

Signature

THE OFFICIAL NEWSLETTER of
PRINTING INDUSTRIES ALLIANCE

SUMMER 2009

PRINTING INDUSTRIES ALLIANCE WELCOMES NEW LEADERS

A new slate of officers and directors were elected at the Printing Industries Alliance Annual Meeting, held June 11th in Buffalo, NY. Our new Chairman, Robert G. Cullum, Jr., is President of PBR Graphics located in Albany, NY, a company providing design, printing, copying, mailing and e-marketing services to national and state associations, manufacturing companies, financial services companies and small businesses. Rob is a 1994 graduate of the College of Imaging Arts and Sciences at Rochester Institute of Technology.

Rob Cullum began his career in printing at age 14, working in the business founded by his parents Bob and Barbara Cullum in 1980. He has been employed with WR Grace Polyfibrin Div. (Lexington, MA), Quad/Graphics, Inc. (Milwaukee, WI) and Prograph Solutions (now EFI) (Pittsburgh, PA).

Rob returned to PBR Graphics in 2001 and has been responsible for the startup of full inhouse prepress services, internet-based ordering systems for clients and the tripling of company sales revenue. He purchased the company from his parents in 2009. PBR Graphics is a long-time PIA member and in 2007 achieved certification by CPrint™ (Certified Printers International), an organization of printers who are independently owned family-based businesses that strive for professionalism and performance among small business. Rob has been a PIA board member since 2004.

The remaining officers, elected for a one-year term and comprising the Executive Committee, were **Vice Chairman**, Fred Daubert, President, The Riverside Group, Rochester, NY; **2nd Vice Chairman, Associate Member Relations:** Doug Bolling, General Manager, xpedx, Buffalo, NY; **Treasurer:** Mike Trapani, President, The Jacobs Press, Inc., Auburn, NY and **Secretary:** E. Joseph Mehl, CEO, Dispatch, Erie, PA.

We would also like to extend a special welcome to the following PIA members, newly-elected for their first three-year term as directors:

- Adam Avrck, President, Design Distributors Inc., *Deer Park, NY*
- R. Michael Chapman, Financial Manager, Allen-Bailey Tag & Label, *Caledonia, NY*
- John C. Meyer, Director, RIT - Print & Postal HUB, *Rochester, NY*
- David Carver, Team Leader/Estimator/Purchasing, Gooding Co. Inc., *Lockport, NY*
- Kathleen Hartmans, President, Quality Bindery Services, Inc., *Buffalo, NY*



Robert G. Cullum, Jr.
2009-2010 Chairman,
Printing Industries Alliance

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Claudia Johnson, COO, Symphony Printing, *Belleville, NJ*
 John C. Meyer, Director, RIT - Print & Postal HUB, *Rochester, NY*
 Denise Padula, President, Alchar Printing, *Troy, NY*
 Kevin Preston, Consultant, *Buffalo, NY*
 Louis Troiano, Sales Manager, Reliable Paper Recycling, *Jersey City, NJ*

Jim Sabio, President, Dual Printing, Inc., Buffalo, NY was elected to a second three-year term as Director. We wish to express our thanks to Bob Hessinger, President, Printing Technologies Companies, Erie, PA, who recently completed two three-year terms as a Director on the PIA Board.

Thanks to all of our industry leaders (full Board listed at right) for their generous donation of time and expertise to the Printing Industries Alliance

Our grateful thanks are extended to the following Annual Meeting Sponsors:

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Thanks are also extended to our 2009 Platinum Sponsors, who support all PIA events during the year:

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THANKS STEVE!

June's Annual Meeting marked the end of Steve Zenger's final term as Chairman of the Printing Industries Alliance. Steve's 2006-2009 term marked a period of intense turmoil for our industry and changes to the Association. His experience and leadership provided a foundation for the organization to continue heading in a positive direction.

Thanks, Steve, for your three years of dedicated service as Chairman and service on the PIA Board since elected as a Director in 1995! Hope life is not too quiet as you return to life as a private citizen! Steve will continue to represent the interests of Printing Industries Alliance members as he serves on the board of directors of Printing Industries of America ■

ANNUAL REPORT ENCLOSED

Enclosed with this issue of the PIA *Signature* is the Printing Industries Alliance 2008 Annual Report. This piece will provide you as a member with a comprehensive look at what our Association does to serve you. Please retain this report for your reference when you need to contact a PIA staff member or one of our partners. Let us know what you think of our first Annual Report and if you have any questions on any of the information contained within ■

PRINTING INDUSTRIES ALLIANCE 2009-2010 Officers and Board of Directors

OFFICERS

CHAIRMAN Robert G. Cullum, Jr., PBR Graphics • *Albany, NY*
VICE CHAIRMAN Fred Daubert, The Riverside Group • *Rochester, NY*
2nd VICE CHAIRMAN/ASSOCIATE MEMBER RELATIONS Doug Bolling, xpedx • *Buffalo, NY*
TREASURER Michael Trapani, The Jacobs Press, Inc. • *Auburn, NY*
SECRETARY E. Joseph Mehl, Dispatch • *Erie, PA*

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 Timothy Bubar, Boncraft, Inc. • *Orchard Park, NY*
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 R. Michael Chapman, Allen-Bailey Tag & Label • *Caledonia, NY*
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 Cheryl Kahanec, Sandy Alexander • *Clifton, NJ*
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 James Sabio, Dual Printing, Inc. • *Buffalo, NY*
 Dona Snyder-Reardon, Walter Snyder Printer, Inc. • *Troy, NY*
 Preston Steffen, Steffen Publishing • *Holland Patent, NY*
 Michael Trapani, The Jacobs Press, Inc. • *Auburn, NY*
 Louis Troiano, Reliable Paper Recycling • *Jersey City, NJ*
 Eric Webber, Cohber Press, Inc. • *Rochester, NY*

PRINT IS DEAD?

Recently the New York Times Company reported a first-quarter loss of \$74.5 million. Advertising revenue at the company's publishing segment fell 28.4 percent in the quarter, including an 8 percent decline in Internet advertising at the News Media Group. The New England Media Group, which consists primarily of the Boston Globe and its site, www.Boston.com, reported that it's on track to lose \$85 million this year, and there were talks of closing this venerable institution founded in 1872.

Many individuals see this type of news as a condemnation of print as a media. It is really a condemnation of newspapers as a channel of advertising – and let's not get newspapers confused with printing. Print will continue to play an important role in visual communications today and well into the future. Those of us in the industry just have to remember the mistake the railroads made at the turn of the last century and newspapers made in this one. In the early 20th century, railroads did not understand they were in the transportation business – not the railroad business. Newspapers forgot they were in the business of producing news – not in the print producing business ■

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TOP WORKPLACE INJURIES

Liberty Mutual Insurance has released its annual Workplace Safety Index that identifies the leading causes of the most disabling workplace injuries. Overall, the estimated direct U.S. workers' compensation costs for these top ten injuries totaled \$48.6 billion in 2006.

