

PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

June 26, 2006

Value Pricing

The curse of our industry is cost based pricing using fully allocated budget hour costs and set mark-ups on materials and outside services. This approach, handed down to us by our grandfathers, causes us to underutilize our overhead on the one hand while failing to reach out and get the price levels we deserve when we add real value to our client's lives. The point to remember is that the price is really determined by the value to the client (the point beyond which he would not find it worthwhile to buy the project) and competitive behavior (the price that the client knows or believes that they can buy the project from an equally acceptable supplier). Neither of these determinants have anything to do with the cost of producing the project. We can improve the value of the first by understanding the client's business process well enough to propose solutions that create more value for them. We can reduce the importance of the second by building relationships that can't be replicated by the low-ball competition.

Do They Care?

We're very proud of our technology and our equipment and justly so since a lot of money and tears have been spent on it. This leads us to put pictures of our presses on our web site and in our brochures and to distribute equipment lists to prospects who may not know or even care what the difference is between offset, flexo or digital. What those people do care about is the solution to their problems—how do I sell more of my product and attract new buyers while keeping the existing ones informed and happy? Wouldn't it be far better to show prospects how you solved problems like this with specific examples from satisfied clients? As the industry guru, Wallace Stettinius, said: "When you define your business by your process, you are in the process of going out of business."

Be Seen On PrintAccess!

All PIASC members have a basic entry in PrintAccess the electronic yellow pages for our industry which receives thousands of hits per month from prospective print buyers. We were just at a meeting where a small firm reported that a buyer from New York had called them because they were participating in a trade show at Anaheim Convention Center and needed a local printer—the result was a \$14,000 order. Several others in the room

The California Association of Business Printers (CABP) recently completed the successful 2006 Sun-Your-Buns Conference in Palm Springs. Pictured is David Russell Ohrm (South County Printing), presenting an Award of Appreciation to California Assemblyman John J. Benoit, who came as the representative for Gov. Arnold Schwarzenegger. We thank all of our attendees and sponsors for their support!



had received a number of good leads from the PrintAccess channel. Be sure that your entry is correct and current. Just go to our website www.piasc.org then to "Links" and the "Edit PrintAccess" choice to check your entry and make whatever changes you would like. Your logo can also be added and a link to your own website. If you have questions or problems, call Jairo Cuellar at Ext. 202 (jairo@piasc.org).

Sales Recruitment

We were listening to a group of sales managers bemoaning the fact that recruiting recent college graduates was frustrating because they expected to earn \$50K to start and preferred a salary over a commission arrangement. Unfortunately, this mindset is all too common and is the product of an expectation that "I want to live like a yuppie" on day one. Most of the time, these folks are the wrong sort for a sales job to begin with. We know that a good sales rep can earn a lot of money, but that it takes total determination to win, a commitment to hard work and a thick enough skin to deal with more no's than yes's. Graduating from college has nothing to do with this. In fact, an interest in spending years in higher education (at their parent's or the government's expense) may well indicate a personality which will never work in one of our sales positions. A better solution may be to look for someone who has been successful selling something else and is hungry for the higher earning potential of print sales. It's also useful to have on offer a low draw as it will filter out those candidates who are more interested in the \$40K draw than the chance to earn \$100K+.

Thought for the Week

Be careful about reading health books. You may die of a misprint... Mark Twain

PBT
<i>Event Number</i>
Cost: \$5

"Printers' Breakfast Table"
Contact: Socorro Garcia, Ext. 229

The Breakfast Meetings are a wonderful opportunity to meet with others and learn from their experiences. The regulars know that it's the best investment of their time they make!

Upcoming Breakfast Meetings:

- Jun. 27th – Tamayo's • 5300 E. Olympic Blvd. • Los Angeles 90022
- Aug. 8th – Coco's Bakery Restaurant • 4360 Mills Circle Rd. • Ontario 91764
- Aug. 16th – Green Street Restaurant • 146 Shoppers Lane • Pasadena 91101
- Aug. 17th – Abe's Deli • 19626 Nordhoff Street • Northridge 91324
- Aug. 22nd – Mimi's Cafe • 17231 E. 17th Street • Tustin 92780
- Aug. 24th – Hof's Hut • 4251 Long Beach Blvd • Long Beach 90813

Time:
7:30 A.M.

Dear Brad...

What is squalene oil? Brad Evans of the PIA/GATF Technical Hotline (412) 259-1784 said: Squalene oil is natural skin oil and is used to test if ink will soften when handled by human hands.

Consolidated Still Consolidating

Joe Davis, Consolidated Graphics founder and CEO, tells us that the firm is now focused on the future, planning continued growth and looking for more acquisitions after exploring other options. They are planning new equipment for their plants and the hiring of more management interns.

MIS Survey

PIA national has put together a comprehensive survey of MIS systems for our industry showing their capabilities (scheduling, estimating, accounting,

sales/marketing analysis, etc) and contact points. The study is available to non-members for \$250 but is free to PIASC members. Call Socorro Garcia at Ext. 229 (email: socorro@piasc.org) for your copy today. It's an invaluable tool to help you evaluate the solutions that are available for you.

JPEG2000

Joseph Marin, senior prepress technologist and instructor for PIA/GATF, explains that JPEG2000 compression is a newer international standard for compressing image data. JPEG2000 is not meant to succeed JPEG, but is a totally new form of compression. Although the compression is more efficient than JPEG, JPEG2000 is PDF 1.5/6 and Acrobat 6/7 compatible only. JPEG2000 supports alpha channel transparency, 16-bit color, and a lossless compression option. Distiller offers six levels of JPEG2000 compression: minimum, low, medium, high, maximum, and lossless. The biggest problem with JPEG2000 compression is that many RIPs still on the market cannot process files containing images compressed in this way. Be careful using this compression scheme if your PDF file is destined for print output!

For Sale

Seal Graphics Image 410 hot/cold laminator, 43" working width, independent top and bottom roller temperature, 1.125 max thickness, 1-10 fps speed setting, full digital controls and foot pedal, in excellent working condition, \$5,000. Call Erich at (818) 381-6544.

PIASC's Pick of the Week



Materials Handling for the Printer, Second Edition

by A. John Geis, Paul L. Addy

Did you know that up to 60% of all direct and indirect manufacturing costs are due to the movement of material and product through a printing plant? From receiving through shipping, this book provides ideas that will help printers of all sizes improve their materials handling procedures.

PIASC Members \$55.00 ea*.
Non-Members \$75.00 ea*.

*Prices do not include tax and shipping.

To purchase your copy, visit www.gain.net/store.

Address:

**5800 South Eastern Avenue, #400
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Web Site:

<http://www.piasc.org>

Print Access Site:

<http://www.printaccess.com/piasc>

Printing Industries Association of Southern California

Fax numbers:

- Association (323) 724-2327**
- Insurance Agency (323) 728-0483**
- Credit Union (323) 722-8927**
- Benefit Trust (323) 722-7386**
- Collection Service (323) 724-2368**



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