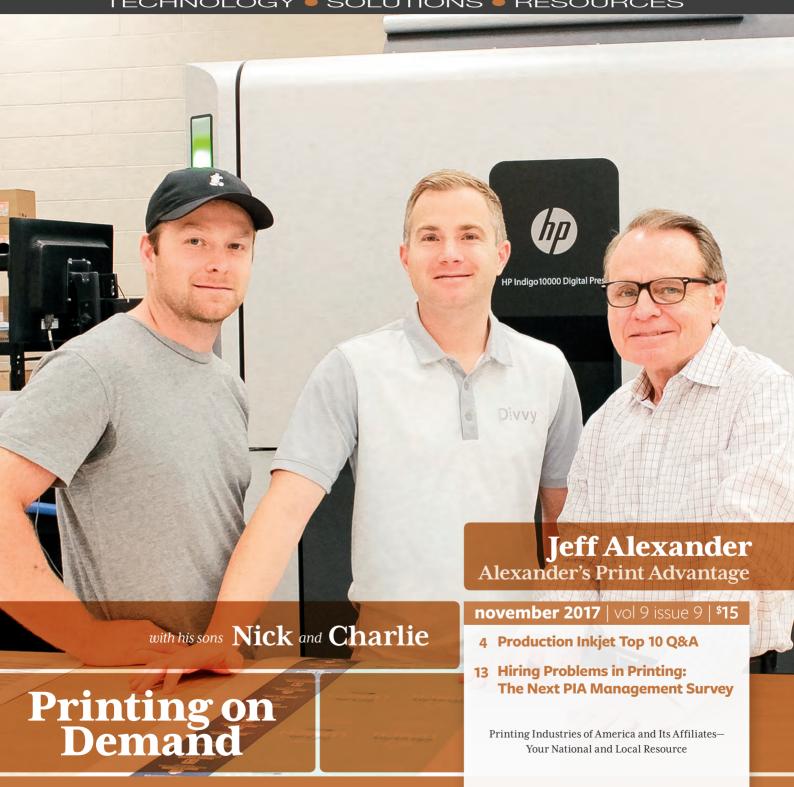


## THE MAGAZINE

TECHNOLOGY • SOLUTIONS • RESOURCES







#### Printing Industries of America

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Jeff Alexander (right) and his sons Charlie and Nick run Utahbased Alexander's Print Advantage. Learn more about the company on page 6.

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## Succession & Workforce Planning

Adriane Harrison, Director, Human Relations, Printing Industries of America



Succession and workforce planning is more than just a human resources practice; it is an important business function and part of strategic planning. Think of the decisions made in succession planning as investments and the level of success a person may achieve in the role as a return on investment.

While "succession planning" typically involves senior management and C-level positions, "workforce planning" is associated with a company-wide approach to preparing for the next generation of managers and staff. For future efficiency in production and administrative support, workforce planning at all levels is important and it is not a one-time occurrence. It is an ongoing process and should be evaluated annually for feasibility and success.

#### Plan Ahead

The first step to creating a succession and workforce plan is to have a current strategic plan in place. Having a mission or vision statement also is helpful. This roadmap of where the company wants to go is critical in determining who will get it there. Typically, a strategic plan will look forward three years.

With a strategic plan in place, look at the skills that are needed to advance the company and ask hard questions about whether each person has the skills necessary to execute the plan. If the answer is "no" for an individual, there are three possible actions: 1) invest in training; 2) transition person to a different role; or 3) separate the person from the company. Inaction—doing nothing—is not a wise choice. Any employees who fall into the second or third categories are the first people for whom succession

planning must occur, along with anyone known to be voluntarily leaving.

Gather information from supervisors, managers, and the company's HR professional about your employees. Ask who on their team is best at a particular skill and how that person communicates with others. Many companies do an analysis of what roles a person is best suited for (Standout by The Marcus Buckingham Company), assessments of what personality attributes a person has (Caliper), and what workplace styles a person demonstrates (DiSC). These types of analyses may provide different, additional (but not necessarily better) information about your employees than that gleaned from supervisors.

