



PIAMS Weekly News

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Pick Up Your Head & Get Back into the Game!

By NAPL Senior Consultant Howie Fenton

It's Time.

I'm not sure how your recovery is going but I am hearing that business is picking up. Maybe not as fast or as strong as many would like but, nonetheless, picking up. The question we are asking in both the new NAPL Strategic Perspective 2010 as well as our most recent webinar is "How are you managing your recovery ... are you hunkered down or planning for growth?"

When I think about how most people describe how they "weather the storm" of a recession, I recall conversations and visions of "hunkering down" – someone walking through a blizzard, their head down and plowing ahead. I know I am mixing my metaphors, but business is a contact sport and in most athletic competitions putting your head down is dangerous. Some of the worst hits I have ever seen in hockey games and football games were the result of someone putting their head down.

During the last three years, many companies put growth plans on the back burner. Some of my smaller clients are now starting to talk about software upgrades for faster estimates, the latest prepress software, or putting more efficient equipment in the bindery. Some of the larger companies are looking at MIS systems, large format inkjet devices, and digital presses.

Lessons Learned.

Considering that different companies are recovering at different rates, what is a good strategy for one may not be good for another. But it's safe to say that it is going to depend on how fast you are emerging, how much risk is associated with the investment, and how important is this strategically.

Let me share my recommendations from two recent assignments. One company is a \$20M printer. They have been using an MIS system that is time consuming and old. During the last three years as business declined they have been researching MIS systems. The research started when their system was discontinued.

But upon closer inspection, we discovered that the system does not include a scheduling or job floor tracking tool and does not provide accurate manufacturing times and costs. Without good feedback of actual vs. estimated times and costs, it is almost impossible to determine if the jobs they produce are profitable.

Without good scheduling or job floor tracking tools, they have 2 full time staff working on the scheduling. Even worse, all day long all of the CSRs and some of the sales people run around the plant checking on the status of their jobs. Without going into details, let's just say that the \$100K investment for the new MIS system will pay for itself within one year.

The other company is an \$8M printer that had stable sales for the final 6 months of 2009 and experienced growth each month this year. The challenge we identified for them was a "bottleneck" in the bindery, which delayed the delivery of 60% of the work, and increased the need for overtime by an average of 10 days per month. The investment of \$20K in a used piece of bindery equipment will pay for itself in 6 months. Those are the keys. These are critically important, low risk, and each has a very fast ROI.

Keeping your head down is dangerous.

The latest NAPL Strategic Perspective 2010 will soon be released and is important reading. Here is one nugget that speaks to this issue. "For years we could hunker down, cut, freeze, and wait for the rising tide of economic recovery to lift all boats. But that was before structural change, lead by the Internet and digitization, began to redefine our industry. As a result, we now either prepare for recovery or get left behind."

In my mind that means if you keep your head down, you're going to take a hit and that hit could be a game changer. If you're watching your vital few metrics and your business is healthy, you are going to see your business improve. But your business may never recover to pre-recession levels without rebuilding your business. The key to rebuilding your business is to find the opportunity with the greatest impact and least risk.

If this makes sense to you, and you want to talk to an objective source about your recovery, contact Howie at hfenton@napl.org or 800 642-6275, ext. 6328 and say "I want to get back into the game!"

And as always ... may your work flow seamlessly!

Howie

A Reminder on the PIAMS/NAPL Network Partnership



PIAMS members have been offered a special discounted membership with the NAPL Network. To find out more contact Jennifer Janness at 303.771.1578.