

Business Start-Up fact Finder Manual

DESKTOP PUBLISHER

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Desktop Publisher

Vital Information

Start-up Investment

Low - \$700.00 (If computer and printer is financed). Home-based operation.

High - \$4,000 - \$10,000 Buy equipment and set up office.

Break - even time - 90 days to 6 months

Estimate of Annual Revenue and Profit

Revenue \$20,000 - \$250,000

Profit (Pre-tax) \$16,000 - \$110,00

An Exploding Market

According to recent estimates by business consulting firms this market has grown from roughly 3 million in annual sales in 1985 to almost 3 billion in 1991, and there is no end in sight. One of the real opportunities and challenges of this business is the fact that there are still millions of clients out there that as yet do not even know that they need the services of a desktop publishing service.

Desktop publishers use computers, laser printers and sophisticated software program in the preparation of high quality graphic material. The price of the equipment used is continuing to come down dramatically, therefore the start-up estimates may be high. The quality of graphic material which can be produced in this manner is so high that only a professional can detect the difference between material designed by desktop publishing and material which has been typeset. The latter has a somewhat higher resolution which is not noticeable to the naked eye. Much of the material you see in newspapers such as USA Today and magazines was prepared through desktop publishing.

Desktop publishers prepare graphic materials such as: brochures, flyers, full page advertisements, newsletters, books, proposals, forms and much more. Some desktop publishers will also perform word processing services for their clients. While some desktop publishers will prepare almost any kind of graphic material, many will specialise in one or more, such as newsletters.

While prior computer knowledge is a plus anyone who has a desire to learn the operation of a computer can acquire the ability to become a desktop publisher.

Quality laser printers which a few years ago sold for \$4,000 to \$7,000 can now be bought for under \$1,000. The laser printer is the key element in making desktop publishing possible. The laser in the printer is activated to "paint" a picture of the computer file which was created through desktop publishing software. As such it acts as a photocopier, by scanning back and forth at high speeds while the drum containing the toner rotates back and forth. The toner is similar to that used in photocopiers. It is attracted to, or repelled from the imaged or 'un-imaged' areas of the drum. As it passes the rotating drum it is transferred onto a piece of paper. This is called "camera-ready" material. It is taken to a printer to be reproduced.

To truly understand the continuing magnitude of this field, it is important to realise that until the invention of the laser printer, graphic material was either produced by graphic designers or typesetters in printing businesses. Since graphic designers were, and still are quite expensive their services were generally only available to the medium-sized and larger companies. The typesetter, on the other hand, who rarely had artistic ability prepared art-work for those who could afford the graphic designer. This material generally looked second class. Desktop publishing for the first time has made it possible for any size company to present itself with graphic material which looks every bit as good as the material that huge corporation use to sell their products and services.

Who Are The Customers And How To Find Them

Almost any size company and organisation is a potential customer. Many of the large companies have down-sized their P.R. and Advertising Departments during this recession. And medium-sized and small companies rarely have the equipment or personnel to perform this very specialised work in-house.

Potential customers are, for example: restaurants which require menu design, a painter who needs flyer to pass out, a legal firm which requires hundreds of different forms, a hotel which needs brochures, a writer who needs a cover design for his book, and we could add hundreds of other situations to this list.

You should join one or more Chambers of Commerce in your community and surrounding communities and other organisations which allow you to meet potential customers. Advertising in both daily newspapers -business section, or in the classified section under "business Services" will be very worthwhile. As soon as feasible an ad in the Yellow Pages will give your business additional visibility. Advertising in other business related publications in your community will also be beneficial. Direct mail directed to businesses and organisations will also be highly beneficial in most businesses, once you have found your first few customers, especially the "first big one" it will be easier to find other clients. Word of mouth of a satisfied client will go a long way and it will be your most effective advertising.

The quality and eye-appeal of your brochure and other sales material will be of vital importance. After all you are a desktop publisher and therefore your brochure should

very professional looking. Clients will also want to see some work ("your portfolio") which you have prepared for clients.

One of the best leads for new business will be the never ending flow of junk mail which you will receive from both local and out-of-town companies. Much of this material will not be very professional in appearance. You can gently and diplomatically suggest to a potential client how much more effective their sales campaign will be with professional looking material.. Since many potential graphic material is too expensive for their budget they will be pleasantly surprised when they learn from you that it can be prepared for \$15 to \$30 per page.

Operating Your Business

Most anyone without prior computer background, unless they are young enough to have had computer instructions in high school, will be initiated by computers. Yet slowly but surely computers are becoming as much a part of our lives as automobiles. And if you consider how little most people know about the operation of the automobile engine, but how well they can drive you will realise how easy it is to learn the operation of a computer. While books, operating manuals and even classroom instructions will be most helpful, the most effective way to learn is through practice. Basic knowledge of most software programs, including desktop publishing software can be acquired in about 20 hours. To become truly proficient will take about 2-3 months.

This business lends itself well to be operated from your home. Since you will be receiving clients it is important that your home-office be presentable and well kept. As you business grows you can move to larger quarters in an office.

Your initial expenses in addition to the equipment itself will pertain to basic office supplies, the preparation and reproduction of your sales material, advertising, postage and miscellaneous expenses. If at all possible get a second telephone line just for your office so you can insure it will always be answered professionally. An answering machine or telephone answering service will communicate with your clients in your absence.

Owners of new businesses will spend the majority of their time, during the start-up phase on finding new business. Your new clients will be looking for quality graphic material which is prepared in a relatively short time span (generally from 2 to several days depending on the project - larger projects may take substantially more time), at a reasonable price. The cost of your services are determined by what your competition charges which is pretty well determined by general cost of living expenses in your community.

It will be a good idea if you do some snooping around and visit some of your competitors as a "potential client". You will find their advertisements in local business publications and the Yellow Pages.

Since you are selling a service most of your revenue will go to the bottom - line and will become profit to you. Operating expenses will be relatively small for general office supplies, paper, laser printer toner, etc. Of course, you may have to finance the purchase of your equipment over a period of time. If your credit is good, financing will be relatively easy to obtain through most computer stores. Since new computer equipment is becoming outdated at an ever increasing speed it is best to buy equipment on the lower end of the price range even if your budget can stand the higher outlay of capital.

Small businesses and organisations will be requesting credit extension. Your care in granting this privilege is important. Nothing is more aggregating then selling a service "your time" and not get paid. It is not at all unreasonable to request payment up front with new and small business clients. Once you have granted credit to a business or organisations set down strict rules and stick to them. In general there rarely is justification to carry any client beyond 60 days.

As you expand and require assistance to carry the work-load consider hiring "outside contractors" instead of employees. There are many individuals who have the knowledge and equipment to free-lance with desktop publishing. You will be saving the various benefits which are required to pay to employees and which average about 20 - 30% of salary.

Resources

Publications: Publish, P.C. World, Mac World are the best known publication. New ones are coming on the market on an on going basis.

Organisations:

Most of the major desktop publishing software programs sponsor user clubs/organisations throughout the country, such as Ventura Publishing.

Education:

Almost all colleges and university have an extensive curriculum in various computer instructions including desktop publishing. There are also various private instructions available thorough seminars, etc.,however, these tend to be quite expensive.

For additional information helpful in setting up your new business, information about licenses, permits, the legal structure of your business, taxes, insurance and much more refer to the Business Start-Up Fact Finder Manual.