



PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

May 22, 2017

High Margin Jobs

We're understandably pleased when we're able to bill a job with a high margin as it's usually possible because real value was received by the client. But focusing on margin may blind us to the reality that the bills are paid with dollars not percent's. After we pay for the paper, the buyouts, the factory wages and the commissions, what's left (contribution) is what gets us to covering the overhead and having a profit at the end of the month. Consider these possibilities, given that an average commercial print job produces about 40% contribution. We could sell a job that estimates at \$1,000 for \$1,200 (20% over the estimate!). This will give us \$600 of contribution (\$200 margin plus \$400 allocated overhead). Now consider two other jobs, one might sell at the estimate and another at a 10% discount. These would produce a \$700 contribution (\$400 from the full price one and \$300 from the discounted one). Very likely it took much more management effort and attention to sell the high margin job than the other two, but they got us \$100 closer to profit for the month. It is also very likely that there are more opportunities like the second two than the first.

Healthcare Reform

The U.S. Senate now has the healthcare bill and much will happen before it emerges (if it does). Two elements that seem likely are the elimination of the "3 to 1" rule that limits the premium charged to a 64 year old to three times that of a 20 year old and some modification of the requirement that all plans include "minimum essential benefits." Both of these are counter-productive as they make it less likely that younger and healthier people buy health insurance—exactly the people we need to bring into the system.

Facts, Not Guesses

Did you know that one of the top-rated surveys conducted by PIASC is the annual Wage and Benefit Survey? Where else can your company access industry compensation practices from a regional and national perspective? Nowhere! Each year PIASC and all the Printing Industries of America Affiliated organizations conduct this project. Data from over 500 companies and more than 17,000 employees across the United States comprise the survey. From top management to the shipping department, you'll see wages and salaries PLUS benefit practices. Survey results are broken out by



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Call Ashley Carroll at (619) 787-1875 or see page 4 for details!

region of the country as well as by size of company. Take part and you will receive a FREE copy of the results. When does the survey start? It begins this June and final results are published in October. We hope you'll plan on participating—nonmember companies pay over \$1,000 for this information. Call Cheryl Chong at Ext. 218 (email: cheryl@piasc.org) for more information.

Sales Comp Trap

Because of fixation on cost sheet margins (we don't want to lose money on our work), sales compensation systems are common that cause commission to diminish or disappear on jobs with negative margins. While this seems sensible, it's really contrary to the firm's interest. The reality is that the actual expenditure for a typical job (materials, factory wages, commission) is around 60% of the all-inclusive estimate. As a result, if there is an opportunity to sell a job at a 10% discount, refusing to do so walks away from a 30% overhead contribution which will flow straight to the bottom line. Clearly, it's not realistic to expect the sales rep to sell this job if they get nothing for it. The best solution, is to base commission on value added (sales minus materials and outside purchases) so that their compensation tracks the interest of the firm more closely. If such a change is made, the commission rate should reflect the smaller base. For example, 8% of the gross would equate to about 11% of the value added, assuming a 25% cost of materials and outside purchases. In addition to keeping the reps in the game for the work that could fill the plant, the higher marginal rate gives them a stronger incentive to reach out for better pricing on all jobs. To explore this approach for your firm, call Bob Lindgren at Ext. 214 (email: bob@piasc.org).

Thought for the Week

Things are only impossible until they're not.

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 - July Activities

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 linuma, 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
1

Register at right

Event Number
LBC

11:00 a.m.
Cost: FREE
non-members: \$45

Location:
on your computer

FREE LIVE BUSINESS COACHING WEBINARS ON MONEY, CLIENTS AND LEADERSHIP

Contact: **Emily Holguin, Ext. 262, emily@piasc.org**

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.

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!

Check the box(es) below to register for these events:

June 1st - Leadership Matters

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.

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	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

June

23

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!

July

1

Check here to REGISTER

Event Number

IPMIDC

10 a.m.-4 p.m.

Cost:
**\$15 / person
group rate of \$50
(up to 4 people)**

**Museum Members
\$12 per person
group rate of \$40
(up to 4 people)**

Location:
Int'l Printing Museum
315 W. Torrance Blvd.
Carson, CA 90745

INTERNATIONAL PRINTING MUSEUM INDEPENDENCE DAY CELEBRATION
Contact: **Mark Barbour, 310-515-7166 mail@printingmuseum.org**

Celebrate our Country's Birthday at the Printing Museum's annual Independence Day Celebration event with our Founding Fathers aka *The Confounding Brothers*. Ben Franklin, John Adams, and Thomas Jefferson will give a humorous and thought provoking account of the creation of *The Declaration of Independence* and how our nation came to be.

