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GOLD MANUFACTURER OF THE YEAR
MARKMASTER INC., TAMPA, FLORIDA

GOLD MANUFACTURER OF THE YEAR

MarkMaster Inc., Tampa, Florida

by David Hachmeister

MarkMaster, based in Tampa, Florida, has been recognized as the 2011 Gold Manufacturer of the Year by *Marking Industry Magazine*. This is the third time the company has won, with previous awards in 2004 and 2005. *MIM* Publisher David Hachmeister spent time with Robert Govin and Katie Stahl, the great-grandchildren of the founder, to learn more about the company's operations and how the business continues to grow and succeed.

David Hachmeister: This is the interview with MarkMaster, our Gold Manufacturer of the Year, and congratulations to you both again. I've interviewed your grandfather and your dad; my dad interviewed his grandfather. There are a lot of generations involved in this, and through it all you've managed to sustain some pretty large growth rates and become a very large company now. As we walked through and did our little visit beforehand, I notice that you're also a very diversified company. Can you tell me a little about each of the areas your company is involved in?

Robert Govin: We primarily sell marking products. We also sell a large array of signage, both interior and exterior, as well as namebadges and other recognition projects. We also make large format banners.

DH: Do you do sublimation here?

RG: No, we actually don't. We tested it in the beginning phases, and I know it has improved since then, but we actually have gone more toward digital and laser printing.

DH: In terms of your stamp and engraving business, what percentage of your total business is that now?

RG: It varies, but I would say stamps are between 40 to 50 percent and engraving is 10 to 15 percent.

DH: Within the stamp business, I know you make polymer stamps and pre-inked stamps, but what's the ratio there?

RG: The ratio for polymer, self-inking or hand stamps would probably be about 75 to 80 percent self-inking; the rest would be a mixture between the various types of pre-inked stamps.

DH: How have you seen that market change in the time you've been involved in it?



Robert Govin and his sister Katie Stahl (carrying Savannah Stahl, due to arrive in October).

RG: Just in the time that I've been here, we've shifted more into self-inkers than pre-inked stamps. I think pre-inked stamps have taken a back seat, especially in this economy. I think part of it is that self-inkers have gotten better, and part of it is a price factor as well.

DH: What would you say the ratio is between a typical pre-

inked stamp versus a self-inking stamp?

Katie Stahl: There is about a 50 percent increase in cost when comparing a pre-inked to a self-inker. There's more variety as far as the style of the self-inker versus a pre-inked. You have a larger variety of color as well as the ability to have a multi-color stamp for a self-inker. People will pay a little bit more to get a self-inker they can customize, but it's still ultimately going to be less than a pre-inked stamp.

RG: About half, yes.

KS: So it's a significant increase. Self-inking stamps have also gotten much better. It used to be that if you wanted to get good quality, you needed to get a pre-inked, and self inkers and rubber stamps were less valuable.

DH: What technology do you think has improved the quality of self-inking stamps?

RG: I think that it's a mixture between the polymer getting better over time, as well as the quality of the stamp mounts. The self-inkers have gotten better; the pads are a different type of foam now. It's just a better quality product. Obviously, you're still not going to get the same impression as a flash stamp or pre-inked stamp, but for the majority of our customers, the self-inker is fine. They don't need a crisp, print-quality impression. They need a crisp, normal-quality stamp impression. Why pay double for something they don't need? I believe in upselling, but I also don't believe in upselling past what the customer's need is.

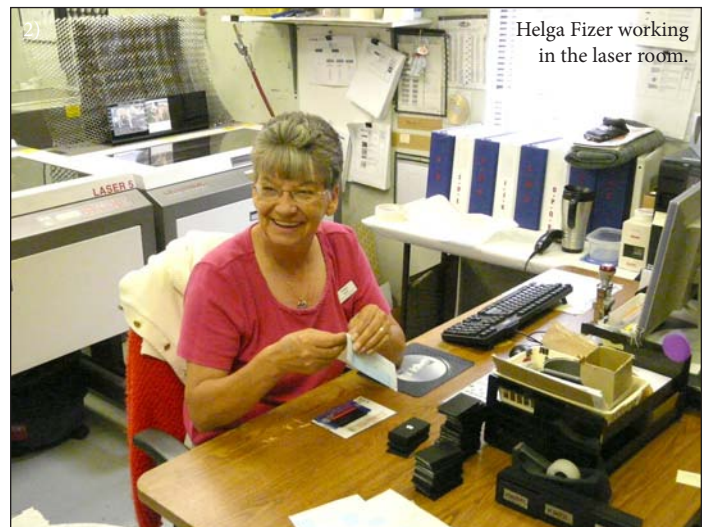
DH: If you upsell too far, I think you end up creating competition where it shouldn't exist because people will say, "Oh gee, I could get something very similar for 30 percent less..."

