

The First Step to Greater Profitability for Your Company

It may be hard to believe that a management tool can make a real difference to a company's profitability. But it's true! Printers and others in the graphic arts business demonstrate that the Printing Industries of America *Ratios* studies play a significant role in the growth and success of their companies.

By reviewing key information from the company's operations, then measuring themselves against the most successful companies, *Ratios* participants found efficiency and productivity improvements that helped contain expenses, produce more billable work, and identify opportunities for revenue growth.

One Virginia printer found that using the *Ratios* helped a modest 5% increase in sales result in an amazing 46% increase in profits. And Clarke Creative Marketing & Print Communications achieved these results in just two years! Says Clarke Creative Marketing & Print Communication's president, Victor Clarke, "We are very enthusiastic about our results." The company set up benchmark targets for net profit, sales per employee, profit as a percent of value-added, manufacturing, and support. These benchmarks are shared with all employees, who then identify individual goals to help reach the company's collective goals.

An Ohio printer agrees with this approach—so much so, that the owner had the *Ratios* built into the monthly financials. This way, Jim Hopkins, Hopkins Printing, receives an "ongoing overview of how we are doing in each category."

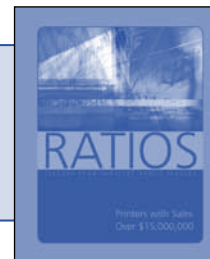
As you can see, many companies find tangible benefits from participating in the *Ratios*, whether long-time users or new practitioners—companies from across the U.S. and Canada, of a variety of sizes, which produce a variety of graphic arts products: sheetfed print, web print, digital print, labels, newspapers, magazines, and books as well as general commercial print. There is even a series for trade binderies and binder manufacturers.

So why should you take an hour out of your busy day to participate in the *Ratios*? (And yes, it really takes just an hour. Most survey participants—even those new to the *Ratios*—report that they spend less than an hour completing the survey.) Because hundreds of companies have found that the *Ratios* helped their company become:

- more efficient
- more productive
- and more profitable

All of which adds up to a company that is, on average, eight times more profitable than the competition!

Participants receive a free volume of your choice:
See order form on back cover.



Make the most of the *Ratios* with a special report created just for your company.

The **Customized Financial Analysis (CFA)** is a valuable management report for charting the future of your business.

A detailed, organized presentation of key information on your individual business, the CFA shows:

- Your firm's revenue and expense dollars
- Your expense and balance sheet ratios
- Benchmarks of other *Ratios* study participants, based on both sales revenue and value added ("inside sales")
- What profit-leading printers spend in key areas of production and overhead
- Ratios for . . .
 - Only those firms similar in size, based on sales
 - Only those firms producing the same products that you do
 - Only those firms using the same process you use

With these details, the CFA can quickly help you identify those areas of your business that are running efficiently and pinpoint those that need attention. Based on the differences between your company and other companies that lead the pack in profitability, you will have a good idea of how well your company is doing, how serious a problem is, and how much corrective action may be necessary.

Designed with the busy graphic arts executive in mind, the report lets you cut straight to the information relevant to your company. For instance, a web-fed offset printer producing magazines and periodicals, with \$8 million in annual sales, can, by using the Customized Financial Analysis, compare his/her performance against only those firms sharing those particular characteristics, including "profit leaders."

Reporting information on virtually every facet of your business, this document provides the initial analysis every company needs to strategically plan for both the short-term and long-term: set goals, guide marketing efforts, improve efficiency company-wide, and provide a resource for fiscal planning.

Available only to companies participating in the *Ratios* Study program, your own Customized Financial Analysis costs members just \$175. Think of what it would cost to get your company's accountant to put together this kind of personalized information—hours of research plus the time to actually complete the analysis. For the incredibly low fee, MargolisBecker, specialists in financial services for companies in the print industry, will develop a valuable management tool to aid your company in achieving greater success.

Questions about classifications or any other section?
Please call **MargolisBecker at 610-667-4310.**

INSTRUCTIONS—COMPLETING THE *RATIOS* SURVEY

There are several options for participating in the Printing Industries of America *Ratios* Survey.

Option 1

Use this *Ratios* Survey Form. Directions on how to complete each section are provided side-by-side with the actual survey.

