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# PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

May 10, 2010

## The Winners Were...

The 15th Annual Academic Challenge recently held in conjunction with Top Management Network was an astounding success! Members, teachers, students, and parents had the opportunity to witness our graphic arts youth in action. The winners are:

- 1st Place – Leslie Franco, *Canoga Park High School*
- 2nd Place – Arvin Shahnazi, *El Camino Real High School*
- 3rd Place – Hunter Jones, *Hart High School*
- 4th Place – Richard Kam, *John Marshall High School*
- 5th Place – Lidia Matthews, *Venice High School*

The T-shirt competition winners are: 1st Place, Grant High School (design & production); 2nd Place: Woodbridge High School (design) and San Fernando High School (production); 3rd Place Canoga Park High School (design & production). The College Competition winners for the design and production of wine labels are: For design, 1st Place David Gomez, East Los Angeles Occupational Center (design); 2nd Place, Alda Escobar, Riverside Community College; 3rd Place, Jose Jaramillo, East Los Angeles Occupational Center. For production all winners are from Fullerton College. 1st Place, Andrew Miramonte and Daniel Pratt; 2nd Place Mazen Ghalayini; and 3rd Place Bryan Stephen. Congratulations to all for an incredible job!

## "There's No Margin"

We heard more than a few members say, "At least estimating is up, but there's no margin." At first brush, this sounds like we are just running harder but getting nowhere. But, what's the real story? To answer that we have to ask about "margin" which is, in this case, the difference between estimated cost and quoted price. If the margin number was 5% or 10% we'd be happy campers—but at 0%, we're spinning our wheels. But consider the cost number. For the typical printer about 60% of the cost number is paper, ink, buy-outs and other consumables, factory wages and sales commissions, while 40% goes toward paying the overhead: rent on the premises, depreciation on equipment, office salaries, and other things that go on whether it's slow or busy. If we sell a \$1,000 job at 0% margin we just got \$400 to help with the overhead and \$400 closer to profitability for the month. Selling that same job at a 10% margin would get us \$500 closer, while selling it at a negative 10% would still leave us \$300 closer. Not



An All-Day Seminar for Selling Owners and Print Sales People  
**Saturday, May 22, 2010**

**Jumpstart Your Prospecting & Selling Campaign**

Contact Abel Soto at Ext. 232 ([abel@piasc.org](mailto:abel@piasc.org)).

selling the job at all will do absolutely nothing to bring us closer to the goal of profitability. In good times and bad generating enough dollars to pay for the overhead is the key to profitability. Saying that the economy is way off and so is your business won't pay the bills. The advantage that firms in our industry have is that all of them are so small compared to the size of the market, that increasing market share can occur even in a down market. Those that survive will have done that.

## Employees Must Be Working

It occasionally happens that an employer wishes to carry an employee on their benefits coverages (medical, life, etc.) after they have ceased working. This will cause a problem if a claim occurs and it develops that the person is not actually working. An employer wishing to provide these benefits for retired employees needs to obtain coverages which specifically cover persons in that status.

## Last Chance to Get the Facts

The deadline for participation in the PIA Ratio Study has been extended to May 31st. The Ratio Study continues to be the best way to compare your results with other firms with the same market profile. Participation is easier than ever. You may go to [www.printing.org/ratios](http://www.printing.org/ratios) and then enter your annual financial data via PDF, Excel or online data entry. Questions, need help? Call Frank Iannuzzi at Ext. 222.

## Thought for the Week

*Let your ears hear what your mouth says...  
Jewish proverb*

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

**“Printers’ Breakfast Table”**  
**Contact: Kristy Rodriguez, Ext. 215**

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!

**Time:**  
7:30 A.M.

- Upcoming Breakfast Meetings:**  
 May 11th – Mimi's Cafe • 17231 E. 17th Street • Tustin 92780  
 May 12th – Ozzie's Diner • 7780 E. Slauson Ave. • Commerce 90040  
 May 20th – Hof's Hut • 4251 Long Beach Blvd • Long Beach 90813  
 July 6th – Mimi's Cafe • 10909 Foothill Blvd • Rancho Cucamonga 91730  
 July 7th – Green Street Restaurant • 146 Shoppers Lane • Pasadena 91101  
 July 8th – Abe's Deli • 19626 Nordhoff Street • Northridge 91324

**Dear Brad...**

What happens to wetting agents that are added to ink? Brad Evans of the PIA Technical Hotline (412) 259-1784 said: Pigments do not disperse uniformly through the vehicle. To reduce the surface tension of the vehicle, and help the vehicle penetrate the microscopic air spaces, the ink manufacturer adds a specific amount of wetting agents. If too much wetting agent is added, this could result in excessive emulsification of the ink.

**Finding A Sales Rep**

Because we have operated a placement service for many years, we occasionally get calls for a sales rep to which our response has always been that if such a person came to us, they would be too dumb to hire or they were a rip-off artist looking to live on the draw. The lamentable fact is that hiring sales reps is probably the most difficult management task around with a heart-stopping failure

rate. The problem is that outside sales is a really different kind of work from any inside job. People running a press, doing estimates, etc. are carried along by the workflow and are reasonably productive in spite of themselves. Also, most of the time, their failures are not noticeable even to themselves. However, the outside sales rep has to provide their own motivation and business plan as well as learning to stare failure (you didn't get the order) in the eye several times a day. Not very many people are really up to this. When trying to hire that new person, it's usually better to hire one with previous sales experience (they've been through this before) over one who knows everything about printing but has never sold. Resist the temptation to hire the person who says that they have a million dollars in sales in their pocket since what they really have is a drive to get a big draw for doing nothing. Never pay a new hire a draw large enough for them to live on. Low draws are the best tool that you have to force them to do what they promise to do or get off your payroll if they can't. Think seriously about the power of a commission based on "value added" rather than gross sales. If this is going to be your first sales rep this would be a good time to adopt the best policy. See the "Dollars and Sense of Sales Compensation" under the Business/Technical tab of [www.piasc.org](http://www.piasc.org).

**For Sale**

AB Dick DPM-2340 Platemaker, good working condition. Under maintenance contract. Includes scanner, ScanMaster computer, DPM computer and trapping software. \$5,000 US (software alone cost \$3,000). Buyer to arrange pick-up or shipping. Call Dave between 9am and 5:30pm PST or email anytime, [david.rigby@mmp1b.com](mailto:david.rigby@mmp1b.com).

See our e-Classifieds section on the web at [www.piasc.org](http://www.piasc.org).

*PIASC's Pick of the Week*



**Becoming Union Free**

by: Francis T. Coleman

One of the best-kept secrets involving the interpretation and enforcement of the National Labor Relations Act is the process known as decertification. This book focuses on the how, when, by what means, and under what conditions decertification can take place.

**PIASC Members \$30.00 ea\*.**  
**Non-Members \$40.00 ea\*.**

\*Prices do not include tax and shipping.

To purchase your copy, visit [www.printing.org](http://www.printing.org).

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