



PIASC WEEKLY UPDATE

Printing Industries Association, Inc. of *Southern California*

October 17, 2016

The Profit Wonder

During the *Update* editor's Chicago experience, he met a sheet-fed commercial printer with about \$7 million in sales which routinely produced pre-tax profits of 15%. The equipment was 40" 4/c offset and exactly the same as hundreds of firms in that market. What made the difference? Its owner had made it their primary objective to run 24/5 all of the time and sometimes, 24/6. To get there, their estimating system had five levels of pricing. He explained that at level 1 they got a good price because they produced a good product, at level 5 "they took away work from quick prints in Calcutta" Every client was assigned a pricing level after careful thought about the nature of the client's business and their relationship with the printer. At all levels there was positive contribution to overhead (sales minus out-of-pocket cost). Their entire focus was around full utilization of overhead since the capital cost of the plant and presses was the same when running or idle. The owner believed that every time the presses weren't running they were picking his pocket (and they were). The whole approach was based on maximizing contribution dollars and not job margins. The owner realized that there was not enough level 1 work available to keep the plant filled (that he had already paid for), thus they filled it with levels 2 through 5. Because these relationships were dynamic, as they began to do business at level 4 or 5, the door was open to upgrading them as they went along and knew each other better. One of the major advantages that printers have always enjoyed is that they are custom manufacturers. The estimating system may think that all 16 page jobs are equal; in the client's eyes they all look different and have different values. That reality frees the pricing process to focus on value and relationship and escape the mechanical tables in the estimating software.

Get The Story Right

Employee communication is just as vital in a small organization as in a large one. Don't assume every member of your workforce has all the information he or she needs just because you're in daily contact. Here are three tips for improving communication in all directions:

- **Start at the beginning.** Use job interviews to begin the process of explaining what your organization is all about. Highlight values, business objectives, and key responsibilities.



FYI WEBINARS
The New Laws Under FLSA: CA Perspective!
Fair Labor Standards Act 2016
Wednesday, November 9th
Webinar is free to members! See page 3 for details!

- **Keep contact going.** Talk to each employee as often as possible. Answer their questions, and keep them informed about what's going on in your organization.
- **Reinforce success.** Make a point of recognizing good performance whenever you see it. This communicates the importance of helping the organization succeed.

What Do You Want Your Reps To Do?

In the myriad of sales compensation plans in our industry, a common approach is to pay a full commission on jobs sold at the quoted price, an additional amount, say 5%, on any dollars billed above that amount but then a severe penalty on jobs sold below the quoted price, e.g. no commission at all on jobs sold at 10% less than the quote. Superficially, this sounds reasonable. We do want to recognize the importance of getting better prices when they are available and we don't want to sell below "cost." If you get below the surface, there are problems. In the upsell situation, the rep is getting five cents of additional dollars and the firm, ninety-five cents—all pure profit. The firm would like those pure profit dollars, but does the rep want to take the chance of losing the project for a five cent reward? In the down sell situation, the rep has no interest in wasting their time on jobs for which they will get little or nothing. On the other hand, the typical firm has a hard cost ratio of about 60% (paper, buyouts, factory wages, commissions). So, the job sold at 90% of the estimate will produce a 30% contribution to overhead and profit. Meaningful money that would be nice to have, but it doesn't happen because the rep isn't being paid to do it. For more on this subject, call Socorro Garcia at Ext. 229 (email: socorro@piasc.org) and ask for *Dollars and Sense of Sales Compensation*.

Thought for the Week

The person that says they can't and the person that says they can are both right!!

Upcoming National Events Calendar 2016-17	10/19	Franklin Luminaiere Awards	Chelsea Piers, New York, NY	Kim Tuzzo	716-691-3211	ktuzzo@pialliance.org	
	12/3-12/6	Color Conference	The Point Hilton Sqaw Peak Resort, Phoenix, AZ	Julie Shaffer	412-259-1730	jshaffer@printing.org	
	2017						
	3/12-3/15	2017 President's Conference	Hilton Long Beach, Long Beach, CA				
	3/20-3/22	TAGA Annual Technical Conference	Houston Marriott West Loop, Houston, TX	John Bodnar	412-259-1706	jbodnar@printing.org	
	4/2-4/5	Continuous Improvement Conference	Omni William Penn, Pittsburgh, PA	Jim Workman	412-2591782	jworkman@printing.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 September-November Activities