Option 2

Use the electronic Survey form. A preformatted Excel file, it can be downloaded at www.printing.org/ratios. Once completed, the file can be submitted via email to smargolis@margolisbecker.com or regular mail—just print the survey and mail to:

Ratios Study
MargolisBecker, LLC
Eight Tower Bridge
161 Washington Street, Suite 430
Conshohocken, PA 19428

Instructions are included with the file.

Option 3

Participate online by going to www.margolisbecker.com/WebRatios/UserLogin.aspx. There you can enter your data using the online form and subscribe to F.R.E.D (The Financial *Ratios* Electronic Dashboard). To learn more about F.R.E.D and all the benefits of a F.R.E.D. subscription, go to www.printing.org/ratios.

Option 4

For the nominal fee of \$75, MargolisBecker will complete the survey for you! Simply send your company's fiscal year financial statements and year-end summary General Ledger Trial Balance along with the completed general information on pages 6, 7, and 16 of the survey form to the address above. (Make check payable for completing the survey to MargolisBecker.)

Whatever the manner of your participation, don't forget—

- To complete the form and the confidential reference stub in full.
All questionnaires are completely confidential!
- **Make sure you have indicated which *Ratios* volume you want FREE.**
- Decide which additional volumes you need—please enclose a check or credit card information.
- SAVE a copy of your completed form.
- Place original in the enclosed pre-addressed envelope and mail to the address listed above in Option 2.

DEADLINE IS April 29, 2011

Your input is CONFIDENTIAL. The figures for each participating firm are reviewed by an accounting firm before they become a part of the *Ratios* Studies.

If your firm is outside the United States ...

Follow the general instructions, above, and on the following pages USING LOCAL CURRENCY. Do not convert to U.S. dollars.

That means a printing company in Vancouver, British Columbia, Canada, will complete their survey using figures in Canadian dollars.

A Few Important Notes before You Begin

There are a few things to mention as you prepare to complete the *Ratios* Survey.

A Standard Classification of Accounts is used to provide reporting that is as consistent as possible from company to company. Descriptions are provided, with examples, on many of the following pages.

Classifying Employees

It is important that employees be apportioned correctly between Factory, Administrative, and Sales. The descriptions on the following pages provide the general definitions. However, there are some employees whose functions often overlap into two or more of these areas.

Part-time Employees

One of the most important benchmarks in the *Ratios* is Value-Added per Factory Employee. This number is an indicator of your plant's productivity, especially when compared to similar printers and to firms which lead the industry in profitability (also known as "industry profit leaders"). The study also computes the highly significant Pay per Employee and Production or Sales per Employee. It is necessary, therefore, that the numbers you provide for the number of employees in your firm be as accurate as possible.

NOTE: The information requested is the average number of **FULL-TIME** employees.

If your firm has a substantial number of part-time employees, you should count them as a proportionate number of full-time employees. For example, if you have 20 part-time employees who work an average of 3 months—or $\frac{1}{4}$ of a year—they would be equivalent to— $\frac{1}{4}$ of 20—five full-time employees.

An easier way to calculate would be—

$$\frac{\text{All wages paid to part-time employees}}{\text{Total annual pay for position, if full-time}}$$

For example, if all the part-time wages paid to eight employees is \$32,000 and the average annual full-time pay for one employee would have been \$16,000, then you would divide \$32,000 by \$16,000 for a total of two (2) regular full-time employees. Then add that number—two regular full-time employees—to your total number of employees.

Split Time

For employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative, and Sales, accuracy requires that those salaries be split accordingly for the Survey.

If only a minor amount of the executive's or employee's time is split, s/he should be classified according to his/her predominant function—Factory, Administrative, or Sales. Where apportioning is required, a reasonable estimate of the allotment is all that is necessary.

In classifying employees, the function of the employee is the most important consideration—as opposed to where the work is performed. When in doubt as to the proper classification or split, preference should be given first to Factory, then Sales, and finally Administrative.

Estimators

If their primary function is to prepare estimates, they should be classified as General Factory. If the estimator's time is split between preparing estimates (Factory), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling Production records and standards (Factory), their time (salaries) should be shared to the categories—Factory and Administrative—accordingly.

