

# quoins2pixels

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## Zero Credit Loses

We were talking to the owner of a firm who said they had collected every penny of their receivables. But then ruefully admitted that they had probably turned down a lot of good sales to protect that record.

Credit losses can be frustrating, so it's easy to exaggerate their impact. If we sell three \$1,000 jobs and don't get paid for one of them, we're angry that we've lost \$1,000. But, is that really true?

The typical commercial job incurs about 60% out of pocket cost (paper, buyouts, factory wages, commissions). Thus, you'll spend about \$600 to produce a \$1,000 job. If you sell four of these, but get paid for only three, you'll receive \$3,000 (3 x \$1,000). To produce them, you've spent \$2,400 (4 x \$ 600). At the end, you will have \$600 you didn't have before.

Of course, this doesn't apply if the order is big enough to sink the business. Neither does it apply in situations where a known customer is taking longer and longer to pay as they are probably heading toward bankruptcy.

## The Connection Gap

An article written by Marcel Schwantes in "Inc Magazine" spoke to the reason many individuals leave a company/organization. Given the various discussions in the media regarding the changes in workplace expectations and environment, which were at the heart of his article, it's worth exploring some of his thoughts.

There are four elements of "connection" to keep employees per Schwantes: 1.) The employee needs to be connected to the company's mission, values, and leadership vision; 2.) They must feel connected with their coworkers and managers; 3.) They are connected to their work and feel that they are contributing to the company's goals; and 4.) Their personal aspirations are connected so they feel that they're growing and developing in ways that mean something to them.

These connection elements should come as no surprise to anyone who has successfully managed and grown an organization. As much as we need to focus on the business issues of running a company, we also need to pay attention to these "soft" areas of management and how essential they are to a successful organization.

So, next time you bring your management team together, start the process of identifying these connection elements. Determine how you can communicate the company vision; engage workers and develop teamwork; and learn more about employees' "hot" buttons.



## **“It’s Not The Money, It’s The Principle”**

All companies run into trade disputes sooner or later--the bids are too high, delivery was late, the color wasn't right, etc. Occasionally, these involve large amounts of money but more often they are manageable amounts.

A good solution usually involves some sharing of the pain which enables the adjusted bill to be paid and the customer relationship maintained. Where this goes wrong is when one of the parties says, “It’s not the money, it’s the principle.” When this happens, the door is opened for large sums of money to be wasted on lawyers, or large amounts of time being spent in small claims court.

When there is a legitimate problem, job one is to settle and move on. When there isn't a legitimate reason, settlement should be thought of as a lesson about who not to do business with.

## **Don’t Talk -- Listen**

When calling on a new prospect, your mission should be listening, not talking. If you fill your brief window of time with something that sounds like a canned pitch about the glories of your company, its new equipment, etc. along with samples that are unrelated to the prospect's business, you're dead before you even start.

The focus must be on the prospect and their business and on the problems they need to address. Ask open questions and listen carefully and attentively to the response. This is easier to do as it seems people like to talk about themselves rather than listening to your spiel.

Then, at the next meeting you can return with proposed solutions to their challenges and not on the glories of your plant.

## **How’s Your Uptime?**

As a print producer, it's critical to manufacture a product that meets customer's expectations. Two key areas are quality and meeting deadlines. One often overlooked area which has a major affect on those two areas is preventive maintenance (PM). Equipment breakdowns are inevitable in a manufacturing environment, but too often companies tend to ignore taking the necessary time to maximize equipment uptime. It's about plant management reviewing manufacturer guidelines and blocking off time to ensure that all the necessary preventive maintenance steps are implemented as well as documented. It could be as simple as replacing print heads or belts on a specific number of impressions, or routinely checking ink roller durometer hardness and/or pressures. It's also about developing a culture that says PM is a crucial part of the business and time will always be made to implement.

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