



Scanner

A brief look at the 2005 economy, print markets

Economy should continue to improve

By Ronnie H. Davis, Ph.D.
Chief Economist, PIA/GATF

It is time to take a look at the environment that printers might face in 2005. With this in mind we offer a perspective on the 2005 economy and print markets.

You might not have gotten the impression from the just-completed elections, but the US economy is in pretty good shape. All the vital signs such as real (or inflation adjusted) growth, inflation and the unemployment rate are in the "good" range.

The economy should continue to perform well in 2005. Look for the economy to grow at a 3.5 percent pace, which is consistent with the long-term trend. Inflation should remain in check in the two-percent range.

The long-awaited "jobs recovery" should also show up as firms begin hiring more vigorously. This increased hiring will pull the unemployment rate down toward five percent.

As the economy improves labor markets will heat up and employers that are in a hiring mode will find it a little tougher to find quali-

fied employees. Wages may start to rise more than the 2-3 percent that they have over the past few years.

What about print markets? In 2004, print markets finally completed their recovery from the 2001 recession. Once the final tally for 2004 is in, Expectations are that overall print

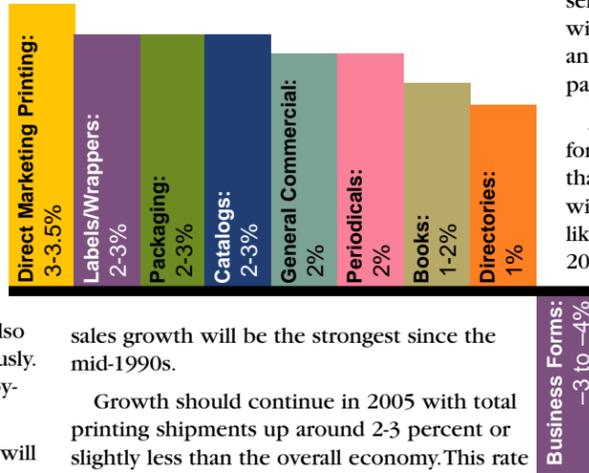
tion (actually the print numbers lack inflation since printing prices are generally stable or even declining slightly according to US government data). Some sectors will do better than others in 2005.

The graph to the left relates to printers' total sales revenues. Increasingly, printers sales are composed of toner-based printing and ancillary services. This trend will continue into 2005 with toner-based print and printers' sales of ancillary services growing faster than ink-on-paper printing.

Are there any major downside risks to this forecast? The major downside risk for 2005 is that paper prices, which began rising in 2004, will escalate further. Paper prices will most likely continue to rise at a modest pace in 2005 as paper markets gain strength internationally.

The other major downside risk will not show up until 2006 - postage increases. At the present time it looks like the next major postage increase will be in early 2006 and this will definitely have a negative impact on print sales.

Printers' Total Sales Revenues



sales growth will be the strongest since the mid-1990s.

Growth should continue in 2005 with total printing shipments up around 2-3 percent or slightly less than the overall economy. This rate is "real" in the sense that the percentage changes for print markets are adjusted for infla-

The Charlotte Show postponed for 2005

PICA received official word in mid-November from the Graphic Arts Show Company (GASC) that Graphic Arts The Charlotte Show will not happen in 2005.

PICA emailed and faxed its membership on November 18 alerting them to the news.

"It appears that the dynamics of the industry are such that regional trade shows are having a tough time surviving. The Charlotte Show has served the industry since 1963, and has long been a favorite of exhibitors and attendees," said Jeff Stoudt, PICA's vice president of education and member services. "But over the past several years the cost of exhibiting has been such that companies look to the national shows for a better return on their trade show investment."

"We contacted a number of exhibitors prior. Please see THE CHARLOTTE SHOW / page 4

Special Report

Schools need industry support for PrintED

By Terrie Duncan

Printers need qualified, entry-level workers. They also need to know that their local schools' graphics programs are teaching what the industry needs. How can this be done?

For thirty different programs throughout the United States, these needs are met through PrintED, the national accreditation program for graphic communications programs. In North and South Carolina, there is currently only one PrintED-accredited school: Midlands Technical College in West Columbia, SC.

PrintED bases accreditation on defined industry competencies consisting of more than 400 tasks covering the seven areas in which a program can be accredited: Introduction to Graphic Communications, Binding and Finishing, Press Operations, Digital File Preparation, Digital File Output, Advanced Press Operations, and Advanced Digital File Preparation. Accreditation in the introductory course, as well as in one other area, is required. Institutions may choose to be accredited in additional areas based on their programs.

Accreditation of programs is not the only way that school systems have access to the



PICA started The Charlotte Show in 1963 and sold it to the Graphic Arts Show Company in 1988. Pictured is PICA's booth in the 2003 show. GASC recently decided to postpone the 2005 trade show.

PrintED competencies. Starting in early June 2004, Graphic Arts Education and Research Foundation (GAERF), which owns PrintED, made the competencies available to state departments of education through a state licensing agreement. This means that for \$1,800

the first year of licensure, a state educational department may purchase the competencies for use by all the high school graphic communications programs in that state.

The South Carolina Department of Education Please see PrintED / page 7

PICA Awards Banquet returns to Grandover

The 38th annual PICA Awards Reception & Banquet will return to the Grandover Resort & Conference Center on January 29, 2005.

The banquet celebrates the achievements of the printing companies that have received PICA Awards. The Best of Show, along with other sponsored awards, will be announced.

Also, the recipient of the first-ever PrintForce Excellence in Education Award will be announced as well as the winners of the Twin Oaks Student Achievement Awards.

Accommodations may be reserved at the

Grandover for \$139, single or double in the "printing industry" block. To reserve accommodations, call (800) 472-6301 by January 14.

The registration fee for the 38th annual PICA Awards Reception and Banquet is \$85 per person for members and guests has been extended to January 14 and \$115 per person after January 14. Prospective members and guests may attend for \$135 per person.

To register for the banquet, call PICA at (704) 357-1150, (800) 849-7422, or online at www.picanet.org.

InSide

- Need HR forms?.....2
- Productivity survey.....2
- Attributes of productive companies3
- PICA HR Tour4
- Comments regarding The Charlotte Show.....4
- Press workshop5
- Increase profitability6
- \$3 million gift to college.....7

Upcoming Events

January

16-22: International Printing Week.

21: Charlotte: 9 a.m. - 3 p.m. Principles of Offset: Small Press Operations. Presented by PrintForce and the Graphic Arts & Imaging Technology Program at Central Piedmont Community College.

29: Greensboro: 38th Annual PICA Awards Banquet. Grandover Resort & Conference Center.

February

PICA HR Tour. Featuring Jim Kyger, Director of Human Relations for PIA/GATF. Topics: health care plans, incentive plans, sales compensation.

7: Hickory: Breakfast

7: Asheville: Lunch

8: Greenville, SC: Breakfast

8: Columbia: Lunch:

9: Myrtle Beach: Breakfast

9: Wilmington: Lunch

10: Greenville, NC: Breakfast

10: Raleigh: Lunch

11: Greensboro: Breakfast

11: Charlotte: Lunch

21: Myrtle Beach: PrintForce Career Awareness Event for Educators.

April

13: Winston-Salem: PrintForce Career Awareness Event for Students.

PICA is a proud affiliate of



Hot Type

Your resource for industry events

January, 2005

16-22: International Printing Week.

21: Charlotte: 9 a.m. - 3 p.m. Principles of Offset: Small Press Operations.

Presented by PrintForce and the Graphic Arts & Imaging Technology Program at Central Piedmont Community College. For more information see page 5.

29: Greensboro: 38th Annual PICA Awards Banquet. Grandover Resort & Conference Center. For more information see page 1.