RG: Exactly. And we all have to compete with the online companies that are selling \$4 stamps.

DH: I'm glad you brought up the online companies. A lot of people in the industry are terribly afraid of online stamps and the whole sales and marketing process that those folks go through. What do you do to compete with severe online discounters?

KS: We actually have a "cheap stamp site" ourselves. Those orders come to MarkMaster when they are placed. We take a low-cost, basic self-inker with straight text and put that stamp on the website. We also offer some of our more expensive ones, but that way if someone does a Google or Yahoo search, they would still come to one of our websites and have options for cheaper models.

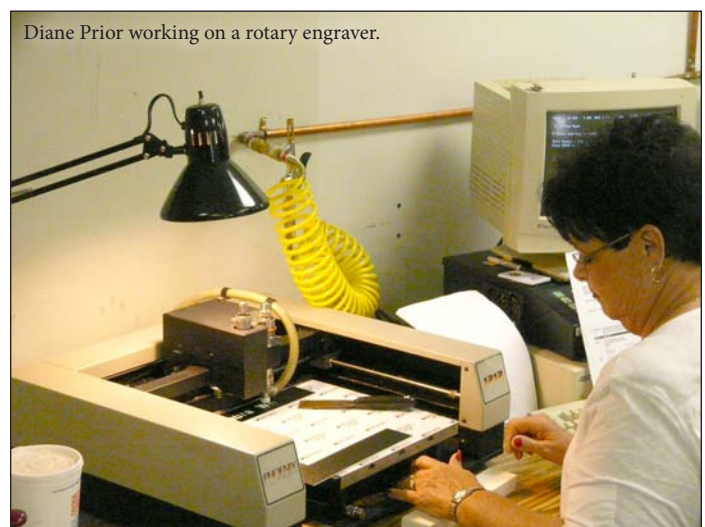
Now, that's not the same stamp you would get if you came to our MarkMaster website. We don't even offer a lot of those stamps on our website because we don't like the quality as much, and obviously there's less profit in them. But in order to compete



Helga Fizer working in the laser room.



Donna Stanley at a marking shipping station.



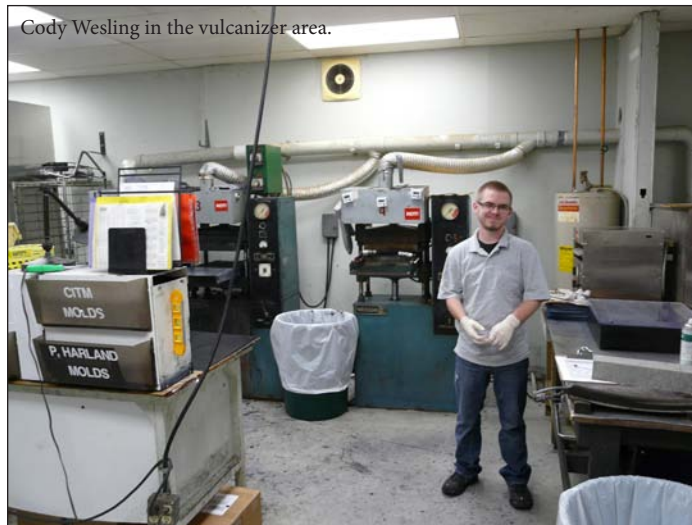
Diane Prior working on a rotary engraver.

with the online market, we have developed online only products. Those are a lot more of the stock stamps. We do still have customizable stamps, but of a lower quality than you would get

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if you paid a little bit more. We do find that some people will go to a cheap website—they Google “cheap rubber stamp” or “cheap stamp”—but get to our website and decide, “Well, rather than paying \$3 to get a really cheap rubber stamp, I’ll pay the extra \$4 to get a stamp that’s higher quality, or that way I can pick the color of my handle.” It’s the little things like that they’ll pay a little more to upgrade. They were originally searching for a really cheap stamp, and then they decided to pay a little bit more—still an inexpensive stamp, but not as cheap as it could be.

