

## Janet Steiner Selected Executive of the Year

PIASC has named Janet Steiner, former CEO of Thoro Packaging in Corona, California, as its Executive of the Year. “Janet was chosen for this honor because she is held in such high regard as the leader of an innovative and very successful folding carton company,” says Janet Green, PIASC Public Relations Chair.

Thoro Packaging was originally launched by Janet’s father in 1967. Janet got involved out of a desire to help him achieve his goals. One thing led to another, and in 1982 she took over as President, eventually buying the business. Under Janet’s 36 years of leadership Thoro Packaging grew exponentially—from about \$2 million in annual sales to nearly \$38 million—and became an industry-leading packaging solutions company.

“I always loved the business!” Janet shares. “I loved that we could create excellent packaging for our customers that helped them sell their products. It was fun to stretch our imaginations and abilities, and push the envelope in terms of what could be possible.”

This drive for quality and innovation resulted in Thoro Packaging receiving numerous industry awards. Between 2009 and 2017 Thoro won 14 Best of Category Awards and a People’s Choice Award in PIASC’s Print Excellence Awards program. The company was also recognized by the Printing Industries of America as one of the Best Workplaces in the Americas in 2012, 2014 and 2015, and received a number of awards in the Paperboard Packaging Council’s annual Carton Competition as well.

Janet has also personally been the recipient of numerous awards, including the Inland Empire’s prestigious Spirit of the Entrepreneur Award in 2017, the National Association of Women Business Owners – Inland Empire’s Business Woman of the Year Award in 2006, and more.

Janet served on PIASC’s Board of Directors from 2014 to 2017, and also served on the Board and the Auditing Committee of the Paperboard Packaging Council.

Although Janet sold Thoro Packaging (which is now known as Autajon Packaging Thoro) in 2018 and retired from the business, today she is still quite active in the community. In addition to serving on three Boards, she is also involved with speaking, mentoring and philanthropic work. “One of my goals now,” says Janet, “is to continue to be an inspiration to business people, especially young entrepreneurs and managers, and to provide encouragement for women. We can persevere. We can do it!”

The presentation of the Ben Franklin Executive of the Year award will take place at PIASC’s annual Graphics Night on Friday, May 3, 2019, at the Pacific Palms Resort in Industry Hills.

Contact Kristy Villanueva at 323.728.9500, ext. 215 for more information about Graphics Night and the Executive of the Year award.



Janet Steiner

## Lisbeth's National Lobbying Update: Tariffs

*PIA's government affairs program represents your interests on Capitol Hill by aiming to influence the actions, policies and decisions of legislators and/or members of regulatory agencies. This new column by PIA lobbyist Lisbeth Lyons will keep you informed about our lobbying efforts.*

In 2018 the lithographic printing industry got caught in the crosshairs of the new Section 232 tariffs imposed by President Trump on steel and aluminum, ostensibly for national security reasons.

Why? Because lithographic printing plates are all made of aluminum. All four of the major producers of litho plates use imported aluminum (primarily from the EU), because the quality and grade of aluminum needed is not available in the U.S. As a result of the tariffs, last summer litho printers across the country received letters from their plate suppliers saying that they were imposing a 10% surcharge as a pass-through of the tariffs, pending disposition of the exclusions that the suppliers were applying for through the Department of Commerce.

### **A "good news/bad news" situation**

The good news is that the equipment suppliers in our industry have received the majority of the tariff exclusions for which they applied.

The bad news is twofold. First, the suppliers must go through a reimbursement process with customs. It can take up to six months for the suppliers to get their money back before they will begin issuing reimbursements to their customers.

Second, the tariff exclusions are only good through the end of 2019. After that, if the tariffs are still in place, the entire "pay the 10% tariffs/surcharges up front, apply for an exemption and hope for the best" process begins again. Of course, there is absolutely no guarantee that the industry would receive another exemption next year.