These 10 categories account for 87.9% of the cost burden of disabling workplace injuries.

Here's the breakdown on the top 10:

RANK	INJURY	COST*	%
1	Overexertion (injuries caused by excessive lifting, pushing, pulling, holding or throwing)	\$12.4	25.7
2	Fall on the same level (such as slips and trips)	\$6.4	13.3
3	Fall to lower level	\$5.3	10.8
4	Bodily reaction (injuries caused from slipping or tripping without falling)	\$4.8	10.0
5	Struck by object (such as a tool falling on a worker from above)	\$4.3	8.9
6	Struck against object (such as a worker walking into a door)	\$2.5	5.1
7	Highway incident	\$2.4	4.9
8	Caught in/compressed by	\$2.1	4.4
9	Repetitive motion (injuries due to repeated stress or strain)	\$2.0	4.0
10	Assaults/violent acts	\$0.4	0.9

* In Billions

Between 1998 and 2006, the costs of repetitive motion injuries declined the most: 35.3%. The costs of fall on the same level and fall to lower level each showed the largest increase: 17.9% ■

What Is A Carbon Footprint?

One of the most perplexing questions being asked of printers (and individuals) is about the carbon footprint of an operation (or individual). A carbon footprint is the measure of the impact human activities have on the environment in terms of the amount of greenhouse gases produced, usually expressed in terms of carbon dioxide (CO₂).



The measure is meant to be a useful metric for organizations (and individuals) to conceptualize their organization's (or personal) impact in contributing to global warming. At this time, there is no standard approach, and there are many different protocols currently used.

The Lawrence Berkeley National Laboratory lists over thirty carbon calculators available on the Internet, including those of the California Air Resources Board and United States Environmental Protection Agency.

From our analysis, the best carbon footprint calculator on the web is the Berkeley Institute of the Environment at <http://coolclimate.berkeley.edu/>. The output from the Berkeley carbon footprint calculator offers a colorful presentation of how your footprint compares to others in similar households, the US average, and the World average, and is subdivided by each of their five categories (transportation, housing, food, goods, services) ■

KEENAN'S CORNER

By Vicki R. Keenan, PIA Vice President, vkeenan@PIAlliance.org

It's been quite a political summer so far, between a month of shenanigans in "Dysfunction Junction" (aka Albany), now hopefully coming to a halt, and a hot gubernatorial race heating up in New Jersey (and possibly Pennsylvania as well).

The legality of Richard Ravitch's appointment as NYS Lieutenant Governor remains subject to court interpretation, numerous NYS bills await passage at *Signature's* press time, and suggested candidates for a new LG in New Jersey run the gamut, with Randall Pinkett, of recent "The Apprentice" television fame and Newark Mayor Cory Booker currently leading the pack as top choices.

Yet, despite all the drama, there are some positive initiatives to report that may prove of assistance to economically struggling printing and graphic communications firms.

NEW YORK

"Do Not Mail" Legislation: As far as we can tell, there has been no further movement out of Committee on either S-2132 (Kruger) or A-3191 (Pheffer)—based in large part on our membership's tremendous outpour of opposition letters. Thank you! However, PIA takes nothing for granted when it comes to government advocacy on your behalf and will continue to educate key decision makers and state legislators about direct mail's economic importance to the State's vitality and the number of jobs it retains and creates.

Power for Jobs Program Extended: Reauthorization of the Power for Jobs and Energy Cost Savings Benefit Programs program, which had expired during the recent State Senate stalemate, has been approved and signed into law by Gov. Paterson. The legislation will extend the program through May 15, 2010 and companies that participated in it before the extension was finalized will not be dropped from the program. The measure was co-sponsored by Senators Darrell Aubertine and A. Kevin Cahill.

Power for Jobs customers can get either a rebate to offset electricity costs, a discount on utility delivery rates or a NY Power Authority financial subsidy of the price of wholesale electricity. The law requires them to meet job-retention criteria.

Environmental Amnesty Period Begins in Fall: New York City businesses and individuals with outstanding Environmental Control Board violations are being given a break by the city, thanks to an agreement between City Council and the Bloomberg Administration.

For three months starting this fall, if a business or individual comes forward and demonstrates that they have corrected the underlying problem for which they were given a citation, the City will waive their late fees and give them a chance to pay their initial violations fine, with all default penalties and interest waived.

PIA remains in discussions with NYS for enactment of a similar grace period for state air permits.

NYC Regulatory Review Board Formed: City Council and Mayor have also created a Regulatory Review Board, comprised of Council members, representatives from the Mayor's Office, and the Commissioners of city agencies such as Small Business Services and Consumer Affairs. It is charged with examining agency rules that affect the business community—particularly those which interfere with business operations, are unfair or are outmoded.

PIA members are encouraged to contact us with rules and regulations you would like to see changed or eliminated, as your Association will be communicating industry thoughts on the subject to the Review Board.

The panel will be preparing a report by December 31, 2009 on its initial findings and presenting a report to the Mayor and Council for further action.

New State Small Business Task Force: At the state level, Gov. David Paterson has announced the creation of a New York Small Business Task Force. The group will be charged with reviewing current state programs and policies and making recommendations on small business issues.

To that end, the Governor announced in conjunction with the Task Force's creation, the establishment of a NYS Community Development Block Grant (CDBG) Small Business Assistance Program which will make \$5 million available in grant monies

for direct small business assistance and micro-enterprise programs.

The Task Force, chaired by the former president of Seedco Financial Services, Inc., William Grinker, will take steps to ensure that small business remains at the core of ongoing economic recovery plans. It will also address problems encountered by the private sector when dealing with state government, regulatory burdens, technical assistance programs and workforce training.

Specifically, it will facilitate communications among government agencies and small business representatives, reduce regulatory burdens that increase business costs, increase access to financial capital, develop technical assistance programs and services to help small business owners, provide workforce training, review best practices for small firms, and develop a strategic plan for legislative/regulatory changes and small business growth.

Mayoral MediaNYC 2020 Program: Mayor Bloomberg recently announced eight initiatives to strengthen New York City's print, television and internet media sectors. The proposals, projected to create roughly 8,000 jobs and support the growth of the City's media sector over the next decade, aim to attract and train top talent to maintain the City's competitiveness in the global marketplace, increase collaboration among the various media sectors and recruit foreign media companies and help NYC-based firms to expand abroad.

Among them:

- **Creation of a NYC Media Lab,** a research center for media firms and universities to advance new media technologies and interaction between academia and corporate/non-profit partners, serving as a hub for networking events and space for industry lectures and workshops. NYC Economic Development Corporation (EDC) will issue an RFP in mid-July to develop the lab. Operation is targeted for January 2010.



