Is Your Firm Growing Like Others in the Printing Industry?

Revenue and Growth Insights from the April 2022 PIPI Study

PRINTING INDUSTRY
PERFORMANCE & INSIGHTS

Providing regional printing association members
a printing industry outlook view and actionable knowledge.

April
2022

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Revenue and Growth Insights from the April 2022 PIPI Study

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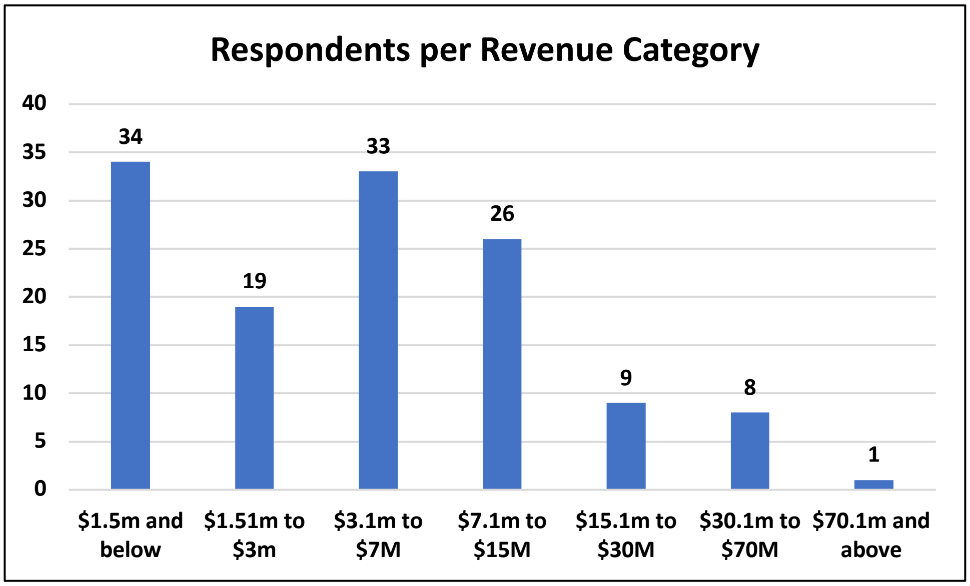
Key takeaways

- *Generally, it appears printing association member firms are growing. This growth appears regardless of firm size or firm type.*
- *Larger firms have fewer employees per million dollars in revenue.*
- *For 2021, participating printing association member firms reported an average of 19% revenue growth.*
- *For 2022, participating printing association member firms project an average of 16.5% revenue growth.*
- *Our data suggest larger firms are growing a bit faster than smaller firms.*
- *These numbers should provide strategic thinking points for printing company leaders and their management teams.*

General Respondent Information

In our April 2022 PIPI *(Printing Industry Performance and Insights)* study, 130 respondents reported their 2021 annual revenue. Respondents' average 2021 revenue was $9,854,140. Figure one provides the number of respondents per revenue category.

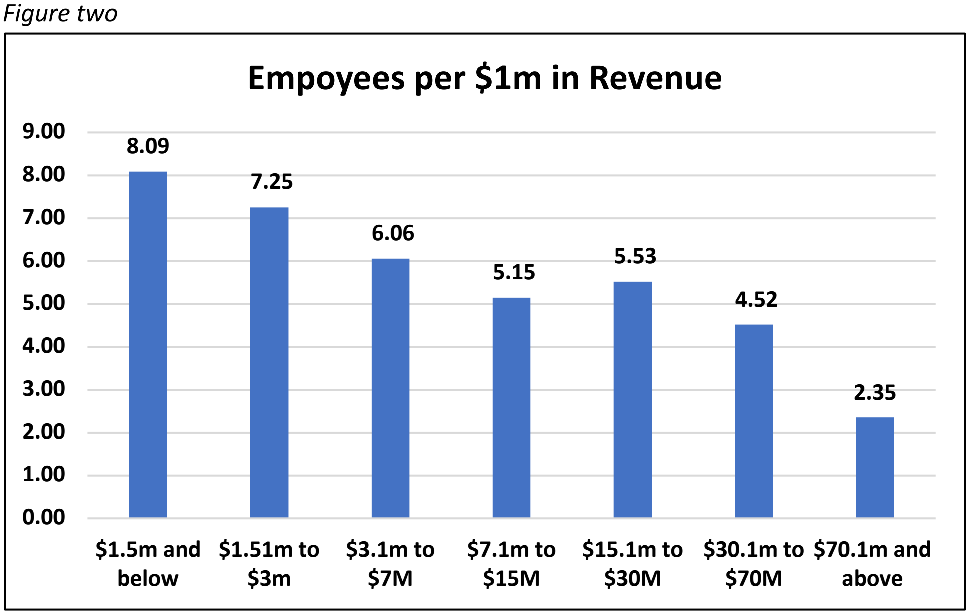
Figure one



Number of Employees per $1M in Revenue

Figure two provides the average number of employees per $1m in revenue for each category.

