

quoins2pixels

An exclusive publication for the Members of Graphic Media Alliance
Volume 1, Issue 3

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, eco-nomics, 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 un-familiar term. Pronounced "coin," this tool has been in continuous use since the 16th century by printers using the letterpress process.

The Great Employment Migration

Over the past 12-18 months, businesses across the United States, large and small, have watched employees leave their companies in record numbers. The reasons are many and don't need to be repeated here ad infinitum. Keeping employees is one of the key challenges in 2022, and here's an idea that might help.

When was the last time you provided your employees a benefit statement? No, not the one in the Policy Handbook, but a customized document which spells out their benefits -- and assigns value to those benefits. Individuals know what they make per hour or month, but often forget they are receiving benefits which have a true dollar value. Consider sending out a Benefit's Summary twice a year, or at minimum once a year. This document would show the total remuneration the individual receives. The value of life insurance paid by the company; the employer portion of health insurance; profit sharing; 401K matching, etc. All these benefits add up and can represent 20-30%, or more of an employee's base salary. When that amount is shown as one lump sum, it reminds the individuals of the value of those benefits which many other companies may not offer.

The Price Cutting Trap

We were reading an article by a sales consultant advising his readers to stay away from the "price cutting trap." His argument that once you cut the price you were stuck with it forever.

This sensible sounding observation comes from a world of prices set by estimating systems that are divorced from anything other than the mechanical specs of the project. Given that perspective, price cutting may be bad. It surely is bad if we cannot demonstrate the value of the project to the customer.

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On the other hand, if the price cutting opened a new market with significant volume, it could be very good. The reality is that the price comes from the market and not the estimating software. It needs to focus on higher prices when they are there to get, but also to focus on driving volume to pay for the overhead.

More than one firm got top dollar for every job they sold but they couldn't sell enough to pay for the overhead.

Who's Job is It?

In an industry which is based on relationships and trust, a company's sales team is crucial to the success of the company -- and the sales rep. Frequently, the relationship between the company and a sales rep sour. There are a multitude of reasons why this may happen, but the question is how does management protect itself from a sales rep packing up their bags and heading out the door with a major client or two?

Ask a lawyer and the obvious answer will be a non-compete agreement (NCA), but those documents are difficult to enforce and need to be carefully crafted prior to hiring the rep. In many states, they are not enforceable. If a firm is fearful, or cannot use an NCA, another option is to make sure each rep has their compensation plan in writing, and it includes language which delineates the commission structure and when commissions are "earned." It should also discuss that accounts belong to the company and not the individual. Neither of these methods are bullet-proof, and any owner who has been in disputes of this nature found them difficult and expensive. What's the solution?

It's about treating the sales rep as part of a team and not a hired gun. Too often sales representatives are treated as a "necessary evil" and treated as an independent agent. Management needs to find ways to not only help the rep become part of the team (and the good ones play that way) but also find ways to let the customer know that there's a team at work to take care of them -- not just one individual. The firms who make this type of commitment rarely lose their reps, and when a rep does leave, client's rarely follow.

The Hunt For New Customers

The unfortunate reality is that customers are not forever. Regardless of how well we work together, the time will come when their needs change, their people will change, or perhaps another firm will buy their business. At that point a glorious relationship will come to an end—sometimes abruptly.

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The only remedy is to be constantly on the hunt for new clients. That does not mean random telephone calls that wind up in voice mail. It requires careful thought about potential clients that might be a fit. Those are likely to be firms that are in the same business as your existing clients. If you are creating value for your existing clients, you can create value for these prospects.

For this reason, you need to ask your existing clients for referrals, as the right referral will get you past the voice mail. When you do connect with a prospect, you must start doing business as a stream of quotes does not make a relationship. Don't let your pricing policy stand in the way of getting in their door.

ALTS ARE WONDERFUL IF YOU CHARGE FOR THEM

Printing is short turn around, custom manufacturing. Frequently that means the delivered job doesn't look like the project we originally discussed and quoted upon.

When the customers change the copy or the specs, it's not a nuisance, it's gold waiting to be mined. Every change needs to be acknowledged and a cost for making it communicated to the customer with an email. Even if the change is easy and small, people expect that if they change anything it will cost something. Better still, they can't bid out the change, so we can get full price. Since most changes don't involve materials, the dollars we get for them go straight to the bottom line. All that's needed are CSRs who document the changes with timely emails and it's money in the bank.

quoin2pixels 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.