

The Difference a Good Management System Can Make

Not having systems in place can really harm a company. To illustrate this, Paul Wirth, Professional EOS® Implementer from Traction Minded Inc., shares the story of a spice importing company. Although they had grown to 90 people, the owner and the CFO were not on the same page regarding everything from revenue results to payroll. “With no system or tools in place to manage the business,” shares Paul, “they were doing what I call ‘failing up.’ The business was going in an upward direction, but they risked losing it all because they just didn’t know what they didn’t know.”

Using a management system to gain control

“The solution to the ‘failing up’ problem,” Paul explains, “is to put a management system such as EOS® (Entrepreneurial Operating System) in place. A management system is a set of tools and disciplines designed to help leadership teams get what they want out of their businesses.”

While there are a number of different management systems available, you should look for one that includes the

following:

- **Vision** – Identifying your organization’s core values, core focus and long-term goals, in order to get everyone rowing in the same direction.

- **People** – Ensuring you get the right people in the right seats. Measure your people to your core values, and make sure they understand, want and have the capacity to do their assigned job. A great tool for this is an “accountability chart” that goes beyond a traditional organization chart by adding the major roles of each function. This serves to hold each employee accountable for their specific function.

- **Data** – Running your business on facts, figures and objective information rather than the feelings, egos and emotions that often drive decision making in an entrepreneurial company. You can create an Excel spreadsheet to track the 5 to 15 high-level metrics that enable you to get an “absolute pulse” on your business.

- **Issues** – Having a clearly defined process to analyze issues, ideally getting down to the root causes, because how you develop solutions to issues is key to

the success of your organization. Then migrating that discipline down into the organization by encouraging everyone to raise issues, knowing that these issues will be seriously considered and, hopefully, resolved.

- **Process** – Identifying the 6 to 10 core processes that run your business and then getting them simplified, documented and done the right and best way every time. Doing this will create consistency and scalability in your organization.

- **Traction** – Bringing your vision down to the ground and executing with discipline and accountability. Unfortunately, the vision for most entrepreneurs goes unrealized due to weakness in this component. The best way to gain traction in your business is to take the time every 90 days to develop a 90-day action plan that crystallizes your real priorities for the company.

Key benefits of using a management system

Whatever management system you choose to implement, the structure this provides can be extremely beneficial for your business. A well-implemented

management system can:

- Help you develop a strong culture with proven systems to grow your business
- Get everyone on the same page with where you’re going and how you plan to get there

- Bring focus, discipline and accountability to your business

- Provide a methodology for ensuring that you focus on the “root causes” of your issues in order to produce real, permanent change

- Streamline staff meetings

- Increase employee engagement and satisfaction

- Build a more cohesive, functional and healthy leadership team

“Some companies take a do-it-yourself approach to implementation,” Paul adds. “While this can work, it is also problematic because it is challenging for any organization to take on a new operating system. Most organizations achieve better success when they have an accountability partner to help them stay on track. Bringing in an outside implementer to help you put the tools in place can make an enormous difference.”

HUMAN RESOURCES

The Social Security Administration’s “No Match” Letters are Back

In March 2019 the Social Security Administration (SSA) resurrected its practice of sending employers “Employee Correction Request” notices, also known as “no match” letters, when the name and Social Security Number (SSN) combination on a filed Form W-2 doesn’t match SSA records.

What does a “no match” mean?

A “no match” letter does not necessarily indicate a serious problem. Quite often the issue is caused by a typo, a name change that has not yet been reported to the SSA, a missing hyphen in a last name or other simple error. However, a mismatch can also be the result of fraud, identity theft, witness protection status or other non-benign causes.

What should you do when you receive a “no match” letter?

It is recommended that you:

- **Do not take any adverse employment action.** This notice does not necessarily mean that the employee is not authorized for employment. The letter will specifically warn you not to use the letter alone as a basis to lay off, suspend, fire or otherwise discriminate against the employee.

- **Do not request a new Form I-9.** Do not attempt to re-verify the employee’s immigration status and employment eligibility.