DH: In terms of flash, are you getting involved in a big way?

RG: Yes. We still do quite a lot of gel and Xstamper, but we’ve also gotten into the PSI Blue flash stamp. We like that it’s water-based and that it’s eco-friendly, which matters a lot to our company. That’s one of the things this generation is focusing on more—taking care of not only our customers but the

environment. It was started by the elders in my family saying, “We need to do this for financial reasons and also for environmental reasons,” and now we’ve carried it to the next step in this generation.

DH: It’s funny how, if you really are thinking long-term, that the two really do go hand-in-hand—that doing things in an environmentally friendly way is better in the long run for your complete environment, and the environment of the company you work for.

RG: Exactly.

KS: We have recycling programs that we offer for some of our customers, too. Rather than throw away a stamp, they prefer to send it back to us, and we’ll resell it to them or disassemble it and recycle the components. So it’s not just recycling as in, “We can send this thing to a recycling plant,” but there are other things that can be reused. Why buy a second magnet for your new namebadge if you can just reuse the same one that you had? It’s that kind of thing—just get a new die for your stamp. The fact that we allow that has increased business with some of our customers. Even though we’re not making a new stamp for them and making as large a profit per item, they’ll come to us because we offer them another option.

DH: Getting back to the online thing, do you find more of your customers doing the typesetting now than they did five years ago?

RG: We do typeset on some of our websites, but for the majority of our customers we still typeset here. Because at the end of the day the customer doesn’t really want that 2-inch tall, 13-character stamp that they think they want. That’s the primary reason. Also, with a lot of our customers, we have set templates as well, so that makes things a little bit easier.

KS: The customers that typically go to our non-MarkMaster sites, the sites that we typically have for cheaper stamps, where we just get the average Joe off the street ordering one or two stamps—at those sites, they actually get a screen with “This is what your stamp will look like.”

In those cases, we use auto typesetting. The exact way that they type it, we print it—we don’t proof it, and that’s part of the deal. It’s kind of like when you order your holiday cards online. You get your online proof, and you approve it or you don’t approve it, and they just print them out. If you misspelled something, you misspelled something.

That’s how it works for the customers that do their products through our generic websites. If they go to our MarkMaster website, we do typeset that for them. So that’s another way that we can do cheaper stamps for those customers. They want the cheaper stamp, they do their own proofing.

DH: Even at your less expensive sites, do you put the stamp together for them? You don't ship the die separately?

RG: Oh no. We would have very upset customers!

KS: Everything comes assembled; and in the same packaging as our standard stamps. They're just getting a little less expensive stamp. "Cheap" isn't the best term for it, because that implies quality; it's just less expensive. But we still go through the whole process—quality control, things like that.

DH: We talked a little about a change in focus in the business with the younger generation having ecologically friendly ideas more on their mind. Are there other areas you think maybe you're pushing the business in a little different direction than previous generations?

RG: I don't think that it's necessarily different; I think that it's more about advancing the current philosophies. For example, we've developed the recycling program that was started by my father and my uncle, and then we took it to the next step with recycling other products. We've taken it to the next step and found different products that we can now recycle, have recycled content in them, are reusable, or compostable. I will say when I first proposed disassembling marking devices to recycle them, I got a lot of funny looks. I think the change is really taking the next step with a lot of things. My family's always been really conscious of reusability, so now it's just adding the newer generation's opinions and ideas to the mix.

KS: Our customers are changing as well, but the basic business plan has remained pretty much the same; we've just added different things. We've looked at what some of the companies we strive to be like do, like the Fortune 500 companies, and asked ourselves: What do we need to do to get to that level? We've adjusted some of our personnel and some of the ways that customers interact with our customer service representatives. We've had a lot of changes recently related to our org chart, and it's more about getting on track with what's currently happening, whereas we were in that small business mentality for a long time.

