

Entrepreneurial Thinking & the Printing Industry *by Lou Caron*



Times are tough. Are we heading into a V-shaped recovery, or are we heading into a recession that will shake the world to its core? What if I told you it didn't matter?

Don't get me wrong. I know the numbers.

Los Angeles County's unemployment rate went from 3.9 percent in January to 20.3 percent in April. According to the Los Angeles County Economic Development Corp, it could reach 32% by the end of May. That's the highest rate of

unemployment since the Great Depression.

This past February saw the Dow Jones Industrial Average reached an all-time high of 29569.58. By March 23 it dropped to 18,591.93. On June 5 it closed at 27,110.98. By June 11 it was back down to 25128.17. While our financial future may seem uncertain, remember, your future is in your hands. If you want to survive and thrive in the future, you should take your cue from the past.

The Great Depression

According to Ivan Light, Sociology Professor at the University of California, Los Angeles, financial situations like the Great Depression create a specific breed of entrepreneurs. He calls them "survivalist entrepreneurs." You may not think of yourself as an entrepreneur. Still, I can tell you this, no matter how you got into the printing industry, whether you inherited the company from your parents, joined your brother in a business venture, or started your own company, at this time, we all need to think like entrepreneurs.

During the Great Depression of the 1930s, many entrepreneurs started companies out of necessity. The good news is they have survived until today.

In 1928, husband and wife team O.D. and Ruth McKee sold five-cent cakes out of their family car in Chattanooga, Tennessee. By 1934, in the depths of the depression, they bought a bakery and started a company that today is worth an estimated \$1.4 billion. The McKee's granddaughter, whose image appears

on the company's packaging, is the current Executive Vice President of McKee Foods, the makers of Little Debbie's cookie and cake-based dessert snacks.

Do you enjoy McDonald's french fries? If so, you owe it to an Iowa-native who bought a potato farm in 1929 and worked the land himself. This man was also an innovator. Due to the freezing process he invented, he became known as the father of the frozen french fry. Today, the J.R. Simplot Company is worth an estimated \$8 billion. This family-owned business supplies a third of the nation's french fries, including those you get at McDonald's. They're also one of the world's leading agribusiness companies with operations in the United States and around the globe.

The Great Recession

Just as the Great Depression spawned new companies, many companies were born during the Great Recession of 2007 to June 2009. Today, many of these are household names:

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GOVERNMENT & LEGISLATIVE

Huge Increase in Retirement Plan Filing Penalties

The SECURE Act that went into effect on January 1, 2020 brought many changes to the retirement system. To help pay for these, the Act increased some of the penalties for retirement plans that fail to file timely and accurate forms tenfold.

For filings, notices and statements filed after December 31, 2019, here are the new fines:

Item	Old Penalties	New Penalties
Form 5500	\$25 per day Maximum \$15,000	\$250 per day Maximum \$150,000
Registration Statement	\$1 per participant per day Maximum \$5,000	\$10 per participant per day Maximum \$50,000
Notification of Change	\$1 per day Maximum \$1,000	\$10 per day Maximum \$10,000
Withholding Notices	\$10 per failure Maximum \$5,000	\$100 per failure Maximum \$50,000

Action item: Be sure you have a system in place that keeps you in compliance with the reporting rules. Failure to stay on top of reporting is now quite costly.

Many Employee Benefit Timeframes Temporarily Extended

Due to the COVID-19 pandemic, a variety of federal departments have extended certain deadlines related to employee benefit plans. The extensions affect employee pension benefit plans and all group health plans, disability or other employee welfare benefit plans, as well as the participants and beneficiaries of the applicable plans.

As part of this extension the period of time beginning on March 1, 2020 and ending 60 days after the announced end of the National Emergency (or other date announced by the government in a future notice) has been designated as the "Outbreak Period."

