

# MAG THE MAGAZINE

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## BRYAN T. HALL

PRESIDENT & CEO  
**Graphic Visual Solutions**

CHAIRMAN of the BOARD of DIRECTORS  
**Printing Industries of America**

**december 2017 | vol 9 issue 10 | \$15**

- 10 Q&A with Paradigm Digital Color**
- 12 Becoming a High-Profit Printer**

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# Ben Franklin Honor Society 2017 Inductees



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Thompson II***

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The Ben Franklin Honor Society of Printing Industries of America is comprised of industry leaders who have made lasting contributions to advancing print and graphic communications. Potential inductees must render outstanding and/or meritorious service to associations such as PIA, its affiliates, the Print and Graphics Scholarship Foundation, and the industry. The society formally inducted these seven industry leaders at its awards ceremony on Friday, November 10.

For more information on the Ben Franklin Honor Society, including historical documentation and bylaws, visit [www.printing.org/honorsociety](http://www.printing.org/honorsociety).





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# MAG THE MAGAZINE

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*Bryan T. Hall and his wife, Wendy, are seen in their "Benny Room" at the headquarters of Graphic Visual Solutions. Hall was elected Chairman of the Board of Printing Industries of America and its foundation in November. Read more about Hall and his company on page 6.*

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 OF AMERICA

12.2017

# CEO Message

Michael Makin, President & CEO, Printing Industries of America

WHAT'S HOT



## Dear Friends and Colleagues,

It's hard to believe that another year has come and gone. Once again, 2017 provided no shortage of issues to address for your national association.

With a new administration in Washington, we spent a great

deal of time focused on government affairs and helping to affect positive change for the printing industry. With such key issues as environmental regulation, tax reform, and postal reform open for debate, it was important that PIA be a part of, and in many cases leading, the conversation.

2017 saw the launch of our new Printing.org website in May. In developing the new site, we set out to provide a clean, content-focused experience that was more user-friendly to our members than previous versions of our site.

Our Environmental, Health, and Safety team was on the road hundreds of hours this year assisting members with training, compliance, and consulting. We also welcomed back Joe Marin to our staff as Vice President of Education & Training. We're very excited to see what Joe has planned with the new iLearning Center in 2018.

Without further ado, it gives me great pleasure to introduce to you our newest Chairman of the Board, Mr. Bryan Hall. An exceptional businessman and leader in his community, Bryan was an excellent choice for our board leadership in 2018. I look forward to working side-by-side with Bryan in the coming months as well as meeting with members and our affiliates across the U.S. and Canada. We are thrilled to be launching many exciting, new projects in 2018, and who better to represent us as a peer to the print community than a smart, entrepreneurial spokesperson like Bryan.

On behalf of the Board and the staff at Printing Industries of America, I want to wish you a very happy New Year! We look forward to continuing to work with you to grow and strengthen the printing industry in the year to come.

Best regards,

A handwritten signature in black ink that reads "Michael Makin".

Michael Makin  
President & CEO

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# Chairman's Message

Bryan T. Hall, Chairman of the Board, Printing Industries of America



## Greetings from North Carolina!

It is an honor and privilege to serve as your 2018 Chairman of the Board of the Printing Industries of America and its Foundation. Like many of you, I am a printer with “ink in my veins.” I have been in the industry for more than

30 years and along the way my company, Graphic Visual Solutions, has grown from a small printer to a medium-sized printer to now a fairly large printer.

I have been an engaged member of PIA and my local affiliate, Printing Industries of the Carolinas, for more than 25 years. I rely on PIA benefits and resources to help me grow my business and make it more profitable. These resources include: education and training, conferences, buying programs such as discounted credit card processing and 401(k) plan management, HR and OSHA consulting, the *Dynamic Ratios* and wage studies, economic and governmental affairs *Flash Reports*, and technical assistance. I honestly cannot imagine running my business without all that PIA and its local affiliates have to offer.

As chairman, I am very excited about what PIA has planned for our members and the industry next year. Here are the highlights of our 2018 key initiatives:

- Relaunch the iLearning Center as a complimentary benefit for printer members. This valuable online resource is available 24/7 offering the “best of the best” content and training resources for you and your employees.
- Elevate PIA’s marketing presence, messaging, and deliverables.
- Expand our service offerings to further increase the value of membership.