February

6: Pittsburgh, PA: 2005 PIA/GATF Tech Alert Conference. Information: www.gain.net or call (800) 910-4283

PICA HR Tour. Featuring Jim Kyger, Director of Human Relations for PIA/GATF. Topics: incentive plans, sales compensation. For more information see page 4.

7: Hickory: Breakfast

7: Asheville: Lunch

8: Greenville, SC: Breakfast

8: Columbia: Lunch

9: Myrtle Beach: Breakfast

9: Wilmington: Lunch

10: Greenville, NC: Breakfast

10: Raleigh: Lunch

11: Greensboro: Breakfast

11: Charlotte: Lunch

21: Myrtle Beach: PrintForce Career Awareness Event for Educators.

27: Naples, FL: 2005 Presidents and BIA Conference. Information: www.gain.net or call (800) 910-4283

March

29: Pewaukee, WI: 2005 Management & Leadership Institute (MLI). Information: www.gain.net or call (800) 910-4283

April

13: Winston-Salem: PrintForce Career Awareness Event for Students.

26: Napa, CA: PIFE Spring Conference. Information: www.gain.net or call (800) 910-4283

May

2: Grapevine, TX: 53rd Annual Web Offset Association Conference. Information: www.gain.net or call (800) 910-4283

June

26: San Diego, CA: 2005 Print Sales and Marketing Conference. Information: www.gain.net or call (800) 910-4283

July

14-17: Hilton Head: Joint Summer Conference with PIA-Georgia. Marriott at Palmetto Dunes.



NAPL Printing Business Index hits record high

The Printing Business Index® (PBI®) of the National Association for Printing Leadership (NAPL), the Association's broadest measure of print activity, reached a record high of 62.8 in October 2004, up from 59.9 in September. This marks the 16th consecutive month that the index has been above the critical 50.0 mark - the point at which more printers report activity is picking up than report activity is slowing down.

"We must remember that the PBI, like everything else in our industry, is bouncing off very depressed levels. This reading is extremely significant, however, in that every component of the index-even those that had been lagging, such as hiring plans, prices, and profitability-is now rising," said Andrew Paparozzi, NAPL vice president and chief economist. "This shows that our recovery is finally the real thing."

The PBI combines input from NAPL's Printing Business Panel about work-on-hand, current business conditions, expected business conditions (confidence), hiring plans, profitability, and other key indicators into a single measure of activity. The NAPL Printing Business Panel is a representative group of more than 300 printers that the Association surveys monthly on a range of key printing issues. Since the same companies are surveyed every time, data are strictly comparable from period to period.

IRS announces limits on pension plans

The IRS has announced the dollar limits applicable to pension plans that become effective January 1, 2005 under the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA; Pub. L. No. 107-16) and has released the cost-of-living adjustments applicable to dollar limits on benefits and contributions under qualified retirement plans unaffected by that law, as well as other items, for tax year 2005 [IR-2004-127, 10-20-04].

- For limitation years ending after December 31, 2004, the limit on the annual benefit under a defined benefit plan contained in §415(b)(1)(A) is increased from \$165,000 to \$170,000.

- The limit on annual additions to defined contribution plans under §415(c)(1)(A) is increased from \$41,000 to \$42,000.

- The limitation on the exclusion for elective deferrals under §402(g)(1) (e.g., §401(k) and §403(b) plans) is increased from \$13,000 to \$14,000.

- The annual compensation limit under §401(a)(17) and §404(l) is increased from \$205,000 to \$210,000.

- The compensation amount under §408(p)(2)(E) regarding elective deferrals to SIMPLE retirement accounts is increased from \$9,000 to \$10,000.

- The limitation under §457(e)(15) concerning elective deferrals to deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$13,000 to \$14,000.

- The limitation under §416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan is increased from \$130,000 to \$135,000.

- The limitation under §414(v)(2)(B)(ii) for catch-up contributions to an employer's

SIMPLE plan for individuals age 50 or over is increased from \$1,500 to \$2,000; the limitation under §414(v)(2)(B)(i) for catch-up contributions to §§401(k), 403(b), and 457 plans for individuals age 50 or over is increased from \$3,000 to \$4,000.

- The limitation used in the definition of highly compensated employee under §414(q)(1)(B) is increased from \$90,000 to \$95,000.

- The compensation amount under §408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at \$450.

- The compensation amount under federal regulation §1.61-21(f)(5)(i), concerning the definition of "control employee" for fringe benefit valuation purposes, is increased from \$80,000 to \$85,000. The compensation amount under §1.61-21(f)(5)(iii) is increased from \$165,000 to \$170,000.

Dates for NEHS conference announced

The National Environmental, Health and Safety Conference, co-sponsored by PIA/GATF, FTA, GAA, NAPIM, and SGIA, has been booked for March 6-8, 2005 in Tampa, FL. For program details see www.nehs-conference.org.

Free productivity benchmarks report

Are you sure that your firm is operating at top efficiency?

Complete a short productivity benchmarks survey for sheetfed printers and receive a free copy of the 2004 PIA/GATF Productivity Benchmarks Report (a \$120 value).

The survey will collect information regarding waste and spoilage, downtime, job profiles and run speeds. All information submitted will be kept completely confidential.

To participate in the survey, download the survey form from www.gain.net, print it out, complete and fax the entire four page form to Steve Kodey at (703) 519-6481. In order to provide respondents with a completed report in a timely manner, please complete the survey by February 4, 2005. If you have any questions regarding the report, please contact Steve Kodey at (703) 519-8105.

PIA/GATF offers digital consulting services

If you are contemplating the digital printing marketplace...or thinking about expanding your current offering to include higher value services like variable data and web fulfillment, PIA/GATF has a service for you.

PIA/GATF Consulting Services has the industry experts on staff to help you know where to go next. They can help you gain the confidence you need to make an informed decision regarding this ever-evolving technology through various services:

- Custom needs-assessments analysis to help you prioritize and budget your next steps.

- Expert recommendations on which press is right for your unique situation and business goals.

- Qualified consultants who concentrate on breaking into this market and expanding your current base of customers.

- Expert training for your sales, marketing and executive staff to grow your digital business and training on the production floor to maximize your investment.

If you want to tap in to what's new and what's coming in the digital field, consult

INDUSTRY WATCH

the best-of-the-best. The consultants at PIA/GATF - helping you concentrate on the right implementation for your business, so you can be off and printing (and profiting) in no time.

For more information and to talk to a consultant please call PIA/GATF at (800) 910-4283.

Joint PICA/PIAG Summer Conference to be held in Hilton Head

The Joint Summer Conference of PICA and PIAG will be held in Hilton Head, SC.

The conference will be held July 14-17, 2005 at the Marriott at Palmetto Dunes.

Included in the conference will be the annual Golf Tournament, educational sessions and the annual banquet.

International Printing Week is January 16-22

The IAPHC - The Graphic Professionals Resource Network, will again lead the observance of International Printing Week®, during the week of January 16-22, 2005.

For the sixth year, the National Association for Printing Leadership (NAPL) is joining the IAPHC in promoting International Printing Week® to their respective members and the industry.

International Printing Week® is a registered trademark of the IAPHC, and all printing associations are welcome to take part in this annual event. International Printing Week® is being promoted by these associations, as they offer insight and ideas on how to celebrate and participate in International Printing Week®.

The theme for this year's celebration of printing and affiliated graphic arts is "Adventures in Print."

Heidelberg has printed posters to promote the event and are available from International Printing Week Chair, Dr. John Leininger, llein@clemon.edu. Other promotional items include t-shirts, mugs, key chains, stickers, posters and banners. Visit the IAPHC International Printing Week® web page www.iaphc.org/events/ipw for more information.

Need a resource for new HR posters, forms? Go to GAIN.net

Ready for 2005?