### **We're working on Capitol Hill**

Right now Congress does not have the authority to say, "This is ridiculous! Aluminum from the EU to be used in printing plates is not a national security concern!" Congress is currently looking at legislation that would seek to limit the President's ability to unilaterally impose tariffs for "national security reasons" to situations where this actually makes sense, such as defense. There are also proposals that would give Congress a stronger role in voting on whether or not any proposed tariffs can go forward.

PIA believes that there is value in legislation that would restore a congressional role in the imposition of tariffs, and provide a more critical eye as to whether or not specific tariffs make sense. We are therefore actively working with a coalition of organizations, the Coalition Alliance for Competitive Steel and Aluminum Trade to help get this type of legislation passed.

### **You can help**

We're looking for specific examples that we can use to make our industry's case on Capitol Hill. If your company has been negatively impacted by the tariffs, please send your story to [govtaffairs@printing.org](mailto:govtaffairs@printing.org). We rely on people like you to share these horror stories, so that we can use them to advance our cause.

### **Conclusion**

Tariff and tariff policy won the day for the most contentious issue on Capitol Hill in 2018, and this issue has brought together Democrats and Republicans from a vast spectrum of ideology. In fact, while there is a lot of controversy, what we're seeing is that there's more unity on this issue between Republicans and Democrats than there is between Republicans and President Trump.

Tariff policy has become intertwined with larger trade negotiations, particularly retaliatory tariffs between the US and China, and pending Congressional action to approve or disapprove the US-Mexico-Canada Agreement (USMCA) that would replace the old NAFTA agreement. PIA is working diligently to protect printing from this hurricane of trade policy. Stay tuned!

## Current Hacking Scams: Spear Fishing & Whaling

Just when you thought you knew what to look for to avoid hacking scams, things have gotten trickier. Today's more sophisticated hackers aren't just sending out millions of copies of the same generic "phishing" email, trying to trick random people into revealing personal information (such as passwords and credit card numbers) or opening malware-infected attachments. Instead, they're doing their research and then sending much more targeted emails that are far more likely to look "real."

In "**spear fishing**," scammers target people through emails that appear to be sent by a trusted contact or colleague. Victims are likely to receive emails that seem to be legitimate requests for sensitive information, from someone who might have a good reason to ask for that information. For example, the scammers may impersonate high-level executives in an attempt to trick a lower-level employee within the organization to respond. This might include "emergency" requests from an executive who claims to be in the middle of a meeting and in immediate need of the requested information. Some of these scams ask directly for information, others direct the victims to legitimate sites such as Google Drive or Dropbox to download malware-infected documents.

In "**whaling**," also known as "whale phishing," scammers target high-level executives with malicious emails, in an attempt to steal sensitive information from the organization or to trick the victim into wiring funds. The high level of customization and personalization can make it hard to see that the email is a scam.

Because many companies post information about the executive team on their websites, it can be easier than you would think for scammers to select and target their victims.

To avoid getting caught by these scams, be especially wary of "urgent" messages that ask the recipient to perform some type of unusual task; unfamiliar urls; use of terms that don't fit your industry or corporate culture; or statements that the sender is unavailable to talk to discuss this request.

Action item: Add these threats to the cybersecurity training you regularly provide to your employees (see our article on "Your Biggest Cybersecurity Threat: Your Employees," at <http://bit.ly/cyber-employee>).

## Optimizing Your Most Important Asset: People

Your business has goals for sales, profits, growth and more. Your business also has a strategy to reach its goals. But does your plan for achieving these results address having the right people in place to get the job done? Does it tackle the need for “talent optimization,” i.e. strategically optimizing your business’ workforce so you can increase engagement, morale, productivity and success? If not, you may find your goals very hard to reach.

Talent optimization can have a significant impact on your company’s bottom line. Successful talent optimization involves understanding the needs of each position as well as the strengths and motivations of each team member at a deeper level, and then using this information to everyone’s advantage. It starts with your hiring process, and continues throughout a person’s tenure with your firm.