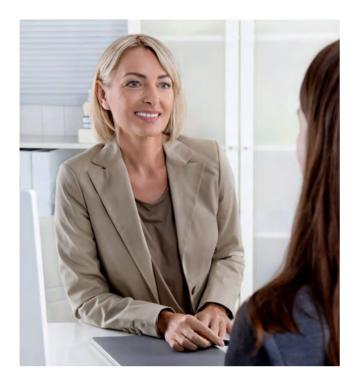
#### **Finding the Best Fit**

Workforce planning identifies the best fit for employees, benefiting both company and employee. Moving people to a "best fit" position tells employees that management is paying attention to them, maximizing their talents, and creating mobility—often upward—providing the additional benefit of avoiding stagnation that can lead to high turnover. If no employees fit the bill, start looking outside and use a network of trusted associates to identify good candidates.

If a successor within the company has been identified, when the time is right, that person should be moved into a position where he or she can observe and learn the new job. If the successor doesn't have all of the necessary skills, tailor the position to the person, or even better, provide the education and training necessary to bring the successor's skills to the level required.

If a successor from outside of the company is identified, proper management of the scenario depends on timing. If the succession is distant, simply monitoring the person's career and keeping communication open is best. If the succession is relatively soon, consider hiring that person immediately for training and learning about the company and culture while on the job.





For internal successors, most businesses don't have "extra" staff to pick up the work of the successor. In these instances, temporary employees may fill that need while further transitions and hiring occur. If many positions need to be transitioned, hiring an employee who is versatile and competent in many different roles might be a good investment.

#### All in the Family

Many printing companies are family-owned and generational. Succession planning in these instances usually means drawing from a fixed pool of candidates who are family members and may not necessarily possess the required skills for the needed positions. Management training may seem like a big expense, but the cost of failure is high if the person filling a management role does not have the skills to succeed. Consider hiring an interim employee to cover the gap while a family member can be trained in the skills necessary to fill the role. This will cover the job gap and give management a chance to hear an outsider's perspective and suggestions about the company. If there just aren't enough family members available to fill the jobs right now, but there will be in the future, hiring freelancers as independent contractors can be helpful.

Succession and workforce planning takes time and comes at some financial cost. These are the classic barriers to nearly all "new" business developments. The difference between incorporating new software or equipment and new succession and workforce planning is the difficult human resource decision that occurs when someone is identified as the successor. The employees that are rejected for the position may lose morale and leave. To temper these effects, meet with employees who are not selected as successors. If they are valued employees and have a bright future with the company, make that clear to them. If they are not going to be able to grow within the company or the relationship has been irreparably damaged, discuss their role going forward. Perhaps they resign, or hopefully, other roles for which they might be better suited remain a possibility. Encourage employees to learn additional skills through employer-funded training and education to grow professionally. This may boost morale and employee engagement while stemming voluntary turnover.

#### **Quick Succession**

What if a company is confronting an emergency with no time for future planning? There are a few things you can do to immediately cover the gap:

- Review the major elements of the departing person's role. Is it finance? Sales? Production? Identify the skills necessary for each element.
- Rather than assigning a new person to cover the entire position, give each element to someone who has the skills to do the task. This avoids overwhelming a single individual and also avoids a hasty decision to fill the position with someone who might not be the best person for the job.
- Look at the position and each of the duties before posting the job. Understand that this is the best time to re-evaluate the role and adapt it to both the company's immediate and future needs. Rewrite the job description to reflect any changes.
- Carefully identify the skills needed to succeed at each new element.
- Begin your hiring process, making sure that you find someone with as many of the skills as possible. Hire the best candidate and make training available to supplement for any missing skills.

Throughout succession and workforce planning, use the strategic plan as a roadmap. It reflects the vision, mission, and goals of the company. Finding your leaders of tomorrow now will keep the company on the path for growth and success.