Probably the biggest change we've had is in adapting to the growth. In 2010, we had a 20 percent increase in personnel. That was a major shift for us. We didn't even realize it was happening while it happened, and then somebody called to congratulate us on having such a big growth, and we were like, "Wow, we really did have a 20 percent increase."

DH: You mentioned that part of it is in how you represent yourself to your customers. Can you tell us a little about that—the different things you do in terms of representing your company to the public now—that you maybe didn't do five years ago?



Jr. Caraballo working the newest flat bed printer.



Lynn Orlosky working in the composition area.

RG: Well, for example, we have a Facebook page. We have different online mechanisms via e-mail, Constant Contact, and other ways to engage the customers. The customer no longer prefers to get phone calls. They want you to e-mail them your questions. They don't want you to actually talk with them anymore, which has become a shift we've had to get used to. We do have one fax machine in the corner; it gets used primarily when something happens with our Internet connection. That's really our primary focus shift.

We're also shifting to focus on the end result that the customer's looking for, because it might not necessarily be the hand stamp they called to order. They may actually be looking for flyers or signage, and they may not even understand that, yes, I could sell them a stencil, but they'll pay twice as much versus just getting the 15 signs that they wanted printed. That's really the big shift that we've had to get used to—newer ways, newer technologies, and operating under those technologies.

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The customer service area.



Samples in the ribbon department.



DH: How do you market yourself with such a diverse product line? You go to a customer and they might not even realize that you do banners because you've just sold stamps to them for decades. What do you do to let them know?

KS: A little over two years ago we developed a marketing department. Before we had a sales team that created its own material. They made flyers, pamphlets and catalogs, but now we've actually developed a full-time marketing department. We have different brochures, flyers, things like that that encompass all of our product lines, and they also do separate product lines for different flyers. Not every customer needs everything. To reach the customers we've had a lot of training, and we do continued education, basically, for all of our customer service representatives on a weekly or monthly basis. Somebody from a different department comes in—primarily Robert or my grandfather—and trains them on the new product: "Here is a new product line that we have, these are the benefits, here's how

you can sell it to the customers"—things like that. There's been a lot of education both internally and externally, and the biggest way that we do our business is basically just educating current customers, and then they recommend us to other customers.

RG: We've been very blessed. We have landed a couple of large accounts during the last few years over the recession, but one of the primary things we've tried to focus on with our sales force and our customer service is, "What else can we do for that customer?" Like Katie was saying, "Yes, we sell you stamps; now also let us sell you a namebadge," and that's really been beneficial for us over the past few years. Like Katie mentioned, we've had customers say, "Oh, we didn't even know you did that!"

KS: People like streamlining, too. I like to go to Target and get my clothes and my groceries and all that stuff. People like to be able to say, "All right, if I need a stamp or a namebadge, fine, I'm going to MarkMaster." They don't want to have to go to different people. We can save on shipping because we can put things together, so there's a big draw for the customers. Sometimes they can't do it—maybe they're on contract with someone else for that product—but it definitely puts it in their minds that, "Hey, next time this contract is up, let's see about MarkMaster because I like their website, I like their customer service."

That's kind of the big thing—we don't want our customers to be stagnant, we want them to constantly grow. The easiest customer to get is your current customer. That's definitely been our major focus—just growing our current clientele and the customer base. Locally, our industry's not huge; people don't often think, "Hey, I want to get a rubber stamp today." It's not really something that people think of. Especially as the generations go on, I tell people, "My family makes rubber stamps," and they look at me like I'm nuts—"How does your family survive on making rubber stamps?" They have no idea. It's a lot of education and saying "Look how much I can save you by doing this."

DH: They also only have an account open for one of five different kinds of products, and that's a lot easier from an accounting standpoint, just dealing with one company.

KS: And one place to go and order—things like that.

RG: One thing we have *not* changed that we think is very important—whenever you call any of our lines, you get an actual person. That is extremely important. I have vendors that hate me because I immediately dial 0. I don't want to talk to a machine. I'm calling because I have a problem, or because I want to give you more business, so why would I want to talk to a machine? We've honed in our customers and explained to them, "You're now with Jerri, and Jerri is going to take care of you. If

you have a problem, you call Jerri.” They know that if they call in and ask for Jerri, Jerri is going to know what their problems are, and to me that matters, instead of getting just any customer service rep.