- Feature all new content and speakers at our four major national conferences, which include: Color 2018, our leadership-focused President’s Conference, the 70<sup>th</sup> Annual Technical Association of the Graphic Arts Conference, and the ever-popular Continuous Improvement Conference. Check out the lineup of speakers and content at [printing.org](http://printing.org). You will be impressed!

PIA is also leading the way in government affairs by organizing the 2018 Print & Packaging Legislative Summit June 19–20 in Washington, DC. This event brings together representatives of the print and packaging industries to collectively stand and be heard on Capitol Hill. Members of PIA and its partner associations—SGIA, NPES, Fibre Box Association, AICC, and Idealliance—will have the opportunity to make direct appeals to members of Congress and the Senate during this exciting event. I encourage my fellow print members to join us as we make our voices heard in Washington this summer.

Membership in PIA is no different than anything else in life. You get out of it what you put into it. Participation is critical! I challenge you to join me in attending one of our industry-leading conferences this year, participate in the *Dynamic Ratios* survey, or take advantage of the new iLearning Center launching next month.

During 2018, I will be traveling across the country to visit as many affiliates and members as possible. I hope along my journey I will have the chance to meet and get to know many of you. My objective is to learn about your needs as members and gain a better understanding of how PIA can support and strengthen the print community. Thank you again for the opportunity to serve you and our industry in 2018.

**Wishing everyone a happy and prosperous New Year!**

A handwritten signature in black ink that reads "Bryan T. Hall". The signature is written in a cursive, flowing style.

**Bryan T. Hall**

# The Future of Print MIS:

## An Interview with Patrick Bolan of Avanti

Sarah Sudar, Copywriter, Printing Industries of America

In the past four to five years, printers have become more than printers. They've added multiple lines of business, including fulfillment, data management, and marketing services, to name a few, and print MIS (management information system) software has been developed to help printers streamline these additional transactions into their everyday business.

One company leading the way in print MIS is Avanti, which has been in business since 1984, originally helping printers with estimation. Avanti has since evolved to offer a complete print MIS solution with the award-winning Avanti Slingshot that is a result of more than five years of research and development. The company's president, Patrick Bolan, is making it his mission to establish Avanti as North America's leading provider of print MIS solutions.

Print MIS is software that does everything from estimating, scheduling, and costing to shipping and invoicing. With the printing industry constantly changing and adding more services, the software also has to change. In the past few years, Bolan says it has expanded to include business intelligence and CRM (customer relationship management).

"It's unusual to walk into a \$5- to 10-million printer doing things with pen and paper, though there are still some that do," says Bolan. "I'm not sure that everyone is willing to adapt to technology. However, with printers doing more transactions and drowning in paperwork, they're going to have to."

Looking ahead to where the industry is going, automation will be the key to success. Bolan says he sees printers doing more transactions and more business just



Patrick Bolan, President, Avanti

to make the same revenue that they have made in the past. Having print MIS software in place is key to keeping the profit levels where they were in the past in this new era of business. Instead of a company processing 250

jobs a month, it might now be processing 500 jobs a month, and someone has to touch all of those jobs. He says he's seen as few as two and as many as 30 touches for a single order.

"You don't want to burn administrative costs, and



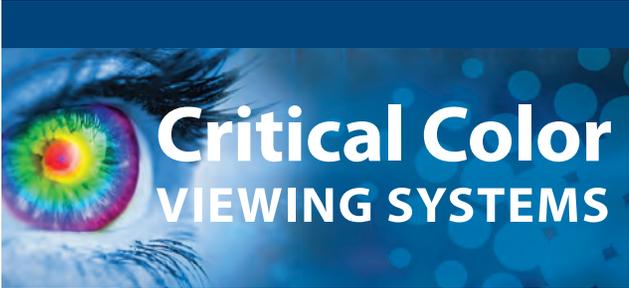
the fewer touches for each job, the more profitable each job will be,” says Bolan.

In addition to expanded services and automation, web integration into print will be taking over in a major way. Avanti has been furthering the advancement of their web-to-print partnerships, building deeper integrations into those third-party vendors' web-to-print products, such as Marcom Central, XMPie, pageDNA, and others. Another goal Avanti has for the future is deeper integration into mail management as well.

“Software never ends; you’re always enhancing it,” says Bolan. “There’s no one MIS company that does it all, but we are working on it.”

## LEARN MORE

Since 1984, Avanti has provided innovative, award-winning print MIS solutions that help print shops and marketing communication organizations automate all facets of their business and cultivate a more meaningful customer relationship. Learn more at [avantisystems.com](http://avantisystems.com).



