



PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*


March 20, 2017

"That Can't Be Right"

An alert reader saw the *Update* article which said, "If we got the 30% to 50% of the jobs we quote on but don't get, we could more than double our sales by getting them all, even if their average cost sheet margin was 15% percent less. Just think of increase in net income coming from better plant utilization." Our reader's natural response was, "That can't be right as you can't increase profit by cutting prices by 15% since that's more than our total profit margin for the month." To see the reality of the situation, you have to think about what the printer will actually spend to produce the work. Generally, a commercial printer will spend about 60% of the invoice dollars on paper, buyouts, factory wages and commissions leaving 40% to pay for the overhead (the front office, the rent of the building, the depreciation on the equipment, etc.). Thus, if the printer is now selling about \$100,000 per month, they are generating \$40,000 (40% of \$100,000) contribution to overhead every month, which, if it is large enough to cover the overhead, produces profit. If we assume a doubling of sales but at a 15% discount on the additional sales, the additional sales generate \$85,000 in revenue (85% of \$100,000), incur \$60,000 for paper, buyouts, factory wages, commissions, etc. (60% of \$100,000) leaving \$25,000 to pay for the overhead. Since the overhead doesn't increase (the front office, rent and depreciation are unchanged) the \$25,000 is pure profit.

The "Draw"

Where sales reps are paid on commission, it is usual to pay a "draw" which is an advance on commissions to be earned. For an established rep, it's no problem as it's set at a level comfortably below expected earnings. For a trainee rep, it presents a special management challenge. The draw must be high enough to enable the trainee to get by while they're learning and growing. On the other hand, it shouldn't be high enough for the trainee to be comfortable as we would like them to either get on with it or get out. However, the reality is that at the beginning of the relationship it's unlikely that the trainee will earn their draw. If we allow the negative balance to build up, it will ultimately be easier for the rep to quit as the possibility of earning a reward for their effort becomes remote. A better solution is to forgive the negative balance every month, giving the rep a fresh start and the best possible



Calling all paper nerds!
19th Annual Paper & Substrate Show
May 16, 2017, 5:30-9:00pm, Irvine, CA
Come geek out with us!
See page 3 for details!

incentive to start earning real money. Of course, if the rep is not turning the corner after a reasonable time, then both they and the firm have made a mistake and it's time to end the relationship. Some firms address this problem by starting the rep on a salary and then later switching to a commission. This may tempt the firm to lower the commission rate by subtracting the salary, which is the wrong approach from the view of maximizing incentive.

CalOSHA Is Watching

CalOSHA is becoming more aggressive about enforcement and levying heavy penalties for violations. More importantly, safety hazards and poor work practices lead to Workers' Comp claims and explosions in insurance premiums. Like the saying "an ounce of prevention is worth a pound of cure," taking action now is much cheaper and simpler. PIASC can help you by making a walk-through inspection of your plant and providing you with suggestions for corrective action. We can also help you prepare the proper records and draft safety plans. To get this in motion, call Gerry Bonetto at Ext. 248 (email: gerry@piasc.org).

Quit Before You're Further Behind

Perseverance is generally good when you hit obstacles on a project, but you can waste resources pushing on with an idea that's not working. Don't pull the plug too quickly, but don't be afraid to step away from the project when necessary. Compare the cost of your continued efforts with the likely ROI. Don't obsess about how much you've already invested—think about how you'll free up resources for the next good idea.

Thought for the Week

Experience is that marvelous thing that enables you to recognize a mistake when you make it again.

**Upcoming
National
Events
Calendar
2017**

4/2-4/5	Continuous Improvement Conference	Omni William Penn, Pittsburgh, PA	Jim Workman	412-259-1710	jworkman@printing.org
4/6	Webinar: Are You OSHA Ready?		Gary Jones	412-259-1794	gjones@printing.org
6/20-6/21	Print & Packaging Legislative Summit	Washington, DC	Lisbeth Lyons	202-627-6925	llyons@printing.org
7/16-7/19	Affiliate Managers Summer Conf.	Vintners Inn, Santa Rosa, CA	Tad Parker	508-804-4114	tparker04@pine.org
9/10-9/14	Print 17	McCormick Place, Chicago, IL	Chris Price	703-264-7200	cprice@printing.org

For more information on any of the following events, go to www.piasc.org.