The Human Relations section of the PIA/GATF web site, www.gain.net, can help ensure you're ready for 2005. For example:

- Need revised OSHA recordkeeping forms? Download the forms online at http://www.gain.net/gov_affairs/esh/main.html

- Are your federal and state posters up-to-date? Almost half changed in 2004. Log onto http://www.gain.net/human_relations/posters/main.html

- Need updated state and federal tax withholding forms? Download from: http://www.gain.net/human_relations/w-4.html

Subscribe today to HR Update

Individuals who have management responsibilities in human relations or oversight of HR and who work for PIA/GATF member companies may subscribe to PIA/GATF's HR Update newsletter.

Simply email HRQuestions@piagatf.org.

A wide variety of HR information is on the PIA/GATF website at www.gain.net/human_relations

TECHNOLOGY TIPS

Attributes of highly productive printing companies

Raymond J. Prince
Senior Technical Consultant PIA/GATF

Having completed over 921 Technical Plant Assessments in the industry I recently reflected on the attributes of those plants that were in the high productivity category.

1. First is strong involved leadership at the top. Each of the highly productive firms had this attribute.

2. Goals set and clearly communicated to all. They should be short, in writing and posted everywhere. We all need to know where we are going. In many companies I asked employees "What is the mission statement of the company?" Guess what? Only one person could give me the answer.

3. Automation is a key. Small, medium and large companies can take advantage of it. It is easiest for the small company in many ways since the cost of equipment is less. Connectivity as well as being able to take advantage of the benefits of automation is easier. Large companies usually have the capital to spend on automation. The mid size companies are usually the last to jump in. Automation drives productivity. Automation fails when there is resistance to change, lack of training, and lack of follow-up.

4. JDF/CIP4 works. Presetting of equipment is a strong advantage. The productivity boost at make-ready is 25 up to 85%.

Identify "perfect sheets" early in production process

What can be done is to identify the "perfect sheets" early in the production process? This is done by using a green marker on the edge of the "perfect sheets," thus segregating the sheets easily for the second or backup pass. When you do the backup you can then apply a second green mark to show that these sheets are perfect on both sides.

You would follow the same thinking through the finishing process. When you can no longer mark the sheet, samples should be moved to a "Customer Samples" container.

Roller Care

Hard rollers on a press wreck havoc with print quality on all offset lithographic presses. As a general rule, soft rollers print better than hard rollers. Hard rollers will cause more streaking, give more color variation and in many cases increase mechanical ghosting on a press.

Today we are all watching the cost of supplies and that is fine. But when you cut corners on roller care it can come back to bite you. In general, dampening rollers will last about three to six months and ink rollers about one year in a three-shift plant. In a single shift plant usually the figures are one year for dampening rollers and three years for ink rollers. Naturally the figures only apply when good care is applied.

Good care consists of the following:

- Use of mild solvent and water to wash rollers
- Use of hot water and 15% vinegar to rinse rollers for calcium deposits
- Use of a paste cleaner that can be applied overnight or on weekend.

The buildup of glaze and material on rollers will harden them and give print quality issues. Rollers should be changed when they are hard, cannot be stripped properly, or when they are pitted.

Call PIA/GATF with your technical questions at (412) 741-6860.

BOOK REVIEW

Nine Steps to Effective and Efficient Press OKs

By: Diane Biegert

Fear and intimidation are common for many print customers asked to conduct a press check, but the press check is vital for a quality-printed job. Through her unique nine-step approach, the author walks you through the process of preparing for and performing your press OK.

Item No. 1713
PICA Member Price: \$20.00
Non-Member Price: \$420.00

Flexography Primer, Second Edition

By: J. Page Crouch

Flexography is a printing process that has come of age. Named for the flexible printing plates it employs, flexo provides outstanding quality and superior performance for many printing applications. It is especially popular today in the packaging industry and enjoys expanding market opportunities.

This book presents all of the concepts, vocabulary, technologies, trade practices, workflows, and current applications associated with flexography. It is ideal for educators, students, graphic artists, marketing professionals, customers-anyone who needs a fundamental background in this printing process. Diagrams, charts, and photographs clarify the text, and a glossary aids in more accurate communication.

Item No. 13302
PICA Member Price: \$20.00
Non-Member Price: \$25.00

Lithography Primer, Second Edition

By: Daniel G. Wilson

Intended for the general reader who would like to understand the current technology, processes, and terminology associat-

ed with lithography, this primer reviews the lithographic process by outlining the development of the offset press. Additionally, it discusses all phases of lithography, including type preparation, color theory, printing, and binding.

Item No. 13322
PICA Member Price: \$20.00
Non-Member Price: \$25.00

The GATF Guide to Troubleshooting for the Web Offset Press

By: Peter Oresick, ed.

A handy pressroom guide to web printing challenges.

This indispensable book, written by GATF printing experts, helps the press operator analyze more than 100 press problems encountered in all areas of web offset printing. Topics include:

- The Infeed
- The Printing Unit
- The Inking System
- The Dampening System
- The Plate
- The Blanket
- Paper
- Ink
- Dryer & Chill Roll
- The Delivery
- Print Quality

In this newest revision of Solving Web Offset Press Problems, an all-new layout and binding format help to make this problem-solving guide easier to use in the pressroom. This edition was developed to be an integral part of the revised and expanded GATF Web Offset Press Training Curriculum, Sixth Edition, making it a necessary press-side aid for any web offset press operator.

Item No. 1746
PICA Member Price: \$75.00
Non-Member Price: \$99.00

To order any of the publications, go online at www.gain.net or call (866) 855-4283.

Library Parade

The following books are available in the PICA Library and can be loaned to members for two weeks.

The Art & Science of Printing Sales

Séan McArdle
12-part, 24-tape audio series

GATF Digital Color Printing Study

By Phillip N. Hutton, Frank V. Kononik, Gregory M. Radencic

Printing Estimating Primer

By Don Merit

Binding, Finishing & Mailing: The Final Word

By T.J. Tedesco

Second Edition/ Computer-to-Plate: Automating the Printing Industry

By Richard M. Adams II and Frank J. Romano

UV and Hybrid Inks: A Benchmark Study

By John Lind

The Library gives members an excellent way to peruse books before purchase. Call PICA at (704) 357-1150 for more information.

CHAIRMAN'S LETTER



John deLoach III

Chairman,
PICA Board of
Directors

Crowson Stone
Printing Company

Columbia, SC

headline

copy

News Beat

PICA HR Tour coming in February

The Printing Industry of the Carolinas, Inc. has announced it will launch its PICA HR Tour for the printing industry in North and South Carolina.

The tour will cover 10 cities in five days. Jim Kyger, Director of Federal Employment Compliance Assistance at Printing Industries of America/Graphic Arts Technical Foundation, will present information on incentive plans and sales compensation. Kyger is based out of Alexandria, VA.

Kyger will go over some of the common questions that he fields from members regarding sales compensation, such as the going sales comp rate, and how should sales comp be determined. What's the best

way to handle collections and write-offs with sales compensation in mind? He will answer all the above and more, review sample sales comp plans, and answer your questions. "No matter if you're a small shop with two sales people or a large shop with 30, you need a written sales compensation plan," Kyger said.

Kyger will also address incentive, bonus and recognition plans. He will review what other printing companies are doing in these areas to reduce accidents, increase productivity, reduce waste, get people to work on time, and share in the profits.

The PICA HR Tour follows the fall's Connecting the Dots tour, in which mem-

bers related their need for staff to visit more members more often, and for solid programming mixed with area meetings. The PICA HR Tour is the answer to those needs, combining food and fellowship with

informative programming by a representative from PICA's national organization. PICA is an affiliate of PIA/GATE.

See schedule in HotType on page 2. More details will be announced at a later date.

The Charlotte Show will not run this year

Continued from page 1

to GASC's final decision not to have the show," said Wayne Tull, plant manager for Springs Graphic Services and the Trade Show Committee chairman on the PICA Board of Directors. "In each case, they indicated participation in the show was not economically justifiable."