# ECHNOLOGY

### Top 10 Inkjet Questions Answered

Joe Marin, Vice President, Education and Training, Printing Industries of America, and; James A. Workman, Vice President, Center for Technology and Research, Printing Industries of America



Over the last few decades, there have been what can be categorized as game-changing technologies in the printing industry including computer-to-plate, digital proofing, and web-to-print, to name just a few. The next major change in our industry is already in motion with high-speed production inkjet technology. There are already early adopters accounting for dozens of installations in North America—both web and sheetfed—in the commercial printing industry.

With the emergence of production inkjet in the market, Printing Industries of America presented Inkjet Ready!, a virtual conference that took place on August 9–10. The event explored the process for choosing a solution—everything from adoption rates to applications, ROI to implementation, and marketing to finishing.

During the event, attendees asked many questions, including these top 10:

#### Will production inkjet be the dominant method used by commercial printers?

Yes, production inkjet will eventually become the dominant technology. However, production inkjet does have limitations: speed, ink costs, substrate versatility, and so on. Because of these factors and more, every current printing process will still have a role in the future.

#### What's the future of non-paper substrates and production inkjet?

Paper will remain the primary substrate; however, the growth and possibilities lie in the non-traditional substrates such as textiles, glass, wood, plastics, and other synthetics. Growth will come from finding new services for businesses and consumers that want colorful, graphic information printed on new kinds of substrates.

#### How accurate are the ink efficiency and cost numbers used in ROI cost models?

These cost calculators are based on averages. The values should be used as guidelines. Similar to ink mileage charts from the offset world, they can be used as a starting point, but in real-world practice, you must do your homework and calculate what the true costs are for your business and the type of work produced. Use what the suppliers give you as a guide or starting point but be cautious and aware of your real-world numbers.

## Should I use a 3- to 5-year ROI model or a 7- to 10-year model on production inkjet since many of these devices tout the fact that they can be upgraded in the field?

Although with offset presses 7 to 10 years is generally the norm, production inkjet presses are still digital devices and should be treated as such. We recommend that you use the shorter ROI model. With today's rapid technology changes, how many digital devices do you have in your facility that are older than five years? Even if the production inkjet solution you select is field-upgradeable, you'll probably want to do this within five years post-purchase. As with any upgrade, there will be costs associated with this process and you will have to factor this into your ROI considerations.



#### Are there issues in running curled paper or paper that is not perfectly flat on production inkjet devices?

Yes, this is especially true for cut-sheet devices. Acclimating the stock to the environment and having it as flat as possible is critical for production inkjet devices. The gap between the substrate and the inkjet head is very narrow, so if you're not able to keep it flat, either due to humidity issues or improper paper handing, there can be feed inconsistencies and head strikes. Enough head strikes and you'll be replacing your heads prematurely.

#### How do you make a decision to use dye-based inks versus pigment-based inks?

When making this choice, look at what your specific application requires. Dye-based inks tend to be slightly less expensive and have a wider color gamut than pigment-based inks. They can smear if a drop of water contacts the printed page, as dye-based inks are water-soluble. Pigment-based inks tend to bond to substrates better than dye-based inks. They are the best choice for durability, fade resistance, black density, and saturated color. With some substrates, pigment ink tends to sit on top after it has been printed. Depending on coverage and color build, you could feel a raised surface on the finished product.

#### What type of skills are key for a production inkjet press operator?

Current installations have used either experienced toner-based digital press operators or offset press operators as their leads on production inkjet presses. They must have the aptitude to learn a new technology that is not quite traditional offset and not quite toner-based digital. Either way, you're going to be putting a lot of trust into those operators, and one of the keys to success is to choose someone who really cares about the process from a printing, quality control, and maintenance standpoint.