Figure two



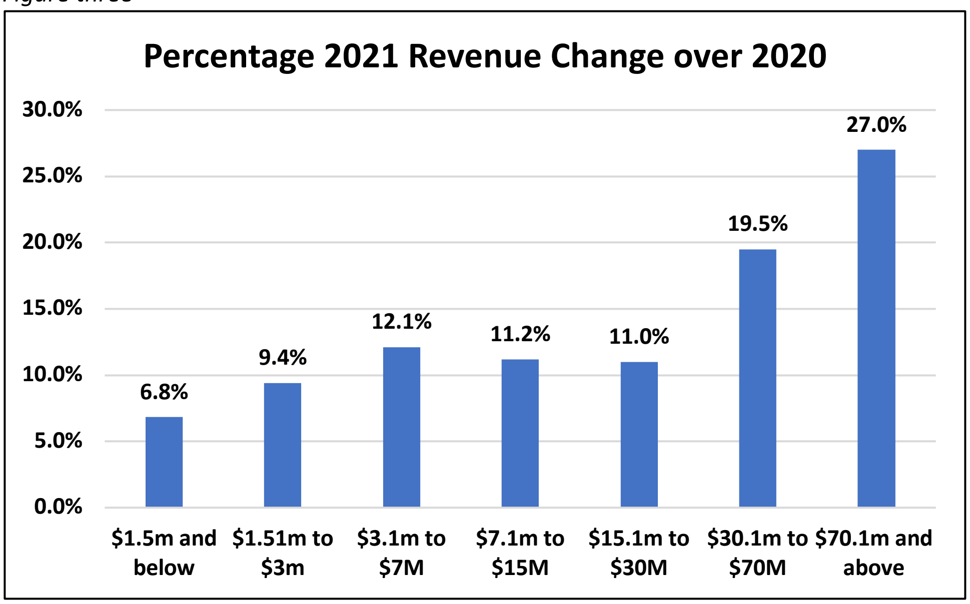
Generally, the number of employees per million dollars in revenue is less for larger firms. Compare your number of employees per million dollars in revenue to the graph above. However, keep in mind that these numbers are averages for *all firms* responding, not for profit leaders. In past studies, we found lower numbers of employees per million dollars in revenue for profit leaders compared to less profitable firms.

Often, growth spurs hiring. However, when growing, seeking more efficiency may provide the best performance improvement path. If you are growing, critically assess your number of employees and strive to do more with less. Produce more with what you have!

2021 Revenue Growth Over 2020

Figure three shows the average reported percentage revenue changes in 2021 over 2020 per revenue category.

Figure three



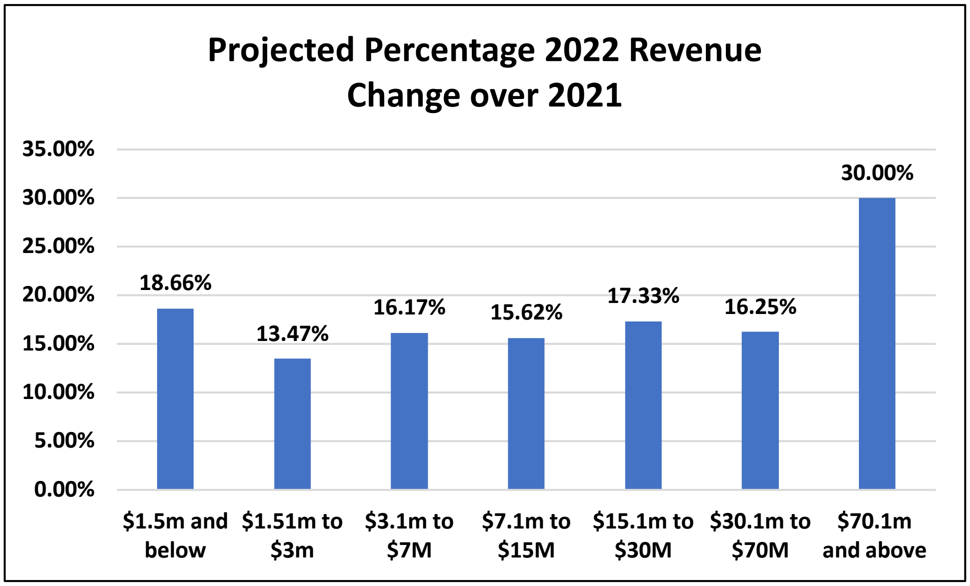
A total of 132 respondents reported their percentage revenue change in 2021 compared to 2020. The 132 responses averaged a 19% revenue gain in 2021 over 2020. Only 25 of the 132 firms, reported a dip in 2021 revenue, and 107 firms reported 2021 revenue growth.