41-year history

The trade show was first held March 28-30, 1963 at the then-brand new Merchandise Mart in Charlotte. The "Carolinas Graphic Arts Fair," as it was called, incorporated a "Charlotte Day" on the first day of the show to bring in printers from the area, as The Printing Industry of the Carolinas, Inc. and the Printing Industry of Charlotte (PIC) had yet to become united.

According to the official minutes of the May 3-4, 1963 Board of Directors meeting, "the reports from all sources indicate that while the Carolinas Graphic Arts Fair was not a particular financial success it was a tremendous success from every other viewpoint."

The minutes also add that the then-chairman of the board, Tom Reese from The Hickory Printing Group, read "scores of reports from the exhibitors, all enthusiastic about the successful Fair and what it meant to them. Many suggested a Fair in 1964, while others suggested one be held in 1965."

Syd Shepard of Shepard Brothers Printing, during the meeting, "moved a resolution be adopted suggesting that succeeding Boards put on a Carolinas Graphic Arts Fair each two years. This was seconded by Mr. (Carroll) Spencer and passed."

So began The Charlotte Show.

PICA continued to hold The Charlotte Show every two years through the sixties and seventies. Interim Executive Director Gwen Doster started with PICA as "temporary help" for the 1975 show. "Back in the late 70's and early 80's, the Graphic Arts Show was the largest exhibition in the state. In fact one year, we had a split show. Exhibits filled both floors of what is now the old Convention Center uptown at Trade & 4th Streets, and a major portion of the Merchandise Mart on Independence Boulevard," said Doster. "Although shuttle buses ran constantly throughout the show, the logistics of the split show were difficult at best. Shortly thereafter, Bill Treadaway got involved and helped the City leaders plan and build Charlotte's present Convention Center."

The impact of The Charlotte Show was felt throughout PICA. "Of course, the show was a major positive financial boost

for the Association, and the educational complex associated with each show was a phenomenal benefit to the industry at large in the Southeast," said Doster.

In the early 1980s, The Charlotte Show attracted the interest of the national Graphic Arts Show Company, based in Reston, VA. On April 25, 1988, PICA sold the show to GASC but was contractually obligated to produce the 1989 event. The first show GASC managed as owner / operator was the 1991 trade show.

PICA retained the planning and implementation of the educational complex. At every show, PICA had scores of seminars on a wide range of topics, from press-room management to press operations, flexography, sales, management, prepress, bindery and finishing, customer service, to the Internet's impact on printing.

While the absence of the show will be felt across the southeast, PICA is working to provide the educational benefit of the show to our industry. Without the Charlotte Show, many employers will have to look at other ways to train their employees. "We're looking at providing these programs, traditionally found at the show, on a regional basis so that more employees can participate," said Stoudt.

"When one door shuts, another opens," said Doster. "We have a clear direction and an opportunity - to serve the industry with these programs. We want to include members, printers and suppliers, in deciding the best delivery system and the best choice of topics."

A committee made up of at-large members will be created to work on this opportunity. If you are interested in serving on this committee, call PICA at (704) 357-1150 or (800) 849-7422.

PrintForce holds awareness events

PrintForce launched the year's Career Awareness Events on October 6 in Wilmington, marking the first time an event had been held east of I-95.

Guidance counselors, graphics instructors, yearbook and newspaper advisors from New Hanover, Brunswick and Pender counties toured three different printing facilities: Prestige Label in Burgaw, NC, a flexographic printing company; in Wilmington, the Star-News, the local newspaper employing web offset; and Linprint, a commercial sheetfed printer. The wide variety of companies illustrated the various processes, the differ-

Please see PrintForce / page 6

Minors installs new digital press



Sam Creel, left, KBA's district manager, presents Phil Minor, president of Minors Printing in Boone, NC, with a replica of his new KBA 74 Karat digital offset press. Minors installed the new press in the fall. Minors Printing was established by Joe Minor in 1972 as a small quick printing operation running a duplicator press. Today the 22-employee general commercial printing firm is co-owned by Minor and Jan Moretz, Joe's son and daughter. "By increasing the Karat, we will increase our business," said Minor. "We will be able to branch out into short-run packaging work with predictable color for the larger packaging firms that are moving into our area."

Comments about The Charlotte Show

Tom Reese, chairman of The Hickory Printing Group, was chairman of PICA when The Charlotte Show first began in 1963. Recently The PICA Scanner asked him for his thoughts on the trade show:

In 1962 PICA was holding training seminars for printers of the printing industry and low attendance at these seminars was a matter of great concern.

At the board meeting I proposed that we hold a printing supply and equipment trade show in connection with the seminars as a means of increasing interest and attendance. Ed Gilbert of Gilbert Printing Company of Asheville made the motion that PICA hold a trade show along with the seminars in 1963.

Interestingly he said in making the motion: "I may be costing PICA a lot of money by doing this, but I move we have the trade show and seminars in 1963." At that time the PICA board was extremely conservative and it took a lot of convincing to get this motion passed. Ed Gilbert's prediction proved to be completely wrong and the trade show put a lot of money in PICA's bank account and financed many of its operations for forty years.

The first Graphic Arts Fair, as it was called, was held in 1963 and every two years thereafter. The first Fair was an outstanding success and ended in the black. We spared no expense at the first Fair in treating the exhibitors well and they liked it and they came back for many years.

Bill Treadaway became PICA Executive Secretary in December 1963 and took over the management of the Fair until it was sold to Show Corporation in 1988.

Bill's promotion abilities and contacts were invaluable in building this small

graphic arts show into one of the premier regional shows in the country.

It was obvious in the 1990's that regional trade shows had just about reached their peak and the cost to exhibitors for moving sophisticated equipment to these shows was becoming very high. This did not bode well for the continuance of regional shows and it was apparent that one large national show each year might be the outcome. When the opportunity arose to sell the show to the Show Corp, PICA very reluctantly agreed to do so and this has proved to be a very wise decision.

After the Show in 2003 I predicted that this very well might be the last show in Charlotte so I am not at all surprised at the cancellation of the 2005 show.

I think, however, that this provides an opportunity for PICA. I would like to see PICA have training seminars on a quarterly basis at four different locations: two in North Carolina and two in South Carolina, each year.

This could be a two day affair on a weekend and be held at relatively inexpensive locations where the average printer will be able to afford attendance for himself and his people. Along with the seminars we could have a table top show where our suppliers could display their materials and services and have an opportunity to meet with printers and their employees.

To use one of today's terms, this would be an excellent place for "networking" for all of us. Done properly, PICA could also make this a money-making opportunity.

Tom Reese
The Hickory Printing Group
PICA Chairman, 1963

80-20 rule for managing

By C. Clint Bolte

It is so easy to get bogged down in the minutia of day-to-day job chores. Stephen Covey and others lecture and write books on how to get more done and be more personally productive. Fascinating stuff.

But an equally fascinating question is - where do you begin? In my consulting practice I have very little time to gather rather global facts and ascertain what key issues should be addressed. I have found that one of the best ways to budget your time and to dedicate your management time and resources is to follow the 80-20 rule.

Simply stated this means, for example, that "80% of your profits come from 20% of your customers." From an engineering perspective this rule can be illustrated by the infamous bell curve of probabilities. On the high end or right side of the bell are those few outstanding examples of the hypothesis. On the lower end or left hand side of the bell a surprisingly comparable number of examples of the worst results of the hypothetical example. Or using the specifically stated illustration, "20% of our clients also represent 80% of our losses!"

So assuming that your firm is part of the statistically significant and relevant part of the printing industry and therefore your experience follows that of the rest of the industry, what are you going to do with these two extremes of the bell curve as far as they pertain to your client mix, marketing support staff, and customer service priorities?

