

Introducing New Directions Partners, The Latest Addition to the PIASC Partner List

Two years ago a mid-size printer sat down with New Directions Partners, a mergers and acquisitions (M&A) firm that works exclusively in the printing and packaging market, to talk strategy. The company's owners wanted to sell, and they were looking for input regarding pricing and approach. As part of this discussion New Directions Partners provided a broad-based valuation and let the owners know that because of the company's history and older equipment, a sale would likely involve some cash up front plus an earn-out over three to four years.

The company then went to their CPA, who stated that the business should be valued significantly more—at a multiple higher than New Direction Partner's estimate—and could sell for an all-cash deal. Unfortunately, they chose to listen to their CPA, who had no on-the-ground knowledge of what was actually going on in the marketplace. The company still has not sold.

M&A for the Printing Industry

As mergers and acquisitions specialists, New Directions Partners works exclusively in the printing and packaging market. Each member of their nine-person team has over 25 years of industry experience, and the team has literally closed hundreds of deals.

Services offered include business sales, business purchases, valuations, strategic planning and capital formation/financing. For acquisitions and sales New Directions Partners manages the entire process, handling all of the details from start to finish so that the client can focus on running their business. While the

level of service provided is exceptional, what truly sets New Directions Partners apart is their industry focus.

Expertise matters

If you're looking to buy or sell a printing or packaging business, being represented by a firm with New Directions Partners' level of industry expertise makes a significant difference. Here's why:

- **Industry knowledge is vital** – New Direction Partners exclusively focuses on the printing and packaging industry. Not only do they have their fingers on the pulse of the marketplace, they also have an insider's knowledge of the industry. Half of the firm's members have been operational managers of printing companies during their careers. One—our local Southern California rep, Joe Polanco—even ran PIA's Mid-America affiliate, where he provided management support to the organization's printing industry members.

All of this industry knowledge translates into well-structured deals, accurate valuations and reality-based expectations.

"When building valuations," Joe Polanco shares, "we don't just look at the multiples. Because we understand the business, the equipment and the technology, we look at a multitude of other factors, too. We know, for example, that if your production floor is filled with nothing but legacy technology, finding the right buyer can be challenging. But if your firm incorporates digital equipment that's heavy on wide format, you'll likely sell at a premium."

- **It's a national market** – If you're selling a printing business with \$5 million or more in annual sales, many of your best suitors will be companies from outside the area that are looking at a strategic acquisition. And if your annual sales are over \$10 million, there are private equity firms interested in making acquisitions for roll-ups or strategic buys.

New Directions Partners gives you access to this national market. With firm members on the ground across the country, they cast a wide net. New Directions Partners has the connections and data to know who's out there looking for businesses, whether it's one of the dozens of private equity buyers they work with or the industry's leading acquisition firms. While you know who your competitors are and can identify a potential buyer from this small pool, they know the entire market, and will position your business accordingly.

"What I've seen," Joe states, "is that the more you know about the industry and market, the more successful the deal can be for everyone involved."

- **You need good advice** – Good advice comes from people who know the business, market and industry. Brokers who sell everything from restaurants to nail salons to e-commerce companies are not going to have a deep understanding of the printing and packaging industry. The folks at New Directions Partners do, and they're happy to share their expertise with you.

FREE STRATEGY SESSION FOR PIASC MEMBERS

If you're interested in examining your options, Joe will sit down with you on the phone or in person for a strategy session. You can delve into how to position your company, family issues that must be dealt with, and much more. You can even schedule a mini-seminar for your managerial staff. All at absolutely no cost.

"Whether they want to buy or sell," Joe says, "we can help PIASC members get a better perspective of where they want to go and what it will take to get there."



For more information or to schedule your strategy session, contact: **Joe Polanco at 214-336-8586 or jpolanco@newdirectionpartners.com**

WELCOME NEW MEMBERS

PIASC's Board of Directors and staff welcome the following members who joined between May and August:

Baldwin Technology Company Inc.
Supplier
626.660.5795
www.baldwintech.com

Express Custom Screen Printing Services
Printing
951.902.4745
<https://express-custom-screen-printing-services.business.site/>

Global Print Inc.
Digital Printing & Bindery
818.243.0330
www.globalprintinc.com

Mona Solutions LLC
Merchant Services
805.418.7595
www.monasolutions.com

Reliance Packaging, Inc.
Custom Packaging & Printing
818.898.9955
www.reliancepack.com

RM Print
Printing Broker
310.748.7282
www.rmprint.net

Sappi North America
Paper Supplier
714.456.0608
www.sappi.com

Trinity Graphics, Inc.
Print and Copy
562.567.2050
www.trinity3in1.net

Know a company that could benefit from our services and benefits the same way you do? Refer a friend and get money back towards your dues! Visit www.piasc.org/refer

WE LOSE AN INDUSTRY FRIEND

It is with great sadness that PIASC shares the recent passing of Charles (Chuck) F. Stay, a long-time active member of our organization, one month after his diagnosis with Aplastic Anemia. Chuck passed at the end of August surrounded in love by his family.

