

With over 700 Locations worldwide, offering Design, Printing and Shipping Services, Website and Mobile Site Design, Hosting and Mobile Printing Capabilities, PostNet Neighborhood Business Center is helping Small Business and Entrepreneur Customers Grow and Prosper

**Business Services
Small Biz**

PostNet
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**Steve Greenbaum
CEO**

About PostNet:

PostNet Neighborhood Business Centers provide marketing services and specialize in meeting the design, printing and shipping needs of small businesses and entrepreneurs. Founded in 1993, PostNet has over 700 locations worldwide, including several hundred international locations. Select PostNet locations across the country now offer website and mobile site design and hosting and mobile printing capabilities. Each PostNet franchise is locally owned and operated. For more information

about PostNet services, please visit postnet.com.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Greenbaum, what is PostNet?

Mr. Greenbaum: PostNet is a Neighborhood Business Center. We exist to help small businesses and entrepreneurs grow and prosper. We help them get online, increase their presence on the web, go mobile, participate in social media, grow their customer base and position themselves to take advantage of many of the contemporary integrated marketing strategies that are available today.

CEOCFO: Is there a typical customer that would be coming to you for services?

Mr. Greenbaum: Yes absolutely. Our customer base consists of startups, home-based small business owners, one or two-person enterprises who are looking for help with fundamental marketing strategies – everything from branding to a website to the creation of materials and more. We have existing businesses of all sizes. Typically, it is the companies with forty employees or less that are our sweet spot; those that are small business-oriented, who want to improve their customer acquisition and their web presence. They want to understand and ensure that they are leveraging all of the existing opportunities in digital and social. For this reason, mature companies that relied on the yellow pages for years come to us for help.

They have done business the same way for a long time but now realize they need to update their approach to remain successful. Mature businesses need to do everything from update their business image to create an online presence and then threading that online presence through all other marketing materials across all channels. Another huge category for us is trades people and small independent professional offices.

CEOCFO: There are many companies that provide some if not all the services you provide; how do people find PostNet?

Mr. Greenbaum: There is no single business today that is purely focused on the needs of small businesses. In other words, there are printers, marketing companies, public relations firms, digital marketing firms, etc., but there is not one business that is specifically focused on supporting local small business within its community. We have a local voice, a local presence, and we are small business owners who are actually using the tools that we support and sell to our customers. This is an explored niche that has never been done before; PostNet is the first to create this model.

People are able to find us because we practice what we preach – at helping entrepreneurs create online visibility. For example, we have high search engine optimization and placement, and are therefore easily found with common search terms in Google. Alternatively, potential customers could go to PostNet.com and search our

basic products and services. Depending on the searcher's proximity to a PostNet center, there is a very good chance that our local marketing – our local search engine optimization – is going to pick them up if they are looking for what we do.

CEO CFO: What are some of the most common searches?

Mr. Greenbaum: Websites, web development, digital marketing and business services are the key categories.

CEO CFO: What is the typical community and interaction?

Mr. Greenbaum: Our offices are located in small rural communities, and in large urban areas like New York City and Denver. If a town is under ten thousand in population, but they are a county seat that might draw from a larger area, we do extremely well in those kinds of markets. Small businesses in those types of areas really need our help because services like ours are typically not available. We also do well in major metropolitan areas. What changes is the diversification of the small business owner. In downtown Denver, we are dealing with a small to mid-size business – competing for its print projects, providing digital marketing support, direct mail campaigns and maybe even becoming an outsource partner. In smaller rural communities and some of our suburban locations, we are more of a friend or a partner to small businesses in the community.

When it comes to interacting in the community, our franchise owners are communicating regularly with local clubs, schools, churches, community organizations. They are members of business networking groups like the BNI, or other similar groups in the community, and they are supporting local events. They become a champion and a partner to small business in the community, and they position themselves to be visible, supportive and out to build long-term relationships with small businesses in the community. It is not just a transac-

tional relationship where a customer needs to print something, needs copies, signage or needs to ship a package. Our objective is to get to our customer and understand their needs, to be in a position to help support those needs on a long-term basis.

CEO CFO: What do you look for in your franchisees?

Mr. Greenbaum: We look for people that are relationship builders. They do not have to have a sales and marketing background, but they cannot have any obstacles or adversity when it comes to going out and meeting people in the community, promoting themselves or their business. People with leadership skills are wonderful because in many ways they coach and mentor small businesses. Part of what they do is talk to clients about what they want to accomplish, what their obstacles and objectives are,

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and then they coach them through ways to achieve the desired results.

The leadership coaching mentality – no obstacles or barriers in terms of business or self-promoting, sales, marketing - is important. They don't have to be sales pros, and they don't have to be digital marketing experts or web gurus, because when you talk about a model like ours, the first thing you think about is how you will deliver those products and services and how much skill someone needs in order to do so. We have partnered with companies that provide the technology platforms and services and they support us under our brand to deliver these products and services to the community. The franchise owner oftentimes is not doing the website creation or the SEO (Search Engine Optimization) work, nor is he or she building all of these digital marketing strategies.

Our partnerships with larger technology companies are mutually beneficial: they want access to the small business community but are not able to work with one small business owner at a time. Through PostNet they reach hundreds of businesses with which the PostNet franchise in the community has already connected.

CEO CFO: What is your geographic reach; where are you outside the US?