#### What is a typical timeframe from initial delivery to being able to print jobs?

It depends on the complexity of the configuration and size of the device, but generally most current installations take three to four weeks. The first week or two is unpacking and installing the RIP, press, and related components. By the third week, there are printed sheets coming out of the delivery of the press and initial operator training will commence. It's wise to have a few customer jobs ready to go as part of the implementation process so that real-world examples can be incorporated into the training process.



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The Magazine Distribution Patron

By Sarah Sudar, Copywriter, Printing Industries of America

Jeff Alexander, president of Alexander's Print Advantage, always knew he wanted to have his own business. In the late 1970s, this entrepreneur saw a need for a retail copy center in Provo, Utah. So, with no background in printing, but experience in marketing and public relations, Alexander jumped into the copy business when quick printing was in its infancy.

"I didn't do any research," says Alexander. "I just jumped in and wanted to last long enough to make some money."

The business expanded into four copy centers, and in 1993 he acquired his first Xerox DocuTech and transitioned into commercial print. The company eventually sold the copy centers to employees and transitioned to a singleproduction-center model, becoming a full-service print and marketing communications firm in the late 1990s.

The move to all digital came in the 2000s when Alexander decided to not sell print, but rather sell "product solutions" in which print was the deliverable. This allowed the company to grow outside of Utah into national and international markets and has provided tremendous growth in the last five years.

Alexander saw a need to leverage the Internet and created Divvy, Alexander's exclusive web-to-print software solution. Divvy helps organizations like franchises or network marketing companies provide outlets or distributors all their operational needs efficiently and in an automated way. Though web-to-print is a household word in the industry, Alexander's Print Advantage has leveraged it with their outstanding customer service to serve more than 60 corporations with their needs.

In addition, Alexander's has developed automated nationwide appointment reminders for medical professionals and has become the exclusive printer for a major national wedding and event invitation company for whom they print and distribute straight to customers. Alexander says Alexander's digital spot foil and varnish on their MGI press has changed the whole game of the invitation industry.

"We help our customers succeed with their customers," says Doyle Mortimer, senior vice president. "We are not just a print provider but a trusted advisor helping companies make their market better."

> Several years ago, Alexander's started working with Ancestry.com to print personal histories. Customers of Ancestry.com can upload their own data into the MyCanvas software and create family history books that are then printed by Alexander's. To enhance the client experience with Ancestry.com, Alexander's suggested the addition of calendars and family tree posters into the product offerings.



The new products proved to be successful, and Alexander's just recently purchased MyCanvas from Ancestry.com.

Another client of Alexander's is a technology start-up that allows customers to print photo books from an app. Alexander's has helped them increase the quality of photo renderings and photo books so they could deliver a better product to customers.

Alexander's has embraced digital technology not only in its product line, but also has been experimenting with helping existing clients with SEO optimization and blogging. Another way the company has gone digital is through its own marketing initiatives. Alexander's maintains social media accounts as well as a blog and has a full-time staff member dedicated to telling the company's story through social media. Though social media has a driving presence in today's electronic age, there's still a desire to have something tangible.

"We've seen a bit of a swing with people bouncing from exclusive electronic marketing back to print," says Alexander. "Something tangible, and in their hands, still has a profound effect on buying patterns."

Also in the digital realm, Alexander's is working with Day One Journal to take their journaling app from digital to physically printed books.

"Everyone knows that their computer will crash one day, and a lot of people want to physically protect a piece of their past," says Mortimer.

Alexander says he never thought he'd be in the printing business for more than four or five years, but the constantly changing industry has kept things interesting. He adds that the company's success depends on discipline, efficiency, adherence to the fundamental principles of accounting, and good business practices.

"They say that the ink gets into your blood and when you're creating something every day, it gives you a sense of accomplishment," says Mortimer. "Jeff is so creative, he's creating all the time, and after all of these years, he still has the passion for what we do."

#### **LEARN MORE**

Learn more about Alexander's Print Advantage at alexanders.com. Follow them at facebook.com/AlexandersUT or twitter.com/AlexandersUT.