Affected plans are directed to disregard the Outbreak Period when determining the last day to comply with certain deadlines, including deadlines related to:

- Special enrollment periods
- COBRA notifications, elections and payments
- Plan claims and appeals
- External reviews of plan adverse benefit determinations

For other items, plans should comply with deadlines during the Outbreak Period as soon as it is administratively practicable to do so. Deadlines are

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NATIONAL ASSOCIATION NEWS

PRINTING United 2020 is on Track to Reunite and Revitalize the Industry

PRINTING United is on track to happen as planned at the Georgia World Congress Center in Atlanta on October 21-23, 2020. With health and safety guidelines at the forefront of planning for this important industry event, the annual showcase will give attendees and exhibitors the opportunity to engage and see the latest industry technology, experience worldwide product debuts, and participate in educational programming that will equip companies with the latest statistics and powerful resources for 2021 and beyond.

PRINTING United Alliance, organizer of PRINTING United Expo, continues to be committed in helping the printing industry navigate the COVID-19 pandemic. The organization, newly formed from the SGIA and PIA merger, has developed several "go-to" resources for the printing industry, including the comprehensive COVID-19 Resource Channel, a dedicated "COVID-19: Ask the Experts" webinar series, the latest in financial and legislative support, and resources for reopening businesses. Building on this body of knowledge and experience, the PRINTING United Expo is the next step in helping the industry reopen its businesses and plan for the future.

"Key indicators suggest the economy will grow robustly in 2021, giving the printing industry a big boost," says Andy Paparozzi, Chief Economist, PRINTING United Alliance. "PRINTING United's

unparalleled networking and educational opportunities will prepare attendees to participate fully in the upturn ahead."

"The support and desire from the industry to come together again after such an unanticipated interruption in business this year has been overwhelming," says Mark J. Subers, President, PRINTING United. "PRINTING United has become the venue in 2020 to assist business operations in not just sustaining but helping that upward trajectory for future success. We have and will continue to survey our past constituents on their interest and ability to be at the show and are preparing accordingly."

PRINTING United exhibitors are using this first chance for the industry to be together under one roof to reunite and reset while viewing products and technology that vendors and OEMs have been waiting all year to launch. Special educational sessions have also been added to help put companies that are reopening on the right track for planning next year.

Leading companies from all industry segments have signed on to exhibit at PRINTING United 2020, with many expanding booth space to accommodate even more technology to be shown.

Expo Planning and Safety

The Expo team has been closely monitoring all developments as related to

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HUMAN RESOURCES

Congress Loosens Paycheck Protection Program Rules

Just when you've started to wrap your head around all of the rules for the Paycheck Protection Program (PPP), they've changed. Luckily, the changes are meant to make it easier for program participants to qualify for loan forgiveness.

On June 5 the Paycheck Protection Program Flexibility Act of 2020 was signed into law. Here are some of the highlights:

- **"Covered period" extended to 24 weeks** – You now have up to 24 weeks (or until December 31, 2020, whichever comes first) to use the loan proceeds to pay for payroll and other allowed costs.
- **Amount that must be used for payroll costs reduced to 60%** – The remaining 40% can be used for eligible mortgage interest, rent and utility payments.
- **Reductions in workforce can sometimes be excused** – In the PPP, the amount of loan forgiveness is reduced if you reduce your number of full-time employees

(based on a specific formula for calculating this). Now you won't be dinged for reductions in workforce if you can document in good faith that one of the following is true:

- o You could not rehire the individuals or similarly-qualified individuals for the unfilled positions on or before December 31, 2020; or
- o You could not return to the same level of business activity as before February 15, 2020, due to COVID-19-related sanitation, safety or social distancing requirements established by, or guidance provided by, the Department of Health and Human Services, the CDC or OSHA between March 1, 2020 and December 31, 2020.

PIASC anticipates hosting a webinar on the Paycheck Protection Program Flexibility Act in the coming weeks. Stay tuned for more details!

Cal/OSHA's New Guidance on Reporting COVID-19 Cases

Government regulations have been moving quickly in the COVID-19 world, and Cal/OSHA's newly-released guidance on reporting COVID-19 cases is no exception. On May 26, when we reported on the latest OSHA guidance regarding whether or not employers who are required to keep Form 300 logs must report confirmed COVID-19 cases, Cal/OSHA had signaled that they would be following this guidance. Now they have changed course.

According to Cal/OSHA's new FAQs (<https://bit.ly/CalOSHA-faqs>), the burden is now on employers to prove that a worker's COVID-19 case is not work-related.