Chuck graduated from what was then the Claremont Men's College (now Claremont McKenna College) with a degree in accounting, and went to work for a public accounting firm where he became a C.P.A. In 1969 he joined Bert-Co Graphics, a client, as its financial controller. In 1983 he assumed sales and marketing responsibilities and redefined the company's market. By 1996 he became the company's owner, President and CEO. In 2006 he also acquired Penn Industries, Inc., and for a few years ran both companies simultaneously. Penn Digital Services was one of the



first printers in the country to convert conventional prepress operations to digital. Chuck retired from his 47-year printing industry career in 2016.

Everyone who knew Chuck understood that he had a very strong commitment to the graphic arts industry. For example, over the years he served on virtually

every PIASC committee and held every officer position possible. He was on the PIASC Board of Directors for 25 years, from 1992 to 2017, and served as PIBT Chair from 2013 to 2017. Chuck also represented our industry at the national level, as a member of PIA's Executive Committee and Board of Directors. In 2002 PIASC recognized Chuck's many contributions to the graphic arts industry by naming him the Ben Franklin Executive of the Year; in 2003 he was inducted into the Ben Franklin Honor Society. Chuck was very thankful for PIASC, and how much the organization and the industry had done for him.

Chuck will be remembered for his infectious laugh and love of fun. Just a few months ago he traveled through France with his family, where he especially enjoyed taking bike tours through the towns they visited.

RISK MANAGEMENT

Indexed Life Insurance: An Often-Overlooked Savings Vehicle

When consumers are looking for safe savings vehicles, they often turn to Certificates of Deposit (CDs). Because bank CDs are FDIC-insured up to the maximum amount allowed by law, they are extremely safe. Unfortunately, that safety comes at the price of low returns—sometimes just a fraction of a percent each year.

Another savings option is to invest in broadly diversified mutual funds. These offer the possibility of much higher returns, but with the potential for enormous loss, such as what was seen during the Great Recession.

For those who are not satisfied with either of these options, indexed life insurance and annuity products are safe savings vehicles that offer the best of both worlds: The potential growth of stock market gains, with no risk of loss.

How do these savings vehicles work?

Indexed universal life insurance policies and indexed annuities each invest in either a single stock market index, such as the S&P 500, or a mix of indices.

Thanks to the unique way that they are structured, the benefits include:

- **Potential gain but no possible loss** – If the underlying index goes up, the investor participates in the gain, typically receiving 60 to 70% of the growth. But if the market drops and the underlying index decreases, 100% of the investor's principle plus all of the prior years' gains (less some minor administrative expenses) are protected from loss.

- **Favorable tax treatment** – When the stock market is rising, the money grows tax-free, as no taxes are due until

the funds are withdrawn. Products can also be designed so that money can be withdrawn with no tax consequences.

- **Flexibility** – Indexed products can be used as vehicles within tax-qualified plans, such as IRAs, or individually. You can also convert an existing term insurance policy into an indexed life insurance policy.

- **No daily fluctuations** – Most companies that provide these indexed products only calculate values once a year, thus eliminating worries about day-to-day fluctuations.

Want to learn more about indexed life insurance and annuities? For a no-obligation consultation regarding how to put these savings vehicles to work for you, contact Irv Selman at 323-728-9500 ext. 249 or Irv@PIASC.org.

NATIONAL ASSOCIATION NEWS

New iLearning Course: Color Management Fundamentals

Effective color management produces more reliable, consistent color across multiple devices and allows everyone in the process to see color more accurately. It reduces rework and communication issues and produces better color more efficiently. Understanding the basics of color management is the first step for color success. This course will cover the fundamentals of color management, the requirements for success, and how it works—all while giving you a solid foundation of terminology and workflow.

You will learn:

- Color management basics, terminology, and workflow
- Why we need color management and what it can and cannot do
- Basic requirements for creating ICC profiles
- Gamut compression and rendering intent
- Delta E, color tolerances, what's possible, and what's not



Visit www.printing.org/ilearning to access this course.