Pictured above: Jeff Alexander, president, Alexander's Print Advantage; Pictured below: Alexander with Production Manager Mike Wheeler; Pictured opposite: Alexander addresses staff during a company meeting, Alexander's Print Advantage location.



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## Q&A with Eric Frank of Koening & Bauer

Sarah Sudar, Copywriter, Printing Industries of America

It's not every day that a global manufacturing company celebrates its 200th year of operation. Eric Frank of the newly minted Koening & Bauer, formerly known as KBA, was kind enough to share some of the highlights of the celebration and the company's new brand.

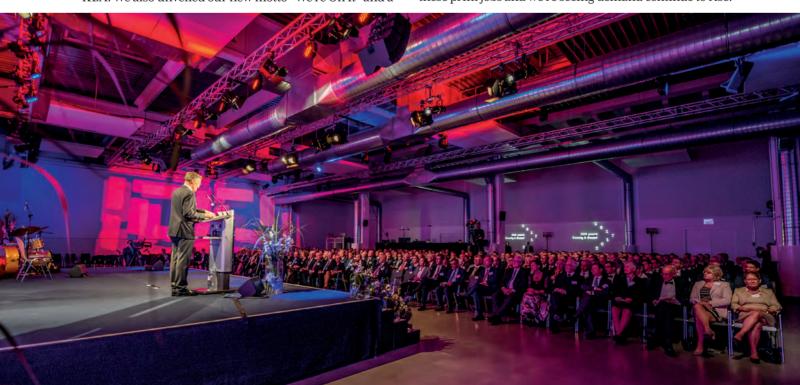
### PIA: Celebrating 200 years is a remarkable feat for any company. How did the company mark this momentous occasion?

E.F.: It was truly a celebration of the company's amazing 200-year history and a look ahead at where we are going. In late September, we invited international visitors to a festive Jubilee week at Koenig & Bauer AG's headquarters in Würzburg. At the official ceremony in the Vogel Convention Center with former Federal President Prof. Dr. Horst Köhler as the keynote speaker, along with three CEOs from renowned printing companies, took part to address guests from all over the world. Many partners also visited Würzburg's headquarters, where they were able to view historical and current printing presses. The big reveal was our new brand name, Koenig & Bauer, which is replacing KBA. We also unveiled our new motto "We're On It" and a

new product design for our presses. Our CEO, Claus Bolza-Schünemann addressed our visitors and talked about his family and how grateful they are to all of their employees, customers, and business partners over these 200 years.

#### PIA: Are there any products that our readers would be surprised to hear are printed with Koenig & Bauer equipment?

E.F.: It is truly surprising how many products are printed with Koenig & Bauer equipment. We offer solutions for almost all print markets. Today, our equipment is printing banknotes, tin cans, books, brochures, displays, decors, labels, glass and plastic containers, cardboard and foil packs, catalogs, laminates, magazines, tires, cables, smart cards, flyers, and newspapers. Products printed on Koenig and Bauer machines are used from morning to night: from the directly printed perfume bottle in the morning, the newspaper at the breakfast table, the money, the credit card, and a wide range of packaging when shopping to the book or magazine in the evening. The best thing about it is that online media or computer screens cannot replace most of these print jobs and we're seeing demand continue to rise.



#### PIA: What have been some of the highlights of the past 200 years?

E.F.: Having been in business for 200 years, Koenig & Bauer has certainly seen a lot of changes in the world and has made significant introductions to the printing industry. It all began with the German printer and inventor Friedrich Koenig who traveled to London in 1807 to implement his vision of a steam driven press. There he met the precision mechanic Andreas Bauer and in November 1814 *The Times* was the first newspaper to be produced on its double cylinder machine. In doing so, the two created the basis for industrial printing and the access of wider populations to print media.

