

Print Broker Golden Pacific expands on the Web

32-year-old company picks up big chains with purchasing system

BY LORALEE STEVENS BUSINESS JOURNAL STAFF REPORTER

ROHNERT PARK – Golden Pacific Systems has come up smiling from a scary dive into the cyber sea. Today, a new, Web-based business model and target market have allowed the 32-year-old print broker to triple its sales in two years and play on the national stage.

After supplying business forms and brochures to North Bay businesses and county agencies since 1977, Golden Pacific saw its business fall off as customers discovered the ease and low cost of ordering digital printed material from the Web.

To turn things around, company Vice President of Marketing Jon Sooy started by reviewing Golden Pacific's enterprise software and discovered an online ordering module that had been overlooked. It became GPnet.

"We created a niche market of branded material procurement for companies with multiple locations, chains and franchises," said Mr. Sooy.

The GPnet service, which includes product sourcing and fulfillment, turned out to be an easy sell for companies like Baskin & Robbins, P.F. Chang's, Togo's, Cattleman's and others.

"It took a load off my back," said Michael Powell, CEO of 17-franchisee Powell's Sweet Shoppe.

"As we grew, we were dealing with a dozen different vendors for bags, napkins, aprons and other collateral material that's used every day. It had to be bought, warehoused and delivered. That's not how we want to spend our time and resources, and dealing with multiple vendors was confusing for our franchisees."

Golden Pacific provided an addition to the company's Web site where franchisees could log in and order whatever they needed, including marketing materials.

"There's a markup on the products, so for us it's not a

cost-cutting system, but the extra cost is outweighed by the ease of use. It's a great selling point for new franchisees," said Mr. Powell.

Golden Pacific taking care of purchasing is an added bonus, he said.

"They're acting as our bank."

Wade Howard, manager of supplies and services at P.F. Chang's, called GPnet the equivalent of "a full-time employee solely devoted to increasing our productivity and profitability."

According to Mr. Sooy, larger chains realize significant cost savings from the GPnet solution, a minimum of \$50,000 the first year in work force, sourcing and fulfillment costs.

Golden Pacific's sales shifted as its market changed. As older customers dropped off, new ones took their place.

"In 2008, our traditional local business fell off by 19 percent," said Mr. Sooy. "But GPnet business grew by 20 percent."

Twenty-six-employee Golden Pacific still serves customers like Nelson Staffing and Cattleman's, and recently acquired the Independent Business Group in Hayward to expand its local clientele.

But its growth throughout North America has outpaced local advances. Red Mango deploys GPnet as well as many other well known multiple-location chains in the US and Canada.

Sales of \$3.5 million in 2005 and 2006 jumped 39 percent in 2007, flattened out in 2008 and jumped again 54 percent last year. In 2010, Golden Pacific expects about \$11 million in sales.

"We are currently stepping up our R&D to include integrated e-mail blasts and direct mail marketing options," said Mr. Sooy.



Jon Sooy



Golden Pacific's customized Web sites give franchises a quick and easy way to order branded material.



For further information: www.goldenpacificsystems.com.