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# Member Spotlight:

## Graphic Visual Solutions

By Sarah Sudar, Copywriter, Printing Industries of America

Bryan Hall, President and CEO of Graphic Visual Solutions in Greensboro, North Carolina, grew up in the printing business, literally. His father, Tom, was part owner of the printing company Media Press, Inc., and Hall often found himself “on the job,” tagging along with his father to the printing company on the weekends, during the summer, and after school when he was as young as six years old.

Though his father had more of an administrative role in the company, Hall found passion in the production side, filling ink in the presses and moving paper around. He always thought he would become a CPA, but printing was in his blood.

At the time Hall was about to attend college, he and his father purchased an A.B. Dick press as a way for him to pay his tuition through school, taking on small print jobs from Media Press, Inc. who brokered these jobs out to smaller printing companies.

“In the beginning of college, I was a full-time student and a part-time printer,” said Hall. “It took me six years to graduate college because toward the end I was a full-time printer and a part-time student.”

Throughout college, the business grew to include several employees, and, upon graduation, Hall had to make the decision of whether to go into the accounting field or keep printing. For him, it was an easy decision.

The small-hobby-turned-company that he started with his father back in 1985 has grown into Graphic Visual Solutions today, a comprehensive visual marketing and business communications company. Unique to the business are its seven “core capabilities,” which help businesses achieve solutions in printed materials, labels and packaging, cross-media campaigns, wide-format graphics, direct mail marketing, fulfillment and logistics, and creative services, including photography and graphic design.

With the mission to combine high-level business and marketing acumen with state-of-the-art manufacturing and technology capabilities, Graphic Visual Solutions brings unique business growth solutions to successful, brand-conscious organizations. The company works with national and local brands in a vast number of industries, including apparel, education, agencies, retail, food, manufacturing, and healthcare, to name a few.

“Now, I get to dabble in the business end of things but also in sales, marketing, operations, safety, human resources, customer service, and—of course, my passion—printing,” Hall said.

Today, the company has more than 100 employees, has gone through nine building expansions and 12 equipment



*Bryan T. Hall of Graphic Visual Solutions has been named Chairman of the PIA Board of Directors.*

expansions, integrated two business acquisitions, and invested more than \$45 million to create one of the most comprehensive and state-of-the-art printing, packaging, and imaging facilities in the Southeast United States.

And, the future continues to be brighter. With no children to whom to pass along the family business, Hall and his wife, Wendy, who currently serves as vice president and account executive, made the decision earlier this year to establish Graphic Visual Solutions as an employee stock ownership plan (ESOP) and become a 100-percent employee-owned company.

“Our employees are our family and they have helped the company to grow and thrive throughout the years,” said Hall. “Wendy and I are thrilled to give them the opportunity to carry the company’s values, legacy, and sustainability forward.”

But, he isn’t going anywhere just yet. Recently turning 50 years old, he’s on a continued mission to grow the company and continue to be a part of the printing and graphics arts industry.

On November 12, 2017, in Charlotte, North Carolina, Hall assumed the role of Chairman of PIA’s Board of Directors.

“I remember seeing print magazines in my dad’s office with the chairmen on the covers and it has always been an aspiration of mine to be a member of that group,” said Hall.



*Graphic Visual Solutions’ North Carolina facility*

He says he’s ready to roll up his sleeves and get to work. He plans to visit as many affiliates as possible and meet with members coast-to-coast to make sure PIA is listening to their needs and that they are using member benefits to their advantage and to help grow their businesses and make them more profitable. Education and training is a huge passion for Hall. He will focus on launching the new iLearning Center online training portal during his term, which will become an included printer member benefit in 2018. Hall also will advance PIA’s other 2018 Key Initiatives, which include elevating PIA’s marketing presence and messaging as well as expanding other member service offerings to further enhance the value of membership.

In addition to giving back to his employees, Hall is passionate about giving back to his local community. Graphic Visual Solutions supported more than 30 charitable causes last year. Hall also serves on the Greensboro Sports Council and recently served as school board chairman, building committee chairman, and project manager of a \$6-million building project for a new facility for the school he attended as a child.

## LEARN MORE

Explore more about Bryan Hall and Graphic Visual Solutions at [graphicvisualsolutions.com](http://graphicvisualsolutions.com).

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### WHAT IS IT?