On August 9, 1817 Friedrich Koenig and Andreas Bauer signed the founding agreement of the Koenig & Bauer fast automated press factory near Würzburg, the world's first. By 1901, a new factory was built with a 225-meterlong production hall, one of the largest in Germany, which exported printing presses, embossing presses, and platecasting machines all over the world. One year later, the company introduced the world's first planetary drive. By 1932, the industry was amazed when the firm launched the world's first four-color sheetfed press. In 1952, the collaboration with the securities printing expert Gualtiero Giori began.

Another important milestone was the entry of the young engineer Dr. Hans-Bernhard Schünemann who had more than 250 patents including the modification of the so-called "Maltese Cross" for the Rembrandt MT III arched printing machine he designed. Over the years, the company has continued to innovate and introduce new products. In 1967 at drupa, the company exhibited the first sheetfed offset press. An eight unit sheetfed press was introduced to the world in 1974. Twenty years later, the firm displayed the world's first sheetfed offset press with disengaging of unused inking systems. During the new millennium, the firm's engineers launched a variety of new features such as DriveTronic SIS (2004), DriveTronic SPC, the new benchmark for productivity (2005), QualiTronic ColorControl, the first inline color control system (2008), and AniSleeve, the fastest anilox roller change in the world (2012).

More recently, Koenig & Bauer entered digital printing with an array of inkjet press systems including the new VariJET 106 in 2017. There have surely been a lot of "world's first" introductions from our company!

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KOENIG & BAUER

PIA: What prompted the change from KBA to Koenig & Bauer?

E.F.: Celebrating our third century in business seemed to be the perfect time to return to our roots and announce a new market launch. The KBA brand will once again be the original brand known as Koenig & Bauer, but with a completely new logo, communication media, business equipment, and product design. Currently Koenig & Bauer AG has 33 subsidiaries. Twelve of them produce their own products for their own customers. We see the anniversary as an ideal time to put all the group's activities from classic printing to digital printingincluding prepress and finishing and top-notch service under a strong common roof.

#### PIA: Tell me about some of the plans for Koening & Bauer in the future.

E.F.: Just because we celebrated 200 years in business does not mean that the company is remaining stagnant. Quite the contrary! Our management sees particular opportunities in terms of the growth of the global economy, the world's population, online trade, and the number of single households in the packaging sector. The company is already a market leader in folding carton, sheet metal, and glass body printing. Koenig & Bauer has further expanded with commercial printing, flexible packaging, corrugated packaging, and digital. New products such as the digital hybrid machine VariJet 106 presented at drupa 2016 as well as digital, flexo, and offset systems for corrugated board, sheet metal panels, and beverage cans are to contribute to this. We've also introduced the first digital CorruJET sheetfed machine for corrugated cardboard. Another example of the expansion strategy in the packaging market is the purchase of the Spanish die-cutting manufacturer Iberica in July 2016. The cooperation with HP in digital inkjet printing for the top sheet corrugated cardboard segment also took place.

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### **Hiring Problems in Printing**

#### The Next PIA Management Survey

Dr. Ralph Williams Jr., Middle Tennessee State University; and Dr. Ron Davis, Senior Vice President and Chief Economist, Center for Print Economics and Management

Among printing company leaders, one common concern is the ability of these leaders to recruit, hire, and adequately staff their firms. Given the surge of babyboomer retirement, the application of new technology, and possible firm growth, recruiting and hiring are vital functions, possibly more important today than in years past. Moreover, the printing industry is not alone in facing recruiting and hiring problems; indeed, we hear the same concern from business leaders in other fields.