... continued on page six

UPCOMING EVENTS

Visit www.PIAAlliance.org for current information on upcoming events.

PIA/NJ Golf Outing

Thursday, August 27, 2009

Knollwood West Country Club, Parsippany, NJ

Franklin Event

Wednesday, September 30, 2009

Pier Sixty, Chelsea Piers, New York City

Sponsorship opportunities are available.

Contact Vicki Keenan at (908) 233-4124

or vkeenan@PIAAlliance.org.

Northeast Regional Print Management Conference

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Water's Edge Resort & Spa, Westbrook, CT

NATIONAL PIA EVENTS

Visit www.printing.org for more information.

PRINT '09

September 11-16, 2009

Chicago, IL

Label Printing Industries of America Fall Management Conference

September 20-22, 2009

Kingsmill Resort, Williamsburg, VA

Converge Conference

November 7-10, 2009

Orlando, Florida

Color Management Conference

December 6-8, 2009

Phoenix, Arizona



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KEENAN'S CORNER

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- **Media Tech Bond Program**, to help companies purchase new manufacturing, production facilities, retrofit existing buildings to accommodate high-tech servers or make large IT purchases.
- **JumpStart New Media**, a training program to assist displaced or entrepreneurial junior to mid-level employees in exploring new and digital media.

NEW JERSEY

New Work-Share Program: The New Jersey Senate has approved a program to allow employers some flexibility against laying off valuable employees. It would be created through the state Labor Department whereby employers with at least ten employees who reduce workers' hours by at least 10 percent would be eligible to have the state pay unemployment compensation to those workers to partially make up for their lost pay. Employers would have to commit to maintaining their fringe benefits and also to not hiring any new workers.

Businesses would be able to save on the 65 percent upfront cost of contributing to the employee's COBRA health benefits and the long term cost of higher state unemployment insurance premiums. If the bill is enacted into law, New Jersey will be on a par with New York State which has already instituted this "work share" initiative.

New Jersey businesses recently got hit at the beginning of July with a higher payroll tax to replenish the State's unemployment trust fund. The increase, which for some firms could be more than 20 percent, is designed to ensure benefits continue to the increasing wave of jobless workers. State legislators have for years raided the Unemployment Trust Fund to divert more than \$4.7 billion to other projects. When the Fund dropped below an adequate capital level this past March, it triggered an automatic increase in contributions by private employers.

The "work share" program is designed to alleviate the burden of the automatic hike by ensuring that no further tax hikes will have to be initiated and also to allow companies to maintain valued employees in their jobs without being forced to eliminate their position.

Tax Hike on Business Health Insurance Reduced: The state tax on health insurance premiums, paid by companies that buy health coverage from insurers, will increase from 1 percent to 1.35 percent, instead of rising to 2.25 percent as originally planned just before the June 30 state budget deadline. The hike sunsets after one year. The increase will go into the NJ Health Care Subsidy Fund which reimburses hospitals for providing charity care to patients who don't have health insurance.

PENNSYLVANIA

New Mini-Cobra State Health Insurance Law: Gov. Rendell recently signed into law House Bill 1089 (Matzie) which allows employees of small businesses with less than 20 employees who lose their jobs to continue to receive their health insurance at their expense for up to nine months.

Federal COBRA law applies to firms with 20 or more employees to continue paying for their employees for a period of time. Under the new state law, any employee of a small business with less than 20 employees who is terminated after July 10, 2009 and before January 1, 2010 will be eligible for the federal government subsidy of 65% of premiums for his or her coverage as long as they pay the remaining 35% on their own.

PIA will be issuing an update to our members in August which will summarize NYS Senate and Assembly-passed legislation under consideration in the State Senate as *Signature* went to press and any new items emanating from New Jersey and Pennsylvania. During the interim, if we may be of service to you on any issue of concern to you or your firm, please feel free to contact Vicki Keenan at (908) 233-4124, vkeenan@PIAAlliance.org ■

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Converge Conference Keynotes to Impart Sales and Marketing Leadership Skills

Mark Stevens, CEO of management consulting and marketing firm MSCO, and popular journalist and media commentator, will be one of two keynote speakers at the Printing Industries of America's upcoming Converge Conference. He will share tactics to help graphic communications firms become a marketing resource for their clients, especially since, according to Stevens, most clients don't have a clue about good marketing. The event takes place November 7–10, 2009, at the Hilton Bonnet Creek in Orlando, Florida.

Sue Hershkowitz-Coore, communication expert and author, will keynote the first day of the conference with practical advice on how to perfect the sales conversation regarding new marketing support ideas, especially in the face of skepticism from customers stuck in old paradigms.

The Converge Conference—*The Next Generation of Print and Communication Services*—is designed for the new breed of company that is integrating the components of conventional and digital print, Web technology, automated workflow, personalized and cross-media campaigns, mailing services, and more.

The Converge Conference is the successor to Printing Industries of America's former Variable Data and Personalization and Workflow Conferences. For more information, contact Jeanette Tuttle-Hamer at National PIA at 412/259-1712 or by email at jtuttle-hamer@printing.org ■



WHAT WE CAN LEARN FROM A CHALLENGING ECONOMY –

Six business lessons from the recession

By John R. Graham, President, Graham Communications

Paying attention to business is one of the major benefits of a recession. Ford figured it out. And so has Starbucks by bringing back the founding CEO, closing nearly 1,000 marginal stores and – most significantly – introducing their own instant coffee. This could be a brilliant move. While proudly passing up their \$4 cup of coffee, we take the instant stuff home and keep a little Starbucks in our lives.

But the recession has worn on so long, we're tired of hearing so much bad news. Yet, pushing all that aside misses the point and so do all the layoffs and foreclosures. Dwelling on the real but negative skews our perspective: we are so preoccupied with getting through recession, we can easily fail to learn from the experience. We're like students who are so focused on graduating they miss the education.

To help avoid missing our recession education, here are six clarifying lessons from the current state of the economy.

1. Cutting prices can kill business: In a recent Yankelovich survey, 70% of the respondents assume a brand that lowers its prices during a recession is already overpriced. Further, 62% believe the products are old, perhaps ready to expire or are about to be revamped. There's more. In the same survey, 65% assume that leaving prices unchanged is a sign that the brand is popular, while the same percentage believes it indicates that the product is already a good value.

In the food business, McDonalds, Burger King, Chili's, Applebee's and others recognize the price-cutting problem by creating new value menus that don't compete with their regular offerings. Some car manufacturers are responding with the same strategy by introducing new, lower-priced models such as the Nissan Cube and the Kia Soul.

