

PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

January 24, 2005

We Didn't Get The Order

We hear that every day and blame it on the price cutting competition, disloyal clients or incompetent sales reps who can only sell price. In fact, these missed orders deserve serious attention. How much did we miss them by? Could we have proposed an alternative way of handling the project? Are we talking to the wrong people at this client? These are just some of the more obvious questions. Remember, we had our foot in the door on these projects—we were at the table. The point is that if even a quarter of our misses were turned into hits, our bottom line would be beautiful.

Wow!

We read that the combined media expenditures in the 2004 presidential election were \$990 million, up from \$306 million in 2000. The direct mail portion of this total went from \$59.5 million to \$214.9 million. However, \$910 million of the total was spent in just sixteen states (something that we Californians know since, other than the debates, no one was wasting any money on us). Further data suggests that only 4.7% of the voters changed their preference during the media blitz having made their choice much earlier.

The Draw

Successful sales reps in our industry can make a lot of money and they're clearly worth it as selling is not easy or risk free nor does it enjoy banker's hours. Most reps are paid on a commission basis with, typically, a weekly draw and monthly settlement. The problem occurs when the draw is too close to actual commission earnings, an account is lost and the draw begins to exceed the commission by a significant amount. Cutting the draw is a stressful event easily put off causing the deficit to get bigger. At some point, the incentive effect of the commission will be lost as all of improved earnings go toward paying off the debt or the employer will have to write off the balance to keep the rep from changing jobs just to leave the deficit behind. The best way to avoid this trap is to keep the draw low enough so that deficits won't occur—60% of average commissions is not a bad upper limit.

Did It Work?

We're used to being concerned about whether we met client expectations about quality and timeliness. We also like to participate in awards programs



Shelly Brady, the dynamic speaker and author of a New York times best selling book "Ten Things I learned from Bill Porter", presents the motivational and inspirational Bill Porter story at the January 26th Southern California Printing Sales Club Meeting. Sometimes the true heroes in our lives are those people who inspire us not with their superhuman accomplishments but simply by their refusal to give up in the face of seemingly insurmountable odds and the dignity in which they conduct their lives. See page 2 for details.

that recognize beautiful printing and design. All of this is good stuff but it isn't really the point in direct mail. There, the question is—did it work? Did it deliver the buyer response the client was looking for? Firms who see a role for themselves in the ever-growing direct mail market have to see this as the central goal and their value added story as what they bring in total to make the mailing work.

Out-of-Town Travel

When employees travel out-of-town for business, including overnight stays, employers must pay employees either their normal hourly rate of pay or the company agreed rate of pay for travel time. The company must pay the employee for driving time or flying time, including time purchasing tickets, checking baggage or boarding a plane or other means of public transportation, to and from the out-of-town business obligation. Any time the employee is sleeping or engaged in personal pursuits not connected to travel, these hours do not have to be compensated. If the time traveled from home to the airport is the same or substantially the same as the distance between home and work, the employee need not be compensated for time worked until reaching the airport.

Thought for the Week

It is not the employer who pays the wages—he only handles the money. It is the product that pays the wages... Henry Ford

Dear Brad...

We have printed an insert on matte paper and printed over with a matte varnish. The problem is that they do not work on the inserting machine. We have no problem when printed on gloss paper and varnished with gloss varnish. What is the problem? Brad Evans of the PIA/GATF Technical Hotline (412) 741-6860 Ext. 604 said: There is a very significant difference in surface roughness between the matte and gloss inserts. The matte insert has a high coefficient of static friction and is getting hung up in the inserting machine.

Keep That Account

The current mantra among almost all organizations is the importance of purchasing efficiency by shrinking the supplier list. That makes getting a new account tougher than ever and keeping the existing ones a matter of life and death. It may well be more important to focus more quality effort on building trust and growing with existing accounts than fruitless searches for new faces. Many times we're calling on the marketing people in these firms and missing out on the printing needs of other sectors like human resources and training.

Best Business Practices

Dillon Mooney, a PIA/GATF technical consultant for over 22 years, says, I am frequently asked for the standards or "Trade Customs" for our industry. The Trade Customs have been replaced with the "Best Business Practices" document. The term "Trade Customs" has some legal implications and was dropped. The second section of the Best Business Practices, "Terms and Condition of Sale" (page 9), is a revision of the Trade Customs. The Business Practices document is intended to be a guide for printers to create their own business practices. This is only a guide as state laws supersede any information in this document. The printer's terms and conditions of sale should be included with the quote or contract so the customer is aware of the printer's policies. Have an attorney familiar with your state's business law review your business practices policies. The old Trade Customs were not valid in court unless both parties were aware of them before agreeing to the contract. In absence of industry business standards, a printer having its business practices stated clearly in a written form, and making sure the customer is aware of the specifics before a job is printed will help to protect the printer should a dispute arise after a job is printed. Best Business Practices: <http://www.gain.net/business>

Warehouse/office for rent in the southbay, perfect for a small litho or flexo printer, 4,354 sq.ft. total. Plus, Loading Dock. Plus, additional truck storage space. Call Doug at (310) 325-3099.

For Sale

Looking to retire or merge? - Here is your chance. Commercial/Digital print operation in Los Angeles looking to expand. Our personnel know digital printing and have the expertise to give your clients what they want. The shop includes traditional offset and complete prepress and bindery. To discuss a sale or merger opportunity, call David at (213) 589-9000.

PIASC's Pick of the Week



Chargeable vs. Nonchargeable Downtime in Prepress

by Hal Hinderliter

Today, more customers demand service that is faster, better, and at less cost. So when it comes to the prepress portion of your digital workflow, how do you determine whether to charge for certain prepress activities? Use the results reported here to compare your current policies and pricing strategies with other printers and prepress organizations.

**PIASC Members \$25.00 ea*.
Non-Members \$50.00 ea*.**

*Prices do not include tax and shipping.

To purchase your copy, call Tom Stodola, at Ext. 221.

Printing Industries Association of Southern California

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