Production Control or Scheduling

Employees who schedule and follow jobs through Production to completion and delivery should be classified as General Factory regardless of whether the work is done in the plant or in the office.

Sales Coordinators

Employees whose primary job starts after the sale, with the actual preparation of the job (maintaining customer contact for art files, proofs, and so forth; who order and follow up on finishing) should be classified as General Factory. If the job is to obtain sales leads, answer sales calls, and prepare sales quotes (not the estimate), the employee's time (salary) should be classified as "Selling, Clerical."

Purchasing Agents

Employees who specify and order paper, ink, and other materials plus factory supplies should be classified as General Factory.

Owners' Salaries

Owners should always include in the expenses for their business an adequate "salary" for their services, even if they do not actually take a salary. Otherwise, the real comparable profits of an unincorporated business may be grossly misstated. Though these "salaries" may later be deleted from expenses when preparing tax returns, they need to be included in the *Ratios* Survey in order for proprietorships and partnerships to be comparable to a corporation. Owners' salaries should always be apportioned between Factory, Administrative, and Sales according to reasonable estimates of time spent on each of these distinct parts of the business, using the guidelines above.

If the corporation has an "S" status for tax purposes and the "S" distributions exceed the typical tax payment, the excess should be recorded as compensation. The same rule would apply for a bonus issued to the officer; it would be considered compensation as well.

Questions about classifications or any other section? Please call **MargolisBecker at 610-667-4310.**



2011 RATIOS SURVEY

You're ready to begin!

First, complete the section which most accurately fits your firm's predominant line of business. Leave the other sections empty, please.

PREDOMINANT LINE OF BUSINESS AND PROCESS (PLEASE MARK THE APPROPRIATE BOXES AND PERCENTAGES)

PREDOMINANT LINE OF BUSINESS (Check one)

- | | | |
|--|--|---|
| <input type="checkbox"/> Commercial & Advertising Printing | <input type="checkbox"/> Book Printing | <input type="checkbox"/> Direct-Mail Printing |
| <input type="checkbox"/> Magazine & Periodical Printing | <input type="checkbox"/> Packaging | <input type="checkbox"/> Thermographer |
| <input type="checkbox"/> Newspaper Printing | <input type="checkbox"/> Quick Printer | <input type="checkbox"/> Financial Printing |
| <input type="checkbox"/> Inserts | | <input type="checkbox"/> Other Printing _____ |

PREDOMINANT PROCESS (Check one)

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> Offset Printing | <input type="checkbox"/> Screen Printing | <input type="checkbox"/> Letterpress |
| _____ % Sheetfed Printing _____ % Web-fed Printing | <input type="checkbox"/> Digital Printing | <input type="checkbox"/> Gravure |
| If more than 20% Web-fed Printing | <input type="checkbox"/> Prepress Specialist | <input type="checkbox"/> Flexographic |
| <input type="checkbox"/> Predominantly Heatset or <input type="checkbox"/> Predominantly Non-Heatset | <input type="checkbox"/> Thermographer | |
| _____ % Paper Supplied By Customer | <input type="checkbox"/> Other _____ | |

DIGITAL PRINTING

Percent of Sales that are Digital Printing _____ % on Digital Presses

Type of Digital Presses in operation (Mark all that apply) Toner-Based Inkjet

MAILING AND FULFILLMENT

Do you perform mailing services? Yes No

SALES BREAKDOWN (if available)

For the fiscal year what is your approximate breakdown of sales revenues for the various activities:

Printing and Prepress	_____ %
Binding and Finishing	_____ %
Mailing Service	_____ %
Fulfillment Services	_____ %
Database Management Services	_____ %
Other Non-Print Ancillary Services	_____ %
Total	<u>100.00 %</u>

If you are a Binder, Converter & Label Printer, or Forms & Document Printer:

Please complete the section below that is most appropriate to you.