2. Figure out that tough is normal: Referring to the devastation of the recession, we hear people say, "We didn't need this." Of course, we didn't need all the job losses, dashed personal plans and families forgoing basic necessities. What we need is an attention-getting wake up call. Whether you agree with it or not, that's what the President gave the banks and the auto industry.

The lesson in all this is simply that tough is normal. Just ask the people of Fargo, ND about tough. They didn't whine or whimper when the Red River reached a crest at more than 40 feet. They filled and stacked more than three million sandbags in record time. They won some and lost some and after the river began receding, the plain talking, gutsy Mayor, Dennis Walaker, gave the city a new challenge, "Our word for the day is restore and recharge." That's the right memo! Tough is normal and it's time to get used to it.

3. Get the right vision: In *Epic of America*, James Truslow Adams explored what it was that gave America its prominence. As David Kamp, writing in *Vanity Fair* notes, "What Adams came up with was a construct he called 'that American dream of a better, richer, and happier life for all citizens of every rank.'" He wrote those words in 1931, the heart of the Great Depression.

We all know someone from a dirt-poor family, who gained a college education and later looked back and said, "How the hell did that ever happen?" It happened because someone had the right vision.

4. Give customers a reason to have confidence in you: GM's "value-added" strategy for clearing out its obese inventory included a 100,000-mile warranty, a plan to make up to nine monthly car payments of up to \$500 each if you lose your job and throw in it's Onstar emergency system for a year. Unfortunately, GM has an unparalleled credibility crisis: consumers don't believe them.

If GM would ever consider leveling with consumers, they might inspire confidence and sell more cars. The pitch might go something like this: "Look, folks, we're in a jam [We're all aware of this]. We've got hundreds of thousands of cars sitting around the

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Safety: Our industry's most successful revenue generating technique? The experts say yes!

Jerry Banks, PIA Manager of Membership Services, jbanks@PIAlliance.org

We wish to address a very important topic in our industry but one of which most companies don't seem to take advantage. It is defined as one of our industry's most successful revenue generating techniques. One that has been used now by the most profitable printing companies throughout the United States. So successful it has been, that these industry giants are posting a \$4.00 income to every \$1.00 invested. A 4 to 1 ROI ratio! Have we got your attention? After all, when was the last time your company produced an order that cost \$1,000 and sold it for \$4,000?

These industry leaders claim that for every dollar invested in their company's safety program, four dollars comes back to them in the form of income not lost due to decreased productivity, poor quality, ticked off customers and increased workers' comp insurance, all caused as a result of an injury or accident that experts say could have been avoided by proper employee training.

By the way, we haven't yet included the cost of regulatory fines. That one we wish to address separately. If you think burying your head in the sand by claiming "I didn't know it was a violation" will get you off the hook, well guess again. That excuse doesn't work anymore. OSHA's general duty clause states,

"you as an employer have the obligation to provide a safe work environment. And, if an employee is exposed to a hazard in your work place, your responsibility is to provide a safety training program that addresses the hazard."

If in your company's work environment a hazard is present, you're supposed to know about it. In essence, exposing a worker to a hazard is against the law. For all intent and purposes, you've committed a crime! Like any crime, claiming you didn't know it was a hazard will not buy you a "get out of jail free" card.

Your membership in our association can help you overcome many of these concerns. **This is how we do it.**

On a regular basis throughout the year, in your area we conduct a safety training program entitled, the OSHA 10 Hour General Industry Outreach for Printers. This training is directed toward your company's supervisors, managers, and safety committee members. This program helps guide them in establishing the groundwork for the company's safety program.

OSHA also requires all employers to provide for their employees safety training that addresses OSHA's three most important standards directed at our industry. This includes your company's Emergency Action Plan, Hazard Communication and Lockout Tagout procedures.



Safety training for these topics is mandatory. Not just a nice idea.

That means if you don't do it, during an OSHA inspection, your company will be cited. If you don't provide this training and someone gets badly injured or killed, well you probably want to consider doing something else for a living . . . after you've completed your jail sentence.

Due to the importance of complying with these OSHA standards we also make training

for these three topics available to your employees via webinar at your company's convenience and as many times as necessary to ensure all employees have been accommodated. Spanish versions are becoming available with all three topics being ready to present by the fall.

Think about it. Four bucks back for every one invested? Not bad!

For scheduling training sessions or more information, call Jerry Banks at the PIA office at (800) 777-4742 ■

We hope you will take advantage of this membership service that comes to you **FREE OF CHARGE!**

PIA MEMBERS HELP WITH OSHA's HISPANIC HEALTH & SAFETY FAIR

Ad Art Color Processs, Allen-Bailey Tag & Label, and Sterling Sommer were presented with a plaque by OSHA for generously donating printing for OSHA's 2009 Hispanic Family Health & Safety Fair (2009 Feria de Seguridad y Salud), held on Saturday, June 20, 2009 in Buffalo, NY.

Gordon Deleys, Compliance Assistance Specialist for OSHA's Region II, reported that the Hispanic Health Fair continues to grow each year. This year there were over 60 exhibitors and over 2,100 in attendance despite the fact that it rained all day. There was food for everyone, prizes, health screenings, safety training sessions, and entertainment. There were 1,800 completed "passports" returned. Each completed passport required that the participant attended at least two safety training sessions and completed six wellness screenings. Dignitaries such as Buffalo Mayor Byron Brown, Sheriff Timothy Howard and Councilman David Rivera were in attendance. Overall, it was a fun and educational day for all who were there!

The printing donations were coordinated by Jerry Banks, who commented that it can't be a bad idea to donate printing for OSHA! ■

10 TIPS TO IMPROVE YOUR CASH FLOW

Here are ten suggestions you can implement beginning today to improve your company's cash flow.

1. Establish sound credit practices (see below!)
2. Speed up throughput and delivery
3. Bill promptly and accurately
4. Offer discounts for prompt payments
5. Aggressively follow up on past-due accounts
6. Deposit payments promptly
7. Seek better payment terms from suppliers and banks
8. Keep a tight control on inventory
9. Review and reduce expenses
10. Pay bills on time, but never before they are due ■

CREDIT CHECKS SAVE YOU FROM SCAMS

No matter the state of the economy, con artists are always on the prowl. However, during lean times their "too good to be true" offers can be even more tempting. Stay vigilant and avoid becoming a victim of a credit scam by getting the cash up front if a customer's trustworthiness is in question.

When extending credit to a new customer, be cautious. Research the individual or firm first. How? Just take advantage of this FREE benefit of your PIA membership. Give the office a call at 800/777-4742 and we can tell you if they have been reported previously for nonpayment. For \$32.50, we can run an Experian Report for you, which can provide you with valuable information for making a credit decision ■

country on dealer lots [We've seen dozens of pictures of acres of cars] and we need to sell them fast because we need the cash [Now, we're listening], We can't give them away [Makes sense] but we're going to do everything to give you more value than ever for your dollar" [Seems reasonable]. Come in and let's talk about it" [Call to action].

