COMPUFORM

EVENT ANALYSIS

I. TECHNOLOGY

A. Trends

1. Non Impact printers available cheaply.
2. Color work is now less expensive.
3. More color work can be produced in-house.
4. Electronic transfer/communication is becoming increasingly common.
    (1) EDI
    (2) Web Sites
5. Workflow automation (decreased use of paper forms).
6. Increased use of scanners.
7. More in-house capability.
8. Electronic (digital) presses are becoming more widely used.
9. Customers needs are changing.

B. Impact

1. Need to identify new services for customers.
2. There will be less printed product to sell.
3. Need to find new selling methods.
4. Need to become more creative.
5. Some of our current equipment will become obsolete.
6. Will need to acquire new equipment.
7. Need to identify a reason for customers to come to CompuForm.
8. Smaller margins in print work
9. May make consultative services a new option for us.

II. CUSTOMER NEEDS

A. Trends

1. Increased need for consultative services.
2. Increased need for "in-plant" operations
3. Increased use of "outsourcing" by companies
4. Warehousing
5. Fulfillment
6. Distribution
7. Electronic Connectivity is increasing.
8. Increased need for customer education re: new technology.

B. Impact

1. The above trends are areas for new profit.
2. Trends provide opportunities for customer retention.
3. There are opportunities for us to survive if we respond and become more diverse.
4. We need to stay on top of inter-connectivity trends.

III. COMPETITION

A. Trend

1. New people are entering the market place (e.g., CD ROMs).
2. More people entering the "unisource" market.
3. Mergers & Acquisitions are making our competitors stronger.
4. Companies like Xerox and 3M are offering products for customers to do it themselves.

B. Impact

1. Customers more self-reliant --reduced need for external print production.
2. Less revenue.
3. Tighter margins.
4. Opportunity for us to acquire a company.

IV. SELLING METHODS

A. Trend

1. Changing technology is going to require new selling methods.
2. Less relationship selling
3. More consultative selling
4. Need to get better educated about customers' needs.
5. Salespeople need to be better educated.
6. Need to touch more departments within our customers' companies--not just purchasing as was done previously.

B. Impact

1. Need to get more involved with customers--not just purchasing.
2. Need for better educated salespeople.
3. Information management background
4. Financial background/knowledge
5. Communication skills
6. Ability to gather, analyze and understand information
7. Knowledge of printing process and latest technology
8. All salespeople need to get more sophisticated with presentation skills--computerized presentations will become mandatory.
9. Customers need to see us look like "winners".
10. Customers need to see us using advanced technology.
11. Need to train all the staff to support new technologies.

V. TRAINING/STAFFING NEEDS

A. Trends

1. Need for a more highly trained, multifaceted sales force.
2. Need for <u>continuous</u> training for support staff.

B. Impact

1. Need to do more in the way of training of sales force.
2. Need to <u>continuously</u> train support staff.

VI. MERGERS & ACQUISITIONS

A. Trends

1. Companies are having difficulty standing on their own and therefore are joining forces with larger companies.
2. Annually, 22% of companies in this industry are either closing or being acquired.
3. This trend is expected to continue.

B. Impact

1. Increased competition with companies capable of being "unisources".
2. Fewer, but stronger, competitors.
3. Great opportunity for us to increase revenue either by acquiring companies or experienced sales people

VII. PARTNERING/STRATEGIC ALLIANCES

A. Trend

1. Competition is aligning with new technology companies.
2. Manufacturing plants are beginning to offer print management services.
3. Companies like Xerox are joining NBFA (DMIA)

B. Impact

1. Lesser equipped competitors can offer the same services we do.
2. More opportunities for us.

VIII. UNISOURCING

A. Trends

1. Companies are going to one source to handle all their print management needs.
2. Companies are downsizing, cutting costs.

B. Impact

1. Great opportunity for CompuForm.
2. Also expect to be facing more competition.

IX. NEW DISTRIBUTION CHANNELS

A. Trends

1. Software companies are entering the document industry.
2. Manufacturers/Directs are opening their doors to people companies like CompuForm.
3. Quick Print Shops are offering similar services.
4. Design people (e.g. ad agencies, design firms) are producing final product.

B. Impact

1. More competition!
2. More equipment available to us through the manufacturers/directs.

COMPUFORM

COMPANY STRENGTHS

- Good relationships with banks
- Complete internal capabilities
  - Manufacturing
  - Warehousing
  - Design
- Multi-product knowledgeable
- Technologically advanced ("State of the Art")
- Can respond quickly to customer needs
- Company reputation, image and appearance
- Strong balance sheet
- Vertical integration in airline industry

COMPUFORM

COMPANY WEAKNESSES

- Lack of dedication -- people not taking full responsibility
- Lack of marketing plans
- Poor sales growth
- Newness of management team
- Instability of computer system
- Lack of teamwork
- Lack of communication
- Lack of clearly defined roles, responsibilities and authority levels

COMPUFORM

COMPANY VULNERABILITIES/TREATS

- Loss of a major account (or the bankruptcy of a major account)
  - e.g. Tower Air, British Air, U.S. Computer Group
- Lack of consistently high quality will cause client base to deteriorate
- Pursuit of the "wrong" technology

COMPUFORM

COMPANY OPPORTUNITIES

- Develop a dedicated sales and marketing plan
- Management group working together as a team
- Expanding and marketing CompuCenter services
  - Advertising
  - Direct sales
  - TV/Radio
- Acquisitions and Mergers
- Digital printing
- Expanding and bringing to market print management services

COMPUFORM

COMPANY MISSION STATEMENT

We share a common mission:
To provide print management products and solutions which assist our clients in achieving their goals in a cost effective manner while exceeding their expectations for quality and service.

