



PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

May 8, 2017

40% Improvement We were reading a press release from a manufacturer quoting a printer who just bought a new press for seven figures and who was looking forward to a 40% improvement in productivity. Because of its automated features, it's not unlikely that shorter makereadies and faster running could enable the production of 40% more print in the same time span (week, month, etc.). But lurking in this story are some painful possible outcomes. Chances are that the hour rate for this press in the estimating system will be around \$500. The wages of the press crew will be about \$70 per hour. The only thing that will happen with existing work is that a job that used to take 6.0 hours to run, now runs in 3.6 hours. That will produce a reduction of wage expense (hopefully) of \$168 (2.4 times \$70). Nothing else will change as the seven figure cost of the press, the plant, front office, etc. are unaffected. The disaster will set in when the estimating system captures the improvement and reduces the estimate by \$1,200 (2.4 times \$500). Without even thinking about it, existing clients receive an unearned bonus of \$1,200 while we've save \$168! Now, of course, we may be planning to sell more work with our new press—but, do we have to discount it by 40% to do so? But, that's exactly what our estimating system will do. It may be useful to open new accounts at lower prices, but such choices should be made by thinking about the prospects and the competition, not the mechanics of our estimating system.

An Easy Fix To avoid the enormous giveaway of revenue that would occur when the estimated system met a new press with a 40% improvement in productivity, you may simply cause the estimating system to think that the new press is like the old one. This can be done by using the hour rate that results from dividing the rate on the old press by the complement of the productivity improvement. In the case of a 40% improvement and the old press's rate of \$400, the new rate is \$400 divided by one minus the productivity improvement: $\$400 / (1 - .40) = \667 . This will prevent the unintended price reduction on existing work. We can then rationally think of opening new markets with the available time on the new press but at the highest possible price that will get the orders.



**CERTIFIED FIRST AID
& CPR TRAINING**
WEDNESDAY, JUNE 14TH
8:00 A.M. TO 1:00 P.M.
Includes Bloodborne Pathogen Training!

See page 3 for details!

It is critically important to remember that while we refer to the estimate as “the cost” it really must reflect our best judgement as to the highest price we can get for our work and still get the order. It is not an exercise in cost accounting, it is an exercise in marketing and therefore wholly external in its focus.

It's Not Permanent

When hiring individuals, be careful not to utilize certain employment terms/words that would cause you migraines. On the lines of hire slow, fire fast, also be cautious when offering employment to applicants. Stick with things you can deliver such as “We have a position to offer on a full time basis, with more or less approximately from 32 – 40 hours per week” rather than stating “We are hiring for a permanent or long-term employee” thus creating an express promise or contract agreement implication. Check your advertisements and job descriptions and remove those swiftly. For assistance on these matters, call Cheryl Chong at Ext. 218 (email: cheryl@piasc.org).

What Else Have They Done?

Recognizing employees for their job achievements builds morale and motivation, but you can go even further by getting to know about their accomplishments off the job. Congratulating someone for completing a marathon or receiving a degree shows your care for them as a person. It also reminds your workforce that they represent your organization when they're not on the job, which can instill a sense of pride and loyalty that leads to increased motivation and retention

Thought for the Week

Friendship is love with understanding.

Upcoming National Events Calendar 2017

6/9	Webinar: Lockout/Tagout Part 1	11:00AM, Members \$50 for both sessions	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
6/23	Webinar: Lockout/Tagout Part 2	11:00AM, Members \$50 for both sessions	Gary Jones	412-259-1794	gjones@printing.org
7/14	Webinar: Personal Protective Equipment	11:00AM, Members \$25	Matthew Crownover	412-259-1792	mcrownover@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 May - June Activities