Figure three suggests larger printing companies grew a bit more relative to smaller firms. Only one company in the $70.1m and above category reported its 2021 revenue change, so that big jump is possibly an anomaly. However, we see a bit more 2021 revenue growth in larger firms.

Projected 2022 Revenue Growth

Figure four shows the average projected percentage revenue changes in 2022 over 2021 per revenue category.

Figure four



Altogether, 127 respondents reported their projected percentage revenue change for 2022 compared to 2021. On average, the 127 respondents project a 16.5% increase in 2022. Just seven of the 127 companies project a decline in 2022. Seven firms see a flat 2022 compared to 2021. Therefore, 113 survey takers project 2022 growth. Again, there is one anomaly in figure four: only one respondent in the $70.1m and above category.

Our 2021 revenue growth and 2022 revenue projection data paint a nice picture of printing association members' revenue, one generally showing growth. If your business is not growing, we suggest that your leadership team step back and take a deep strategic look at your firm.

Revenue Growth in Different Types of Printing Companies

In addition, we explored revenue data among different types of printing companies, strategic groups. Here is a summary of our findings.

- ***Mainly digital commercial printing firms***
  - 26 responses
  - Average revenue = $5,257,629
  - Average 2021 revenue change = 4.70% growth
  - Average projected 2022 revenue change = 15.96% growth
- ***Mainly sheetfed commercial printing firms***
  - 25 responses
  - Average revenue = $6,069,177
  - Average 2021 revenue change = 8.17% growth
  - Average projected 2022 revenue change = 10.66% growth
- ***Mainly wide format/signs banners printing firms***
  - 3 responses
  - Average revenue = $3,764,500
  - Average 2021 revenue change = 22.00% growth
  - Average projected 2022 revenue change = 43.33% growth
- ***Mainly web-offset printing firms***
  - 12 responses
  - Average revenue = $8,042,551
  - Average 2021 revenue change = 9.42% growth
  - Average projected 2022 revenue change = 15.58% growth
- ***Combination of sheetfed and digital with a focus on print-on-demand***
  - 12 responses
  - Average revenue = $7,265,433
  - Average 2021 revenue change = 5.60% growth
  - Average projected 2022 revenue change = 27.83% growth
- ***Combination of sheetfed and digital with a focus on related services (marketing, creative design, data management, photography, etc.)***
  - 20 responses
  - Average revenue = $8,044,686
  - Projected 2021 revenue change = 8.45% growth
  - Average projected 2022 revenue change = 10.03% growth
- ***Combination of sheetfed and digital with a focus on general labels***
  - 16 responses
  - Average revenue = $11,365,079
  - Average 2021 revenue change = 21.19% growth
  - Average projected 2022 revenue change = 20.00% growth

- ***Combination of sheetfed, digital, and flexo with a focus on specialized labels***
  - 11 responses
  - Average revenue = $23,740,000
  - Average 2021 revenue change = 19.50% growth
  - Average projected 2022 revenue change = 21.27% growth

As in the graphs above, our strategic group assessment portrays a nice picture of growth among printing association member firms, both from 2021 and projected for 2022. The average projected 2022 revenue growth increases over the 2021 average growth in all the strategic groups.

Although only three firms fall in the “wide format/signs banners” group, we found the average 43.33% projected growth for 2022 striking. Yes, only three firms, but all three projected growth, and two projected massive growth. Is this a result of a return to post-Covid activities? Maybe. If signage is a component of your revenue, you might consider how it is growing, and if it’s not, are you missing opportunities.

Another number that caught our attention was the 27.83% projected 2022 growth for “print-on-demand” firms. It is possible that “print-on-demand” is gaining traction. Also, the consistency among label printers’ (both general labels and specialty labels) 2021 revenue growth and projected 2022 revenue growth is interesting. All four numbers are around 20%, indicating consistent growth in the label printing arena.

Closing Thoughts

Does this sample represent the entire printing industry? No.

However, this data shows that there are printing association member firms who grew in 2021 and see more growth in 2022.

As stated above, if you are not growing, and you desire growth, step back with your leadership team and take a critical, strategic look at your firm and its environment. Then make a strategic plan.

Hopefully, this information will prompt constructive strategic, critical thinking among your leadership team.

Please email me at ralph.williams@mtsu with comments, questions, or suggestions.

Ralph