BUSINESS MANAGEMENT

Sales Facts for You to Know! (Part 1)

1. On the phone, tone is 86% of our communication. Words we use are only 14% of our communication. (ContactPoint)
2. 70% of people make purchasing decisions to solve problems. 30% make purchasing decisions to gain something. (Impact Communications)
3. 78% of decision makers polled have taken an appointment or attended an event that came from an email or cold call. (DiscoverOrg)
4. The average sales person only makes 2 attempts to reach a prospect. (Sirius Decisions)
5. 44% of salespeople give up after one follow-up. (Scripted)
6. 93% of converted leads are contacted by the 6th call attempt. (Velocify)
7. The best times to email prospects are 8 am and 3 pm. (GetResponse)
8. If you follow up with web leads within 5 minutes, you're 9 times more likely to convert them. (InsideSales.com)
9. At any given time, only 3% of your market is actively buying. 56% are not ready, 40% are poised to begin. (Vorsight)
10. In a typical firm with 100-500 employees, an average of 7 people are involved in most buying decisions. (Gartner Group)
11. After a presentation, 63% of attendees remember stories. Only 5% remember statistics. (Dan & Chip Heath)
12. Visuals are processed 60,000x faster in the brain than text. (Mammalian Studios)

Source: Leslie Groene, Groene Consulting, www.groeneconsulting.com

The Printing Education Dilemma

Educating young people about the career opportunities available in the printing and graphics industry requires a partnership between educators and industry representatives. Recently, PIASC President/CEO Lou Caron visited different educational institutions throughout the country to explore education options. One thing that stood out to him was the geographic area from which the students were gleaned. Very few institutions have to contend with an area as large as Southern California.

Southern California offers both advantages and disadvantages when it comes to education, job training, and employment. One major advantage is the sheer number of young people who live in the area. There are over 14 million people living in Los Angeles, Orange, Riverside, and San Bernardino counties. Many of those are young people who would benefit from a career in our industry. A major disadvantage of the SoCal area is the size of those four counties.

It's possible for a young person who lives in the Inland Empire to attend Riverside City College and receive a quality printing education. But it's logistically impossible for a student who lives in Los Angeles to receive training at the same school.

In the past, printing classes were offered all over Southern California. From Santa Monica to Downtown Los Angeles to Pasadena, there were schools that offered degrees and transfer opportunities in the industry. Today, there are still schools that offer printing, graphic design and prepress classes. Many of these programs have extended their educational courses, much like some PIASC member companies have extended their product and services offerings. Some programs focus on digital and online design. Others include offset and digital press training.

Southern California Colleges & Universities with Printing or Industry Related Degree Programs

- Cal Poly San Luis Obispo
- Cal Poly Pomona
- Fullerton College
- Riverside City College
- Pasadena City College
- LA Trade Tech

While some of these programs are thriving, others have no students. Some of the above listed classes exist only on paper. The educational institutions would offer the classes if there were students interested in the program. As the printing industry becomes more digital, what if all of the above-mentioned programs can, with the help of the industry, once again help students see that printing is a viable employment opportunity.

Employment Needs of the Printing Industry

The truth is, the industry is not just looking for prepress technicians or press operators. We're looking for employees to run the industry of the future. Think of the technological advances that will occur in the printing industry during the lifetime of a current college student. For example, the idea of a "printing press" has changed over the years. A few years ago it was common to have 3-5 press operators running one press. Today Heidelberg is talking about an "autonomous press room," a pressroom without a press operator. Xerox, Ricoh, and other digital "press" manufacturers have equipment that begins to print, without an operator, the minute an order comes in from a web-to-print solution.

As our industry changes, we'll still need CSRs, estimators, sales reps, and more to run the printing company of the future. In order to attract young people to our industry, we need to change our image and create awareness in the consumer market of the value of print and the careers that are available.

First Steps in Our Mission Promote the Industry to Young People

In the last few weeks, PIASC has participated in a couple of brainstorming meetings at Fullerton College. The goal was to develop a "roadmap" of the relationship between students, parents, educators and the industry then merge these groups in a way that will benefit everyone. The roadmap also identifies areas in which educators, industry and the association can act and have an impact. We have to find ways to influence all stakeholders if we are going to find ways to funnel people into the industry.

To reach these goals, take a look at what other educational institutions have done. Take a look at the Instagram campaigns from the Department of Graphic Communications at Clemson University (<https://www.instagram.com/clemsoncg>) and CalPoly SLO (<https://www.instagram.com/calpolygrc>). The student spotlight videos from CalPoly SLO on Youtube are also very impressive (<https://www.youtube.com/user/calpolygrc>).

Educating young people, their families, and the community at large about the employment opportunities in the printing industry will be a challenge. We have the educational institutions and we have the students. What we need now is a group of educators and industry leaders to step up and make this a reality because the consequences of doing nothing are not acceptable.