Here’s what you need to do to put talent optimization strategies in place...

### **Create profiles for each position**

As Marty Ramseck, a Talent Optimization Specialist with PI Midlantic, explains, a good starting point is creating profiles of the people that you need to have in place in order to reach your goals.

“Every job has behaviors that people must perform, and every person has behaviors that are their natural strengths,” Marty notes. “For example, a help desk position might require a person with good patience and follow-up behaviors, while a team-building role would call for a person who is strong in social and harmony behaviors. In addition, some people are naturally people-focused, while others are naturally task-focused. Their behaviors will reflect this.”

### **Consider desired behaviors during the hiring process**

Most companies start the hiring process by looking at the resume or application to see if the candidate meets the position’s requirements from the education, knowledge and skill standpoints. After that, during the interview process they attempt to discern if the candidate is a “good fit” in terms of values, work habits, integrity, character and so forth.

To further increase the chances that you hire the right person for the job, you should also look at behaviors during your hiring process. Create a profile of what you’re looking for—including analyzing the behaviors of your top performers in that role—and then hire to it. There are a number of tools, such as the Predictive Index tool that Marty’s firm utilizes, that can be used to implement this.

### **Interact with each employee in the way that’s best for them**

Once they’re on board you’ll want to optimize that talent. As Marty points out, “You can hire the best person in the world, but if you don’t treat, motivate and coach them correctly, they might not stick around for long.”

Understanding each employee’s strengths and preferences from the behavioral standpoint gives you the information you need to tailor your interactions with them. This includes:

- Communication – Some people want you to be direct in your communications. Just get right to the point! Others have a need to connect with you on personal basis before you discuss business. How was your weekend, and did your daughter get over the flu?
- Recognition – Some of your team members crave public recognition for anything and everything they do. Others are embarrassed by it, and prefer private recognition based on something specific they did in their area of expertise.
- Coaching – Some employees want a lot of autonomy, and enjoy the challenge of figuring things out themselves. Others want step-by-step assistance and very clear rules regarding how to get things done.

All of this can be discerned by using the Predictive Index tool or similar products. And all of it can be used to everyone’s advantage.

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## **Help teams work better together**

Talent optimization can also be used to help managers and team members understand each other better, and divvy up assignments in a way that capitalizes on each person's strengths. Transparency is key here. When each person shares their strengths, preferences and behaviors, having this knowledge eliminates a lot of interpersonal conflicts and frustrations.

This deeper understanding of each employee is also helpful when you want to avoid promoting high performers into roles for which they are ill suited. Just because someone is a superstar in their current role doesn't mean they'll be successful in the next.

## **Conclusion**

"We can all adapt to different behaviors throughout the day," says Marty, "but the more your job enables you to play to your natural behaviors and strengths, the more success you will have and the happier you will be in that role. This is one of the reasons why companies that utilize talent optimization strategies have more engaged employees, higher moral, higher productivity, lower turnover and better results."

## Paper by Jan: Going Up!

*President of Spicers Paper & Kelly Paper, will report on the latest happenings in the world of paper supply and costs.*

The big news in the paper world is that although the market forces that caused the huge increases in paper prices that we experienced in 2018 have settled somewhat, prices on some paper grades will continue to rise in 2019.

### **We had significant price increases in 2018**

In 2018 prices from the mills increased nearly every quarter—a frequency not seen in recent years. Depending on the type of paper, prices from the mills rose a total of 15 to 20% over the course of the year.

There were a number of factors driving this, including:

- Rapid increases in pulp prices. Pulp prices increased 25-30% between June 2017 and December 2018, driven primarily by the supply and demand balance in China. China's National Sword policy (see <http://bit.ly/pulp-policies>), which resulted in several older pulp mills shuttering, also effectively banned the import of most North American waste paper. This resulted in a shortage of the raw materials used to make pulp at the remaining mills. In response, Chinese packaging and tissue mills increased market demand for virgin pulp, which caused a global shortage.
- Transportation costs continued to rise. This is another high input in the cost of paper.
- Capacity was reduced in North America, for both coated and uncoated free sheet paper. This included the closure of two coated paper mills, West Linn Papers and Appleton, at the end of 2017, and a capacity reduction of 5% in the uncoated free sheet market in 2018.