<p>May 9</p> <p><small>Register at right</small></p>	<p><small>Event Number-</small> BWB</p> <hr/> <p>7:30 a.m.</p> <p>Cost: \$5</p> <hr/> <p>Location: <small>see locations at right</small></p>	<p>BREAKFAST WITH BOB AND GERRY Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>Some things you don't want to get...</p> <ul style="list-style-type: none"> • A CalOSHA citation with a list of violations and a big penalty. • A letter from an attorney notifying you of an action for an injury to a former employee. • A notice from your Workers' Comp insurance carrier that your experience mod has just gone through the roof. <p>While we can't guarantee that none of these will not happen to you, letting PIASC do a safety compliance walk through can make it much less likely and certainly less painful.</p> <p>Gerry Bonetto, our government affairs and compliance expert, will be happy to visit your plant and help you see the areas of potential concern. He can also work with you on initiating specific procedures, like "lockout/tagout" that will avoid injuries, reduce costs and keep you in compliance. As he will be joining us for this series of breakfasts, this will be a great chance to find out how to keep your costs down.</p> <p><i>Check the box(es) below to register for any of these additional upcoming Breakfast Meetings:</i></p> <p><input type="checkbox"/> May 9th - <i>Mimi's Cafe • 17231 E. 17th St. • Tustin 92780</i></p> <p><input type="checkbox"/> May 10th - <i>Ozzie's Diner • 7780 East Slauson Avenue • Commerce 90040</i></p> <p><input type="checkbox"/> May 11th - <i>West Bistro • 3900 Atlantic Ave. • Long Beach 90807</i></p>
<p>May 4</p> <p><small>Register at right</small></p>	<p><small>Event Number</small> LBC</p> <hr/> <p>11:00 a.m.</p> <p>Cost: FREE <small>non-members: \$45</small></p> <hr/> <p>Location: <small>on your computer</small></p>	<p>FREE LIVE BUSINESS COACHING WEBINARS ON MONEY, CLIENTS AND LEADERSHIP Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>You are invited to attend and participate in a unique series of live webinars where the real issues you face in your business are addressed through a real-time coaching conversation with one of the creative industry's most powerful and sought after business coaches.</p> <p>Bring your most burning questions to the broadcast and get ready to receive not only creative answers and insights but challenging questions that will take your business to a new level. Visit www.piasc.org/Live-Business-Coaching-Webinars for more info!</p> <p><i>Check the box(es) below to register for these events:</i></p> <p><input type="checkbox"/> May. 4th - <i>Money Matters</i></p> <p><input type="checkbox"/> May 18th - <i>Clients Matter</i></p> <p><input type="checkbox"/> June 1st - <i>Leadership Matters</i></p>
<p>May 16</p> <p><input type="checkbox"/></p> <p><small>Check here to REGISTER</small></p>	<p><small>Event Number</small> APSS</p> <hr/> <p>5:30 p.m.</p> <p>Cost: \$30 members \$40/non-members \$20/student/ designers (before May 9th)</p> <hr/> <p>Location: <small>Andre's Conscious Cuisine, Event Center 2407 Main Street, Irvine</small></p>	<p>19TH ANNUAL PAPER & SUBSTRATE SHOW <i>Calling all paper nerds!</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>When you are at a restaurant, do you feel your menu and guess what point of card stock it is? Do you open your 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're nuts, but we can't get enough of it! Come geek out on paper with us at the 19th Annual Paper and Substrate Show. Be inspired with the latest substrates for all types of printing processes along with printed samples. See a demonstration of paper made right in front of your eyes!</p> <p>Learn more at www.piasc.org/papershow.</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	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
	7/15	Book Arts Patch Day for Girls	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	8/12	Merit Badge Day, Boy Scouts	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	10/14	Los Angeles Printers Fair	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166
	11/5	Book Arts Patch Day for Girls	International Printing Museum, Carson	mail@printmuseum.org	(310) 515-7166

**May.
25**

Check here to REGISTER

Event Number
HBCGW

10:00 a.m.
Cost: FREE / member
\$25/ non-member

Location:
on your computer

HOW TO BUILD A CUSTOMER GENERATING WEBSITE AND BACK IT UP WITH RELATED DIGITAL MARKETING TOOLS

Presenters: *Brian Iinuma, Strategic System Group, Inc. & Eddie Bader, Companybuilt*
Contact: **Emily Holguin, Ext. 262, emily@piasc.org**

Are you feeling that you aren't getting the full benefit from your company's website? Do you hear of ways to enhance it, but aren't sure which are appropriate for your situation. Not sure if your website has good content and visual appeal?

A majority of sales today take place online. Even well-established brick-and-mortar stores have a significant online presence. The question is, "How do you get those potential customers to your website and encourage them to do something once they are there?" In this workshop, we will focus on top tips for a customer-generating website as well as using other digital marketing (social media) and Customer Relationship Management tools to drive more business!

**June
14**

Check here to REGISTER

Event Number
CPR

8 a.m.-1 p.m.
Cost: \$60/ member
\$90/non-member

Location:
PIASC Training Room
5800 S. Eastern Ave, #400
Los Angeles, CA 90040
Inside B of A Building

CERTIFIED FIRST AID AND CPR TRAINING

Includes Bloodborne Pathogen Training!
Contact: **Emily Holguin, Ext. 262, emilyholguin@piasc.org**

Cal/OSHA Safety Order Section 3400 states: "In the absence of an infirmary, clinic, or hospital, in near proximity to the workplace, which is used for the treatment of all injured employees, a person or persons shall be adequately trained to render first aid."