PIASC March - May Activities

Mar. 21 <small>Register at right</small>	<p>Event Number- BWB</p> <p>7:30 a.m.</p> <p>Cost: \$5</p> <p>Location: <small>see locations at right</small></p>	<p>BREAKFAST WITH BOB AND CHERYL Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>California is the world leader in restrictive labor laws and hungry trial lawyers. All you're trying to do is to run your business and hire folks who will do decent work, but it's easy to make a mistake and become a victim of the system. Be sure to join Cheryl Chong, PIASC's HR Director and Bob Lindgren, PIASC' President to learn how to be safe rather than sorry.</p> <p><i>Check the box(es) below to register for any of these additional upcoming Breakfast Meetings:</i></p> <p><input type="checkbox"/> Mar. 21st - <i>Mimi's Cafe • 17231 E. 17th St. • Tustin 92780</i></p> <p><input type="checkbox"/> Mar. 22nd - <i>Ozzie's Diner • 7780 East Slauson Avenue • Commerce 90040</i></p> <p><input type="checkbox"/> Mar. 23rd - <i>West Bistro • 3900 Atlantic Ave. • Long Beach 90807</i></p>
Mar. 23 <small>Check here to REGISTER</small>	<p>Event Number CRM</p> <p>10:00 a.m.</p> <p>Cost: FREE / member \$25/ non-member</p> <p>Location: <small>on your computer</small></p>	<p>HOW TO USE CRM TO TRACK AND AUTOMATE YOUR SALES AND OPERATION <i>Label & Packaging Technical Webinar Series</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>Do you have leads from tradeshow, e-mail campaigns, or an existing customer database? Have you wondered how to get more revenue from your sales process? Are you looking for a way to be more mobile and to look like a bigger company than you actually are?</p> <p>Learn how to use Customer Relationship Management (CRM) to acquire and retain customers through repetitive sales and marketing activities. Understand how to send marketing information to prospects over longer periods of time in order to nurture them to become customers. Learn how a CRM system can prioritize telephone calls, face-to-face visits, and help you achieve greater revenue growth.</p> <p>Who should attend: Business owners, CEOs, personnel responsible for sales processes.</p>
Mar. 23 <small>Check here to REGISTER</small>	<p>Event Number TYANTY</p> <p>11:00 a.m.</p> <p>Cost: FREE / member \$45/ non-member</p> <p>Location: <small>on your computer</small></p>	<p>WEBINAR: THINGS YOUR ACCOUNTANT NEVER TOLD YOU, BUT YOU NEED TO KNOW <i>Speaker: Gerry Michael, CPA, CMA, MBA, Falco Sult & Company</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>Oh! Those seemingly dry, boring reports from accounting must hold compelling business information. Right? Unfortunately, it's in a language quite foreign for many of us. We need an interpreter.</p> <p>These reports can become powerful competitive tools...but only if you can interpret the data in ways you can use.</p> <p>Tune in to this webinar presented by Gerry Michael of Falco Sult & Company, who has worked with Graphic Arts firms for over 40 years. Learn how to interpret the information your accounting system gives you in ways that will help you to be a more effective manager. Learn how to convert historical reports into essential management tools to rely on.</p>

Quick Registration

- Mark your choices from listings above
- Fill out the form at the right
- FAX page(s) to (323) 724-2327

Company _____ Phone () _____

Attendees: _____

☐ Bill Company ☐ Credit Card # _____

All No Shows and Cancellations Less Than 48 Hours Prior to Meeting Will Be Billed.

Other Industry Events	4/8	Kids Krazy Kraits Day	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	4/20	Cal Poly GrC Career Day	Cal Poly State University, San Luis Obispo	lising@calpoly.edu	(805) 756-2645
	4/22	Merit Badge Day, Boy Scouts	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	5/13	Book Arts Patch Day for Girls	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	6/24	Merit Badge Day, Boy Scouts	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	7/1	Independence Day Celebration	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166