First make sure that all key members of your staff know the answers to these (and other) 80-20 queries. In other words do your homework, keep it current, and make sure that appropriate staff has the information in which to act in unison. Again the question was not that 20% of our clients represent 80% of our volume but rather 80% of our profits! Very important difference. And these are not percentages but absolute numbers. A relatively small client might have the highest profit margin. This is not as significant as the #3 volume client is #1 in absolute profit dollars. So what do we do about these most valuable clients? Very simply stated, you nurture, you protect, and you grow this select base as well as monitor closely both the pulse as well as the future trends of this group.

And for those clients at the other end of the bell curve that are bleeding losses from the jugular vane, we need turn around or corrective plans. Again these are not small clients but are providing substantial vol-

PrintForce, CPCC to present hands-on workshop on small press operations

PrintForce, PICA's workforce development initiative, and the Graphic Arts and Imaging Technology program at Central Piedmont Community College will present a hands-on workshop on small press operations in January.

Principles of Offset: Small Press Operations will be held on Friday, January 21, 2005 at the Harper Campus of CPCC, 315 W. Hebron Road. The hands-on workshop will begin at 9 a.m. and end at 3 p.m. Lunch will be provided.

Topics to be covered are small press operations, which includes hands-on presswork; chemistry and mechanics of the offset process; plates; safety and maintenance; and troubleshooting.

It is designed for either entry-level employees who are running small presses

or employees who need an overview of the offset process, or employees who need further training on a small offset press. This workshop will focus mainly on press operations.

ume of questionable net worth to the corporation. Are the losses due to an isolated job that went south and had to be rerun? If expectations have been better defined that mistake should not occur again. Or has the client successfully negotiated prices below the actual level of servicing required?

Part of the issue of doing your homework is to realize that conventional MIS systems that most printers use to compile their job cost summaries do not include period or timing costs. Overtime premiums or filler characteristics are not included in standard job costing. For example, clients who cannot maintain agreed upon schedules invariably seem to come in on Thursday forcing perhaps unexpected weekend overtime for either their own jobs or other jobs. These innocent bystanders only error was, by circumstance, to be in the wrong department at the time the crisis hit. On the other extreme some clients allow a little extra flexibility in their schedules which almost allow them to behave, at least in certain departments, as filler jobs. This positive impact on profits is not recorded in any job cost summary but should be tagged somehow.

To return to our disruptive, though significant volume 'lower 20%,' it is much too easy to assume that their "contribution value to overhead and profit" is significant enough to overlook the bottom line fact - they are below break even. Acknowledging considerable sales effort in getting volume to this 'substantial' level, the point remains that valuable capacity in critical centers is being absorbed by this unsuccessful relationship. For example, the best and most conscientious customer service rep(s) is no doubt assigned to this demanding client(s). Is there ever an exception to the fact that the most unprofitable clients invariably seem to be some of the most demanding ones?

One of NAPL Management Plus Award winners said that he never asks an unprofitable client to leave. He simply raises the price to reflect the extraordinary level of service being demanded and provided.

If the abusive client chooses to leave for a cheaper printer, first there is relief among the operations staff that no longer have to deal with the unnecessary stress. Second, there is a sense among the operations group that top management is acknowledging "our best efforts and backing us up in placing a value on the unusual service we have been providing." And finally, it is

truly amazing the number of these former clients who come back after a couple of years because they were not able to get the level of professional TLC that they have become accustomed to at your firm. While they may argue to come back at the lower prices (keep in mind that they have always been good buyers of print!), precedent has already been set for servicing premium justification. A good salesman's response might be, "After a year's experience with

...He never asks an unprofitable client to leave. He simply raises the price to reflect the extraordinary level of service being demanded and provided.

your new and more professional staff, if our profitability is above our targeted 10% then we can look closely at adjusting prices for future work."

Before buying a new press or investing in the significant capacity expansion of any firm, this 80-20 ranking analysis needs to be performed on every firm that amounts to at least 2% of gross revenues. The expansion investment must benefit these most profitable clients. And they need to be told that the investment is being made "to further solidify our relationship."

On the other extreme if raising the prices on unprofitable clients results in their choosing to leave, that might in fact create the needed capacity for the firm to continue to grow. At the very least it may open up enough capacity and delay the timing of the investment by perhaps a year or more. One of the ways to get Return on Investment up is to keep "I" down rather than get "R" up.

The 80-20 rule can and should be used in acknowledging the strengths and correcting the weaknesses of different departments. How about the sales person whose volume may not be the highest but whose client base is the most profitable? This is nearly always the direct result of the sales person successfully selling value pricing, negotiating realistic specifications, and managing practical expectations.

For a medium-sized commercial printer in South Carolina one of the five Mac operators was clearly producing 40% of the total work load. The others were not new trainees or substandard operators. This one operator truly was superb. While she made it very clear that she was as happy with her career at this printer as they were with her, she gave the firm an eight month's notice of her resignation when she learned of her first pregnancy. It was clear that family took priority over career for her and her husband. Under the value system and philosophy of protecting their strengths, the firm responded by offering her as much maternity leave as she would like or moving the firm's Mac into the operator's home with a telecommunications hook up at the company's expense. Any amount of time at all that she could find to complement her motherhood duties

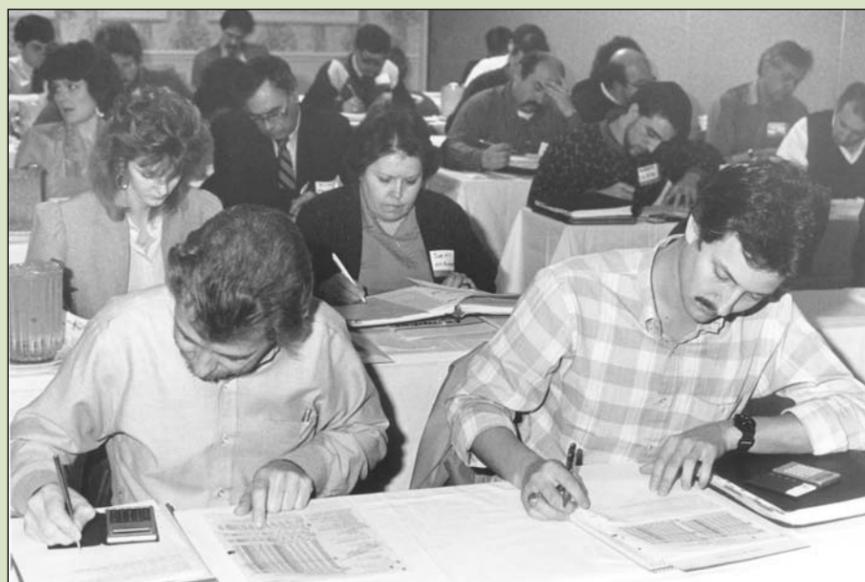
would be acceptable to the company. While this was not necessarily in violation of corporate personnel policy, new policies were drafted to accommodate key employees.

How often has the comment been heard, "I wish we had a dozen more like Acme Publishing (the most profitable client) or John or Susie (the most productive employee in a department)? Perhaps one or two more do exist. What similar characteristics of the winner is shared by one or more other large growing client(s) or other employee? Can they be managed, molded, and cloned into the "best" model?

Visionary leaders seem to have three common management reactions to the profile shown by the bell curve analysis. First, they personally learn about the winners to protect and grow that strength. Second, they identify characteristics that allow the firm to manage select members of the middle ground into this "best" top 20%. Finally, they quickly and emphatically identify the worst 20%. If they are unprofitable clients, they narrow specifications, add discipline to schedules, and/or increase prices. For less than productive employees they counsel, train, and move to more appropriate responsibilities.

Article prepared by C. Clint Bolte, C. Clint Bolte & Associates, Chambersburg, Pennsylvania. For additional information please call (717) 263-5768 or fax (717) 263-8945 or e-mail to ccbolte@planetcable.net.