There are many potential reasons for the staffing problems present today: the retirement of baby boomers, a negative stereotype of the printing industry, the perception that our industry is in decline, and the quick-easy answer—the millennials. However, current macro-economic data provides information relevant to the staffing issues our industry currently faces. At the third quarter mark of 2017, the American economy exhibits healthy fundamentals. Supporting metrics include:

- Second-quarter GDP increased at a strong pace of three percent on an annual basis
- · Inflation continues at a low rate
- Consumer confidence remains strong
- Business profits are high, driven by recent cost controls and strong global sales
- Employment is growing and the unemployment rate is low
- A significant proportion of the U.S. workforce between the ages of 24 and 55 are choosing not to engage in the labor market
- Productivity is finally picking up with an almost onepercent rise in the second quarter
- Wages are at last starting to rise along with the uptick in productivity
- Stock prices are growing

The three-percent growth rate for the economy reported for the second quarter ranks as the highest mark out of the last nine quarters going back to 2015. Print markets are also relatively healthy at this time with sales and profits holding up. A continuation of this macro-environment has significant implications for print labor markets. Printers must prepare for:

- · Increased wages and salaries to maintain workforce
- More labor turnover as employees take advantage of the increased job openings
- · Tougher recruiting to fill vacancies

From this macro-economic information, one could take the position that the current staffing problems stem from matters in the broader labor market, not from issues in our industry and not from recruiting and hiring practices in individual printing companies. Subsequently, printing company leaders may think their staffing problems are out of our control. We take a different position: The potential problems in the current market greatly enhance the need to apply the best recruiting, hiring, and human resource (HR) practices. In other words: If the odds are against you—you better bring your best game!

In this context, our next PIA Management Study will explore recruiting, hiring, and HR practices in member companies to discern what is effective and efficient in the industry and sharing that knowledge with members. We are reviewing previous studies and articles, using that information to build a valid and reliable questionnaire.

Early in 2018, you will receive email notification of the study's opening with links. We hope you will promptly respond. Each participant will receive a comprehensive report of the findings along with other benefits. We look forward to exploring the topics of recruiting, hiring, and HR practices, problems that are especially relevant to our industry today and in the future.



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## Millennials Love Mail... But Why?

By Heidi Tolliver Walker, Xerox

#### You've seen the stats:

**84**% of millennials take the time to look through their mail

**64**% of millennials would rather scan for useful information in the mail than email

**77%** of millennials pay attention to direct mail advertising

**90%** of millennials think direct mail advertising is reliable

**87%** of millennials like receiving direct mail

Why do millennials like direct mail? Do they respond more to direct mail than others? These are important questions because, as of 2015, millennials have become the largest demographic in the workforce, with very specific attitudes and needs. To craft mailings that work for them, we have to understand what motivates them. The answer to the second question—do millennials respond differently to mail than other generations—is "Yes"! According to the USPS Mail Moments: 2016 Review, compared to other generations, millennials are:

	Millennials	Non- millennials
More likely to scan their mail	71%	66%
Less likely to discard their mail without reading it	54%	59%
More likely to organize & sort mail	45%	40%
More likely to take time to read mail	36%	35%
More likely to show their mail to others	24%	19%

In addition, 57 percent have made purchases based on direct mail offers.

Why is this? The answer may come from a Quad/Graphics study: novelty. According to the study, nearly half of millennials ignore digital ads, while only 15 percent of millennials ignore direct mail. Citing this data, the USPS observes, "Apparently, direct mail—which comes only once a day—has become a novelty to this audience."

This is an important point. Millennials enjoy direct mail because, in their digitally engaged worlds, it's different. It breaks the monotony.

#### **Not Just Any Old Direct Mail**

This doesn't mean that any old direct mail will do. Millennials are very clear about how they want brands to market to them, whether in print or in digital form. It boils down to authenticity, focusing on the experience rather than merely on specs, and often some kind of socio-ethical tie-in, such as serving the disadvantaged or protecting the environment.

The USPS list of suggestions for how to create engaging mail pieces for millennials offers six points:

- 1. Incorporate digital elements. Embed QR Codes, NFC, or AR to link mailer to video and interactive materials on websites or social media.
- 2. Keep messaging succinct. Provide bite-size pieces of information. Millennials may love mail but they are still distracted and living in a highly fractured media environment.
- 3. Be authentic. Millennials distrust traditional advertising, so avoid hard sell language. Use a straightforward, transparent approach.
- 4. Use enhancements. Think scent, sound, or texture.
- 5. Help them feel that their purchase makes a difference in the world. Campaigns that donate a



#### "Millennials offer a real bright spot in the world of direct mail, but they require a different marketing approach."

percentage of profits to a worthy cause or in some other way demonstrate corporate responsibility can resonate if they are seen as authentic.