DH: This past week I’ve had it up to here with exactly that. They say, “Tell me what you’re dealing with,” and I’ve already told three other people, and the latest one is now the fourth person I’ve told the same issue. That’s the wonderful thing about where you guys are right now—you’re big enough that you can have a sales staff and offer many different products, but you’re still small enough that it’s still Jerri that they talk to.

KS: We continue that online, with options other than going to our MarkMaster website or our other cheaper websites—they get the same customer service. I think that’s what sets us apart—we may be a few cents more, or we may be the same price, but if I’m calling in to place an order online and can’t get a hold of someone in one company and I find another company that’s pretty similar in pricing, I’ll call the next one.

Customer service is really one of the ways that we do stand out—we have quick turnaround times, online tracking, things like that. You kind of laugh, because people will panic about a rubber stamp: “I didn’t get my rubber stamp, what’s the delay?” It makes people rest assured if we can say, “OK, let me check the status,” and pull it up and say, “OK, it shipped out yesterday, and you’ll get it tomorrow.” It’s funny because people don’t often think that people would stress out about a rubber stamp, but if someone needs to notarize documents, then they need that notary stamp right away.

RG: I never get more annoyed than when I call to request information from someone, and they ask me all the same information that I just gave someone an hour ago when they were checking on the order. That’s something that we’ve really tried to eliminate. Honestly, anyone reading this magazine can make the exact same stamp we can. At this point, there’s nothing special about a stamp. It’s not the stamp that we’re selling—we’re selling our companies—and I think that’s something people sometimes forget in our industry. They want to sell the stamp: “This is the stamp you need, and I make the best stamps.” But at the end of the day, the person can go five blocks down the road and find another company that’s going to make the exact same impression. Yeah, it might not be the same brand, but that’s not going to really matter to the customer.

DH: It doesn’t make a whole lot of difference.

RG: I think that’s one thing that unfortunately our industry kind of suffers from—that older way of thinking. That sounds bad. Kind of how like my dad would say stamps are a needed nuisance. But we sometimes get too caught up in, “We are stamp makers.” We’re not really stamp makers, we’re image makers.



The Merigraph Type 50s.



Robert holding one of the badge templates.

We’re giving a customer an image that they’re putting on the paper. For example, we sold some of the contact markers that one of the vendors is now offering. It’s not a stamp, that’s true, but that was the best product for that customer, and that customer has now become a repeat customer all because I *didn’t* sell them a stamp.

DH: And you had the capability to sell them something other than a stamp. You mentioned online tracking—is that a software you developed yourself?

RG: Yes, we developed it ourselves. We’ve pretty much found that we needed to develop most of our own software. Nothing against the worldwide software developers, but we’re a little too unique as an industry. We’re selling you an image, but we’re not selling you an image like Vistaprint would be selling for a business card. I’m not trying to sell you a business card. Well,

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The first generation: Armand and Virginia Govin.



The flash portion of the marking department.

whenever we went out and looked, we found a lot of companies were offering us prepackaged software that didn't really work for our industry. Now there are quite a few that work for our industry, but when we started in the early 1990s, there weren't. Now we've got constant development, and we have IT personnel that work full-time on our internal and external systems.

KS: All these link together and go back to our accounting system, our customer service, shipping, everything. For example, Jerri's not here and if our customer calls and wants to check the status, the customer doesn't have to wait until Jerri gets back. The customer can give his information, and we can pull that order and let them know different things. Say Jerri gets an order, and she had a question about the spelling of something on a stamp because they spelled "Florida" wrong. Sometimes we'll catch that and say, "OK, they probably want it to be 'Florida,' but we want to double-check and make sure." She'll have left a message, and whenever she leaves a message on our online tracking

system, she writes a little note that says, "Called customer requesting information" with the information she requested. That way if she's out of town or on lunch break, the associate who answers the phone doesn't have to say, "Well, I'll let Jerri know that you called"—they can actually check and see the information she needed and then ask, "Did you actually want it to be spelled 'Florida' or is that the correct spelling?" And they can just go about their business.