Augmented reality (AR) bridges the gap between digital and physical spaces by using audio and visual digital elements to overlay a user's real-world experience. This is typically accomplished through a smartphone camera and customized app, which scans an icon or image and feeds the information to the camera picture to display the content<sup>1</sup>. Future advances in headset or eyewear technology could push applications of AR further.

### MARKET DRIVERS & GROWTH POTENTIAL

**\$59,511 million**

The projected value of the global augmented and virtual reality market by 2022, growing at a CAGR of 65.7%<sup>2</sup>.

**9 Sectors to Drive Market:**

- Video Games
- Live events
- Video entertainment
- Healthcare
- Real estate
- Retail
- Education
- Engineering
- Defense

### THREE BIGGEST MARKETS BY 2025:

- Entertainment
- Engineering
- Healthcare

Highest projected CAGR of 73% due to adoption of augmented and virtual reality solutions for training and simulation activities<sup>3</sup>.

### IMPACT ON RETAIL<sup>4</sup>:

**40% of shoppers** surveyed would pay more for a product if they could experience it through augmented reality.

**71% of shoppers** surveyed would shop at a retailer more often if they offered augmented reality.

**Limiting Factors for Growth:** infrastructural development, software advancement, and high prices of implementing new technologies.

### HOW AR IS AUGMENTING OUR WORLD<sup>5</sup>

**Jura**, a purveyor of luxury watches, offers the ability to virtually try on watches and compare how they look.

**Vespa** used AR to allow readers to scan a magazine ad through an app and build a custom scooter using available color, style, and accessory options. The app also gives GPS directions to the nearest Vespa location.

**IKEA** enables customers to scan a catalog to see what the end product looks like or how it would fit into their room.

<sup>1</sup> Augmented Reality. The Next Big Thing in Print and Print Marketing? Rich B, Printing Brain. <http://printbrain.webmartuk.com/print-technology/augmented-reality-in-print-marketing/>

<sup>2</sup> Augmented and Virtual Reality Market Expected to Reach \$59,511 Million, Globally, by 2022. Allied Market Research, 2017. <https://www.prnewswire.com/news-releases/augmented-and-virtual-reality-market-expected-to-reach-59511-million-globally-by-2022---allied-market-research-620731253.html>

<sup>3</sup> Virtual Reality, Augmented Reality, Hype or Serious Business? 2017 Report. Brabant Development Agency (BOM) [http://cdn.instantmagazine.com/upload/4666/bom\\_vrar\\_2017reportpdf.68ec9bc00f1c.pdf](http://cdn.instantmagazine.com/upload/4666/bom_vrar_2017reportpdf.68ec9bc00f1c.pdf)

<sup>4</sup> The Impact on Augmented Reality on Retail. Retail Perceptions, 2016. <http://www.retailperceptions.com/2016/10/the-impact-of-augmented-reality-on-retail/>

<sup>5</sup> 11 Creative Uses of Augmented Reality in Marketing and Advertising. Forbes Agency Council, k2017. <https://www.forbes.com/sites/forbesagencycouncil/2017/06/13/11-creative-uses-of-augmented-reality-in-marketing-and-advertising/#3019a1736b12>

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# A Holiday Tradition

## Paradigm Digital Color Graphics' John Rosenthal

Sarah Sudar, Copywriter, Printing Industries of America

Q&A

**You have a long history of creating holiday cards featuring your family in a scene of something current.**

**When did this tradition start?**

It started in 1977, a year after my second child was born. Because I am in the printing business, I decided to create a card that was unusual instead of the normal family photo, which all say are cute, but not very clever.

**How are the cards created?**

In the early years, I had to cut and paste—Photoshop did not exist. Also, in the early years, they were in black and white because color was too expensive. Today, with the world of digital printing, the quality has evolved. I could not do this if I was not an amateur photographer as I take all of the photos myself. We always have our dog and, on the later cards, our daughter's dog on the front cover, which introduces the year's theme. In addition to the cards, the envelopes always reflect the theme as well.

**How hard is it to keep the annual card a secret until it's released?**

Actually, it is not hard to keep them a secret. Everyone knows not to ask as we won't tell them anyway. Some do try to guess, but I have yet to have anyone hit it.

**We hear that the cards are even collector's items! How do you feel this annual tradition helps build customer loyalty and relationships?**

I always find someone who mentions that they look forward to getting our card, as they save them all. Many even say it is one of the highlights of the holiday season. I am always amazed and flattered when I hear they are kept as collector's items. Our mailing list is close to 500, including friends, clients, and our children's friends, as well as family doctors, restaurants, our dog groomer, and even the hair salon. As for customers, one told me that even though he was

changing companies and will not be involved with printing anymore, he wanted to keep receiving our cards and gave me his mailing address!