PICA's Past



In one year, PICA will celebrate its 75th anniversary. From now throughout 2006, The PICA Scanner will feature photographs from its archives.

Fifty-two individuals attended the 1987 seminar above titled "Profit RX: How to Get the Most Out of Your Franklin Catalog."

Feature Story

Increase profitability by using PIA/GATF Ratios

Using a management tool such as the PIA/GATF Ratios may seem a bit simplistic. But in this world of hot-topic, buzz-word laden management philosophies, sometimes the tried-and-true offers the best opportunities for success.

Printers have used the Ratio studies to identify opportunities to improve their efficiency, monitor their progress and build on their success. A Virginia printer increased his profits 46% in just two years! Another long-time Ratio participant uses this proven tool to not just stay competitive, but grow and thrive. Read on to see how you, too, can benefit from the PIA/GATF Ratios.

Dramatic improvements in just two years

Central Lithographic of Lynchburg, VA

started using the Ratios two years ago. Victor Clarke, Central Litho's president, said, "We are very enthusiastic about our 2003 results. Our sales increased 5% over 2002 but our profits increased 46%. We had a year-end net profit of 5.06% and our value-added as a percent of sales is 7.95%."

How did Central Litho achieve such dramatic results? According to Clarke, everyone is involved. "We set up company benchmarks for net profit, sales per employee, profit as a percent of value-add, manufacturing and support. These benchmarks are shared with all employees, who then identify individual goals to help reach the company's collective goals. Individual goals include things like cross-training to improve overall efficiency or seeking reductions in the cost of materials."

Focusing on such fundamentals really does pay off. Central Litho reduced their material sales from 57% to 55% and sales costs from 10% to 9% while maintaining manufacturing and administrative costs despite an increase in sales. The net result - a 2% overall reduction in costs.

And that savings goes straight to the bottom line, increasing the company's profits and profitability.

Targeting specific costs

A company new to using the Ratios does not have to undertake a comprehensive program the way Central Lithographic did; other printers have found that using the Ratio studies helps them stay competitive by maintaining a watchful eye on certain costs.

In Kansas City, Greystone Graphics has used the Ratios for 12 years. Greystone's general manager, Jim Lloyd, said that his focus is on line-item cost to see where Greystone is high or low next to their combination web/sheetfed peers. "They provide a roadmap to know where we need to focus to stay competitive."

Just like others who use the Ratios, Greystone uses the numbers in practical applications to their operations. For instance, management used the Ratios in negotiating with their union to ensure Greystone Graphics will be more competitive over time. They also found a layer of management which did not add to the overall value of their processes, so it was eliminated.

Jim Hopkins of Hopkins Printing in Columbus, OH agrees with this approach. He had the Ratios built into the monthly financials. This way, Hopkins has an "ongoing overview of how we are doing in each category."

"In recent days we have had a conversation here about the most important number in the ratio studies. I believe it to be sales per employee," said Hopkins. How have the Ratios helped? "We started way outside the profit leaders, but over the years, we have improved in almost every area to now meet or better them," said Hopkins. "The Ratio studies have been an invaluable tool in our growth and development."

You, too, can get started using this valuable management tool. Check out the 2004/2005 PIA/GATF Ratios available - profiles by size of firm, printing process and print market segments. Benchmarking your operations against your profit-leading peers is a step to your greater profitability, growth and success.

PrintForce

Continued from page 4

ent sizes of printing plants, and ultimately, the multitude of different careers within the industry. Attendees heard career stories from printing industry professionals, including Hearon Dickson from xpedx, who sponsored the meeting room and breakfast.

The Raleigh Career Awareness Event was held on October 27, marking the first time since 1999 that PrintForce had held an event in Raleigh. Attendees were graphic arts teachers, career development coordinators and guidance counselors.

The event started at the Raleigh News & Observer, where attendees heard career stories and then toured both the in-plant operations of the paper and the flexographic production division of the newspaper itself. Attendees also toured Henry Wurst, a commercial web printing company, and Commercial Printing Company, a small commercial sheetfed company. Attendees had a barbeque luncheon at Mac Papers - Raleigh.

"I enjoyed the stories and tours," said Margaret Ray-Nobles, Career Development Coordinator from Apex High School in Apex, NC. "I can share the information with the students."

PrintForce participated in the Asheville-Buncombe-Madison Career Pathways Partnership in the Educators in Industry event on October 28. Over thirty attendees toured ImageSmith and Keen Impressions in Arden.

The next Career Awareness Events are scheduled for February 21 in Myrtle Beach, SC and April 13 in Winston-Salem, NC.

Sales Tips

The make-up after the foul

If you have read any of my columns or other writings, you know that I draw on a lot of personal experience for the inspiration on a particular topic. Well, buckle up, campers, because here we go again...

My oldest daughter, Kati, recently "graduated" from the sixth grade at our beloved Montessori school. Fittingly, we threw a last day of school party that included a moonwalk - one of those air-filled pillows that can be rented. We shopped around and found one local establishment that had one available. Reserving it two weeks in advance along with a cotton candy machine, we thought we were all set.

The day before the party, I called them to double check and establish a time when I'd be by to pick it up (no one of Scottish heritage would pay a \$50 delivery fee!). Everything was in order. Arriving the next morning at the appointed hour, I was greeted by a blank stare and told that no record of my order existed. Once that was cleared up, she told me the cotton candy machine was not cleaned from the last rental. Further, the woman rudely told me to come back in 30 minutes so that "Jimmy would have time to ride his bike over" and help load this bulky equipment into my Yukon. I was steaming and left for home vowing never to do business with these idiots again.

When I came back a half-hour later (what choice did I have?), seventeen-year-old Jimmy greeted me warmly. But before I could utter one angry word, he apologized profusely for the inconvenience I had incurred and expressed regret that he could not have delivered it himself at no charge to make up for it. In an instant, my anger was replaced by his calming words and we laughed over the bulk of the moonwalk as we stuffed it aboard my trailer. Problem solved. Case closed. All I wanted was an apology and some recognition of the fact that I had been inconvenienced.

My new friend Jimmy displayed a unique quality that day. He managed to take the wind completely out of my sales and save a customer. This kid's words, sincerity and actions meant that I might actually return for another purchase, despite the problems I experienced initially.

Every printer will eventually screw up an order. The paper will be wrong. The type will be too light. The order will ship late. This will result in a phone call to or from the customer confronting the problem. Handling this type of situation is a skill and could be the difference between losing the account entirely and actually

coming out better than if nothing had ever happened.

From one angle, you have a problem; from another, an opportunity. The key is to face the problem head on and deal with the matter swiftly and professionally. But before I go on, let me remind you of something: how difficult is it to find a new client? How much does it cost your com-

Almost every printing problem has two starting points: either the client found out about it first or it has come to your attention before they find out. Each must be handled a different way.

pany when you mess up an order and that client is lost to the competition? For the company, it can mean lost revenue on top of the cost of finding another client. For you, it means more work and client development.

Every customer is a prize. You fought for them. You sweated over them. Don't lose them to a problem that can be rectified.

Almost every printing problem has two starting points: either the client found out about it first or it has come to your attention before they find out. Each must be handled a different way.

The Phone Call-If the client finds the problem first, you will get The Phone Call. It will either be calm, in the case of a small problem discovered by a gentle person, or hysterical, in the case of a huge problem uncovered by someone on medication. In either case, your first job is to listen. The customer wants to tell you something. Let them. Don't interrupt. Once the initial wave of information has been shared (i.e. - "youstupidsoandsosoyouknowhowimportantthisjobwas?"), switch to recovery mode and follow these steps:

1. Apologize. How many times do we forget this simple but necessary function? You have wronged someone. On behalf of your company, make amends by throwing out two simple words, "I'm sorry."