All cases are now presumed to be work-related if any COVID-19 workplace exposure is identified at all...even if other (possibly more likely) non-work-

place exposure is also identified. Thus, it appears that if an employee gets ill after spending 30 seconds at work talking to an infected but asymptomatic co-worker who was standing 15 feet away, and then spending their entire evening cleaning house for their extremely ill COVID-19-infected neighbors, you have to count this as a work-related illness.

A work-related exposure includes any of the following in the work environment:

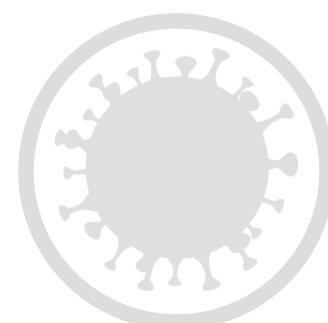
- Interaction with people known to be infected with the virus.
- Working in the same area where people known to have been carrying the virus had been.
- Sharing tools, materials or vehicles with persons known to have been carrying the virus.

Given COVID-19's incubation period, exposures must generally be determined after the fact.

If none of the above apply, the guidelines state that employers must also consider such factors as:

- Multiple cases existing in the workplace.
- Contact at the work environment with other people, especially the general public.
- Physical distancing controls that were in place.
- Work-related contact with anyone who exhibited the signs and symptoms of COVID-19 (i.e. people who might have been infected with the virus).

A positive COVID-19 test is not required to trigger your recording and reporting obligations. Although positive test results are preferable, due to testing shortages and other reasons, "not all persons determined to have COVID-19 have been tested."



FEATURE ARTICLE

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- **Groupon**, 2008: today the company is valued at \$726 million
- **WhatsApp**, 2009: Facebook purchased the app, which now has more than 2 billion global users, for \$19 billion in 2014
- **Venmo**, 2009: payment processor Braintree bought Venmo for \$26 million in 2012, and digital payment giant PayPal then acquired Braintree for \$300 million in 2013
- **Uber**, 2009: today the company is valued at \$47 billion
- **Square**, 2009: more than 30 million companies use the platform. It's currently valued at more than \$23 billion.
- **Instagram**, 2010: Facebook bought the app in 2012 for \$1 billion

During the Great Depression and the Great Recession, the entrepreneurial spirit led to new, exciting and long-lasting opportunities.

How Do You Define an Entrepreneur?

According to Brett Nelson, Financial Editor and Forbes Magazine contributor, "Entrepreneurs, in the purest sense, are those who identify a need, any need, and fill it. It's a primordial urge, independent of product, service, industry or market."

That urge to create something new comes from being aware of your situation and taking the steps necessary to change it. Take, for example, Jim McKelvey. He's an artist—a glassblower. One day a person walked into his

studio and wanted to buy some of his work and pay with her American Express card. Because McKelvey didn't accept credit cards he lost the sale. When the client left, McKelvey asked himself, "Why don't I take credit cards?" At that moment, independent of his current product, he came up with Square. He imagined a credit card reader that could attach to a mobile device so any company, especially a small company, could accept credit cards anywhere, any time.

There were credit card readers, Before Square, but a company had to be large enough and have a certain level of sales to have a reader. Also, readers were connected through a phone line and thus were stationary. With Square, a small company that only makes one sale a day can use the service. When McKelvey came up with Square, he changed what was happening within an industry that already existed. He just found a better way.

There were taxis before Uber.

There were coupons before Groupon.

These are all examples of creating something new within an existing industry. So understand, when I talk about entrepreneurs, I'm not saying start a new company. I'm not saying you should buy new equipment. I'm talking about "thinking" as an entrepreneur.

Continue reading here: <https://bit.ly/entrepreneur-thinking>

NATIONAL ASSOCIATION

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COVID-19 and is working closely with the team at the Georgia World Congress Center Authority (GWCCA), local and state authorities, and the Johns Hopkins Center for Health Security specializing in mass gatherings, on all decisions and guidelines relating to the health and safety of staff, exhibitors and attendees. The GWCCA has developed a comprehensive business return plan to meet the health and safety challenges presented by COVID-19.