CONTACT US

Address:
5800 S. Eastern Avenue, Suite 400
Los Angeles, CA 90040

P.O. Box 910936
Los Angeles, CA 90091

Phone: 323.728.9500
www.piasc.org

Key Contacts

Lou Caron, President
Ext. 274, lou@piasc.org

Dennis Bernstein, Commercial Insurance
Ext. 222, dennis@piasc.org

Evie Bañaga, Employee Benefits
Ext. 224, evie@piasc.org

Kristy Villanueva, Member Services
Ext. 215, kristy@piasc.org

Cheryl Chong, Human Resources
Ext. 218, cheryl@piasc.org

Irv Selman, Individual Insurance
Ext. 249, irv@piasc.org

HUMAN RESOURCES

Banning Mobile Devices on the Production Floor

Even in today's "always connected" age, you do not have to allow employees access to their personal mobile devices on the production floor. In addition to issues related to lost productivity, mobile devices and heavy equipment just don't mix well from the safety perspective. For example, an employee who looks down at his device while operating a forklift can crash, and a press operator who is distracted by a text while running a printing press can get severely injured.

In fact, given the safety hazards that personal electronic devices pose, banning them on the production floor may be the best option. If you would like to take this route, PIA has drafted the following sample policy for members' use:

Cell Phones and Personal Electronic Devices (iPods, iPads, tablets, etc.):

For your safety and the safety of everyone at the Company, the production floor must remain free from distractions. Neither cell phones nor personal electronic devices are allowed on the production floor. These devices may never be used while operating a motorized vehicle such as a lift truck, pallet jack or delivery vehicle. Employees may keep their devices in a locker, car or other secure location at your own risk. Employees may use their devices off of the production floor during breaks. Management and supervisory personnel are permitted to use cell phones only for professional reasons on the production floor.

CALENDAR OF EVENTS

Cocktails & Conversation in Studio City and Cerritos

Join us from 5:30 pm – 7:30 pm for one or both of our upcoming networking events, Cocktails & Conversations.

Oct. 4, 2018 - Jalapeño Pete's, Studio City
Oct. 11, 2018 - FRIDA Mexican Cuisine, Cerritos
\$25/members | \$40/non-members
(includes two drinks and appetizers)
Register at www.piasc.org/cc

Toy Drive & Ride

October 1st – November 23rd

If you agree to participate, PIASC will send you a box for donations. Once you reach 20 gifts, your logo will also be included in all promotional items as a sponsor.
Donate by Friday, November 23, 2018.
Drop-off location: 5800 S. Eastern Ave, Ste #400, Los Angeles, CA 90040
(Bank of America Building, 4th Floor.)
Contact Maribel Campos at maribel@piasc.org or 323.728.9500 ext. 210

Group Motorcycle Ride

Saturday, December 1st

You can also join the GROUP MOTORCYCLE RIDE to deliver donations... All Bikes are welcome and Santa outfits highly suggested!
Starting Point: GPA Specialty Substrate Solutions, 16001 Arthur St, Cerritos, CA 90703
Check-in begins: 8:00am
Ride to City of Hope: 9:15am (Kick Stands Up)
Destination & Distribution of Gifts: City of Hope, 1500 E. Duarte Rd, Duarte, CA 91010
To join the ride contact Bill Rivera at (949) 422-8330

PIASC

Events Calendar

SEPT
20

How to Gain a Competitive Advantage and Increase Pro its with Lean Sales

11:00 am - 12:00 pm PST
Webinar at a computer near you FREE/
members
Details: <http://bit.ly/9-20webinar>

SEPT
27

The Truth Behind Surcharging - Facts & Opportunities for Your Business

11:00 am - 12:00 pm PST
Webinar at a computer near you FREE/
members
Details: <http://bit.ly/9-27webinar>

SEPT 30
OCT 2

PRINT 18

McCormick Place South, Chicago, IL
FREE/ member
Details: printtechnologies.org/events/print18

OCT
4

Cocktails & Conversations

5:30 pm - 7:30 pm, Jalapeno Pete's, Studio City
\$25/members (includes 2 drinks and apps)
Details: piasc.org/cc
Contact: Emily Holguin, Ext. 262, emily@piasc.org

OCT
9

Pro it Matters Webinar: M&A Trends in Today's Print Environment

11:00 am - 12:00 pm PST
Webinar at a computer near you
FREE/members
Details: <http://bit.ly/10-9webinar>

OCT
11

Cocktails & Conversations

5:30 pm - 7:30 pm, Frida Mexican Cuisine, Cerritos
\$25/members (includes 2 drinks and apps) Details: piasc.org/cc
Contact: Emily Holguin, Ext. 262, emily@piasc.org