<p>Nov. 1 <small>Register at right</small></p>	<p><small>Event Number-</small> BWB</p> <hr/> <p>7:30 a.m. Cost: \$5</p> <hr/> <p>Location: <small>see locations at right</small></p>	<p>BREAKFAST WITH BOB Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>CALIFORNIA—THE LAND OF MANDATE</p> <p>The good news is that California, with a population greater than that of Canada, is an enormous market. The bad news is that it's an increasingly tough place to do business.</p> <ul style="list-style-type: none"> • The minimum wage is exploding carrying other wages with it. • Communities are competing to see who can mandate more paid sick leave. • Environmental regulations are tough and getting tougher. • Energy costs are the highest in the country. • The California Labor Code is a world unto itself. • Real estate is gold plated and building codes are nightmarish. <p>While we can't make all of this go away, we can operate to mitigate the impact on our ability to profit and grow. At these meetings, we'll share things that you can do.</p> <p><i>Check the box(es) below to register for any of these additional upcoming Breakfast Meetings:</i></p> <p><input type="checkbox"/> Nov. 1st – <i>Mimis Café • 10909 Foothill Blvd. • Rancho Cucamonga 91730</i></p> <p><input type="checkbox"/> Nov. 2nd – <i>Green Street Restaurant • 146 Shoppers Lane • Pasadena 91101</i></p> <p><input type="checkbox"/> Nov. 3rd – <i>Brent's Deli • 19565 Parthenia Street • Northridge 91324</i></p> <p><input type="checkbox"/> Nov. 15th – <i>Mimi's Cafe • 17231 E. 17th St. • Tustin 92780</i></p> <p><input type="checkbox"/> Nov. 16th – <i>Norm's • 11001 West Pico Boulevard • Los Angeles 90064</i></p> <p><input type="checkbox"/> Nov. 17th – <i>West Bistro (Formerly Breakfast Club of LB) • 3900 Atlantic Ave. • Long Beach 90807</i></p>
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<p>Oct. 11 <small>Register at right</small></p>	<p><small>Event Number</small> PABIM</p> <hr/> <p><i>breakfast</i> 8:15 a.m.</p> <p><i>meetings</i> 9:00 a.m. <i>unless otherwise marked</i></p> <hr/> <p>Cost: FREE</p> <hr/> <p>Location: <small>see locations at right</small></p>	<p>PIBT'S ANNUAL BENEFITS INTRODUCTION MEETINGS Contact: Joanne Cadenas, Ext. 256, joanne@piasc.org</p> <p>PIBT offers the best possible cost containment programs plus our personalized customer service to benefit employers as well as employees. Attending any of the following events will better assist you in selecting the most convenient plans to offer your employees in 2017. Complimentary continental breakfast will be provided at 8:15 am. Meetings are held from 9:00am to 12:00pm on the dates and locations listed below. Please mark your calendars early and be sure to join us. Online registration is now open at: www.pibt.org/OpenEnrollmentRegister.aspx</p> <p><i>Check the box(es) below to register for any of these upcoming Meetings:</i></p> <p><input type="checkbox"/> Oct. 11th – <i>Hilton Los Angeles North/Glendale, 100 W. Glenoaks Blvd., Glendale, CA 91202</i></p> <p><input type="checkbox"/> Oct. 13th – <i>Courtyard Marriott, 8651 Spectrum Center Blvd., San Diego, CA 92123</i></p> <p><input type="checkbox"/> Oct. 25th – <i>PIASC Conference Room, 5800 S. Eastern Ave., Commerce, CA 90040 (9am)</i></p> <p><input type="checkbox"/> Oct. 25th – <i>PIASC Conference Room, 5800 S. Eastern Ave., Commerce, CA 90040 (1pm)</i></p>
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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	10/17	AIGA-2016 Design Conference	The Mirage, Las Vegas	www.orangecounty.aiga.org/events
	10/20	Cal Poly CrC Career Day	California Polytechnic State University, San Luis Obispo	www.grc.calpoly.edu/industry/career-day
	11/5	Book Arts Patch Day for Girls	International Printing Museum, Torrance	Mark Barbour www.printmuseum.org
	11/10	AIGA-OC: 2016 O.C. Design Awards	Seven-Degrees, Laguna Beach	communication@aigaoc.org
	11/11	AAF-OC: Integrated Marketing Forum	Bowers Museum, Santa Ana	info@aafoc.org
	11/19	Boy Scouts Merit Badge Day	International Printing Museum, Torrance	Mark Barbour www.printmuseum.org