- **Review the affected data and correct obvious errors.** In order to see exactly what information is in question

you’ll have to follow the instructions in the letter to create an account and login. Check this reported no-match information against your personnel records, especially the information provided by the employee on their W-4 form. Look for typos, transposed digits, missing middle initials and other simple mistakes. If there is an obvious error, follow the instructions to file Form W-2C to inform the SSA of corrections.

- **Speak to the employee.** If you cannot resolve the discrepancy, tell the employee about the issue and instruct them to contact the SSA to correct the problem. Give the employee 30 days to do this and report back to you on their progress. At this meeting, give the employee a written letter confirming your instructions; keep a copy of this confirmation letter in the employee’s personnel file. As a courtesy, it is helpful to provide the employee with the telephone number and address of the nearest SSA office.

- **Be prepared to take action.** If the employee admits that they cannot lawfully work in the U.S., you should immediately terminate their employment. If the employee does not resolve the issue in a reasonable period of time, meet with your legal counsel to discuss next steps.

What happens if I just ignore the letter?

Because the SSA does not have enforcement authority, you may be tempted to ignore the Employee Correction Request letter. There are a number of reasons why

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GOVERNMENT & LEGISLATIVE

Class Arbitration Requires Explicit Consent

In the recent *Lamps Plus, Inc., et al. v. Varela* case, the U.S. Supreme Court ruled that when an arbitration agreement is ambiguous regarding the issue of class arbitration, the courts cannot infer that the parties have consented to class arbitration. Unless the arbitration agreement makes it crystal clear that the parties have agreed to arbitrate on a class-wide basis, class arbitration is not permitted.

Since their 2011 ruling in *AT&T Mobility LLC v. Concepcion*, in which the Court majority stated that arbitration was fundamentally incompatible with class actions, the U.S. Supreme Court has issued a series of decisions that intentionally make it quite difficult for parties to arbitrate on a class basis. This latest ruling gives employers another tool to fend off class action arbitration.

Action item: If you have an arbitration agreement in place with any party (such as employees, customers and/or vendors), check to see if it includes any express mentioning of class proceedings. If not, and you do not want this to be a possibility, you can rest easy in this area.

Court Rules the New “ABC” Independent Contractor Test Applies Retroactively

On April 30, 2018, the California Supreme Court issued a landmark decision that has since become known as the *Dynamex* decision. In *Dynamex*, the Court established a new test to determine when workers can be classified as independent contractors for claims stemming from California’s Wage Orders.

The ABC Test

Known as the “ABC Test,” this test states that a worker is considered an employee (and not an independent contractor) under the Wage Orders unless the employer proves that all three of the following are true:

- A. The worker is free from the control and direction of the hirer in connection

with the performance of the work, both under the contract for the performance of such work and in fact;

- B. The worker performs work that is outside the usual course of the hiring entity’s business; and

- C. The worker is customarily engaged in an independently established trade, occupation or business of the same nature as the work performed for the hiring entity.

The Dynamex ruling has been expanded

On May 2, 2019, the Ninth Circuit Court of Appeals expanded the reach of this ruling by stating that it applies (a) retroactively, to cases brought before the

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BUSINESS & MANAGEMENT

More Restrictions on Exports of Recyclables are Coming



As we’ve been reporting, China’s National Sword Program—in which China has drastically reduced its imports of plastic and paper waste for recycling—has wreaked havoc on the U.S. recycling market (see “Recycling Update,” <http://bit.ly/recycleupdate>). Now this bumpy ride is likely to get even bumpier.

According to the Chinese Ministry of Ecology and Environment’s solid waste division, last year China imported 22.6 million tons of solid waste, down 47% from 2017. Now China has announced that it plans to cut solid waste imports to zero by 2020. Their goal is to stop importing any waste product that they can source domestically. High-quality material, however, would still be accepted and simply treated as a “commodity” instead of waste.

Meanwhile, in a ray of good news, after previously announcing (on one week’s notice!) that stringent restrictions on paper imports would begin last month, Indonesia has indefinitely postponed implementing these rules. Unfortunately, this is likely just a temporary reprieve. In January 2019 Indonesia was the third-largest importer of U.S. recovered paper, behind China and India, so it is an important market for the graphics industry.