Apr. 7 <input type="checkbox"/> <small>Check here to REGISTER</small>	Event Number GN 5:30 p.m. Cost: \$100 ticket \$1000/table of 10 \$800/table of 8	2017 GRAPHICS NIGHT <i>A Night to Remember</i> Contact: Maribel Campos, Ext. 210, maribel@piasc.org Join us at an extraordinary evening filled with sky high festivities where we will honor the Executive of the Year and celebrate the winners of the 2017 Print Excellence Awards Competition. Two Celebrations – One Great Event! Register by 3/10 for 10% off table pricing. Overnight Accommodations: 1.800.524.4557 (Room Reservation Code: PIASC / Account #NC3290) Spa: 626.854.2502 • Golf: 626.854.2531 For all details visit www.piasc.org/GraphicsNight . Sponsorships are still available!
	Location: Pacific Palms Resort One Industry Hills Parkway Industry Hills, CA 91744	
Apr. 8 <input type="checkbox"/> <small>Check here to REGISTER</small>	Event Number KKCD 10:00 a.m. - 4:00 p.m. Cost: \$10	KIDS KRAZY CRAFTS DAY <i>at the International Printing Museum</i> Contact: Mark Barbour, (310) 515-7166, mail@printmuseum.org Demonstrations throughout the Museum for kids of all ages and sizes! Including: • Papermaking - get your hands wet with goopy paper fibers while making your own paper • Paper Marbling - see a demonstration on how to marble paper • Cartooning - create your own characters and watch our own quick sketch artist at work • Printing Presses - print your own design on our 19th and 20th century presses *Calligraphy - see how to letter your name in beautiful letters and MUCH more! Visit www.printmuseum.org for details and reservations!
	Location: In'l Printing Museum 315 W. Torrance Blvd. Carson, CA 90745	
Apr. 20 <small>Register at right</small>	Event Number CAC15 5:30 p.m. Cost: \$25 non-members: \$40	COCKTAILS AND CONVERSATIONS Contact: Emily Holguin, Ext. 262, emily@piasc.org Connect with other local colleagues, meet some new friends and network, network, network. Check the box(es) below to register for these events: <input type="checkbox"/> Apr. 20th – Magnolia House, 492 S Lake Ave, Pasadena, CA 91101 <input type="checkbox"/> Apr. 27th – Rock & Brews, 7777 Beach Blvd., Buena Park, CA 90620
	Location: See locations at right	
May 16 <input type="checkbox"/> <small>Check here to REGISTER</small>	Event Number APSS 5:30 p.m. Cost: \$30 members \$40/non-members \$20/student/ designers (before May 9th)	19TH ANNUAL PAPER & SUBSTRATE SHOW <i>Calling all paper nerds!</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org When you go to a restaurant, do you feel your menu and guess what point of card stock it is? Do you open your direct mail and get excited when you immediately recognize a soft touch coating? Do you find yourself thinking, "They should have printed that on a semi-gloss since there is so much writing on it."? Your friends think you are nuts, but we can't get enough of it! Be inspired, see the latest papers and substrates for all types of printing processes while seeing samples of ink ON those papers. See a demonstration of paper made right in front of your eyes! Learn more at www.piasc.org/papershow .
	Location: Andrei's Conscious Cuisine, Event Center 2407 Main Street, Irvine	

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Keeping The Winners

Keeping your best people is always a challenge. If you're worried about your top performers walking off to a competitor and you really can't afford to pay them any more money, consider reshaping their jobs to rekindle their career interest. Rotate good workers into positions that stretch their skills and increase their knowledge. New challenges will keep them sharp and engaged and will show them they have a future with your organization. When they know what they can expect, they'll be less likely to look elsewhere.

Praise Work, Not People

To be a good manager, you need to know your employees as people, not just workers. But when you praise them, address the work—not the personality. Aside from the potential for legal troubles that personal comments may ignite, recognizing a person's work allows you to offer constructive criticism, if necessary, without confusing the employee or making it feel like a personal attack. Keep your praise (and your criticism) on a professional level to avoid misunderstandings and potential conflict.

Fight Stress

Workplace stress can ruin productivity and motivation. You can't eliminate 100 percent of the stress in your organization, but you can take steps to minimize its negative effects—steps like these:

- **Identify causes of stress.** Pay attention to what makes you tense, angry, or depressed—certain people, common situations, and everyday frustrations—so you can anticipate them and plan a constructive response. A little planning can drain stressors of their impact.
- **Take regular breaks.** Step away from your work a few times during the day, not just for a quick lunch. Encourage your employees to do the same. You'll do better work if you're not overtired, and you may get more done by giving your mind a chance to relax and see new possibilities.
- **Avoid information overload.** Don't let yourself get overwhelmed by the amount of information you have to process during the day. Figure out what you have to know in order to do your work effectively and filter out anything that's not relevant—for example, by not checking your email six times an hour.
- **Build positive relationships.** Hang around with people who support you instead of those who tear you down. Create opportunities for socializing so you and your employees have the chance to make friends and get to know one another outside of meetings and work conversations.

For Sale

Two Mueller-Martini perfect binders, 26" and 30" MBO folders, Polar and Wohlenberg 45" cutters, Muller Martini 235 2 pocket + cover feeder stitcher, Lawson heavy duty drill, Rima stacker, Bunn tying machines, Kudo jogging table and miscellaneous bindery equipment. Also office furniture, desks, file cabinets, bookcases, chairs, etc. Call Jerry at (818) 571-7720.

See our e-Classifieds section on the web at www.piasc.org.

Lamination Depot

www.LaminationDepot.com

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Los Angeles, CA 90091-0936

Telephone Number: (323) 728-9500

Web Site: www.piasc.org

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