The day's festivities include special working tours of the Printing Museum collections, including the opportunity to print your own *Declaration* on Franklin's Colonial press. Take home lots of patriotic souvenirs printed on our authentic tabletop presses. Your admission includes a lunch of Freedom Dogs, American Apple Pie, and Colonial Punch in Madame Brillion's French Garden de Liberte, all while being serenaded by our 18th Century musicians The Colonial Roses. Activities for the whole family are throughout the day in the Museum galleries.

Plan to show up at least an hour before showtime and to stay for 2-3 hours watching the show and doing activities. The show is suitable for all ages 10 and up.

July

15

Check here to REGISTER

Event Number

IPMBAPD

9 a.m.-3 p.m.

Cost:
\$35 / person

Location:
Int'l Printing Museum
315 W. Torrance Blvd.
Carson, CA 90745

INTERNATIONAL PRINTING MUSEUM BOOK ARTS PATCH DAY FOR GIRLS
Contact: **Mark Barbour, 310-515-7166 mail@printingmuseum.org**

The Book Arts Patch Day for Girls is designed for all girls age 10-18 to learn about and practice the book arts through hands-on experience. The BOOK ARTS PATCH DAY will help fulfill the requirements for the Girl Scouts Cadette Book Artist Patch. However, the Book Arts Patch Day is open for all girls, whether they are a Girl Scout, American Heritage Girl, sister of a Girl Scout, or just interested in a great experience.

Teams of girls rotate between 6 stations covering every aspect of the book arts including: letterpress printing, papermaking, bookbinding, and illustration design. Each participant will make their own sheets of paper, make a variety of books using various methods, screenprint their own book covers and t-shirts, and much more. See www.printmuseum.org for more info!

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Paying Bonuses

Firms sometimes explore the possibility of paying bonuses to incentivize their people to do a better job. This can be successful if the bonus is attached to some objective measure (gross profit production volume, etc.). This is challenging because so many possible measures are not fully under the control of the people receiving the bonus. For example, gross profit is affected by plant efficiency, pricing levels and sales volume. If the bonus is to be given to the plant manager, the first element is under their control but the second and third are not. Also, bonuses of this kind payable to non-exempt (hourly) employees create complexity when these people work overtime as their overtime rate has to be adjusted to include the bonus.

Lessons From Leslie - III

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.

7. Depending on your client for referrals. Asking clients, "Who do you know?" in order to score referrals should be scrapped immediately. That question almost always yields disappointing results because it's not specific enough and puts the onus on the customer to do all the work. That's why the most common answer you'll hear is: "No one

comes to mind right now, but let me think about it and get back to you." Guess what? You'll almost never hear from them again. Instead, try this approach: "I would like to meet Randy Smith at the XYZ Company. Can you help me with an introduction?" Or: "I'd love to meet your VP of Sales. Can you help me with an introduction?" And here's one more winning approach: "I'm going to be calling Randy Smith at the XYZ Company this week. Can I tell him we're doing great business together?"

- 8. Ignoring your leads.** In my experience, I've found the vast majority of sales leads aren't ready to close until there have been as many as seven follow-ups. If you regularly make fewer attempts to touch base with potential buyers, spring clean this approach. Instead, increase follow-ups by investing in the ubiquitous, omni-media approach mentioned in Number 5 (*Update* issue dated May 15th). Keep track of every attempt with CRM software or at least a spreadsheet. Skip relying on just sticky notes or Outlook!
- 9. Being unfocused.** A few years ago, some salespeople could manage to eek out a living while being lazy — just sitting by the phone and waiting to take orders. In today's economy, however, the only way to succeed is by being disciplined in how you work. It's time to toss out those days without any scheduling and replace them with structured business hours in which prospect development and client contact are top priorities. Fill those empty blocks on your calendar with activities to build up your prospecting pipeline.

Wanted

Folding carton printer/converter. Call Bob Lindgren at (323) 728-9500.

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



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Printing Industries Association of Southern California

Affiliated with Printing Industries of America, Inc.



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Telephone Number: (323) 728-9500

Web Site: www.piasc.org

Print Access:
www.printaccess.com

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Fax numbers:

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