BINDERS

PREDOMINANT TYPE OF WORK (Check one)

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> Edition | <input type="checkbox"/> Looseleaf |
| <input type="checkbox"/> Trade Binder/Finishers | <input type="checkbox"/> Other _____ |

CONVERTERS & LABEL PRINTERS

PREDOMINANT PROCESS (Check one)

- | | |
|---|--|
| <input type="checkbox"/> Flexographic | <input type="checkbox"/> Gravure |
| <input type="checkbox"/> Offset Rotary | <input type="checkbox"/> Sheetfed Offset |
| <input type="checkbox"/> Web-Fed Offset | <input type="checkbox"/> Digital (Toner-Based or Inkjet) |
| <input type="checkbox"/> Letterpress | <input type="checkbox"/> Other _____ |

PREDOMINANT MARKET (Check one)

- | | |
|---|--|
| <input type="checkbox"/> Food, Beverage, and Related Labels | <input type="checkbox"/> Pharmaceutical and Cosmetic |
| <input type="checkbox"/> Household | <input type="checkbox"/> Personal Care |
| <input type="checkbox"/> Private Label | <input type="checkbox"/> Other _____ |

PREDOMINANT MATERIAL (Check one)

- | | |
|---|---|
| <input type="checkbox"/> Pressure Sensitive | <input type="checkbox"/> Cut and Stack Papers |
| <input type="checkbox"/> Shrink Sleeve | <input type="checkbox"/> Foam |
| <input type="checkbox"/> Other Base Papers | <input type="checkbox"/> Specialty, Other _____ |

FORMS AND DOCUMENT PRINTERS

PREDOMINANT MARKET (Check one)

- | | |
|---|--|
| <input type="checkbox"/> Indirect (To Distributors) | <input type="checkbox"/> Direct (To Consumers) |
|---|--|

Supporting Schedules Definitions and Clarification

B. FACTORY (PRODUCTION) PAYROLL

Executive Salaries, Executive—All compensation earned by owners, officers, and supervisory employees applicable to Production (see Classifying Employees, pages 4 and 5).

Direct Wages—Wages earned by factory employees engaged in production. Temporary staffing labor engaged in production belongs here.

General Factory Salaries and Wages—Salaries and wages of non-supervisory production employees who are engaged in work not directly related to chargeable jobs and not, therefore, reported as direct labor. (Examples are estimators, schedulers, etc.)

Packing, Shipping, and Delivery Wages—Shipping clerks, drivers, helpers, messengers, etc.

Payroll Taxes (Federal, State, Local)—Includes government taxes for retirement, unemployment benefits, and other, as they cover Production Employees. (Examples are F.I.C.A. and federal and state unemployment taxes.)

Employee Benefits—Premiums or other expenses of disability or health insurance plans, life insurance, pension, retirement or profit sharing plans, etc., as they relate to Production Employees.

C. OTHER FACTORY—PRODUCTION EXPENSES (NON-PAYROLL) “Fixed Expenses”

Depreciation—Real Estate—The provision for depreciation of real estate used in manufacturing.

Depreciation—Other—The provision for depreciation of other fixed assets used in manufacturing.

Recommended Straight-Line Useful Lives for Depreciable Assets

Building	30 yrs
Computerized Equipment	5 yrs
Leasehold Improvement	Life of lease or 10 yrs
Furniture and Fixtures	10 yrs
Building Improvement	10–30 yrs
Vehicles	5 yrs
Machinery & Equipment	10 yrs

Taxes—Real Estate—Real estate or other taxes based on the value or cost of land and real property used in manufacturing.

Taxes—Other Property—All other taxes based on the value or cost of production machinery, equipment, and other personal property.

Insurance—The amortization of insurance premiums for fire, business interruption, Workers Compensation, and other types of insurance applicable to manufacturing.

Building Rent—Rental costs for buildings and space used in manufacturing.

Utilities—All expenses for heat, light, power, and water.

Equipment Rental—Rental costs of equipment used in manufacturing.

D. Other Factory Expenses

Factory Supplies and Expenses—All expenses incurred for specific factory departments or production or cost center, but not chargeable to specific jobs. (Examples: oil, chemicals, electronic prepress supplies, press supplies, bindery supplies, and computer hardware and software that is written off immediately/not capitalized)

Packing, Shipping, Delivery Expenses—Items such as shipping materials and supplies, freight, express, parcel post, outside delivery services, delivery vehicle expenses, and other expenses applicable to Receiving and Delivery. This account should be offset by charges to the customer. Some firms may want to include mailing costs of catalogs.

Repairs and Maintenance—All repairs and maintenance expenses of buildings, factory machinery, and equipment, including computers.