The full 5 hour attendance is mandatory for certification so please be prompt. Casual attire suggested, such as tennis shoes, jeans, walking shorts.

Visit www.piasc.org/CPR for full details!

**June
20
thru
21**

Details and registration at:
www.printpackagingsummit.com

Event Number
PPLS

2:00-5:00 p.m.
Cost: \$395/ member
\$575/non-member

PRINT & PACKAGING LEGISLATIVE SUMMIT (CAPITOL HILL FLY-IN)

Formerly Print's Voice
Contact: **Lisbeth A. Lyons, (202) 627-6925, llyons@printing.org**

Print & Packaging Legislative Conference is Printing Industries of America's signature government affairs event that brings printers, suppliers and allied interests together for a powerful program of public policy and political education, issue advocacy, interaction with Members of Congress and networking events on Capitol Hill. Recommended attendees are Presidents/CEOs and other C-Suite executives of printing and graphic communications companies. Executives with responsibility for environmental/health and safety, human resources, legal, postal, tax, technology and/or sales are especially encouraged to attend.

Print & Packaging Legislative Conference is co-hosted by PIA, Association of International Corrugated Converters (AICC) and Fibre Box Association (FBA) and is held in conjunction with National Association of Manufacturers' (NAM) annual Manufacturing Summit. Attendees will attend both industry sessions hosted along with events attended a cross section of manufacturers. Capitol Hill Lobbying Visits: Request meetings at membercentral@printing.org by May 13th.

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- FAX page(s) to (323) 724-2327

Company _____ Phone (_____) _____

Attendees: _____

Bill Company Credit Card # _____

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Are Your People On Overtime?

This is not a question about the volume of work in your plant. It's a question about right-sizing the workforce. The nature of our business is that we don't print something before it's ordered, but when the order comes in, the client wants it tomorrow. The only way we can minimize labor costs is to have only enough employees to cover the slow spots and deal with all of the other times with overtime. Overtime is cheap because the fringe benefits (holidays, vacations, insurance, etc.) remain the same. If we staff to cover average times (or worse still, busy ones) we wind up paying people when there's no work. We'll rapidly discover that without being conscious of it, everyone will take longer to get the work done. Then when it gets busy again, it will take a while to change work habits—a double penalty. Finally, regular overtime makes you more complete for the best people.

Lessons From Leslie - I

Sales and marketing guru, Leslie Groene says that we all need to regularly spring clean our sales approach in order to function at our best. This means completing an inventory of how we interact with prospects and customers and getting rid of the strategies and selling tools that just aren't working.

1. Continually selling to no-potential buyers. Many salespeople fall into this trap. They hold onto a long list of poor-quality leads in their pipeline simply because they believe there's safety to be gained with padded numbers. But

bad leads will always be bad leads and will only suck time and resources out of your day. Either you qualify them in your pipeline, or you spring clean and send that list of bad leads to the garbage bin.

2. **Sounding like a skipping record with old testimonials and references.** Your testimonials must be current, compelling and credible! Prospects want to know if your products and services work in today's marketplace—not the one from five or 10 years ago. This point applies similarly to references. You can't reinforce your "social proof" in the eyes of prospects if your references can't be reached, are retired, or simply shouldn't be references at all.
3. **Appearing too "scripted" on calls.** Be objective. Are you using "salesy" sounding language in your script? Do you resemble a radio ad or a telemarketer? Are you talking more than listening on your first call to a prospect? If you answered "yes" to any one of these three questions, you need to spring clean your approach and start over.

Fluorescent Dyes

Why are fluorescent dyes added to paper? Fluorescent dyes improve a paper's brightness by absorbing invisible ultraviolet light and reemitting it in the blue light spectrum. Fluorescent dyes help hide a paper's yellowish tint by making it appear more bluish. Call Dillon Mooney, the PIA technical expert, at (412) 259-1786 for help on this.

For Sale

Commercial printing business with \$7 million sales. Contact Gerry Michael at gerrym@falcosult.com.

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



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Member Discount
of the Month

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Call Ashley Carroll at (619) 787-1875 or email AshleyC@pos-clean.com to get started now!

Printing Industries Association of Southern California

Affiliated with Printing Industries of America, Inc.



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