximately \$20 million with an unadjusted EBITDA margin in excess of 30%.

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▶ **West Coast Grand Format Printer**

The Company serves as a marketing partner to its customer base which is comprised of Fortune 500 type brands and retailers. Services include grand format, digital and offset production as well as cross-channel design, complete fulfillment/kitting and store-tracking. Operates in 150,000+ square feet with 125 employees. Revenues and EBITDA are approximately \$30 million and \$3 million, respectively.

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## Firms Seeking Acquisitions

▶ **Label Firm Seeking Strategic Add-ons**

Our client seeks to purchase Label firms anywhere in the US. Our client is well capitalized, conservatively managed and looking to grow its national footprint. The ideal target will be profitable with revenues of \$10 million or less.

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or by phone at 303-520-7803.*

▶ **Buyer of Digital and Direct Mail Firms within 150 Miles of New York City**

Client seeks to purchase digital printers and direct mail/mailing firms located within 150 miles of New York City. The ideal target will be profitable with revenues in excess of \$8.5 million.

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or by phone at 610-935-1000.*

▶ **Buyer of New England Commercial Printers**

Client seeks purchase of commercial, speciality, mailing and marketing printers/agencies throughout New England. Seeking firms with strong management, sales and production staff and a history of serving the corporate, institutional, and organizational markets. Poised for a quick transaction with capacity and funding in place.

**Contact:**

*Jim Tepper @ [JTepper@NewDirectionPartners.com](mailto:JTepper@NewDirectionPartners.com)  
or by phone at 508-523-9033.*

▶ **Buyer Seeks Wide and Grand Format Printer**

A national producer of Wide and Grand Format digital printed products seeks to purchase a manufacturing operation preferably in the Southeastern United States.

**Contact:**

*Tom Williams @ [TWilliams@NewDirectionPartners.com](mailto:TWilliams@NewDirectionPartners.com)  
or by phone at 203-856-0120.*

▶ **Buyer of Commercial Printers within 100 Miles of Philadelphia**

Client seeks purchase of offset/digital printers or mailing entities located within 100 miles of Philadelphia.

**Contact:**

*Peter Schaefer @ [PSchaefer@NewDirectionPartners.com](mailto:PSchaefer@NewDirectionPartners.com)  
or by phone at 610-935-1000.*

# Drummond Press Turns to New Direction Partners for Regional Expansion

The company grew from \$12 million in 2010 to \$48 million in 2018, largely through expansion into the Atlanta market.

John and Alberta (Peaches) Drummond founded the Drummond Press in Jacksonville, Florida during 1939. In those tough economic times, John and Peaches worked tirelessly to build the business and provide for their family. John would sell printing during the day and run the press at night. Peaches would run the press during the day and care for their children at night.

In the 1990s, this family-owned business added a direct mail and fulfillment division that now handles approximately 50 million pieces of mail per year. In 2006, they successfully installed the newest M110 web press in the Southeast, with significant in-line finishing capabilities. However, it was the adaptation of Lean Six Sigma manufacturing practices and commitment to integrated technology solutions that began in 2007 that has fundamentally changed the company value proposition.

The company is now run by John Falconetti, the founder's grandson, who represents Drummond's third generation leader and serves as Chairman and CEO of the business.

Over the years, Drummond's business has been enhanced through many acquisitions. These included Hilcraft Engraving in Miami, Trade Engraving in Orlando and Douglas Printing in Jacksonville. In 2010, John Falconetti met Tom Williams, a partner at New Direction Partners, at an event during Graph Expo, and shared with him that he was looking to expand to the Atlanta market.

"When Tom and I met, we had already begun a thoughtful process about who we wanted to be when we grew up," Falconetti said. "It's our 80th year in business this year, and we knew we were in a geographically challenged market in Jacksonville, where we had the majority of market share. Efforts at a "spoke and hub" distribution model, allowing us to serve other large southeastern cities was unsuccessful. While we felt comfortable with our model and what we were doing, we never were going to break out with a single location in Jacksonville. We evaluated Miami, Orlando, Tampa, Atlanta, and even Macon as locations for a second manufacturing site. We got excited about the opportunity in Atlanta. Now, looking back, our research and planning was spot-on perfect. We could not have been more fortunate to pick the Atlanta market. Many would argue we now have the largest commercial print production facilities and capabilities in the Atlanta market."