NATIONAL ASSOCIATION NEWS

Women’s Print Executive Peer Group Seeks Members

PIA invites women holding senior positions to join an executive peer group focused on professional development, organizational growth, and improvement. This female-facilitated group will address the challenges and opportunities facing women in leadership roles and consist of 8–10 executives from mid-sized printing companies.

There will be a two-day annual in-person meeting with 60-minute virtual meetings every 4 to 8 weeks. Contact Jim Workman at jworkman@printing.org for more information or to apply today.

Take Your Sales Team to the Next Level

The all-new Advanced Sales Training from Printing Industries of America will take your sales team to the next level with its hands-on learning approach. This exceptional program is built to deliver results, combining online learning modules with live, one-on-one coaching from sales experts Bill Farquharson and Kelly Mallozzi, who have direct experience selling print products and services.

What’s included?

Each comprehensive 90-day course option includes eLearning modules with knowledge assessments, a printed companion workbook containing valuable intelligence and action steps, and live weekly one-on-one coaching sessions.

Who is it for?

Anyone who wants the fast track to next-level, high-profit print sales.

How much time will it take?

Each course option is designed to be completed in just 90 days. Want addi-

tional one-on-one coaching? That can easily be added on if you choose!

Choose from one of two course options: “Developing Your Digital & Inkjet Sales Strategy” or “Maximizing Profits Through Verticals.”

Developing Your Digital & Inkjet Sales Strategy

You’d be surprised, but the same rules don’t apply for selling digital as they do for selling offset print. Successfully selling digital and inkjet printing services requires a solutions-based approach. We teach your sales team how to be problem solvers, troubleshoot issues for clients and help relieve pain points to earn more orders.

Key Takeaways

- Where to look for the best digital/inkjet prospects
- How to sell digital/inkjet at profitable, no-bid prices
- Potential objections and how to overcome them
- Which vertical markets provide the

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HUMAN RESOURCES

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this is not a good idea. For example, Immigration and Customs Enforcement (ICE) could view your failure to take action as proof that you knew of potential immigration issues. If the no-match was caused by identity theft, the affected employee could claim that your inaction caused them economic damage. A far better course of action is to log into the SSA site and make a good-faith effort to address the issue.

Action item: To reduce the potential for problems, when on-boarding new employees be sure that the names and SSNs that they provide on their W-4s and I-9s are an exact match of what is on their Social Security cards.

You Cannot Delay Designating FMLA-Qualifying Leave

Under the Family and Medical Leave Act (FMLA), eligible employees can take up to 12 weeks of unpaid, job-protected leave per year for specified family and medical reasons, or up to 26 weeks to care for a covered service member. Some employers voluntarily allow employees to first use some or all available paid sick or vacation leave, and only designate the leave as FMLA-qualifying after that.

The Department of Labor (DOL) recently issued an opinion letter clarifying that this approach is not acceptable, stating that employers may not allow employees to use paid time off to either delay or expand the protections afforded by the FMLA. You must designate the time off as FMLA leave right from the get-go, and you cannot designate more than 12 weeks (or 26 weeks) of leave as FMLA leave.

In addition:

- Once an employee states they need to take a leave for an FMLA-qualifying reason, neither you nor your employee can waive your prospective rights under FMLA.
- Once you determine that an employee's requested leave is for an FMLA-qualifying reason, you must notify the employee of this fact within five business days.
- You are allowed to either require or permit employees to use accrued paid leave concurrently with any part of the FMLA entitlement period.

One thing to keep in mind here, though, is that while courts are generally not required to follow DOL opinion letters, reliance on a DOL opinion letter protects you from liquidated damages in an FMLA case.

Action item: Be sure that your human resources personnel are trained to identify FMLA-qualifying leave requests, and follow the guidance described above.

NATIONAL ASSOCIATION NEWS

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best opportunities

- How to position and sell digital/inkjet solutions

Maximizing Profits Through Verticals

Vertical markets aren't as unattainable as many would like to believe. Learning how to successfully sell to verticals like healthcare, universities, or banks can unlock the doors to unlimited profitability. Each vertical presents its own set of challenges and opportunities that must be mastered before you can find success. Bill and Kelly provide deep background knowledge and the process for gaining entry and securing appointments for each specific vertical, while coaching with support, motivation and accountability.

