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Focusing on Action-Today

Staff Writers

Peer groups help commercial printers identify and adopt best practices

Class is back in full swing around the country, which is evident outside my window as a tardy mother hurriedly pulls along her first grader toward the departing bus.

For us, the return to textbooks is a whammy on both sides of the income statement. First, under escalating expenses, are second-year college tuition and apartment bills for our daughter. (I know...many of you have experienced this cash drain already and are smiling devilishly; safe in the knowledge those days are far behind you.) The other financial hit is that our son, a freshman in high school, is no longer generating revenue from house watching, pet sitting, and lawn mowing.

Decreasing revenue and increasing expenses are no way to run a profitable household...or printing business. If the first three quarters in your calendar year are similar to others in this industry, chances are revenue is down more than 10%-in a lot of cases even more-and you may be mowing your own lawn and looking for other ways to reduce cash outflow.

Peer Groups

As I've written previously, one of the things I enjoy most about coaching is the opportunity to facilitate peer groups of printing center owners. Having started and grown three small businesses, and having worked for one of the printing franchisors for six years, I share a kindred spirit with entrepreneurs, and find energy just being around them.

The peer group format allows members to receive feedback about financial statements and ideas for operational and sales improvement. The dialogue is robust, designed to challenge status quo and motivate each other to act.

At the most recent quarterly meeting of one focus group, I was impressed with how members are addressing head-on their financial challenges. While all are dealing with sales declines, they are focusing on adjusting operations in order to survive now and thrive later. With "expressed written permission" and having changed the names, what follows are their recent best moves, based on input from fellow peer group members. Perhaps you'll find some things worth implementing in your own printing business:

Member 1 (Open 22 years/\$650,000 sales in 2008)

Bill and his son run a solid operation with only two employees. He's ready to retire, except his investment portfolio took a big hit, so he's committed to seeing things through for three more years. "I've never liked planning," he said. "I've just always done, and it's worked out pretty good." Until now, of course, with the economy stagnating. So, rather than take things one day at a time, the group challenged Bill to create a "Success Plan" that details specific steps father and son will pursue to add clients and prepare for a transition in 2012.

Member 2 (Open 19 years/\$775,000 sales in 2008)

Steve is an engineer, and he'll tell you he spends too much time thinking and putting out fires and not enough hours focusing on something he's really good at: selling. To overcome his natural tendency to get stuck inside, Steve purchased a turnkey program for building a prospect pipeline...then kept finding excuses to not work it. Peer recommendation: Put a CSR in charge of sending out contact letters and making appointments so you can focus on conducting in-person meetings.

Member 3 (Open 2 years/ 875,000 sales in 2008)

Tom purchased an existing location that's been around since the 1970s. His equipment is state-of-the-art, however, the balance sheet is loaded with debt-hampering profitability and hamstringing options. Nonetheless, Tom added a new CSR in August. Why? Like so many owners, he's trapped working in the business and failed to execute a marketing plan this year. While adding staff was a tough decision, Tom knew from his peers' guidance that failing to do so would lead to further client erosion and risk personal burnout. To offset the additional cost, he gave team members the option of voluntarily reducing hours and a couple took him up on the offer.

Member 4 (Open 14 years/\$375,000 sales in 2008)

Don't let those sales fool you. Bob is one of the most profitable owners in the peer group. He has no desire to grow for growth's sake; he just wants to continue to make a good living in his small community-north of 30% owners comp-and "spend more Fridays during the summer on my boat." During the meeting, Bob shared how he intended to hire an inside person to free up more time to do what he does best: marketing. Uh, check that. Members were emphatic that Bob's real challenge is maximizing the productivity of existing employees. Hiring another would simply spread work among four people instead of three. After a hearty discourse, he accepted their recommendation to not add another salary. Instead, his peers recommended better managing current staff and redeploying their activities.

Member 5 (Open 15 years/\$1.4 million sales in 2008)

Joe, with the group's largest revenue, has an outside sales team of three people who are each responsible for more than \$400,000 in annual revenue. His self-professed Achilles heel is a complete dislike for sales management. While he requires activity reports, Joe comes up short in engaging them as a leader to strive for greater success. His commitment from the last meeting is to do more than "just look at numbers" and to raise the bar of expectations. Oh, one more thing; a review of pricing by the group showed he's undercharging in some areas, so he made upward adjustments, even in a down economy.

So there you have them...five approaches for improving your printing business operations right now: planning, selling, marketing, managing, and leading. It's amazing how much you can do by simply taking time to analyze, strategize, and improvise.

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