

Masters of the Reprographics Business – Interview #2 – John Deermount

For those of you who do not already know him, I would like to introduce you to John Deermount, who, during his career in the reprographics business, operated in the New York City market area(s). The name of his company was, “The Blue Print Co./BP Reprographics.”

From Joel to John, I very much appreciate your decision to participate in our “Masters of the Reprographics Business” interviews. Without further adieu, let’s get on with our questions and your responses:

- 1. When did you first get involved in the reprographics business, and what was the first position you held? At about age 13, I started doing foot messenger deliveries for my father. Ours was a family business.**
- 2. How many different reprographics firms did you work for during your career in the reprographics industry? Our family firm and then ARC.**
- 3. For how many years were you in the reprographics business? Full time from 1971 - 2003, 32 years.**
- 4. Did you start a reprographics company from scratch, and, if so, how did you capitalize the company and how much capital did the company start out with? Also, did you start that company with partners, or, if you did not, did you add partners later on? No.**
- 5. If you did not start a reprographics company from scratch and joined an already existing business, how did you end up being the owner (or one of the owners, if there were other owners)? (Did you “acquire” a company? Did you move into an ownership position in a family-held company?) My older brother and I inherited the business from our father in about 1980. My brother died in 1995 and I ran it after that.**

6. If you had “partner owners”, how did that work for you? What are the good points have having partner/owners and, if there are any, the bad parts? **My brother and I balanced each other pretty well. We each had different strengths and we’d often disagree on the approach to a problem/opportunity, but we always agreed on serious issues.**
7. When you retired from the business, did you retire from the company without selling it, and, if so, did you continue on as an “absentee” owner? Any thoughts you’d care to share with us about being a retired “absentee” owner? **I worked for ARC as a regional CEO for four years after selling. The fifth/final year of my contract I worked on national sales strategy issues outside the office.**
8. If you sold your company (or more than one), when did you sell your company, and why did you sell your company when you did? Do you regret selling your company when you did? **I sold the company to ARC in Oct. '98. I had no intention of selling, but they “made me an offer I couldn’t refuse”. I always wondered what it would be like to work for a larger company and the transaction gave me that opportunity. We had made the digital transition and were doing very well. ARC was the market leader in many respects and I thought that it would enable our company to progress faster than the competition. I was very fortunate to sell when we did. I have no regrets, other than the fact that many of our long time employees and and customers are no longer with the company. The Blue Print Co. would have celebrated it’s centennial in 2013.**
9. At the time you sold your company, how many locations was your company operating? (not including “FM”-sites locations) **Two operating locations.**
10. At the time you sold your company, how many people were on your company’s team? **Thirty five.**

11. When you sold your company, did you agree to stay on with the company for a period of time after the sale? And, if you did stay on for a period of time after the sale, how was it different for you, if it was different? **I had a five year contract and stayed thru the end. ARC added a lot more controls and technology to our operations. After the sale we expanded very rapidly, going from \$6.5 mil. in sales to \$22.5 mil. in less than three years by buying four other companies in addition to internal growth. There was a lot of consolidation.**

12. Would you briefly share with us your frame of mind during the first year or so after you retired? Was it a difficult transition? Did you go through, or not go through, withdrawal? **The first few years were very exciting. Business was good; we were buying companies and the sales and profits were growing rapidly. I had some regrets later, but not now. I was VERY fortunate to sell when I did.**

13. Did your company ever “merge” with another company, and, if your company did, did the merger benefit your company, and, if it did, how so? **No.**

14. Different from a “merger”, did your company ever “acquire” another company, and, if you did, did the acquisition benefit your company, and, if it did, how so? **Prior to our ARC acquisition, we had purchased two local competitors which worked out well. We were able to absorb their operations into ours which was very accretive to our bottom line.**

15. Regarding any acquisitions or mergers you completed during your time in business, did they accomplish what you expected they would accomplish? With the benefit of 20/20 hindsight, what are the key issues to be aware of to ensure success with an acquisition or merger? **In general, our acquisitions went smoothly. Some consolidation was needed to eliminate duplicate overhead. Make sure that all parties understand the agreement and what’s expected of them. Small business owners typically are pretty set in their**

- ways. They need to understand how things will change and what's required of them to be successful, financially and otherwise.
16. What's your definition of "success"? **A balanced combination of meeting customer's, employee's and personal needs. It's NOT just about the money! If you can't step away from the business without honestly saying that you've met those needs, you didn't succeed.**
 17. Given your long experience in business, how did you, back when you were still in business, rank the importance of these issues, from the eyes of customers you did business with?
 - a. **Price - 3**
 - b. **Service - 2**
 - c. **Quality - 1**
 18. In your opinion, do customers rank those issues differently today, and, if so, how do they rank these same issues, nowadays? **I would suspect that today's market is more price conscious, because there are fewer ways to differentiate quality and service. There are fewer options with everything going to plain paper.**
 19. What's your philosophy regarding "team building"? **Having a dedicated staff is essential to success in any customer service business.**
 20. What was your approach to communicating with team members and encouraging/motivating team members to really get engaged? **Continuous training, visits to all shops, financial and recognition incentives. Treating them fairly.**
 21. How did you retain key team members? **Financial incentives, celebration of milestone anniversaries, positive feedback, support and encouragement.**