Key Takeaways

- A strategy for penetrating large, game-changing accounts
- A prospecting process for increasing new business sales

Identifying products and solutions to meet the needs of each vertical

- How to get into better and deeper sales conversations

Verticals covered include: big fish verticals, ad agencies, banks and credit unions, churches, higher education, event planners, hospitals, non-profits, and restaurants

PRICING

PIA Members

\$1,497 one-time payment
or three installments of \$499 per month

Non-members

\$2,397 one-time payment
or three installments of \$799 per month
All backed by our 100% money-back guarantee. To learn more, visit www.printing.org/astguarantee.

To learn more, visit <http://bit.ly/PIA-trainingcourse>

GOVERNMENT & LEGISLATIVE

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decision was issued; and (b) to the claims of franchisees in a "three-tier" franchise operation. This means that as an employer you now face the possibility that worker classifications that had been correct in the past are now improper.

Action item: Make sure that new workers are classified correctly according to the ABC Test, and revisit any existing independent contractor agreements to ensure that they meet this standard as well.

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Upcoming Events

Independence Day Celebration with the Confounding Brothers: A Meetin' of the Minds

Saturday, June 29, 2019
10:00 am – 4:00 pm

Celebrate the Country's Birthday at the Printing Museum's annual Independence Day Celebration event with our Founding Fathers, otherwise known as "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 Indepen-

dence 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 Brillon's French Garden de Liberte, all

while being serenaded by our 18th Century musicians, The Colonial Roses.

The event runs from 10am to 4pm. Performances are at 11am and 1 pm. The show is suitable for ages 10 and up.

Admission: \$15/person or \$50/group of 4
Reservations Highly Recommended (limited seating)
Visit www.printmuseum.org for tickets & information

TECHNICAL & TECHNOLOGY

Q. What is a typical markup for outside services?

A. While we don't have an answer drawn from a database of printer information, we did check with two successful, large commercial printing companies that told us they used 25% and 35%, respectively, when marking up outside work. According to the PIA Ratios, a typical printer's expenses for outsourced services averages about 7.5% of sales, with a range of 6 to 15%, depending on sales volume.

Q. When deciding to purchase a production inkjet press, what is needed to get your sales force on board with selling production inkjet to customers?

A. Before you get close to making a decision to purchase an inkjet press, it is important to make sure that your largest customers are supportive and see value in an inkjet solution. Don't wait to approach them until after you've made the purchase! When your largest customers embrace and begin using the solution, it can serve as a catalyst for your sales reps to enthusiastically approach other customers. In the early phases of selling inkjet, it is helpful to have a team-selling approach to establish a comfort level with the sales representative and the customer. Making production staff, prepress technicians and even operators part of the sales effort has proven effective for some early adopters.

PIASC Events Calendar

JUNE

18-19

PIASC Sacramento Legislative Fly-In

12:00 pm - next day 12:00 pm

Sutter Club and Halls of Capitol Building,
Sacramento

Details: www.piasc.org/events

Contact: Kristy Villanueva, Ext. 215, kristy@piasc.org

SEPT

17

PIASC Paper & Substrate Show

5:00 pm - 9:00 pm

Andrei's Conscious Cuisine Event Center, Irvine

Contact: Kristy Villanueva, Ext. 215,

kristy@piasc.org

JULY

11

WEBINAR: Color Accurate Soft Proo ing: See what You're Printing

11:00 am - 12:00 pm PDT

On a Computer Near You

Contact: Maribel Campos, Ext. 210, maribel@piasc.org

OCT

3-5

Print 19

McCormick Place South, Chicago, IL

Contact: Thayer Long, 703.264.7200, tlong@npes.org

JUNE

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Independence Day Celebration with The Confounding Brothers

10:00 am - 4:00 pm

The International Printing Museum, Carson

Contact Mark Barbour, 310.515.7166,
mail@printmuseum.org

OCT

23-25

PRINTING United

Kay Bailey Hutchison Convention Center, Dallas TX

Contact: Heather Ward, 703.359.1366,

hward@printingunited.com

For full list of workshops and virtual classes,
please visit www.piasc.org/training.