### **Things aren't likely to improve in 2019, particularly in uncoated paper**

We had hoped things would stabilize this year. Unfortunately, on January 10 Georgia Pacific announced that it was closing its uncoated mill at its Port Hudson, Louisiana plant as well. This mill represented a whopping 7.5% of the total North American capacity. It's a substantial capacity restraint; as of this month, 635,000 tons of uncoated free sheet are coming out of the market.

Not surprisingly, all of the uncoated mills announced 4 to 6% price increases effective March 4. Not only are prices going up, supply is likely to be extremely tight.

Hang on tight—we may be in for a bumpy ride!

## Important EEO-1 Updates

There's a lot going on with the annual EEO-1 survey, which requires employers to report on the number of people they employ, categorized by location, race/ethnicity, gender and job category. The EEO-1 must be filed annually by private employers with 100 or more employees, as well as employers in some other specified categories.

### **Submission deadline extended**

Due to the impact of the recent partial government shutdown on the Equal Employment Opportunity Commission (EEOC), the deadline to file the 2018 EEO-1 survey has been extended from March 31 to May 31, 2019.

### **More detailed data may be required—or not**

Back in 2016 the EEOC had announced that, starting in March 2018, filing requirements would expand to include pay data (not just head count) for employees in each job category, broken down by gender, and race/ethnicity. Many employers breathed a sigh of relief when, in August 2017, the White House Office of Management and Budget (OMB) issued an indefinite stay of this new reporting requirement.

Now it looks like the granular reporting requirements may be back. On March 4, 2019, the U.S. District Court for the District of Columbia vacated this stay and restored the prior directives.

At this point it is too soon to know if this will affect the 2018 EEO-1 survey that is due on May 31 or not, as the OMB is likely to appeal this decision and seek to have any changes to the form postponed until the appeal is heard.

### **California's new "gender X" may complicate compliance for some employers**

To further complicate things, as we previously reported, as of January 1, 2019 California officially recognizes "non-binary" as a third gender option for driver's licenses and other forms of identification. This is designated as gender "X." However, because the federal government only recognizes two genders, the EEO-1 survey requires you to categorize all employees as either male or female. What are you supposed to do about those whose official state identification states they are neither male nor female?

Although there are no official guidelines regarding this issue, a similar issue occurs when employees decline to self-identify their race/ethnicity. In this situation, the EEOC's guidance directs employers to use "employment records or observer identification" to determine the employee's race/ethnicity. In other words, a best guess based on appearance and behavior. This same approach is likely to apply to the gender X situation as well.

Action item: For more information, or to submit your survey, visit the EEOC's EEO-1 Survey site at <http://bit.ly/EEO-1Survey>.

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# Updates to the Mandatory IRS Retirement Plan Notices

If you offer a qualified retirement plan to your employees, such as a profit sharing, 401(k) or 403(b) plan, one of the things you must provide to participants is an explanation of the rules for making an eligible rollover distribution, as well as the tax rules for distributions that are not rolled over. This notice should be part of your “distribution election packet,” and should use—or be based on—the IRS’ model rollover notices.

The IRS recently updated Notice 2018-74 (see <https://www.irs.gov/pub/irs-drop/n-18-74.pdf>) to reflect a number of significant changes in the law. Appendix A of this document includes two versions of the model rollover notice, which is entitled “Your Rollover Options.” The first version is for payments that are not from a designated Roth account, and the second is for payments from a designated Roth account.

Action item: Be sure that your distribution election packet contains an updated rollover notice. Either use the notice provided by the IRS, or update one that you have written yourself.