2. Gather information. What needs to be

Bill Farquharson

done to right the wrong? It might be a total reprint or finding a missing shipment, but understand before you get off the phone how high you need to jump.

3. Make a promise. Use these words: "Customer, I am going to take care of this problem. I see this as an opportunity to show you what kind of printer we are. You have my personal guarantee that I will look into it and call you back in XX minutes."

4. Get it done. Follow up the promise with action. If it is your company's fault, do whatever it takes. If it turns out to be the client's fault, give them options that make sense and avoid a finger-pointing confrontation. If there is gray area, either eat it or share the blame, depending on the value of the account.

The Discovery - On the other hand, maybe you found the problem before the customer did. In this case, you have an interesting situation. Nothing blows a client away like a problem that was solved prior to their even knowing about it. If it is not solvable quickly, call the client, inform them of the situation, and ask what their needs are. Use these words: "We've discovered a problem with your order. But before I take action on solving the problem, I wanted to hear from you what kind of rush you are in."

More than once, I have heard from an angry client that he/she will "never do business with you again!" and more than once I have saved that account by retorting, "Isn't this the kind of service you want from a printer? Everyone makes mistakes and we've definitely made some here. But correcting the problem has afforded us the opportunity to demonstrate our level of service to you. I know you don't owe me, but if you will give me another chance, I will treat it like it was the most important printing job I have ever done."

Simple words, starting with an apology and followed by action, can make all the difference. Sooner or later you will find yourself in the unenviable position of apologizing and hoping the account is not lost. Reacting the right way can save the account and actually make you look better in the long run BECAUSE of the problem.

Join the hundreds of satisfied Print Tec customers who are getting two to three appointments per week with NEW customers! A new session of Print Tec's Get Sales NOW! program, produced in partnership with PICA, starts each month. Visit www.printtec.com for details or call (800) 587-7022.

Gift establishes a conservation institution

Reese gives \$3 million to Lenoir-Rhyne College

Thomas W. Reese, owner of The Hickory Printing Group and nationally recognized conservationist, has made a \$3 million endowment gift to establish the Reese Institute for the Conservation of Natural Resources at Lenoir-Rhyne College.



Tom Reese, chairman of The Hickory Printing Group, has been a long-time supporter of conservation.

Reese, a 1948 graduate of the college, is widely recognized for his support of higher education and conservation causes. The institute will be a catalyst for practical conservation efforts by industry, in much the same way that Reese has helped promote conservation within the printing industry. It will provide cross-disciplinary studies to educate students for careers in science, conservation, business, industry and policy.

"We are extremely honored by Mr. Reese's confidence in Lenoir-Rhyne College and his recognition that, through education, we can improve the world for future generations," said Dr. Wayne B. Powell, college president. "It is a tribute to Mr. Reese that he has the foresight to leave this lasting legacy, not only for the Hickory area, but for the world beyond."

The Reese Institute, according to its mission statement, "promotes leadership for

service through a program that emphasizes regional environmental issues, economic development, and the conservation and use of natural resources. The work of the institute builds on the integration of the liberal arts and sciences in learning, service and scholarship. The institute encourages the responsible use of the natural resources of God's world in a manner that allows them to be protected and enhanced for enjoyment and use by future generations."

"My interest in conservation of our natural resources goes back many years," said Reese. "My father taught me to hunt and fish as soon as I was old enough to handle a fishing rod or shoot a shotgun. He taught me that if we were to continue to have good hunting and fishing we must be careful to protect the environment in which our game and fish lived and only to kill a limited amount at any one time. These lessons have always stayed with me and I have been very active in protecting our natural resources since. These resources are a God-given gift to us and we have an obligation to wisely use them. We live in a wonderful area of the world and it is my hope that future generations will be able to enjoy it as we have."

This major new college initiative will become a flagship program for Lenoir-Rhyne, according to Powell, and will "further serve to integrate the college's excellent academic programs with the economic development of the region."

The goal of the Reese Institute is to become a nationally recognized conservation program that works closely with regional government, industry and community groups to clarify environmental problems and identify practical solutions. To

achieve that goal, the Reese Institute will focus on developing responsible leaders who creatively solve problems, develop sustainable resources, and practice responsible management and use of those natural resources.

Reese believes that protecting the environment is good business. "A business which is run with wise use of our natural resources in mind is also a business that is run efficiently and well. The good public relations which can be earned through being a good environmentally conscious company can directly result in new business from printing buyers who are also very conscious of the environment themselves."

Through the Reese Institute, students and community members will be able to participate in a variety of educational experiences, including fieldwork and internships.

Search for a director will begin immediately, with plans for the Reese Institute to be operational by fall 2005.

Reese is a leading conservationist. In 1994, he received the William D. Schaeffer Environmental Award from the Graphic Arts Technical Foundation for significant advancement of environmental awareness in the industry. That same year, he endowed the graphic arts program at Appalachian State University and currently serves on their foundation board.

He was one of the founders of N.C. Trout Unlimited in the early 1960s and served as the first president of that group. He has also served on the board of directors of National Trout Unlimited and has been honored as the National Trout Conservationist of the Year.

In 1992, he received the Teddy Roosevelt Conservation Award for his outstanding accomplishment and achievement in the areas of conservation and wise stewardship

of natural resources. This award was created by the Republican Research Committee's Environmental Roundtable.

He has served as president of the N.C. Wildlife Federation and is former chairman of the N.C. Nature Conservancy Board of Trustees. He is a trustee of the North Carolina Natural Heritage Trust, which allocates state funds to various state agencies for the purchase of land for conservation or recreational purposes. Reese is a member of the Board of Directors of the N.C. Aquarium Society and is former president of the Catawba County Wildlife Club.

In 1996, he received The Order of the Long Leaf Pine, North Carolina's highest award. In 2001, he was named Outstanding Philanthropist of the Year by the Northwestern N.C. Chapter of Fundraising Professionals.

Reese is also well known for his yearly calendars that display photographs of steam locomotives. These photos were taken by Reese as a young man living in Hickory. The calendars have become collectors' items.

Reese was recognized last month for his establishment of the Thomas W. Reese Endowed Chair of Business at Lenoir-Rhyne. This planned gift, to be funded from his estate, is for the purpose of providing perpetual support of a chair in the college's Charles M. Snipes School of Business. The position will work in concert with the Reese Institute to emphasize the business component critical to conservation efforts.

In 1992, Reese received the college's Clarence L. Pugh Sr. Distinguished Alumnus Award. He was also named 1998 Business Leader of the Year by the L-R Business Council. He served as a member of L-R's Board of Trustees from 1993-2002 and was recently reelected to another three-year term beginning in 2005.

Special Report

Education

PrintED needs industry backing to succeed

Continued from page 1

recently decided to purchase the state license for the PrintED competencies. This means that every high school graphics program in South Carolina will be teaching their students using PrintED standards.

According to GAERF educational programs and students, the benefits to PrintED accreditation is obvious: the programs receive recognition, endorsement and support from the printing industry, instructors and their programs gain accountability and credibility, and programs receive support and recognition from local and state departments of education. In addition, accreditation provides recognized standards for graduates. Programs can also offer career opportunities to students. For students, PrintED graduates are more valuable employees with the equivalent of six months on-the-job training and subsequently they have more placement opportunities. Also, students can move to a different state and retain national credentials.

But for employers, what are the benefits of PrintED accreditation or state licensure of the competencies? "Two critical trends are converging today in the field of career education for graphic communications,"

noted GAERF past chairman J. Kenneth Garner, president of United Litho in Ashburn, VA. "One is the ever-increasing pressure to hire qualified workers, particularly at the entry level. The other trend is the emphasis on measurable positive outcomes from educational efforts at every level. PrintED responded to this need before it became a national priority, and as a result the program today is the industry's best method of assuring the quality and effectiveness of career education programs."