There are a lot of things that we've incorporated—you can change the shipping methods, etc.—where all our stuff is integrated into one system that works for us. We can view previous orders, where we can look back and say, "OK, this customer orders 100 of the same stamp every two months." That way the customer doesn't have to go through all the steps every time, they can just say, "OK, we'd like to place a reorder," and we can look up that old order, print it out and do it again. It allows us to do a lot of different things with one system.

DH: I don't even know if I dare to ask this question, but what is the future of the rubber stamp business?

RG: I think that the future's fine for now. I think sometimes people are a little too down about our industry. Do I think that stamps as they exist now will exist in 100 years? No, but the stamps my great-grandfather made when he was in business don't really exist now, either. We still sell Bates numbering machines, yes, but the Bates Company probably never had any idea we would only sell four of them a year. It is becoming more of a commodity industry, but I think the industry needs to focus more on the personalization we offer. Yes, I can sell you a stock stamp, but look, you can have "Faxed" on your stamp, or you can have "Faxed by your name, your date"—everything on it that makes that stamp yours. Sometimes we don't take the opportunity to sell to our customers. And the way that printing costs are going these days, it may not always be cheaper to print a new sheet every time you change something. It might be easier just to put a stamp on there.

DH: Your family has a long association with the IMIA back when it was MDA—probably at least 50 years of a relationship. Several family members have been past presidents. I wanted to see where you see the IMIA now and also put in a little plug for the show coming up.

RG: I think the IMIA is extremely important in building relationships. I have friends in Nebraska and Minnesota which I would not have if I had not had one central location to meet people and build those relationships. I think it's very important as an association. I think the next few years are going to be extremely hard for the association because I think some tough choices are going to need to be made. But I think there's good life left in the association; I think that we need it. We need one unified place to handle issues. Hopefully, it'll still be there.

DH: There's also the Seal Manual. And the IMIA trade show is a place to get together and talk shop, which I think is an enormous benefit, especially because there are fewer stamp shops. They used to be able to get all the stamp shops in Chicago together for a Chicago club meeting, and there would be 20 or 30 stamp shops. Of course, that doesn't exist anymore, so now on a national basis, it's even more important that people come, because otherwise you don't get to talk to anybody.

RG: Exactly. There are really only about six in Florida that we really interact with, where before we used to have regional meetings, and there would be a hundred people. Now, they don't exist anymore.

KS: We use the Seal Manual. I use that personally just in the department I work in. I think it's great. It helps. I spend a lot less time researching that stuff than I would ever have to. You just have the system, it's all electronic, and our composition department really appreciates that.

RG: Do you want me to talk about who in my family is still active in the company?

DH: Yes!

RG: We've got my uncle and my father. My grandfather still comes in two times a week...

KS: Chairman of the board.

RG: ...to make sure we haven't burned the building down. My sister and I both work full time. We've both been throughout the building; I recently finished my time managing our production departments and am currently managing sourcing. Katie is currently managing our human resources department; I'm kind of finishing my cycle through the building. Our cousin Scott manages our quote department and my cousin Caleb, Kevin's son, also works part-time during the summer.

We try and meet at least once a week for a family lunch because we all do different things. Yes, I see my father at work every day, but I don't sit down and say, "Hey, how are you doing?" My brother, who doesn't work in the company, will still come to lunch at times. My mother, and everyone in the family, comes. It's truly a family lunch. That's because at the end of the day, yes, this is a company, but at the same time, family is more important than business.

DH: It's still a family business.

KS: We do talk business at that. It's not 100 percent family oriented—sometimes the family needs to be made aware of certain business decisions, and we do it there—but it is a time to sit down and say, "We still see you."



DH: It's nice to still have family in the area, too; we're kind of jealous of that.

RG: Yeah, we're a large Hispanic family, so it gets loud at times, but it's fun.

DH: Well, thank you very much! Congratulations, and I appreciate the time you took to sit down with us. This has been a great visit.

RG: Thank you!

MarkMaster Inc.
11111 N. 46th Street
Tampa, FL 33617
813/988-6000, 800/441-MARK
Fax: 813/985-6860, 888/667-8267
Web: www.mmstamp.com