6. Minimize slang, which can be seen as inauthentic. Use slang with caution, even if you are a millennial yourself, or risk turning off your audience.

#### Take this Example for a Spin

In a direct mail campaign for bicycles, a current lifestyle trend—biking to work—was used as the context. The front of the mailer read, "Want to make your commute to work happier? Try trading in your car for a bike." On the back, it read, "It's true. Studies show that people who bike to work are the happiest of all commuters."

This would appeal to millennials on a lot of levels. It's succinct. It's direct and real. The value of the product is

in the rider's experience (the happiest of all commuters) rather than, say, the amount of money saved on gas.

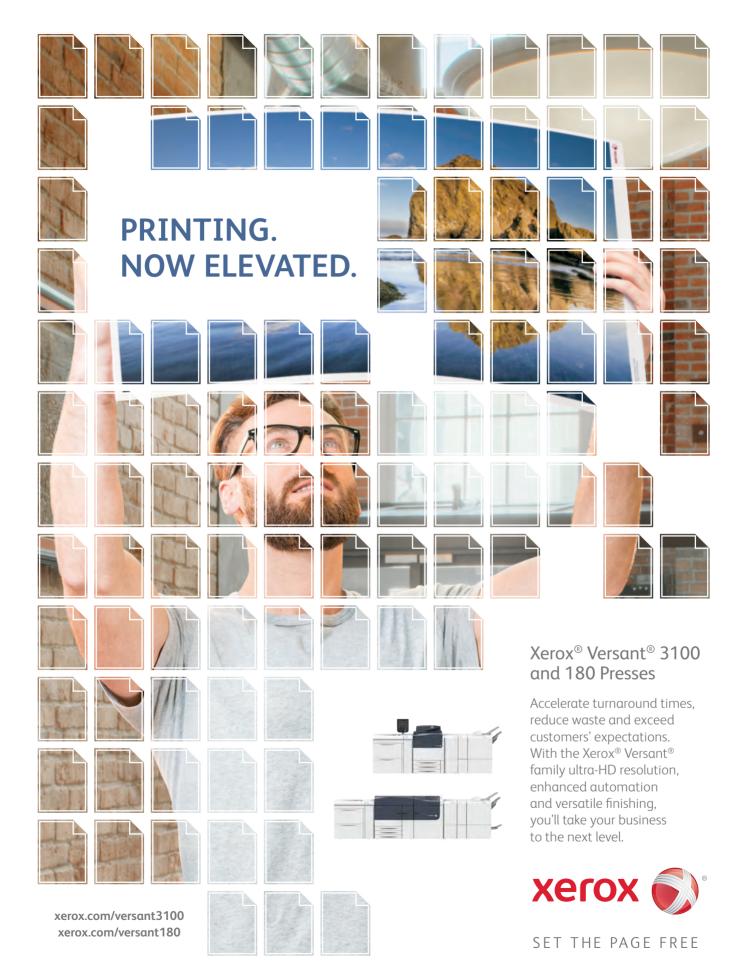
On the back of the mailer, the marketer invites the recipient to go online to find out more and "while you're there, take our interactive quiz to find out how much you can reduce your carbon footprint by switching to bike commuting." There's the social responsibility tie-in.

This campaign has all of the elements of a great direct mail campaign with a high level of appeal to millennials and it's very different from that for other buyers (focusing on benefits and quantitative savings, such as gas or commuting time).

Millennials offer a real bright spot in the world of direct mail but they require a different marketing approach. If you don't currently have a "millennial marketing" specialty, you might want to develop one.









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