Far fetched? Impossible? Everything else has failed, so why not try it? Honesty creates confidence and trust.

5. Give the customer a solution pitch: Why do we think a "sales pitch" is what it takes to make a sale? What the customer wants is a solution pitch.

A good example is Kraft Foods. Even though we all know Kraft mac-and-cheese, we probably draw a blank when it comes to the company's other brands. In the past, they would have poured on the ad bucks to get our attention, but not today.

Since more of us are eating in, but have less time to prepare meals and are watching our budgets, Kraft came up with an incredibly creative solution: an iPhone app called iFood. The promise is saving time and having great meals.

When you pick your recipe on iFood, you can also pick the store where you want to shop and iFood not only gets you there, but it also tells you the aisles in your store where the items are located! And when it comes to ingredients, Kraft products are highlighted as you might expect. Best of all, the iFood app is free and it's so effective, it has one guy I know cooking for the first time in his life. His Creamy Chicken Enchiladas are terrific. By the way, how do you think he feels about Kraft Foods?

Give consumers a solution pitch if you want to pull more customers.

6. Improve customer experience: Many companies talk about "delighting customers," but few seem serious about giving customers what they want. Apple is a major exception. While shopping traffic is less than robust these days, there's always plenty of action in the Apple retail stores.

Here's why: Apple focuses on improving the customer experience. For example, the customer greeters serve a specific purpose. They don't just say, "Welcome to Apple." They ask the people coming in what they are interested in. They then log them in on a Mac, which connects the customer instantly with a personal shopper who stays with them, answering questions, providing detailed product information and offering helpful suggestions on how to get the most from what they buy. The personal shopper delivers the product to the customer and takes care of the transaction right on the spot. There's no handoff or unanswered questions. Most of all, the customer feels valued.

The salesperson performs one more surprising, but highly appreciated task: the rebate. No need to mail it in and wait ten weeks, hoping the check will arrive. The rebate is immediately deducted from the price of the total sale and the customer receives an email confirmation.

Apple's personal shoppers send a powerful message to customers: "We want you to know that our service, as well as our products, go beyond your expectations." Instead of cutting back in a challenging business environment, Apple has further improved its customer service.

Here they are, six business lessons taught by a recession. Instead of just trying to get through or survive a trying period, the lasting benefits will be learning from it ■

John R. Graham is president of Graham Communications, a marketing services and sales consulting firm. He is the author of The New Magnet Marketing and Break the Rules Selling, writes for a variety of business publications, and speaks on business, marketing and sales issues. Contact John Graham at 617/328-0069 or jgraham@grahamcomm.com.



“Did You Know”



Keeping you updated on the services offered by the Association

Printing Industries Alliance Buying Power Programs

Printing Industries Alliance members enjoy savings opportunities on products and services used every day. Members can not only take advantage of some of the best services available, but they can do so at a substantial discount. If a member already has a relationship with a Partner, their account can be linked seamlessly so they can take advantage of the discounted rates—with no disruption in service.

Adobe Systems

Software, Books, Training Products



Adobe

Members save **15% instantly** on any Adobe product at the Adobe Store Online located on www.printing.org, including Creative Suite® 3. This exclusive pricing saves you hundreds of dollars off all the popular Adobe products you use most, such as Photoshop®, DreamWeaver®, and Acrobat® 7.0 Professional. Full versions, upgrades and multiple license purchases are included.

Apple Association Member Purchase Program

Hardware, Software, and Other Apple Products
Discounts from 4–17% on Apple products, including the iBook, MacBook Pro, iMac, iPod, and Mac mini (discount varies by product). In addition to substantial savings on award-winning Apple products, the program also includes quarterly promotions, free standard shipping on orders of more than \$50, financing options for qualified buyers, online custom product configuration and more.

Caliper

Human Resources Services

Caliper's solutions enhance performance. They provide consulting services, tools and advice in the areas of hiring and selection, employee development, team building and organizational development. Its most popular tools include FirstStep, NextStep, and the Caliper Profile, which is a proprietary assessment instrument that objectively quantifies an individual's competencies and identifies candidates with the strongest potential. Members receive a \$30 discount on their flagship products and a 10% discount on all other services.

FedEx

Express, International, Ground and Freight Shipping



Members save on FedEx shipping—the world's premier delivery service. It is important to have service choices, flexibility, and options you can rely on in order to effectively manage your costs, and that is why FedEx was chosen to be the exclusive Buying Power partner for shipping.

As a member of Printing Industries of America, you are eligible for special member benefits to help you save money on the products and services you need, including special discounts on select FedEx® and FedEx OfficeSM services. Take advantage of FedEx savings and save up to:

- 26% on select FedEx Express® U.S. services
- 18% on select FedEx Express international services
- 15% on select FedEx Ground® services
- 64% on select FedEx Freight® services

Heartland Payment Systems

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Heartland offers a complete suite of payment solutions specifically tailored to the needs of our members. The program includes: fully disclosed transparent pricing model, three-year rate guarantee, documented rates with completed enrollment application, online access to real time account activity, unlimited help desk support 24/7/365, local installation support, direct single point of contact via Printing Industries account representative, and assistance with resolving disputed transactions.

Staples Business Advantage®

Great savings on office supplies

Printing Industries of America and Staples Business Advantage®, the leading office products distributor in North America, are working together to bring the members of Printing Industries of America and its local affiliates great savings on office supplies. The benefits are clear: low, contracted prices; fast and free delivery on eligible



orders of \$30.00 or more within the forty-eight contiguous United States; consolidated billing; and a dedicated account manager. Plus, you'll have an easy ordering system and full control through StaplesLink.com.

Xerox

Printing Equipment, Technology Products, and Supplies



Save on the entire line of Xerox products and services, including the award winning Xerox iGen3® Digital Production Press, the DocuTech, and the DocuColor Publishing series. PIA members receive specially negotiated pricing on printing equipment. Xerox is also ready to partner with you at every step of the way in your search for higher levels of profitability—providing you with a number of effective business development solutions ■

Easy enrollment information and specifics on each program listed is available online on the Buying Power page at www.printing.org. Contact the Marketing Department at Printing Industries of America at 800/910-4283 x837.

Don't forget about these member services that can save you money --

Meridian Group of NY

Employee and Executive Benefits

Printing Industries Alliance has partnered with the Meridian Group of NY, a full service employee and executive benefit company. PIA members receive a full audit and analysis of existing employee benefit programs and “members only” pricing on Section 125 Plan Administration, TPA Services, Health Savings Accounts, Health Reimbursement Accounts and more. Contact Jack Rockwell at 877/368-0404 or jack@mghelp.com for more information.