Other Factory Expenses—Miscellaneous factory expenses, which cannot be readily allocated to any one of the above accounts.

E. ADMINISTRATIVE EXPENSES

Salaries—Executive—All compensation earned by executives serving in a general supervisory capacity, such as president, general manager, treasurer, etc. If an executive spends part of his time as general plant manager, as sales manager, or in selling, his salary should be allocated accordingly to Factory and/or to Sales. (See Classifying Employees, page 4.)

Salaries—Office—All amounts earned by office clerical help, such as accountants, bookkeepers, billing clerks, receptionists, and others.

Payroll Taxes (Federal, State, and Local)—Government taxes for retirement, unemployment benefits, and other, but only as they cover Administrative Employees. (Examples: F.I.C.A. and federal and state unemployment taxes.)

Bad Debts—Losses due to uncollectible accounts.

Data Processing Expenses—All current year expenses to maintain your management information system including software and updates.

Office Supplies and Expenses—Generally includes office supplies, stationery, and postage.

Professional Fees—Includes legal, accounting, consulting, and other professional fees.

Taxes—Business—Business taxes such as franchise, gross receipts, capital stock, and other. It does not include real or personal property taxes applicable to manufacturing or payroll taxes.

Telephone—Telephone and related expenses.

Other Administrative Expenses—Administrative expenses such as: Contributions, Depreciation Administrative, Dues and Subscriptions, Officers Life Insurance, Vehicle Expenses—Administrative, and Other Administrative Expenses.

F. SELLING EXPENSES

Salaries—Executive—All compensation earned by executives in proportion to the time they devote to directing and supervising salespeople, or to personal selling, contacting customers, and other Sales duties. When an executive spends part of his time as general plant manager or in administration, his salary should be allocated accordingly to Factory and/or Administrative (see Classifying Employees, pages 4 and 5).

Salaries and Commissions—Salespeople—Salaries, commissions, and other compensation earned by sales representatives.

Salaries—Sales Office Clerical—Charge to this account the proper proportion of salaries of office employees working on sales matters (see Classifying Employees, page 5).

Payroll Taxes (Federal, State, and Local)—This account is charged with government taxes for retirement, unemployment benefits, and other, as they cover Sales Employees. (Examples: F.I.C.A. and federal and state unemployment taxes.)

Employee Benefits—Premiums or other expense of disability or health insurance plans, life insurance, pension, retirement or profit sharing plans, etc., as they relate to Sales Employees.

Advertising—The cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm’s advertising; the cost of newspaper, radio, or television advertising or promotion; directory, novelty, and other forms of advertising.

Travel and Entertainment—All travel expenses related to selling and entertainment of customers or prospects.

Other Selling Expenses—Such selling expenses as Branch Office Expenses and Brokerage Expenses, Christmas Expenses, Depreciation—Selling, Selling Gifts, and Other Selling Expenses not shown elsewhere.

Summary Operating Statement Definitions and Clarification

You will complete the next two sections using data entered on the Supporting Schedule and Worksheet below.

COMPUTING NET SALES

Gross Sales	Total sales billed to customers
Sales Returns and Allowances	Reductions to gross sales resulting from billed jobs returned by customers or credits allowed to customers
Sales Discounts.....	Cash discounts allowed to customers
Net Sales.....	Gross Sales less Sales Returns, Allowances, and Sales Discounts

Computing the Value of Product Produced

The net sales [sales less returns, allowances, and discounts] is adjusted to include work in process. The value of the work in process is adjusted based on the amounts of work in process at both the beginning and the end of the year. So, the inventory of work in process at the beginning of the period is deducted from net sales, and the inventory or work in process at the end of the period is added to obtain the Value of Product Produced for the period.

MATERIAL USED IN PRODUCT PRODUCED DIFFERENTIATED FROM FACTORY SUPPLIES

Be careful to distinguish between materials used in the product produced and factory supplies. **Materials are those that are chargeable to specific jobs.** Such materials and services include paper, ink, plates, proofing materials, other chargeable materials, outside prepress, outside printing, outside bindery, and other outside services.

Supplies are those items used in the operations of the business, but not chargeable to specific jobs; for example, oil, chemicals, electronic prepress supplies, stripping supplies, bindery supplies. These expenses are included in “Factory Supplies and Expenses.”