22. What was your basic business philosophy? **Treat customers and employees the same way you'd like to be treated.**
23. What are your thoughts on; collections, savings, borrowing, growth, owners role in business, delegation, profit? **Be firm, but fair on collections "we're your printer, not your banker"; borrow only for those things that will make you more profitable; grow, but don't make it an over riding goal; owners should be team leaders and set an example for their employees; delegate as much as possible to your employees, but monitor their progress; profits is a necessity of success, but not the only determinate.**
24. Kindly estimate the percentage of your sales that came from customers involved in the A/E/C Industry. **85%**
25. How did you communicate with customers? **Person to person visits, monthly newsletter, web site, open houses for new products/facilities/services**
26. How did you get feedback from customers? **Person to person visits, salesperson feedback**
27. What factors led to your company's success in its geographic market area? **Organizing our services and products to our customer's specific needs. Make sure that we had a culture of customer service from the top down.**
28. If you did attempt to do so, how did you differentiate your business from your competitors? **One point of contact for Customer Service, honest and direct communication and billing**
29. Were you able to expand into new services / business segments? And, if so, what services / segments did you add during your career and were your expansion efforts successful? If not, why not? **We added facilities management, large and small color reproduction, plotting. The only thing that didn't work well was the sale of**

materials. We kept it as a separate division which had too much overhead.

30. Did you expand your company's reach geographically, and, if so, were your geographic expansion efforts successful? If not, why not? **We had more than enough business in NYC and were concerned that we couldn't keep up our level of service outside our immediate market.**
31. What were your best sales techniques/tools? **Nothing beats a referral from a satisfied customer. Make sure you follow your customers when they change jobs.**
32. Did your company offer "Facilities Management" (FM) services? Staffed? Unstaffed? And, if your company was in the FM business, how did being in that business help - or, to the opposite extent, hurt - your overall business? **We were into FMs limitedly until we were part of ARC. ARC pushed FMs hard and they were an important and profitable part of our business.**
33. What business books, if any, would you recommend reprographers read? **Customers for Life - Sewell & Brown, Great Customer Service for your Small Business - Gerson, Positively Outrageous Service - Gross, The 7 Habits of Highly Effective People - Covey .**
34. Did you have a mentor (or more than one) when you started in business or later on, and how did having a mentor (or mentors) help you? **My father's general manager helped me a lot when I first started. Once I was established, the advice of my peers in IRgA was invaluable.**
35. Would you share with us two or three of the most significant "good decisions" you made during your career? **Opening our first retail store. Opening a second shop and store in a growing area of the city. Selling when we did.**

36. Would you also share with us two or three of the most significant “bad decisions” you made during your career? **Not buying our own building when we had the opportunity. Continuing a materials division that was losing money.**
37. If you could go back in time and start (or acquire) your business again - with the same tools available then but knowing what you know now - what would you do differently? **Be harder on under performing employees. Being more aggressive in our market.**
38. What’s your view of the importance of networking with other reprographers (competitors and non-competitors)? **Interacting with others in the same circumstances that were not competitors was very valuable. If nothing else it helped give you the confidence that “if they can do it, I can do it”.**
39. Is “branding” important, and, if you think it is, how so? **Our company was in business since 1913 with a reputation of quality and fairness. In some ways, it was “old fashioned”, but as long as you kept up with the technology, it worked.**
40. Which reprographics industry associations, organizations and/or affinity groups did you or your company participate in? Did your involvement with these associations or groups help your company’s success, and, if so, how so? **NY Blueprint Assoc., Eastern Regional Reprographic Assoc., IRgA, NAQP, RDA .**
41. What common thread do the following businesses/industries hold in common: newspaper industry, map and atlas industry, magazine industry, publishing industry, phone book industry, reprographic industry? And, can we learn something through that common thread; can our industry apply the 'lesson of the common thread' to our current circumstances? **They’re all changing to digital versions with the demand for printed information rapidly fading.**

42. How do you view the future of the reprographics business and industry, five years from now, ten years from now? **The product has changed from a printed image to data management.**
43. In your opinion, what are the key issues that reprographers should be concerned with, now and as time marches on? **How the hell am I going to reposition my company to make a profit????**

John, thank you for participating in our series of interviews.