Mr. Greenbaum: We are now in nearly a dozen countries. I say nearly because we have some new licenses that have not opened yet in Costa Rica and the Dominican Republic. We have 250 locations in South Africa and we have been there since 1994, just after Apartheid ended. We are in a number of locations in South America. We are in Canada. We had great growth in Panama. Overall, we have had exciting international developments. There is so much room for both domestic and international expansion for PostNet because of what has happened in the world today. There is a growing movement in entrepreneurship, a need and a demand for people to seek opportunities other than employment, because of changes in the workforce as a result of the

economic impact and other factors. These folks are looking for a small business, whether it be a franchise, startup or home-based. They are in desperate need of the kinds of services and products PostNet provides. If you were a small business owner at the local contractor level and in need of these products and services, you would not find them in a marketing company. These businesses do not service that niche because it is not the client base that they are looking for. It is also an unattainable cost structure for small businesses today. We are the first solution to embrace small businesses and offer them the help they so desperately need.

CEO CFO: Are the end customers paying per service, what is the revenue model?

Mr. Greenbaum: The revenue model is primarily recurring though there is

some transactional. In the case of websites, search engine optimization or any marketing campaign strategy – when over the course of a period of time we are implementing, monitoring, measuring results – there is an initial upfront fee as well as ongoing fees. This recurring revenue model is more stable for our franchise owners and for small business owners. It is easier for our customers to participate in a longer-term strategy with less money per month than to make big investments upfront in technology, digital marketing and some of the other things we are doing. It is there to serve the customers' needs and there to improve cash flow in the business. It is primarily recurring. Transactional would be any individual shipping, printing or copying projects. We are business-to-business focused but we are also consumer-friendly. We have people that will literally walk into a PostNet location who will want to print signs, banners, yard signs and wedding invitations.

CEO CFO: Are there services you would like to offer?

Mr. Greenbaum: Absolutely. We recently added text-based marketing to help small business owners use this tactic for revenue-building on-demand programs. For example, if you are a local bakery with a product or a local restaurant, we can push text-based messaging to the customer base encouraging them to come in for two-for-one specials during certain hours of the day. It is an exciting new model. Customers have to opt-in, but there are marketing strategies to build that along with loyalty programs. We also provide business-planning services for small businesses. For small business owners who dream of growing their customer base but do not have a plan to take you from where you are to where you want to be, we have partners that can help. They sit down with a small business owner and help them not only decide where they want to be but how to get there, what steps to take along the way. Accounting and financial services is a product we are vetting now with some vendor partners because we know many small businesses need that help. Tax

services, tax planning is clearly a very important service as are personnel services. As small businesses grow, they need to hire to build their organization. Sometimes temporary personnel solutions or even using personnel services is a better way to go. We understand that small business owners do not have the resources to commit to higher-cost bigger companies, so we work with service partners that are focusing on the small business owner, customer base as we are.

CEO CFO: Giving back seems to be important at PostNet, what organizations do you support?

Mr. Greenbaum: It starts culturally as an organization. We are fundamentally an organization of entrepreneurs. We understand the value and opportunities we have been given and the support we have had from the community and our customers – so we have a strong desire to give back. This year we participated in a number of programs.

We had a franchisee diagnosed with Lou Gehrig's disease, a gentleman named Dennis Coogle. He gave his heart and soul to this organization. He used to tell me if you cut him, he would bleed PostNet red. He was a sweetheart of a man that went out of his way to help other owners and small businesses succeed. We wanted to support that in his honor and in his name so this year we hosted a national fundraiser to support ALS Association, fighting Lou Gehrig's disease. Our corporate office employees also recently participated in a night walk in Denver for the Leukemia and Lymphoma Society, as well as Crohn's and colitis. Culturally, our belief is that we have been blessed with the opportunity to serve. That has made an impact on us and we feel that by giving back, we illustrate our commitment to the community and do something that feels good.

CEO CFO: What has surprised you most as PostNet has developed?

Mr. Greenbaum: From where we started and who I was, what surprises me is that nearly thirty years later, I wake up excited about my day, about

where we are taking our business, about the opportunities we create. That is a blessing and I do not think many people can say that. Then there is the opportunity for me to continue to learn to grow and become a mentally better CEO, person, employer, husband and father. Those are the things you do not expect to get back from business.

CEO CFO: What is ahead?

Mr. Greenbaum: The short-term opportunity here is to tell the story about our business and brand and continue domestic expansion here in the United States. There is so much demand for our products and services, but we will continue with conservative thoughtful growth throughout the US, with a focus on international expansion. I love what I am doing; it is a great opportunity. I do not see in the short-term going public or doing anything in terms of disrupting our ability to be responsible and accountable to our shareholders, franchisees and families. Having said that, there will be more focus on our continued growth, brand positioning, expansion and making this a great experience for franchisees, customers and anyone the brand touches.

CEO CFO: Why should the business and investment community pay attention to PostNet?

Mr. Greenbaum: People should pay attention because we have recognized an incredible need in communities all across America and have created a support system for small business. We believe that small business is the economic engine that is going to drive this country out of our current situation and create dynamic independent incomes and opportunities. It is then easy to take a look at business like PostNet and see that someone has created a concept to fill a unique niche with incredible demand and unlimited potential. That makes PostNet desirable and not only interesting if you are a small business owner or a consumer, but also a business model that should be of great interest for anyone looking for investment opportunities.



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