Materials and Outside Services

Paper	Cost of paper used in the cost of the product produced
Purchase Discounts.....	Discount allowed by paper suppliers. Deducted from paper purchases to arrive at net paper purchases.
Other Chargeable Materials	The sum of other chargeable materials recorded in the subschedule, including: <ul style="list-style-type: none"> • Ink • Plates • Other Chargeable Materials
Outside Services	The sum of outside service costs recorded in the subschedule, including: <ul style="list-style-type: none"> • Prepress • Printing • Binding • Other Outside Services

2011 RATIOS SURVEY

SUMMARY OPERATING STATEMENT

(Complete the next two sections using data entered on the Supporting Schedule and Worksheet below)

COMPLETE ALL SPACES OR INDICATE "NONE"

**Financial Data for
the Year Ended:** _____ **20**_____

WORKSHEET Value of Product Produced

Net Sales, 2010 or latest fiscal year _____
 Less: Beginning work in process _____
 Plus: Ending work in process _____
 Equals: Value of Product Produced _____

AMOUNT (ROUND TO NEAREST DOLLAR)

Sales or Value of Product Produced (from Worksheet above).....		
Less: Factory Cost of Sales or Production		
Materials & Outside Services		
Paper		
Other chargeable materials (complete detail below).....		
Outside services (complete detail below).....		
Total—Materials and Outside Services		
Factory Payroll (from page 9) (B)		
Other Factory Expenses (from page 9)..... (C+D)		
Total—Factory Cost of Sales or Production		
Equals: Gross Profit.....		
Less: Administrative & Selling Expenses		
Administrative Expenses (from page 9) (E)		
Selling Expenses (from page 9)..... (F)		
Total—Administrative & Selling Expenses.....		
Equals: Income (Loss) before Interest Expense		
Less: Interest Expense.....		
Equals: Operating Income (Loss).....		
Less: Net Other Income or Expense		
Other Income		
Other Expenses		
Net Other Income (or Expense).....		
Equals: Net Income (Loss) before Income Taxes		

SUPPORTING SCHEDULES FOR OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES

(Please fill out these schedules if you have the information available.)

OTHER CHARGEABLE MATERIALS (NOT PAPER)	COST OF OUTSIDE SERVICES PURCHASED
Ink.....	Prepress
Toner (Digital Printers Only)	Printing.....
Plates.....	Binding
Other materials not listed above	Other services not listed above
 Total Other Chargeable Materials.....	 Total Outside Services.....

Balance Sheet Definitions and Clarification

ASSETS

Current Assets

Cash.....	Cash in banks and on hand.
Notes and Accounts Receivable	Face value of notes and outstanding charges held against others.
Allowance for Bad Debts	Provision for possible losses from uncollectible accounts.
Inventories.....	The sum of Finished Goods, Work in Process, Raw Materials, and Other Inventories.
Work in Process	
Paper	
Other Chargeable Materials and Department Supplies	
Marketable Securities.....	The cost of securities, readily convertible into cash.
Other Current Assets.....	Other current assets not already listed, such as prepaid expenses, etc.
	<ul style="list-style-type: none"> • Income Tax Refund Receivable • Interest Receivable • Prepaid Interest • Prepaid Insurance • Prepaid Officers' Life Insurance • Prepaid Taxes • Prepaid Expenses—Other • Loans and Exchanges

Fixed Assets

Real Estate—Land and Buildings	The gross costs of these assets.
Land	
Buildings	
Accumulated Depreciation—	
Building	Accumulated depreciation on buildings used for business.
Machinery and Equipment.....	Gross cost of machinery, equipment, capitalized computer hardware and software used for business.
Accumulated Dep. Machinery	
& Equipment	Accumulated depreciation on productive assets.
Other Fixed Assets.....	The gross cost of such fixed assets as: Furniture and Fixtures, Vehicles, Others.
Accumulated Other Fixed Assets.....	Accumulated depreciation on these assets.
Other Assets	Other assets not included in other classifications such as: Cash Value of Life Insurance, Deposits, Goodwill, Long-Term Investments, Organization Expenses, Others.