Working with Tom and New Direction Partners, Drummond was able to make three important acquisitions in the Atlanta market: Graphic Communications, Sunbelt Printing, and most recently, ProGraphics Communications "We went from zero to 60 in a very short time," Falconetti added. "We could not have done that without Tom's expertise, the relationships, the networking and the acquisition opportunities that came to us through him."

Today, Drummond's business has been consolidated into plants in Jacksonville FL, Atlanta GA and Detroit, MI. In 2010, when the company set out on this growth strategy, it had annual revenues of about \$12 million. In 2018, Drummond achieved a record \$48 million in annual revenue, with more than 45% year-over-year growth during the last fiscal year "When we started this journey in 2010," Falconetti explained, "we targeted 20% year-over-year revenue growth as part of our ongoing annual business plan. We were able to achieve those eight years of consecutive positive growth at an average of 19%. We feel strongly there is still a lot of runway, and we see no problem with continuing to hit the same percentage growth moving forward. Last year, it took a couple quarters to plug in our acquisitions and get it all running smoothly. This year, we will focus on organic growth, but with an overall objective of balancing acquisitive and organic growth 50/50. We have two of the largest projects in our company's history in the pipeline that we hope will close soon, both organic.



So, the year is looking great, and we feel good about achieving our goals. Getting established in Atlanta was just the shot in the arm we needed, and we have Tom and New Direction Partners to thank for helping us get established there in a fairly short timeframe.”

“John and his team deserve a lot of credit as well,” Williams stated. “Usually in the marketplace, you see a degradation of revenue following an acquisition, meaning that the acquired book of business may decline by 20% to 50%. Drummond set that on its head by taking that book of sales and increasing it by 80% to 120%. I only know one other company that has been able to achieve that.”

The company has achieved this outstanding growth by deploying a business process optimization (BPO) model. “We’re not out there selling printing; we go to market as a supply chain expert,” Falconetti stated. “We offer managed services, where we come in and provide a full assessment of the client’s needs at an enterprise level – we take time to understand what their challenges are in terms of expense control, time to market, redundancy of materials, obsolescence, etc., related to branded materials of all kinds. We look at whether they are capturing the metrics that allow them to make analytical business decisions, can we help the marketing department liberate savings in order to drive an improved ROI and whether the finance department has clear visibility into their total spend. To address this, we work with them by managing anything that has their brand on it – printing, promotional products, apparel, in a centralized technology enabled model that helps them control cost, enjoy increased efficiencies and better manage brand integrity.”

Examples of this at work include historically saving clients 22% through our in-depth assessments and postal audits that improve compliance and often reduce postal distribution costs by 15%. “Another client told us it would be great if we saved them money,” Falconetti said, “but the key thing they were looking for was time to market improvements. It was taking them three weeks to get to market. After we helped them redesign their materials and improve the product usability, they were able to reduce time to market from three weeks to two weeks. We also ended up saving them 12% to 15% as well, but that was third on their list.”

Falconetti concluded, “Tom, Peter Schaefer and I stay in touch on a regular basis. They are always there whether they are on retainer for a particular acquisition or not. They are accessible, and bring a tremendous level of knowledge and wisdom. I can’t tell you how much I value the friendship and wise counsel they have offered over the years.”

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New Direction Partners is an investment banking and financial advisory services formed by Peter Schaefer, Paul Reilly, Jim Russell and Tom Williams to serve the printing and related industries. Services include merger advisory services through the representation of selling shareholders as well as buy side representation, valuation services, financing and refinancing efforts, turnaround and restructuring services, and temporary/interim management consulting. To learn more about New Direction Partners, visit New Direction Partners’ website at [www.newdirectionpartners.com](http://www.newdirectionpartners.com).

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