**What have been some of your favorite cards over the years?**

Forrest Gump and Friends.

It looks like we are really sitting on the bench with Forrest. We also did a family photo with the cast from Friends in which we even dressed the part! We've done the Muppets, *Frozen*, *The Cat in the Hat*, the iPhone, and *Avatar*, which was a 3D card that we sent along with 3D glasses. We do not get political, but with the Mark McGuire 70-home-run-themed card in 1998, Bill Clinton and Monica [Lewinsky] were actually in the stands. It was very subtle unless you knew where to look!



## LEARN MORE

Paradigm Digital Color Graphics is a premier commercial printer, mailing, and fulfillment company with a national reputation for excellence, located in Southampton, Pennsylvania. Follow them on Twitter at [twitter.com/Digital\\_Color](https://twitter.com/Digital_Color). Visit Paradigm's website at [digital-color.com](http://digital-color.com) for more information.

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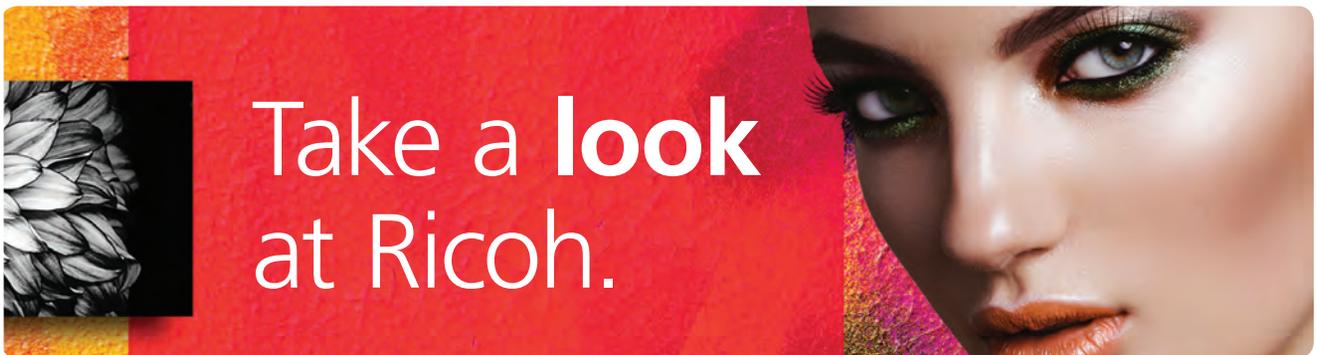
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We stopped by his house  
 What a mess  
 I confess.  
 I cleaned up the couch  
 I mopped up the rest.

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# Becoming a High-Profit Printer

Bob Lindgren, Management and Business Advisor and President/CEO Emeritus, Printing Industries Association of Southern California; and Gerry Michael, Graphic Arts Principal, Falco Sult

Owners and managers have faced the challenge of profitable operations in the printing and graphic arts industry for decades. However, we believe that the solution is straightforward. The truth is that you can be a high-profit printer if you really want to get there!

New technology alone will not get you there. New sales personnel alone will not get you there. New software alone will not get you there; only increased sales will. The reason is simple: unless you are operating around the clock at least six days a week, you already have the plant and the equipment and probably most of the staff needed to produce more work, but you're not fully utilizing it. The question you should ask yourself is "Why can't I sell more work, enough to fill up my capacity?" You're probably calling on customers and prospects, learning about their needs, getting the specs on those projects, and producing quotes. You're putting time and energy into refining estimating, even offering some price discounting from your target rates. You're trying to understand the market in which you operate. You are doing all that you can to

manage an efficient production operation, but you still aren't achieving profit-leader status.

Unfortunately, the reality is that you get the order less than half the time, and the majority of the time the reason you missed it is price. Think what would happen to your bottom line if you moved your success rate from 40 percent or less to 60 percent or more. Of course, you would have to buy more paper, materials, buyouts, etc. At some point, it's even likely that you would have to hire more production people. You already have the plant, the equipment, and the administrative support. Given that reality, at your current price levels, as much as 50 percent of those new sales dollars would add to the bottom line and you'd be a high-profit printer with funds to pay off debt, acquire new capabilities, and achieve a greater business value. After all, profits can solve a lot of problems in any business.