LIABILITIES

Current Liabilities

Notes and Mortgages Payable	
Within One Year.....	Obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.
Accounts Payable	The liability of the business for the total of balances owed to creditors and due within one year.
Other Current Liabilities.....	All other obligations payable within one year.
	<ul style="list-style-type: none"> • Payroll Taxes Payable • Sales Taxes Collected • Accrued Expenses • Estimated Federal and State Income Taxes • Other Current Liabilities

Long-Term Liabilities..... Long-term obligations of the business. Examples are loan and equipment mortgages, long-term notes, and bonds issued by the business.

EQUITY

Total Equity

The total of your Capital and Retained Earnings (net of any treasury stock) for Corporations or the net capital of an individual Proprietorship or Partnership.

2011 RATIOS SURVEY

BALANCE SHEET

ASSETS

AMOUNT
(ROUND TO NEAREST DOLLAR)

CURRENT ASSETS

Cash
 Notes and Accounts Receivable.....
 Less Allowance for Bad Debts
 Net Receivables.....

 Inventory, Work in Process
 Inventory, Paper
 Inventory, Other
 Total Inventories
 Marketable Securities.....
 Other Current Assets.....
 Total Current Assets A+B+C+D+E=F.....

 _____ (A) _____

 _____ (B) _____

 _____ (C) _____
 _____ (D) _____
 _____ (E) _____
 _____ (F) _____

FIXED ASSETS

Real Estate (Land and Buildings).....
 Less Accumulated Depreciation—Buildings.....
 Net Real Estate.....
 Machinery and Equipment.....
 Less Accumulated Depreciation on Machinery and Equipment.....
 Net Machinery and Equipment.....
 Other Fixed Assets.....
 Less Accumulated Depreciation on Other Fixed Assets.....
 Net Other Fixed Assets.....
 Total Fixed Assets G+H+I=J.....

 _____ (G) _____

 _____ (H) _____

 _____ (I) _____
 _____ (J) _____

OTHER ASSETS

Total Assets F+J+K.....

_____ (K) _____

LIABILITIES

CURRENT LIABILITIES

Notes Payable within One Year.....
 Accounts Payable.....
 Other Current Liabilities.....
 Total Current Liabilities.....

 _____ (L) _____

LONG-TERM LIABILITIES

Total Liabilities L+M=N.....

_____ (M) _____
 _____ (N) _____

EQUITY

TOTAL EQUITY.....

_____ (O) _____

Total Liabilities and Equity N+O.....

Thank you for completing the 2011 *Ratios* Survey!

Remember, as a participant in the *Ratios* you may select a free report volume (\$499 value).

Common Questions When Completing the *Ratios* Survey

QUESTION: What materials are included in “Other Chargeable Materials”?

ANSWER: Any materials—besides paper, ink, plates, or proofing materials—that are directly chargeable to the job. Examples: GBC bindings and other special binding/bindery materials, specially sized cartons for packing as specified, dies, etc.

QUESTION: Where do I put vacation pay?

ANSWER: Vacation is earned and, therefore, part of whichever salary classification it applies to, such as office salaries or factory direct wages.

QUESTION: Where do I include customer service reps?

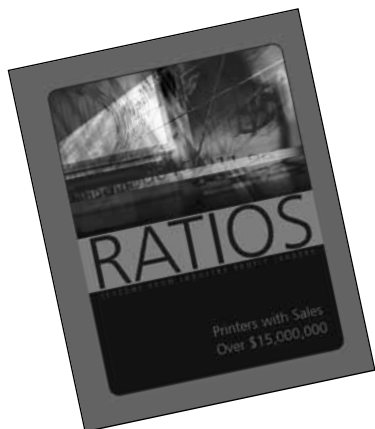
ANSWER: Customer service reps are included in **General Factory Wages**. Employees whose primary job is to take over details of job preparation from salespeople (ordering art work and finishing, maintaining customer contact for copy, proofs, etc.) should be classified as General Factory Employees.

QUESTION: Where do I put myself, as owner, when I spend my work day in the factory as well as in the office?