"SMART" GOALS

Specific

Measurable

Attainable

Realistic

Trackable

COMPUFORM

1996-1997 COMPANY GOALS

GOAL # 1
Finalize and implement marketing plan (w/ Jack Harms) by)October 1, 1996

GOAL # 2
To increase annual sales by $2mm through acquisitions by 12/31/97.

GOAL #3
Solidify relationships with the top 20 profit producing clients by 12/31/96.

GOAL #4
Capitalize on new technology opportunities (e.g. digital printing and imaging) and present our abilities in this area to 8 clients a month starting on 10/1/96.

GOAL #5
Develop plan to bring CompuCenter to market and present to local business community by 12/1/96)

GOAL # 1
Finalize and implement marketing plan (w/ Jack Harms) by)October 1, 1996

STEP	WHO	WHEN
Choose marketing consultant.	A.Q.	7/15/96
Develop marketing plan (consultant)	J.Harms	8/1/96
Review and revise plan.	A.Q. D.G. M.M.	8/15/96
Finalize plan	J.Harms	8/31/96
Hire sales person (a "hunter")	A.Q. D.Baird	9/15/96
J. Harms meet with Customer Service and Sales to introduce marketing strategy.	J.H. A.Q. M.M. D.G . New Hire ("hunter") Cust.Svc. Staff	9/30/96
Roll out marketing plan.	A.Q. (prime responsibility and oversight)	10/1/96
Obtain at least 2 committments for product management trials.	New Hire (the "hunter")	12/1/96

GOAL # 2

To increase annual sales by $2mm through acquisitions by 12/31/97.

STEP	WHO	WHEN
Hire 5 sales people	A.Q.	8/31/96
Meet with 2 additional sales people	A.Q.	9/2/96
Place ads in trade publications for acquisition possibilities	A.Q.	10/15/96
Secure financing (approx. $300-400K)	P.Mc.	9/30/96
Establish payroll and commission schedules	P.M.	10/15/96
Modify marketing materials	M.E. A.Q.	9/30/96
Train new sales people on CompuTrack	D.G. M.M.	9/4/96
Rearrange physical facilities to accommodate new staff	J.M.	8/31/96
Install phones	Deena	8/31/96

GOAL #3
Solidify relationships with the top 20 profit producing clients by 12/31/96.

STEP	WHO	WHEN
Schedule appointments on Wednesdays and Thursdays at - 9:00 a.m. -12:00 noon	D.G. M.M.	on-going starting 10/1/96
Complete 1st cycle of meetings	D.G. A.Q. M.M.	12/15/96
Distribute questionnaire and letter to customers.	D.G. M.M.	9/15/96
Meet to evaluate results and plan forward	D.G. A.Q. M.M.	1/15/97

GOAL #4

Capitalize on new technology opportunities (e.g. digital printing and imaging) and present our abilities in this area to 8 clients a month starting on 10/1/96.

STEP	WHO	WHEN
Visit clients to discuss workflow automation	R.M.	Begin 9/1/96 on-going
Develop a digital printing presentation.	M.M.	9/30
Generate digital printing leads (existing clients).	A.Q. M.M. D.G. All salespeople	Begin 10/1/96
Develop marketing letters re: technology.	J.Harms.	9/30/96
Distribute marketing letters.	R.M. M.M.	on-going after 9/30/96
Place articles regarding digital printing and imaging into CompuForm Newsletter	M.E.	11/1/96

GOAL #5
Develop plan to bring CompuCenter to market and present to local business community by 12/1/96)

STEP	WHO	WHEN
Solidify CompuCenter staff.	M.E.	9/30/96
Upgrade (if necessary) programs and establish reliability level of computers.	M.E. and U.S. Computer Group	?
Identify potential publications for advertising.	M.E. M.M.	8/30/96
Participate in local graphic artist associations (get list from M.M.).	M.E.	on-going
Convert CompuCenter to self-service.	M.E and vendors	10/31/96
Identify target mailing list by zip code and by industry.	M.E.	8/30/96
Establish reference file of freelancers.	M.E.	8/30/96
Develop plan for bringing CompuCenter to market.	M.E. J.Harms	12/1/96

OPERATIONAL ISSUES

- A.Q. needs to communicate industry trends and provide updates re: new technologies at management meetings.
- Have M.M. and D.G. listen to Marty Jacknis tapes.
- Define goals, roles and responsibilities and accountabilities (standards) for every employee and communicate to them.
- P.Mc. provide budgets to R. C. And M.E. by 9/15/96.