"In making PrintED competencies available for state education systems, GAERF hopes to expand the value of this proven system more widely than ever before," said GAERF Chairman Randolph W. Camp, president and CEO of Monroe Graphics in Monroe, GA. "PrintED can make a significant difference in the quality of personnel entering our industry, and we encourage state education officials to explore licensure of the PrintED competencies."

Frances Young, an instructor at Midlands Tech, said that "although at the present time there is not a tremendous awareness (of PrintED) within our local industry, employer benefits are simply a more skilled

pool of potential employees and a better workforce. Students with PrintED certification are going to have a better than average skillset for the industry, as well as a knowledge of multiple aspects of printing."

Industry support of PrintED

There are no educational programs in the state currently teaching students how to set hot type. Or letterpress operation. Or cave drawings. As the industry evolved, the educational support structure supplying entry-level employees has also changed with new and updated technologies. Embracing local and regional needs, graphic communications programs tailor their curriculum, coursework and internship requirements to what is required in industry.

The question remains: should the industry support these efforts?

"Without a doubt," said Young, "The printing industry must get on board and support not only PrintED, but their local high school graphic arts program in general. The industry needs to support local high school and technical college programs with, or without, PrintED."

School budgetary concerns, changing

technology and the very nature of high school students makes teaching graphics difficult at best. This adds up to a different kind of entry-level employee. "Programs that once produced skilled employees in various areas of printing are now going away, only to be replaced with programs that only teach the 'fun' stuff — software programs that kids find they can use to create pretty pictures," said Young.

If the industry stood behind the measuring rule that PrintED can be, that would be different. "Industry support of PrintED accreditation will let the local Board of Education know that there is still a need for entry level employees with more than rudimentary skills. Only through involvement in local and state educational boards can their voice be heard and their needs met," said Young. "If the printing industry has all the employees they need then why bother? However, if they are struggling to find qualified employees then they need to assume ownership and responsibility for the course chartered in the printing community and that includes schools."



Scanner

The Printing Industry of the Carolinas, Inc.

3601 Rose Lake Drive
Charlotte, NC 28217
PO Box 19889 28219-0889
phone: 704.357.1150
800.849.7422
fax: 704.357.1154
www.picanet.org

A quarterly publication of
The Printing Industry of the
Carolinas, Inc.

Our mission is to protect and promote the common interest of the printing industry; and to help our members prosper, both individually and collectively, through fellowship, education and cooperative action.



PICA welcomes these new members:

Fernandez Press, Inc.

181 Spencer Street
Myrtle Beach, SC 29589
(843) 236-2111 phone
(843) 236-2125 fax
Contact: Henry Fernandez

Innovative Solutions

225 Richland Avenue East
Aiken, SC 29801
(803) 648-4225 phone
(803) 648-5226 fax
www.innosolprint.net
Contact: Rae Leigh Warner

PrismaTek

5005 Swift Ridge Road
Raleigh, NC 27606
(919) 859-8121 phone
(919) 859-9928 fax
www.primatek.com
Contact: Richard Mallard

The R.L. Bryan Company

301 Greystone Boulevard
Columbia, SC 29202
(803) 343-6773 phone
(803) 343-6838 fax
Contact: Rhett Kelly

January 2005

Paper donated by
Unisource - Columbia

Printing donated by
Crowson Stone Printing Company

2004-2005 Platinum Sponsors



Prsrt Std
US Postage
PAID
Charlotte, NC
Permit No. 3307

PICASTaff

Chairman of the Board
John deLoach III

Foundation President
Peter Krusa

Interim Executive Director
Gwen Doster
gdoster@picanet.org

Vice President of
Education/Member Services
Jeff Stoudt
jstoudt@picanet.org

Director of Member Services
Carrie Epps
cjepps@picanet.org

Director of
Communications/PR
Terrie Duncan
tduncan@picanet.org

PrintForce Contacts
Jeff Stoudt
Terrie Duncan

Administrative Assistant
Mary Ann Johnson
mjohnson@picanet.org

PICA Ambassador Council
Henry Jobe
henryjobe@msn.com

Karl Schnellinger
karlgs33@aol.com

PICA Insurance GroupStaff

Confidential fax: 704.357.9390

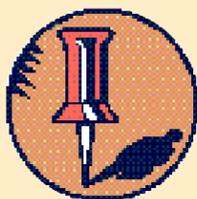
Managing Director
Ralph Doster
rdoster@picanet.org

Employee Benefits Specialist
Ashley Hinson
ahinson@picanet.org

Partnering With:

PALMETTO SAFETY SOLUTIONS
Mitch Allen

LPL FINANCIAL
Harold Soutier Sr., Harold Soutier, Jr.



Tips & Tricks

As a member benefit, the following tips and tricks are provided to members exclusively through The PICA Scanner from GATF technical consultants.

Why so much paper waste?

The shorter the run, the higher percentage waste in sheetfed as well as web printing. This has been true since printing began reaching higher speeds. We can do a number of things in the plant to reduce waste:

1. Damage in the warehouse or transit damage should not be tolerated, and if it is transit damage the stock should be rejected. Why run a job on damaged stock? It will only misfeed or give other problems.
2. Stock brought to the press should be handled with care and not pushed into the press by shoving or hitting with your shoe.
3. Winding stock and jogging it prior to loading will allow running at higher speeds with fewer problems.
4. Making decisions quickly during make ready will reduce the amount of stock used. Likewise, the make ready stock that is in position and near color should be marked "Make ready" and used to set up machinery or to make up for unexpected waste in the

finishing of the job.

5. I like to save pull sheets and "near color waste" from trip-offs and start-ups to be used for set-up in the bindery.

All of these ideas can pay off over a year's time. What is your waste? Measure it - you may be surprised.

Raymond J. Prince
Senior Technical Consultant
PIA/GATF

Printing on Matte Coated Papers

Matte-coated papers are popular with designers and printing buyers, but offer poor rub resistance unless overprinted with a varnish or coating. Matte paper is coated paper that is not supercalendered by the paper mill. Supercalendering is a process by which the paper is polished with steel rollers under great pressure to create a hard, gloss finish on the paper. A matte paper can be "burnished" by rubbing a fingernail repeatedly over the same spot until a gloss area appears. The rough, soft, uncalendered

surface of matte paper is very susceptible to scuffing and marking. This marking problem is enhanced when screen tints are printed on the matte sheet. Sealing the printed image with a varnish or coating is the best technique to prevent marking on a matte sheet. Unless overprinted with a varnish or coating, matte stocks should not be used for applications that expose the printed image to friction or excessive handling. Choosing ink that has been formulated for matte stocks may reduce the incidence of marking but will not always eliminate it. Although matte paper is aesthetically pleasing, good communication between the designer and printer will prevent a frustrating experience for the printer and disappointment for the customer.

Dillon Mooney
Technical Consultant
PIA/GATF



Ask Brad

Send your technical questions to hotline@picanet.org.

Q: We are experiencing ink stripping from our steel ink rollers. Why?

A: Steel rollers will accept ink only if the ink was applied before any desensitizing material. Steel rollers can be more water-receptive than ink-receptive. Under certain conditions gum arabic in dampening solution can be adsorbed by the steel resulting in ink stripping.

Q: The ink is slinging off the rollers in filaments. What can cause this?

A: The major cause is too much ink on the rollers. Other causes include over emulsified ink, ink with too low of viscosity, improperly set rollers, or large variation in ink takeoff due to the layout or form.

Q: We are seeing a variation in color on every fourth sheet. What is causing this?

A: When a variation in paper occurs in a repeating cycle, this indicates that the paper was sheeted from multiple rolls.

Q: How does moisture content in paper affect the strength of the paper?

A: When moisture content increases the tensile strength decreases, but the stretch of the paper increases.

Remember your PIA member number!

When contacting GATF for a technical question, be sure to refer to your company's full name and/or PIA number. Contact PICA for your member number or more information.