<p>Oct. 25</p> <p><input type="checkbox"/></p> <p><small>Check here to REGISTER</small></p>	<p><small>Event Number</small> PFAC</p> <hr/> <p>5:00-9:00 p.m.</p> <p><small>Cost: \$50 (After 10-14 \$60)</small></p> <hr/> <p>Location: Bonaventure Brewing Co. 404 S. Figueroa St. Los Angeles, CA 90071</p>	<p>PINTS FOR A CAUSE FUNDRAISER <i>Benefitting the PIASC/RAISE Foundation</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>Enjoy great food and drinks included, a door prize raffle, silent auctions, live music, and more!</p> <p>The cause? To raise the standards for Graphic Arts Education. The PIASC/RAISE Foundation underwrites numerous annual educational events to benefit graphic arts education.</p> <p><i>Some of the programs include:</i> Surplus Drive • T-shirt Competition Scholarships • Design and Production Competition Scholarships for high school and college students • Museum on Wheels • Literacy Campaign • Boy Scouts of America Merit Badge Day • SkillsUSA • Awards Banquet • Plant Tours • And more.</p>
<p>Oct. 26</p> <p><input type="checkbox"/></p> <p><small>Check here to REGISTER</small></p>	<p><small>Event Number</small> LWL</p> <hr/> <p>11:30 a.m.</p> <p><small>Cost: \$35 / member \$60 / non-member</small></p> <hr/> <p>Location: ActionCOACH of Orange County 1231 E. Dyer Road Suite 215 Santa Ana, CA 92705</p>	<p>LUNCH WITH LESLIE: MASTERING THE CONSULTATIVE SALE <i>Speaker: Leslie Groene, Groene Consulting</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>Are you ahead or behind the trend? We are now firmly in the solution selling paradigm. Old school transactional selling is fading by the wayside being replaced by comprehensive solution selling strategies. We need to understand HOW to help our clients and prospects meet their objectives.</p> <p>We will discuss how you and your sales team can execute a needs assessment to determine how we can fit into a clients business needs; ask better questions; use the right marketing tools; develop new sales cycles and more.</p> <p>Sponsored by: HP, Redefining what's possible with print.</p>
<p>Nov. 9</p> <p><input type="checkbox"/></p> <p><small>Check here to REGISTER</small></p>	<p><small>Event Number</small> FYI</p> <hr/> <p>11:00 a.m.</p> <p><small>Cost: FREE/members \$90/non-member</small></p> <hr/> <p>Location: <i>on your computer</i></p>	<p>FYI WEBINARS-THE NEW LAWS UNDER FLSA: A CALIFORNIA PERSPECTIVE! <i>Speaker: Kristine Kwong, PARTNER, Musick, Peeler & Garrett LLC</i> Contact: Emily Holguin, Ext. 262, emily@piasc.org</p> <p>The Department of labor has released its final ruling to overtime exemptions under the Fair Labor Standards Act (FLSA). This means that California employers must pay any salaried exempt employees a minimum of \$47,465 annually to continue their exempt status, effective December 1, 2016! Join us to hear more about this new ruling.</p>

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Use Your People

High-priced consultants have their place, but sometimes your own employees can more easily identify the small changes that add value, increase productivity, reduce costs, and increase profits. The trick is getting your employees to think like consultants. Remember these four facts to get started:

- **Employees are the true experts.** The people on the front lines know more about customer satisfaction and customer preference than any outside consultant. Take advantage of this knowledge.
- **Employees want their organization to succeed.** Most employees understand that success means more opportunities, greater job security, and more money. Take advantage of this desire for company success.
- **Employees don't always know that small improvements matter.** Many employees don't bother suggesting small improvements because their supervisors don't do a good job of proving to them that small improvements can make a big difference.
- **The right atmosphere is crucial.** Work to create an atmosphere where employees feel they can express their concerns and ideas. Remember that employees must feel that they have the authority to take risks and try new things.

Criticism That Works

Most people bristle when being criticized, but it's usually not productive. To handle criticism more effectively, use this technique:

- **Acknowledge.** Resist the urge to attack, blame, or ignore. Instead, take a breath, acknowledge the problem, and express your willingness to discuss it further: "I understand your concern," or, "I can see that you're upset."
- **Inquire.** Calmly ask for more information to show you're taking the criticism seriously and to ensure you fully understand the other person's concerns.
- **Respond.** Once you've given the other person a fair hearing, you can respond to the criticism. First, thank the person for coming to you. Then take the approach you feel is justified. You may say you need to investigate further, offer an apology or promise to make changes, or—if you feel the criticism is unjustified—offer your perspective.

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For more information contact Jay Haddad at (562) 209-5059 or email jay@jlhgroup.net

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Printing Industries Association of Southern California

Affiliated with Printing Industries of America, Inc.



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