If that sounds good (maybe even incredible), how do you make it happen? The first step is to think about how your business works and gain a better understanding of how costs behave as volume changes.

## How Does Your Business Actually Work?

Let's look at your business in its simplest form. Your printing business involves the commitment of labor, materials, and capital to create value that has a market comprised of customers with needs and expectations. The job of the business is to employ those resources (labor, material, and capital) to meet those needs and expectations and to be paid for doing so.

In order to carry out the production process, the business needs a plant, equipment, and administrative and management staff. Generally, these are where capital is needed, either from the owners or from lenders. The business then hires production staff and buys materials in order to produce the product or service for which there is a market demand. The business breaks even when the





net dollars from sales pays for its costs (materials, labor, overhead) and nothing more. To do less than this for any extended period of time usually results in the company going out of business if it can't raise more capital, but getting significantly above this is a challenge. We believe the reason for this is that, too often, owners really don't understand how their own company works.

Moving beyond breaking even requires increasing the total contribution dollars without significant increases in equipment, plant, or administrative staff. If all we look at here are the numbers, this would seem simple: we raise prices. Unfortunately, we deal with the reality of competition and customers' buying practices. In fact, this brings us to an important fact, one that most printers don't fully appreciate: **Our costs do not set our prices. Our competitors, our customers, and the markets in which they operate do.**

So how do we achieve high profits? The first job is increasing the utilization of our present capacity. We must understand that equipment standing idle is picking our pocket. Most of the problems with production inefficiency are self-correcting if the plant is busy.

What keeps us from high utilization? The estimating system. One of the biggest hurdles faced by printers is that too often they focus on rates for their work that are based on a set of key assumptions that just are not valid. These are reflected in the classic "budgeted hourly rates" used by most firms to price jobs. These rates assume that the company will only operate its equipment for a specific number of hours each week and will only be able to sell a certain percentage of those hours. As a result, for most companies a relatively small number of hours (say 80 percent of one shift) will be required to generate enough revenues to cover 100 percent of the costs of operation, even though the equipment is available a full 24 hours every day, seven days a week. This results in unrealistically high prices and frequently leads to unsystematic and heavy price discounting just to be able to compete, but we still are not selling a large number of hours every week.

## What Keeps You from Selling More Hours?

Given the power of this strategy, why doesn't it happen? The barrier is a mindset that restricts management or ownership from being more competitive in the marketplace and therefore makes it impossible to achieve maximum operating efficiency. Basically, this belief is that every hour needs to cover its full allocated total cost of the business operation, which is much greater than the actual costs each hour adds to total expenses. This erroneous belief is reinforced by the typical estimating system that employs only one price for all hours and the thought process that it builds in management. Remember that the estimating system uses numbers like \$300 per hour for the 40-inch 4/c when the crew only earns \$50 per hour. Remember that the system adds markups of 10 or 20 percent to outside purchases. The estimating system then adds up all of these items and tells us that the job will cost \$1,000 when we will actually spend only about \$600 to get it done. Because we're used to believing this version of cost, we reasonably expect a positive margin in addition. Because it seems wrong to sell at less than cost, we turn away from orders where the margin would be negative. The result is a hit ratio of 40 percent (or worse) and marginal profitability at best. We may have magnified this effect by a sales compensation system that sharply reduces or eliminates commission on negative-margin jobs while perhaps giving a bonus commission on sales with a positive margin.

## How Do We Change?

If we wish to escape to high-profit land, what should be done? The pricing (estimating) process must turn away from the mechanical process of printing and the assumption that you will continue to operate far below total capacity, needing to recover all costs from relatively few hours, and move toward project value pricing and recognition of client relationships.

Step one is to reset the rates to your best guess as to the prevailing numbers in your market and away from an exercise in cost accounting. You might try to streamline

the process by eliminating fussy details like separately estimating the cost of ink, plates, and purchase mark-ups that should be rolled into the overall rates. This will simplify estimating and change the focus of your firm from your production department to the markets that you serve.

Step two—this one is key—is to think about client relationships. Some folks think of you as their sole source and others buy strictly on price. Attach an overall mark-up to the first and an overall mark-down to the latter (and, of course, there's a grayscale in between). This requires detailed and specific thought about your customers.

