

PHOENIX GROUP: GROWING TO SCALE WITH A STRATEGIC PARTNERSHIP

While the commercial printing industry continues its consolidation, Phoenix Group stands out as a serious player with a wide array of printing, mailing and fulfillment services without undergoing traditional consolidation. In a recent interview with Christopher Santomassimo of OGC Solutions®, Dean Baker, Phoenix Group's CEO, discussed strategy, its focus on cybersecurity and business continuity planning, and joining forces with ICS Corporation.

Combining Resources and Expertise

Mr. Baker highlighted the industry's recent interest from private equity firms outside the printing industry in acquiring packaging, label and commercial printers. "There has been very robust acquisition activity in the last two years or so, where private equity firms are seeing real value as well as opportunity to consolidate



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— Dean Baker, CEO,
Phoenix Group

or bring together companies with complementary services to provide single service platforms for clients,” Baker notes. “The acquisition activity really began in packaging and labels but has bled over into general commercial print and direct mail.”

Rather than boarding the consolidation train, Phoenix Lithographing and ICS Corporation have created a new company called the Phoenix ICS Group of Companies which formalized an already great working relationship. Headquartered in Philadelphia, the new corporation has a diverse range of sophisticated clients, including major credit card companies, pharmaceutical companies, and financial institutions. The company provides a single-source solution for Fortune 500 companies,



covering data management, print production, letter shop services, commingling, mail, and more. Phoenix ICS Group of Companies has landed several major contracts in the past year, and is well-positioned to compete with big-box providers in this space.

The joint venture is a “partnership” that achieves critical mass and efficiencies while preserving capital for other important investments. The result: a printing and direct-mail powerhouse capable of printing 75 million pages per day and mailing 100 million pieces per month. “Phoenix is rather unique in that it has such a broad range of capabilities that come together to create a single-source provider,” explains Baker. “For example, the wide array of capabilities spans from printing prescription instructions in small quantities on digital or sheet fed presses, to creating large quantities of materials on cold-set webs with specialty folding, to sophisticated collateral materials” for the pharma

industry. The direct mail side of the business has been very active. “We’ve got a very strong footprint in, for example, working with major credit card and finance companies, and their direct mail offers have been going gangbusters particularly in the last year. They were actually mailing at volumes higher than they were pre-pandemic,” says Baker.

Diverse Capabilities and Diversity Supplier Options

Phoenix’s wide range of capabilities and equipment translates into options for clients and customers to maximize output while effectively managing costs. The diversity of capabilities helps Phoenix ride the waves of economic and market changes smoothly. For example, Baker notes that, “while many suppliers have fallen by the wayside after the SEC eased the rules on printing annual reports, Phoenix Group has been diversified enough to stay busy” and pivot while some of their larger competitors have retrenched and closed plants around the country.

Phoenix also offers clients options to help them meet their diversity procurement goals. Within the Phoenix Group of Companies is a NMSDC certified minority enterprise and a Combat Disabled Veteran-Owned Business.

Innovation Marketing and Communications is a minority women-owned business that specializes in fulfillment services, online store fronts, direct-mail trigger campaigns and more. Phoenix Veterans Print Corporation is a combat disabled-owned business that specializes in point-of-purchase displays and packaging.

Cybersecurity is Critical

Given their handling of customer data for customizing output, cybersecurity is a major focus for Phoenix Group. Both Phoenix and ICS facilities, are SOC2 certified and focused on maintaining a secure data environment and protocols for handling PHI and PII data. “Intrusion prevention and business continuity planning are a big part of our SOC2 certifications,” says Baker. He has first-hand

experience with data intrusions at a former company which suffered a data breach in 2018. Baker emphasizes the importance of business continuity planning, adding, “if you get hit, the question is, how fast can you recover?”

Fulfillment

According to Baker, fulfillment has been an area of growth for Phoenix Group during the pandemic. With consumers working at home, “all of a sudden they were signing up for services they hadn’t bought before,” which multiplied Phoenix Group’s fulfillment business in short order. The company has even built a storefront for clients and is able to accept data feeds from customers and their legacy software platforms.

2022 was a big capital investment year for the company, with a focus on direct mail. In fact, Phoenix Group added 50% capacity for self-mailers and installed its first digital web press which can print variable 4 colors and personalized content on both coated and uncoated papers, which Baker describes as a “game-changer.”

Print is Exciting!

Dean Baker shares our excitement about and fascination with the modern printing industry. “When you talk about the excitement about print, I don’t think a lot of people really understand what goes into it – the equipment, the connections with technology, the number of people that are involved in producing a job and the customization that’s available.” Even veterans of the printing industry are amazed about the confluence of offset and digital printing technologies.

“I find it fascinating when you’re in a facility like ours where you have everything from digital sheet-fed presses to wide-format devices, to traditional offset presses and massive high-speed web presses,” says Baker. The diversity of equipment and technologies truly makes Phoenix a one-stop-shop for customers’ printing and direct-mail requirements.

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