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ALL UNIONS ARE NOT CREATED EQUAL

Jim Kyger, Director of Human Relations for the Printing Industries of America, says a common question companies often get confused about is when clients ask if they are a union shop. Typically, when a print buyer asks for a union shop, they are looking for a printer that can print a union label. Believe it or not, not all unionized printers have permission from the union(s) to print a union label.

In order for a print shop to print the union label, the printer must have received a current Union Label License Agreement. Normally, this agreement is for the GCC label or the Allied Trades label. The unions own and have full control of their labels via trademarks. Thus, when print buyers ask for a union printer, ask if it is because they want a union label to appear on their print job.

There are two websites that list current union label printers. Is your unionized shop listed on either of them? Find out by visiting

www.gciu.org/shop.shtml OR
www.alliedlabel.org

If you are looking for a reference for a PIA member that is unionized, check your member directory or call the Printing Industries Alliance office ■

WANTED: FACTORY SPACE TO SUBLET

107 year old WaterMark Paper Company seeks FACTORY SPACE (no office required) in MANHATTAN. Approx. 450 square feet. Reputable, small operation with four small machines and paper storage. Motivated. References. Contact Don at Chicago WaterMark Co. at 888/292-8376 ■

Workers Compensation

To help PIA members control costs, Printing Industries Alliance sponsors two group Workers' Compensation programs. Each program has been developed with unique features designed to meet the needs of participants. They are different in their approach to Workers' Compensation insurance; they are similar in that they afford excellent financial returns, outstanding industry-specific service, and they are comprised totally of print and print related companies.

For the past 17 years, participating Printing Industries Alliance members have enjoyed the benefits of the savings afforded through the PIA Workers Compensation Safety Group. Over this time period, this "Members-Only" program has provided over \$34 million in actual savings, including over \$18 million returned to participating members in the form of cash dividends. In addition, because of this program's effective claims management and industry-specific loss control/safety programs, these returns should remain consistent for many years to come.

The PIA of NYS Workers' Compensation Trust is a self-insured Workers' Compensation program designed specifically for companies engaged in printing, imaging or other aspects of the graphic arts industry. Up front savings mean participants pay well below the current commercial market rate. In a self-funded plan, the members own the investment income, further lowering future cost. Aggressive claims management means legitimate claims are paid promptly; false claims are aggressively defended on the members' behalf

To receive a "No-Obligation" proposal, download a payroll and loss worksheet from www.PIAAlliance.org and return to our office prior to your next expiration date. Upon receipt of this information, we will procure a competitive proposal for your consideration. Contact Joe Bellucci at joebellucci@PIAAlliance.org or 800/777-4PIA with any questions ■

DOL WITHDRAWS SEVERAL OPINION LETTERS, CAUSE FOR CONCERN

Seven months ago, the Wage/Hour Division of the U.S. Department of Labor withdrew several opinion letters on several exempt, overtime, bonus and salary deduction issues. Of particular concern is one letter that discusses the issue of exempt status for a Client Service Manager for an insurance company. The company is using the Administrative exemption test under Section 541 to claim that the position should be exempt from overtime. Specifically, "work directly related to the management or general business operations of the . . . employer's customers." Plus, the primary duty includes the exercise of discretion and independent judgment with respect to matters of significance. In this letter, the government concluded that the position would be exempt. In the printing industry, many employers have used similar positions to reason that Customer Service Representatives and Estimators are exempt positions under federal law. We believe a major shift in how exempt positions are determined has started to occur.

For questions on evaluating the exempt/non-exempt status of your employees, contact Tim Freeman at 800/777-4PIA or tffreeman@PIAAlliance.org ■

High Stacks

Firms getting into fulfillment find that they need more space to store finished goods, which leads to higher stacks. A serious problem arises if the material comes closer than three feet to a sprinkler head. This condition will reduce the spread of the spray and thus, its ability to extinguish a fire. Check your stacking practices before the fire occurs – it's too late afterward ■



THE CURSE OF THE FOUR LETTER ACRONYM --

What Does CDHC Really Mean?

It's no secret that Consumer Driven Health Plans (CDHC) have emerged as the tool-of-choice for reducing premiums and controlling costs. By introducing High Deductible Health Plans (HDHPs), carriers have been hoping to stem premium increases and increased utilization by transferring costs to individual consumers. While some employers have been able to realize premium relief by moving to HDHPs, employees have resisted the change due to increasing out-of-pocket expenses and plan complexities. As a result, broad implementation of consumer-driven health plans has been limited and satisfaction levels among employees have remained low.

But what does CDHC really mean?

Consumer Driven Health Care? Some feel use of the word "driven" sounds to too harsh, like we're forcing people into a plan they don't want to be in. Consumer Directed Health Care? That sounds a little more user friendly. Or, is it Consumer Doesn't Have a Clue? Truth be told it is probably a little of all three. We are to some degree pushing people into plans they'd rather not be in. No one really wants to look at the cost of care, comparison shop, or pay more out of their own pockets. They're also somewhat clueless when it comes to how to shop for care. A good deal of the responsibility for consumer ignorance falls to the industry, not necessarily to the consumer.

The logic behind consumer directed health plans is that they will force members to begin acting more like consumers of health care by giving them some "skin in the game." If consumers start thinking before running to the doctor or asking for the latest, greatest, and not coincidentally, most expensive drug, we should see utilization decrease. As empowered stakeholders, employees should also have a vested interest in staying healthy.

While these are well intentioned outcomes and appealing goals, for many people, this is where the argument for consumerism in healthcare ends. But, if we focus solely on health insurance, we are missing the bigger opportunity - a total benefits solution capitalizing on emerging technology.

CDHC alone is not the answer to the current healthcare crisis. Although it is an integral piece, employers and agents need to focus on the bigger picture to succeed – Consumer Driven Benefits Solution. To unlock the full potential of these new plans, a total solution must include a comprehensive approach that keeps the consumer in mind and provides them with the tools necessary to manage their plans. This approach goes beyond spreadsheeting carrier rates; rather it involves delivering value-added benefits that capitalize on innovative technologies.

As with any emerging technology, the key to success is making a consumer's life easier, more efficient and improving their experience. Although flex plans have been in use for a number of years, debit card technology has revolutionized the process in which participants utilize and access their dollars. It places the participant in the "driver's" seat and allows them to begin directing their own healthcare dollars – key steps for true adoption of consumer driven care. A fully integrated debit card allows the automatic electronic transfer of pretax dollars from an employee account when paying for qualified expenses. Employees are able to receive immediate reimbursement of their medical and dependent care expenses simply by using their card at the point of service. The normal paper claims process is eliminated, as are worries about forgotten purchases or lost receipts.