Step three is applied to project significance. On these, we need to think specifically about a project's importance to the client and the likely positioning of our competitors on the account. Your customers place different levels of importance on different types of print jobs, and you need to develop a better understanding of how they value each job. After all, customers will place much greater value on print that accompanies a new product rollout or launches a major new direct mail campaign than they will on a letterhead job. Your pricing should reflect the value that your customers place on the work you do for them.

## Tracking the Market

Finally, each month we should analyze the largest 10 to 20 percent of our market encounters to validate or modify assumptions. If we got the order, how much did we leave on the table? If we lost the order, how much did we miss it by? These numbers are educated guesses but they're far more useful than "I don't know." How should we carry out this process? This needs to be a joint effort between all of the people in the firm (CEO, sales manager, sales reps) who have contact with customers and competitors. It's important to have the firm's accountant and estimator involved at some level, even if that is only to ensure that they do not resist this effort. Their focus is on internal costs; yours needs to be on the external market. Keep in mind that this is an externally focused question that seeks to determine what the market price is, not what your costs are.

## Getting the Sales Force on Board

It is critical to address the sales compensation system because sales reps and the firm should be on the same page. Logic would suggest a percentage of contribution, as that is what we're trying to maximize. However, because



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contribution is affected by plant performance, this approach can produce issues. Changing to a percentage of value added (sales minus materials and outside purchases) will accomplish the firm's objectives in a simpler fashion. In changing from a system based on a percentage of the gross system to one based on value added, one is more likely to keep the sales force on board if the focus is on changing behavior and not reducing sales compensation. For example, if the present system is eight percent of the gross, the new approach would be about 11 percent of value added.

## Getting from Here to There: The Real Challenge

Clearly, there are many hurdles between operating at the level of most printers and operating at a new, higher capacity utilization. These hurdles include staffing challenges, supervision of new shifts, and getting your staff to accept this culture change, just to name a few. Creating a detailed plan and implementing that plan, with careful monitoring of progress as you move from just breaking even to becoming a real profit leader, are needed. But the rewards of implementing a true marginal decision making philosophy are great. If we accept the reality that prices are not set by

our estimating but by our customers and our competitors, we can make it our mission to sell as much as we can for as much as the customers are willing to pay.

## ABOUT THE AUTHORS

**Bob Lindgren** is management and business advisor for Printing Industries Association of Southern California and its president/CEO emeritus. He has worked with printers in Los Angeles and Chicago for more than 50 years. He has an MBA in accounting and finance from the University of Chicago.

**Gerry Michael** is a CPA/consultant who has focused his practice on the printing industry for nearly 35 years, first as the founder of GA Michael & Company and later as graphic arts lead partner at Carlson Advisors. Currently, he is the graphic arts principal at Falco Sult, a West Coast CPA and consulting firm, working with printers across the country on management and strategic planning issues, is a frequent speaker at industry meetings, and contributes to various industry publications.

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# Let's Go for Two!

## Tax Relief & Postal Reform Would Provide Economic Juggernaut for Printing Industry

Lisbeth Lyons, Vice President, Government & External Affairs, Printing Industries of America

SOLUTIONS



Early on the morning of December 2, the U.S. Senate passed H.R. 1, historic tax-reform legislation that brings us one step closer to tax relief the printing industry has not seen in a generation. All that remains now are House-Senate negotiations to reconcile differences between the two bills before

final approval of the legislation to send to President Trump for his signature. As of the printing of this article, this is

on track to occur by the end of December. A huge thank you goes out to PIA members who took the time to contact Congress in support of pro-print, pro-growth tax reform!

PIA fought successfully to obtain immediate and full expensing of equipment, changes to the dreaded Alternative Minimum Tax (AMT), a virtual elimination of the estate tax (doubling the exemption levels to a rate high enough to protect 99 percent of PIA member companies) and other provisions related to simplification for small businesses.

Most importantly, PIA fought hard for—and won—the preservation of the 100-plus-year-old deduction for advertising as an ordinary business expense as some in Congress eyed reducing or eliminating it as a potential

way to pay for tax relief. Advertisers across the spectrum came together in defense of this effort and successfully argued the economic detriment “taxing” advertising would cause to the industry and economy in general. This is a major win for PIA members worth millions of future advertising dollars. And while bad tax policy ideas never die, PIA has put this one on ice for the near term.

