

COMPETITION, TECHNOLOGY, AND THE NEW PARADIGM

by
Mark A. Coudray
Impressions Magazine
March 1994

Significant changes are taking place in our industry. If you've been around for any period of time, you are aware of major corporate acquisitions and consolidations in recent months. For smaller printers this is only interesting information in the trade press. For medium sized printers, those doing over one million dollars in sales annually, these events will have a major bearing on the way you do business in the next few years. What we are witnessing is the maturing of an industry in the classic sense. Larger printers are being eaten by the really big fish, known as corporate America. This is every entrepreneur's dream, to start a successful company and be acquired for megabucks! For an increasing number of printers this has become a reality.

For the medium-sized shop, this means the beginning of the "squeeze play." It goes something like this: you're too big to compete with the small garage shop, but too small to compete with the big boys. The result is shrinking margin, rising costs, and lots of red ink on the bottom line. It's what I call "no man's land," trying to make the mad dash from the safety of the trenches across an open field as the big guys machine gun anyone who dares to enter.

If you are a custom printer or a contract printer, the market is even more competitive. On top of all of this we have to contend with the outcome of the NAFTA vote. For large-scale contract printers I guarantee what the result will be. It's not a very pretty vision to think about, and it certainly doesn't have to be. It is, however, the most common outcome in *any* industry where independent operators have traditionally thrived.

What do you need to do to survive in this new era of competition? The answer lies in differentiating yourself and your product from your competition. It may be a special niche market that has been overlooked. It may be outstanding service. It is certainly not price. You should begin by asking yourself what it is that you can do better than the small guys, and better than the big guys. What is it that would allow you to charge more for your product, and your customers would be happy to pay for? I don't want to address specifics in this month's column, but I want to get you thinking in the right direction.

Let's take a look at some obvious factors that you will need to deal with. First, the technical requirements of graphic design, registration, and color are much more sophisticated today than they ever were in the past. The requirements for successful process color are becoming fundamental skills necessary to compete. It is no longer a specialty. Print-

ing on dark garments in simulated and true process color, and the combination of different types of specialty printing like foil with embroidery are quite common. The sheer numbers of screen-printed apparel items have resulted in an educated consumer. In order for your work to sell, it has to look great next to the competition.

Each one of these items requires us to think about machine set-up and the processing differently. It's not like putting ink down for a two-color design. There is a great deal of time and effort expended to get this complicated work. Not only is there a thought process involved, but there are often machine set-ups and changes needed too. What can we do to make it happen faster? Time is money in this business, and if the press isn't printing, you can't to make any money.

Your first step toward finding an edge is to embrace the concept of flexibility. Rigid thinking and adherence to set guidelines can spell death in this type of market. You have to think like a guerrilla—quick, responsive, and above all flexible. Do not preclude any idea or option that may result in improved performance.

The second obvious factor that we must acknowledge is that increased sophistication makes it very difficult for us to repeat a given performance for our customer. This simply means that it is harder to give our customer successive identical product. In any rapidly changing technical market, the evolution of methods, materials, and application means that we have to place increased emphasis on control of variables. While it was good business practice in the past, it was not critical for survival. The market was naive enough to tolerate fairly large variation in printing quality. Sophisticated buyers, increased competition, and educated consumers now make controlling variables a necessity. Couple this with inventory from previous production, and it

becomes clear why you must be able to match your work to the printing that is already on the shelf.

In a small shop, the necessary changes to thinking and printing can be handled by the owner. In a medium to large shop, the dynamics are much more complicated. This information must be transferred to employees and integrated into the workflow of a company. The larger the company, the harder this becomes. The more sophisticated the technology, the harder it becomes. To a large degree, the success you have in a transition to new technologies comes from the level of communication and understanding you have with your workers.

You will need a starting point in this re-education process. The best place to begin is with the overall thought process. As creatures of habit we tend to view anything new from our previous experience and perspective. In a technologically oriented world this is not the best approach. We become biased in our judgment of anything new because we view it from the way that we have done it before. More than once in the recent past we have discovered that certain printing processes can be done much better if we approach them from exactly the opposite frame of mind. As an example I would offer past practice of putting that critical four-color process job on brand new mesh for best results. We now know that the behavior of polyester makes new mesh the *least* desirable way to go for critical color and registration.

Getting employees to look differently is no easy task. This is especially true if you are an old company (over 20 years) with a large number of workers. Employees don't like the idea of retraining and often resist efforts to bring new ideas to the table. To be successful you have to overcome this.

They may see retraining as a threat to job security. Today, more so than ever, employees are aware of corporate downsizing and the risk to their job. As the owner/manager, it is your responsibility to reassure employees that they are secure if they make the transition, and that you are there to make the transition with them.

Some of the tools that you can use to make this more easily understood and believable are drawn from current events. Examples of similar situations in other industries are very good. I often use the comparison of IBM and General Motors as two giant companies that thought they were on top of the world. They discounted new technology and the potential threat to them. They openly flaunted their market position as dominant and unchallenged. We all know what happened: billions and billions of dollars of losses and tens of thousands of lost jobs as their market positions collapsed and their products were no longer competitive.

Another excellent exercise in perspective is to take a common problem in your shop and openly discuss potential corrections for it. Make it a condition that none of the answers involve existing methods. This will get people thinking in a different direction, and new possibilities will develop.

Don't discount anything as unworkable. Often ridiculous, silly answers that have no possibility of working will spur thinking toward something completely different than what you have been doing. During this exercise the only condition should be that the solution must be faster, flexible, and less expensive than current methods. Your responses will be slow at first, but as your employees practice this technique, the speed of ideas—and the originality will improve. You might even make a game of it by offering small rewards for the most innovative, funny, unusual or unique

approaches to the problem.

Aside from thinking in preconceived directions, you must focus on continued education of your employees. The more information they have about their job, the better they will perform. If you have an employee break area, make sure that there are plenty of copies of industry publications available. The cost of an additional Impressions subscription is nothing in relation to the value of the knowledge it contains. Too often the magazines stay in the front office or on the owner or manager's desk. Make these available to everyone.

Take advantage of the technical knowledge of your suppliers. When the rep comes by to sell you something, ask what is new and what other printers are doing. Press them into service to teach, train, and demonstrate new methods and techniques to your employees. This is generally nonthreatening and is readily received by the employees. If different reps have different products for the same job (like emulsions) give them each a chance to show off their methods and products. After the demos, discuss among the workers the differences and what seems to be the best approach.

The best sources of education for your employees are the seminars held in conjunction with major trade shows. ISS shows offer an excellent range of programs for beginners through the most advanced printers. It is difficult to get to these shows if you live a great distance from the site where they are held. Almost all sessions are recorded on audio tape. If you aren't able to attend, this is the next best way of getting information. It is important for you to know that with technology moving as quickly as it is, there will be new information presented at these shows that has not yet been published in any trade press.

Last, but by no means least, is the SPAI, the Screen Printing Association International located in Fairfax, Virginia. This organization and the closely related Screen Printing Technical Foundation (SPTF) are your single best sources for technical reference material and also numerous services pertaining to environment, business, promotion, and marketing of your services. I can honestly say that if it were not for the SPAI, I would not be in the industry today. Certainly they are responsible for a large amount of the success we have enjoyed over the years. If you are not a member, you are retarding your progress.

Recognizing changes that are happening around us is one of the most difficult things you face as a business owner or manager. Use the knowledge and resources available to you to educate yourself to these changes and to re-educate your employees. These are some of the most important things that will help you survive during competitive times. Prepare yourself by exercising your mind beyond the confines of your normal historical perspective. Think creatively to overcome your average competition.