Comprehensive measures will be shared as the event draws nearer, but examples of what attendees and exhibitors can expect to see at the 2020 show from a health and safety standpoint include, but are not limited to:

- Social distancing protocols throughout GWCC
- Touchless services, from parking to registration, food and beverage, and more
- Enhanced signage and communication for social distancing and hygiene guidelines

- Temperature checks for on-site attendees, exhibitors and venue staff
- Increased sanitation and cleaning regimens, including access to more sanitizer stations
- Traffic flow patterns to support proper crowd density

"PRINTING United may be the only opportunity for the industry to gather in 2020, so we are ensuring that this event will be safe and will deliver, both from an attendee and exhibitor standpoint," says Mark J. Subers, President of PRINTING United. "Businesses are making the most of their time and resources to see and experience it all under one roof this year in Atlanta. We are in this together and look forward to continuing to work with our partners to do whatever is necessary to keep businesses headed in the right direction."

For more information about PRINTING United 2020, visit PRINTINGUnited.com, email exhibit@printingunited.com or call 888-385-3588.

GOVERNMENT

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delayed and requirements are relaxed for:

- Furnishing certain notices, disclosures and other documents required by Title I of ERISA over which the DOL has authority
- Procedures for plan loans and distributions
- Forwarding participant payments

and withholdings to employee pension benefit plans

- Issuing advance notice of blackout periods
- Filing Form 5500 and Form M-1

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Welcome New Members!

PIASC's Board of Directors and staff welcome the following members, who joined between November 2019 and June 2020:

Altered Images
Prepress and Printing Services
(310) 538-1500
www.altimages.com

Connect Overnight Inc.
Urgent Direct Mail Processing
(805) 256-1611

Flexible Graphic Solutions, Inc.
Service Provider – Consulting
(714) 457-0126
www.flexablegraphicsolutions.com

Foil Image Elite, Inc.
Finishing
(562) 634-2630

Jet Letter Corp.
Variable Data Printing Software
(949) 721-8786
www.jetletter.net

JN Printing & Packaging Inc.
Print & Packaging Broker
(714) 823-1325

Le Te Obsequios
Graphics Broker Partner
(323) 796-1736

Mid-City Mailing Services Corporation
Direct Mail
(310) 532-6422
www.midcitymailing.com

Print Depot
Commercial Printing
(323) 734-3606
www.printd.com

Shield IT Networks
Internet Service Provider
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Southland Printing Company
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www.southlandprinting.com

USA Printing
Trade Commercial Printing
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VIP Direct Response LLC
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Trade Offset
(626) 567-0114
www.wallacelitho.com

Westrock MPS-Corona
Folding Carton Printer, Commercial Printer, Cold Foil
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www.westrock.com

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! Contact Kristy Villanueva at kristy@piasc.org or 323.728.9500, Ext. 215

CLASSIFIEDS

BOBIS 118" ILLUMINATED MULTI-APPLICATION TABLE, MODEL 160/300LH W/AUTOMATIC HEIGHT ADJUSTMENT Demo Unit, slightly used, ready for demonstration. Call for more information & pricing Contact: Gordon Campbell of Cal Comp Graphic Solutions at 714-425-4446.

ROYAL SOVEREIGN RCS-1651LS 65" COLD/LAMINATOR Demo Unit, barely used, ready for pick up or delivery. Call for pricing. Contact: Gordon Campbell of Cal Comp Graphic Solutions at 714-425-4446.

GERBER SOLARA ION UV INK JET

PRINTER USED. Best offer. Boxed and ready to go. Pick-up in City of Industry. Spare parts included. Contact Tom at 562-447-9982, tom@jbcsafety.com.

Want to place a classified ad? Contact Wendy Ferruz, 323.728.9500, Ext. 262, wendy@piasc.org

PIASC Events Calendar

JUN 30

WEBINAR: Producing a Good COVID-19 Safe Manufacturing Plan
June 30, 2020
10:00 am - 11:00 am
Contact: Kristy Villanueva, Ext. 215, kristy@piasc.org

OCT 21-23

PRINTING United Expo
October 21-23, 2020
Atlanta, GA
Information: www.PRINTINGUnited.com

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



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