Additionally, PIA worked closely with the multi-industry S-Corp Association to fight for rate relief fairness in comparison to the corporate tax relief that Congress was intent on providing as part of H.R. 1. The tax treatment of pass-through entities emerged as one of the most controversial flashpoints as a small group of pro-small-business Senators held out for improvements until the bitter end of the Senate vote. As the Senate started floor debate on H.R. 1 on November 29, the pass-through rate was set at a 17.4-percent deduction. Mid-week, PIA and allies rallied grassroots pressure to up



SBA Administrator Linda McMahon in the photo addressing the audience at a tax reform press conference on Capitol Hill.

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# PRINT & PACKAGING LEGISLATIVE SUMMIT

June 19–20, 2018 • Washington DC



## ABOUT THE 2018 SUMMIT

The Print & Packaging Legislative Summit is the signature government affairs conference hosted annually in our nation's capital by Printing Industries of America. This event brings together printers, suppliers, and allied interests for a powerful program of issue advocacy, political education, public affairs discussions, interaction with members of Congress, and networking events on Capitol Hill. The Print & Packaging Legislative Summit is co-hosted by PIA, Association of International Corrugated Converters (AICC), and Fibre Box Association (FBA) and is held in conjunction with National Association of Manufacturers' (NAM) annual Manufacturing Summit.

## WHO SHOULD ATTEND

Recommended attendees are Presidents/CEOs and other C-Suite executives of printing and graphic communications companies. Executives with responsibility for environmental/health and safety, human resources, legal, postal, tax, technology and/or sales are especially encouraged to attend.

## WHAT TO EXPECT

In-person grassroots lobbying meetings on Capitol Hill will highlight the event and allow you to take your company and industry story directly to decision makers in the U.S. Senate and House of Representatives. Given the dynamics of the White House Administration and 115<sup>th</sup> Congress, you won't want to miss this year's fly-in!

## YOU WILL LEARN ABOUT

- How hot-button issues in the areas of tax, postal, and regulatory policy may impact your company's bottom line.
- Best practices on how you can advocate for your company and the industry before Congress and other decision makers.
- How to promote the positive image of print, packaging, and paper before key Capitol Hill audiences.
- Interact directly with Senators, Representatives, and Trump Administration officials on issues pertinent to a pro-print, pro-growth agenda.
- Analysis of the new GOP-controlled White House & Congress and what it could mean for America's businesses.

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this deduction to 20 percent. By the final Senate vote, the deduction was set at 23 percent. This isn't full parity with Corporate America and details are still being finalized at the printing of this article, but the fact remains that PIA members made their voices heard and influenced positive change throughout the tax-reform debate. PIA will remain vigilant to keep and improve all of the pro-print, pro-growth provisions until the bill is signed.

Now it's time to go for a double victory—one that has the potential to be a juggernaut for the printing and packaging industry. PIA is pivoting its focus to advocate passage of H.R. 756, the bipartisan postal-reform bill endorsed by PIA and industry allies, postal labor unions, and USPS. We need your help to urge the House of Representatives to include postal-reform legislation in must-pass year-end government funding bills that will be voted on throughout the month of December and into early January. Visit PIA's Legislative Advocacy Center on [www.printing.org](http://www.printing.org) to take action on this critical issue.

Ending 2017 with BOTH tax-reform AND postal-reform legislation signed by the President would kick off a very bright New Year for the printing and packaging industry indeed!



*Michael Makin and Lisbeth Lyons from Printing Industries of America with Bruce Poliquin, State Representative from Maine.*





# 70<sup>th</sup>

## Annual Technical Conference March 18–21, 2018

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– **Birgit Plautz**, Manager of Technical Services, GMG Americas

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2018 will be the 70th anniversary of the TAGA Annual Technical Conference, which provides a forum for scientific and technical research and innovation in graphic communications. The association of scientists, researchers, educators, and university students continues to share and disseminate theoretical, functional, and practical information on current and emerging technologies. Join us in Baltimore, Maryland on March 18–21 to explore the latest developments and trends.



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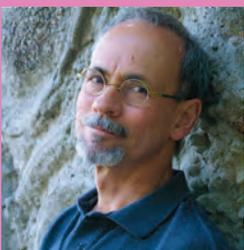
**Diageo: Anatomy of a Strong Color Management Program**  
**Barry Sanel, DIAGEO North America**



**You're Not the Boss of Me: My Slightly Ironic Creative Journey**  
**Brian Yap, Adobe**



**Global Brand Consistency: How 3M Makes it Happen**  
**Lisa Price, 3M**



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**Dan Boyarski, Carnegie Mellon University, School of Design**



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