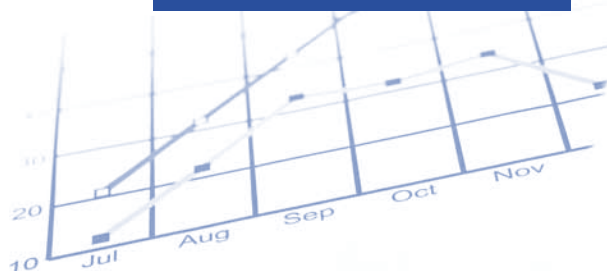
ANSWER: For employees, especially Executives, whose time and effort are divided between Factory (Production), and Administrative and/or Selling, accuracy requires that their salaries or wages be apportioned accordingly (to the nearest tenth if necessary).

QUESTION: Where do I put spoilage expenses?

ANSWER: If you track spoilage, it is specifically classified as “Other Factory Expenses.”



Questions? Call **MargolisBecker at 610-667-4310**. You may also contact Printing Industries of America's Ed Gleeson at 412-259-1756 or Dr. Ron Davis at 434-591-0527.



RATIOS STUDIES

Each year a variety of *Ratios* are provided, based on sales, geographic area, and type of print or product produced.

Management Guide to the Ratios (Vol. 1)

This guide is for new participants and current users that want to make sure they are getting the most from their *Ratios* participation. It includes descriptions of the various *Ratios* and how to use them for management decision making.

All Printers by Sales Volume and Geographic Area (Vol. 2)

The ratios and statistics from responding U.S. and Canadian firms in six standardized sales ranges and 12 North American regions. Compares operations based on value added and sales. Balance sheet ratios, significant facts, and return on investment for all sales ranges and geographic areas are examined.

All Printers by Product Specialty (Vol. 3)

Reports of printers' financial status by product (magazine and periodical, newspaper, inserts, direct mail, etc.), sales volume, and value added. Balance sheet ratios, significant facts, and return on investment for product specialties are examined.

Sheetfed Printers by Sales Volume & Geographic Area (Vol. 4)

Gives standards by sales volume and from 12 North American regions; compares firm operations by value added and sales. Balance sheet ratios, significant facts, and return on investment for all standardized sales ranges and geographic regions are presented.

Web Offset Printers—Heatset (Vol. 5)

Presents financial data for heatset web printers by sales size, product specialty, and percentage of paper supplied.

Web Offset Printers—Non-heatset (Vol. 6)

Presents financial data for non-heatset printers by sales size and product specialty.

Combination Offset—Sheetfed/Web (Vol. 7)

Presents data according to sales, product specialty, and percentage of web sales. (Note: This special production classification applies to firms with more than 20% sheetfed and over 20% web sales.)

Book Manufacturers (Vol. 8)

Reports on operations, balance sheet, significant facts, and return on investment by size of firm, product, and manufacturing specialty.

Printers with Sales over \$18,000,000 (Vol. 9)

Addresses unique needs of printing firms with sales over \$18,000,000; presents standards of value added, sales, and product specialty. Balance sheet ratios, significant facts, and return on investment are examined.

Binders (Vol. 10)

Organizes operating and sales information by firm size and product specialty (pamphlet, looseleaf, etc.).

Printers with Sales under \$3,000,000 (Vol. 11)

Addresses unique needs of printing firms with sales under \$3,000,000. Standards based on value added and sales. Balance sheet ratios, significant facts, and return on investment are presented for different sales ranges.

Quick Printers (Vol. 12)

Presents financial data for quick printers by sales size.

Forms and Document Printers (Vol. 13)

Presents ratios by sales size for firms whose product specialty is forms and document printing. Presents ratios by firm size and marketing specialty of direct customers or distributors. Operating ratios are based on sales and value added. Balance sheet ratios, significant facts, and return on investment are presented.

Converters & Label Printers (Vol. 14)

Presents ratios by size of firm, sheet and rotary printing, and printing process for firms whose product specialty is label printing. Operating ratios are based on sales and value added. Balance sheet ratios, significant facts, and return on investment are presented.

Digital Printers (Vol. 15)

This study includes a new group of printers whose manufacturing processes use digital methods to print. Presents ratios by sales size, type of digital press, and percentage of digital sales.

Commercial and Advertising Printers (Vol. 16)

Presents ratios by sales size for firms whose product specialty is commercial and advertising printing. Presents ratios by size of firm and from 12 North American regions (geographic area). Operating ratios are based on sales and value added. Balance sheet ratios, significant facts, and return on investment are presented.

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