As agents and employers continue to search for new solutions in this difficult economic environment, providing access to these programs is critical to future success. Implementing a combination of Flexible Spending Accounts (FSA), Healthcare Reimbursement Accounts (HRA), or Health Savings Accounts (HSA), on a single debit card platform can significantly increase the value of a member's benefit portfolio. These simple, cost-effective programs provide the keys to unlocking consumer-driven health plans and provide the platform to develop true consumer-driven benefits solutions.

Article provided by PIA Partner Meridian Group of NY. Meridian can help your company make sense of the health care industry and suggest alternatives for your current plan. Contact Ross Kraft or Andy Biernat at 877/368-0404, by email at ross@mghelp.com or andy@mghelp.com or visit their website at www.mghelp.com

Labor Department to add 670 Investigators

The Department of Labor plans to hire 670 investigators over the next year in order to beef up enforcement of laws that protect workers from everything from unsafe working conditions to unfair wage practices.

"We'll begin to restore worker protection programs after years of decline," said Secretary of Labor Hilda Solis.

The Occupational Safety and Health Administration would receive a 10 percent funding increase under the department's 2010 budget proposal. Some of this money would be used to hire 160 new compliance officers, many of whom would be bilingual. OSHA also would boost its regulatory staff "to meet the complex safety and health threats in today's workplace," according to its budget proposal.

Around 200 investigators would be added to the department's Wage and Hour Division. Staffing also would be ramped up for the Employee Benefits Security Administration and the Office of Federal Contract Compliance Programs, which makes sure that federal contractors do not discriminate against minorities.

The proposed budget would reduce funding for the Office of Labor Management Standards, which oversees financial reporting and administrative practices of labor unions.

For more information, see www.dol.gov ■

Don't forget – Printing Industries Alliance can assist you in meeting the challenge of compliance with state and federal employment and environmental laws.

Printing Industries Alliance Human Resource Management Service:

- Legal Consultation
- Policy Review and Development
- Employee Handbook - Documents and Forms
- HR Managers Listserve
- Annual HR Conference

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LATEST OFFERINGS FROM PRINTING INDUSTRIES PRESS

Many companies are seeking information that will help them streamline their businesses in tough economic times. And whether that means reexamining and restructuring a financial approach or making production processes more efficient, Printing Industries Press is proud to offer timely, relevant publications to help companies meet those goals.

Process Controls Primer

Author: Joseph Marin

Item Number: 1750, Member Price: \$25

The only way to reproduce color more accurately and consistently is by applying process controls. Process controls is simply the way in which you control variables in order to define a consistent process and ultimately deliver the best possible quality product. The procedures and tools in this primer are designed to provide a blueprint for the implementation of process control which will allow you to reproduce color more accurately and consistently.

Color Management Handbook: A Practical Guide

Authors: Dr. Richard M. Adams II, Dr. Abhay Sharma, and Joseph J. Suffoletto

Item Number: 1784, Member Price: \$75

Several advancements in technology have transformed the color management process in recent years. This guide details the most efficient and current methods for obtaining an optimal color reproduction. Color management has progressively developed thanks to a series of enabling technologies and has now become standard practice in graphic communications.

To order: Visit the Online Store at www.printing.org or call 866/855-4283 ■

Printing Industries Alliance OSHA/Environmental Service:

- Plant Audits
- No Cost Employee Training (Includes Hazard Communication, Lockout/Tagout, Emergency Evacuation and more)
- Forklift Driver Certification
- Ergonomics Program
- Hazardous Waste Training and Compliance Assistance
- Air Permit Assistance
- Environmental, Health & Safety Conference
- Environmental, Health & Safety Managers Listserve

Employment Practices Liability Insurance:

- Protect yourself from employee suits with Printing Industries Alliance endorsed insurance available through United Insurance Company Ltd.

For more information on these services, contact Printing Industries Alliance ■

PRINTING INDUSTRIES ALLIANCE COUNSEL FERRARA, FIORENZA, LARRISON, BARRETT & REITZ CELEBRATES 15TH ANNIVERSARY

Congratulations to PIA Counsel Nick Fiorenza and his outstanding staff as they celebrate the 15th anniversary of their establishment. Established in July 1994, Ferrara, Fiorenza, Larrison, Barrett & Reitz, PC was formed to provide unsurpassed counsel and representation in the areas of education, employment and labor relations law matters, a product that has been delivered “in spades” to Printing Industries Alliance members.

Ferrara, Fiorenza began with twelve lawyers and staff in temporary offices constructed from computer boxes and file cabinets. Today, the firm has more than doubled in size while maintaining its focus on representing employers in the areas of labor and employment law. However, Nick Fiorenza, managing partner, reminds us that “the point was never to be bigger, but to offer the right mix of expertise, personal and support services needed to properly serve our clients interests.”



PIA Association Counsel Nick Fiorenza, hard at work in July of 1994 in the temporary offices of then newly-formed law firm, Ferrara, Fiorenza, Larrison, Barrett & Reitz.

Congratulations Nick and thank you for your years of service to our industry, from the Printing Industries Alliance Board, membership and staff!

Nick Fiorenza and Michael Dodd, Partner at Ferrara, Fiorenza, are popular speakers at the annual PIA HR Conference and regularly present webinars on employment-law related topics. They also publish *Employment Law Matters*, a newsletter containing timely employment law topics. PIA members are encouraged to call Nick or Mike at 315/437-7600 when they need assistance with a labor or employment law issue ■



MEMBER NEWS

New York's Largest Web Book Printer Adopts Green Printing:*Hamilton Printing Company Changes Way Books are Printed and Manufactured*

Hamilton Printing Company is the first book manufacturer in New York State to utilize a new sustainable process called THINK™ which stands for Thin Ink Film Technology. The new technology allows books to be printed on heat-set web press without any curing devices, ovens or blowers.

"Hamilton Printing has been providing the finest quality, service and value to its customers since 1912," said Rick Dunn, vice President, manufacturing at Hamilton Printing Company and a Printing Industries Alliance board member. "We have always felt strongly about providing our customers with the best products possible and THINK™ is by far the best technology on the market. It's sustainable, easy to implement and our team is experiencing great results."

The new process is accomplished by:

- Turning off gas-fired ovens, chill drums, chill water compressors, electrical pumps, silicone applicators and electrically powered blowers.

- Replacing traditional press cleaners and wash-up chemicals with ultra low VOC renewable resource based alternatives.
- Inks designed and manufactured to the THINK™ standard.

