

# quoins2pixels

An exclusive publication for the Members of Graphic Media Alliance  
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We hope you'll enjoy this new biweekly publication of your Association. Its focus will be to offer ideas and best practices -- specific to our industry -- which we hope will stimulate, as well as challenge, your management team. We will cover strategy, economics, marketing, sales, finance, compensation, as well as various insights into our industry's ever-changing technology. Thus, the moniker of *quoins2pixels*. For those readers who began their industry career in in the 21st century, quoin is probably an unfamiliar term. Pronounced "coin," this tool has been in continuous use since the 16th century by printers using the letterpress process.

## Hiring A Sales Rep

Without sales growth, profit growth is impossible. Growing sales almost always means adding sales reps. Every firm who endeavors to do this quickly discovers that hiring a successful sales rep is the hardest of tasks. The opportunities to waste large sums of money are immense and the failure rate is very high.

- Firms that have made the best of this tough challenge generally hire sales beginners and focus on personality traits rather than printing knowledge.
- They look for people who really want to make a lot of money, bearing in mind that while almost everyone wants to be rich only a few want to go to the trouble of getting there.
- They look for people who have a high level of curiosity and who are better at listening than talking. Who can feel the prospect's pain points and think about addressing them.
- They look for people who have had some experience with outside selling even not in printing as they have lived in that environment and accepted its challenges.

Once they hire the sales trainee, they must deal with compensation. Even though, some firms have salaried sales reps, it's likely that given the special challenges of outside sales, a clear, incentive-based system is best. Even if it's salary only, the rep gets a raise based on performance so the salary is really a delayed and uncertain version of a commission. If the rep is paid on a commission basis (gross sales, value added or some other variant), they must also receive a draw, since initially their sales may be zero. The draw should not be high enough for them to be comfortable, for the object is for them to move to commission earnings high enough to cover the draw (and more!) or leave if they can't get there.

Of course, the trainee sales rep needs help and should get it, but at the end of the day, the ball is in their court—that's why finding a successful candidate is tough but doable.

A special case is the "experienced" sales rep with a following. This person is the dream hire but often the dream turns into a nightmare. It is a very bad sign if the "experienced" rep demands an enormous draw.

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After all, if they were as good as they say, wouldn't they be better off with no draw but a higher commission rate? Some employers have dealt with this problem by explaining to the "experienced" rep that they want to spend the first two or three weeks calling with the rep on all the rep's clients, to explain the firm's commitment to serving them. If the rep is the real deal, they will see this as supportive. If they aren't, they'll leave.

## Is It Time to Sell?

These past 24 months have created havoc in small businesses across the United States. As with any economic upheaval (for lack of a better word), there have been losers and winners, and that brings us back to our opening headline. Is it time to sell your business?

Selling is as much a psychological effort as a financial one. As a founder of a business, you've made many personal sacrifices to create your business. Your business IS you; so, it can be very difficult to make that decision. Many deals have foundered in the midst of preparing final documents because the seller decided he'd rather keep running the business -- or the numbers aren't right.

When you start to explore this path, here are couple of things to remember. ALL businesses have value, even those who are showing losses or minimum profits. In those cases, it will be the "book" of sales which will have value. In most instances, a buyer will pay a commission for those sales over a period of years while the capital assets of the business remain with the seller. Many of today's transactions are structured in this manner and are called "tuck-ins."

And don't forget there are other options to selling. Many printing companies transition into a print management firm (print broker). This is normally a good decision for companies with declining sales and older equipment and a company owner who still wishes to remain active in a selling role. The other option, although one not recommended by many experts, is to slowly wind the company down. This is an option for owners who have minimal debt and want to "slow down."

If you're considering selling, don't do it without research. Speak to fellow printers who have gone down this path (buyers and sellers), and don't forget to speak to your Association. They'll have connections with M&A specialists who can provide insights into the markets and valuation methodologies.

## Two Shifts

Most printers operate only a single shift with overtime as needed while a minority also employ a skeletal second shift. That reality creates a real opportunity for printers who are willing to break out of this mold and move to a full two shift model with frequent overtime.

Moving to a two-shift operation can double the number of dollars to pay for the overhead, which remains unchanged, and thus explode the profit. Getting to this nirvana, requires the willingness to leave the comfort of a single shift operation and learn how to manage a multi-shift one.

Getting the sales to support it requires a pricing approach that begins with an estimating process but is not a prisoner to it as the object of the game is to get as much as the customer will pay, but also get the order. Simply put, pricing becomes customer centric, not production cost centric.

*quoins2pixels* is written by Bob Lindgren and Joe Polanco. Bob and Joe have spent decades in the printing industry, and throughout their careers, they have counseled hundreds of company owners on a variety of management topics. As a value-added service of [Graphic Media Alliance](#), they are available to expand on these articles, or aid with projects. Bob can be reached at (818) 219-3855 and Joe at [jspolanco49@gmail.com](mailto:jspolanco49@gmail.com).