Since transitioning to THINK™, Hamilton has experienced the following results on their web presses:

- Complete elimination of natural gas usage for the ovens
- Dramatic reduction in electricity since the chillers are no longer necessary
- VOC ink levels slashed from 31 percent to 1.02 percent due to the fact the THINK™ process is bio-based
- VOC emissions from the special fountain solution and blanket wash result in reduction to a mere fraction of the prior levels
- Overall VOC reduction of 94 percent
- Increased production efficiency due to the quick-drying nature of THINK™ process
- Elimination of web wave and web growth due to no ovens running
- Elimination of all chemicals classified as SARA 313 chemicals, Proposition 65 and Hazardous Air Pollutants (HAPs)

One additional benefit is that the THINK™ process expedites the drying process while improving quality, resulting in non-wavy books that are odor-free. In an effort to become one of the greenest book printers in the State, Hamilton Printing has made other improvements to their overall manufacturing and printing process, including achieving FSC certification.

Located south of Albany, NY, Hamilton Printing manufactures 9 million offset, single color paperback and hardcover books and also offers digital 4/c component printing, variable printing and short run 4/c books. Visit www.hpcbook.com ■

Brigar X-Press Installs Estimator Corp. Solutions

Estimator Corp., a leading supplier of print management software, announces sale of its full version sheet-fed and web, estimating and management solution, to Brigar X-Press Solutions Inc. of Albany, NY.

The installation, completed in less than one week, comprised of setting up 11 presses including web, sheetfed and digital, all bindery and pre-press functions, and integrating Estimator with their mailing software.

Estimator is fully compatible with XP and previous Windows programs as well as the I-Mac. Unique features make Estimator the fastest, easiest single-screen, mistake proof, intelligent, high-speed print-management system available anywhere and includes QuickBooks connect and Select-a-Press.

Estimator's easy-to-use, low-cost solutions deliver an e-mailable quote, order acknowledgement, job-ticket, stock and services PO, custom shipping labels for brokers, invoice and job scheduling and tracking reports, all in an error-free, single screen environment.

The Estimator sale included set-up and installation, annual releases, updates and full live maintenance.

Interested parties may contact Mark Myers, President, at Estimator at 203/682-6436 or EstimatorCorp@aol.com or visit their website at www.EstimatorCorp.com ■

PRINTING INDUSTRIES ALLIANCE MEETS WITH POSTAL EXECUTIVE

Michael Vitch, President of PIA member Compu-Mail, LLC in Niagara Falls, NY and PIA President Tim Freeman recently had the opportunity to sit down with Susan Plonkey, VP Sales, United States Postal Service, for a wide-ranging discussion on a variety of industry issues including "Do Not Mail", sales tax on postage, the summer postage sale, new tabbing regulations and U.S.P.S. competition with the private sector.

Ms. Plonkey re-affirmed the U.S.P.S. commitment to the printing and mailing community in supporting an effective and productive postal service that is critical to our industry. Ms. Plonkey was in Buffalo to address members of the local Buffalo/Niagara Postal Customer Council regarding what the U.S.P.S. is doing to cut costs, raise revenue and improve service ■



Susan Plonkey, Michael Vitch, Compu-Mail, and Tim Freeman discuss the postal issues of the day.



Susan Plonkey, VP Sales, U.S.P.S. and Tim Freeman, President, PIA.

SALES COMPENSATION PLANS

By Stuart W. Margolis, CPA, MT and Joe Becker, CPA, MargolisBecker LLC

During these difficult economic times, there is mounting interest in creative sales compensation plans. Our experience and recent discussions with printers nationwide* have shown that there may be as great a variety of sales compensation plans as there are numbers of printing companies.

Because much of the printing industry is comprised of creative, individualistic entrepreneurs, each printing company has a unique culture. A single “one size fits all” approach to sales compensation thus simply will never apply to the printing industry. There are however, some more common approaches, including:

❖ **Commissions based on Sales:** The commission rate varies widely, from 3% to 10%, depending on the sales size of the company, the recurrence of the sale, and the material cost in the job. If the plan is Commission Only, the draw is adjusted periodically, to reflect the active commission.

❖ **Commissions based on Value Added:** Again the commission rate varies widely, from 4.5% to 14%, depending on the size of the company and the recurrence of the sale.

❖ **Both of the above,** including a base salary plus a commission.

Infinite variations are possible within these three broad approaches. Let’s discuss some of them.

1. Basing Value Added commission on actual results vs. the original estimate:

For instance, if the bindery is too busy to do the work in-house as planned and must be outsourced for finishing, the estimated costs will differ from the actual results. An example appears at right. So, should you pay commission based on the estimate or actual results? Many companies pay on the estimate. Others say that if the finishing has to be outsourced because they are too busy to meet deadlines, then the company is affected, and the sales person should participate in that reality. Again, there is no single “right” answer here. This is an example of how company culture, many times, determines the type of plan used.

	Estimate	Actual
Sales Price	\$10,000	\$10,000
Materials	3,500	3,500
Outsourcing	0	1,500
	\$3,500	\$5,000
Value Added (VA)	\$6,500	\$5,000
9% VA Commission	\$585	\$450

2. Incorporating Target Selling Price in your sales compensation plan:

Consider next a wrinkle we call “The Bump”. It works like this: To the extent the salesperson sells a job above target selling price (TSP), he/she will participate in the amount over TSP. This “Bump” could be anywhere from 10% to 50% of the excess. Here are two examples of the same sale, with and without the “Bump” included in sales compensation.

A. With “Bump”:

TSP - \$5,000 with 7% commission and a 25% “Bump”

Sold for.....	\$6,000
Target Selling Price (TSP).....	\$5,000
BUMP	\$1,000
Commission (7% x \$5,000)	\$350
BUMP (25% x \$1,000)	\$250
Sales Person with Bump receives:	\$600

Unanswered here is what happens if the salesperson sells the job below Target Selling Price.

B. Without “Bump”:

Sales person receives Commission	
(7% x \$6,000)	\$420

3. Bonus Plan payments for exceeding expectations: Frequently, we see bonus plans that pay anywhere from \$1,000 to \$10,000 to salespeople who exceed their pre-set goals. These bonus plans may be paid quarterly and/or annually – again depending upon the company culture.

These are just a few of the possible sales compensation programs available to printers. Certainly, there are many more alternatives that we have not covered in this article. Printers seeking to appropriately reward their sales staff yet survive in today’s economy need to carefully consider what works best within the company culture you have established ■

* “Sales Compensation” was a recent topic of discussion for “A Cup O’ Joe”, the monthly conference call discussion for printers sponsored by MargolisBecker.

MargolisBecker, LLC is the nationally known business and management advisory specialist in the graphic communications industry. Services offered include strategic planning, business valuations, mergers and acquisitions, turnaround management, accounting, auditing and tax compliance. MargolisBecker prepares the PIA Financial Ratio Studies. Contact Stuart Margolis or Joe Becker at 888/577-1717 or email at smargolis@margolisbecker.com or jbecker@margolisbecker.com.

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To profit in an increasingly competitive marketplace, you need

What the Printer Should Know About Paper.

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