Don’t Just Survive—Succeed

Many successful printers have found one of the keys to their success is the PIA/GATF Ratios.

This tool has proven remarkably effective for any number of printers. This is the one tool every printer needs - its effective utilization means the difference between survival and thriving. And the Ratios are a powerful tool!

The Ratios provide printers with expert guidance on reducing costs, increasing productivity and increasing profits. Since 1921, the Ratios provide the critical benchmarks a printer needs to review their operations and enhance performance. Read on to see how other printers have used this venerable and valuable tool.

**Improving Employee Productivity**

Companies of all sizes have used the PIA/GATF Ratio studies to identify opportunities to improve their efficiency, monitor their progress and build on their success. Previous articles have shown the results several printers have had using the Ratios. Interestingly, all share one characteristic: they involve any company’s most important assets – its people.

According to Victor Clarke, president of Central Lithographic, Lynchburg, VA, everyone is involved. First, Central Litho benchmarks themselves against the profit leaders, using the Ratios. Next, company goals are established. The benchmarks and goals are shared with all employees, who then identify "individual goals so we can achieve the company’s collective goals," says Clarke.

An individual’s goal may be cross-training with another employee to improve efficiency and productivity. Or reducing the costs of materials. In any case, employees are kept fully apprised of their progress and the company’s. Says Clarke, "every month an individualized score is supplied to every employee to show them how well they and the company are tracking toward the goals." And this is not just some "feel-good" management hokum; Central Litho gladly rewards its partners in profitability; bonuses are awarded to those Central Litho employees who meet their goals.

And the results? Some would say spectacular! In the two years that they have been using the PIA/GATF Ratio studies to determine goals and objectives for the company, Central Litho has seen a 5% increase in sales, with a 46% increase in profits.

Clarke is clearly pleased with the results. "We still have some work to do," he says, "but we are very enthusiastic about our … results." And they should be!
A Different Approach
Hopkins Printing of Columbus, Ohio employs a more automated approach. Jim Hopkins, President, built the Ratios benchmarks for profit leaders into the monthly financials. He notes, "It was hard to get my accounting firm to set the chart of accounts in the same way used in the studies. Thankfully, I prevailed."

This means that Hopkins and his managers have "an on-going overview of how we are doing in each category." And this information is important, so it is shared with managers on a quarterly basis. And Hopkins actively engages Hopkins Printing managers in debates on "the most important number in the ratio studies. I believe it to be Sales per Employee."

Hopkins agrees with his counterpart at Central Litho: "we started way outside the profit leaders, but over the years, we have improved in almost every area so now we meet or better them."

Working with Employees to Lower Labor Costs
A Kansas City printer has used the Ratio studies for over a dozen years. Focusing on just a few key measurements – manufacturing cost; staffing and payroll cost and sales cost – this printer found an effective means to "know where our costs were high and where we need to focus to stay competitive," Using what the general manager like to call "a roadmap," this printer also shared the company benchmarks versus benchmarks of the profit leaders. Based on this information, this printer negotiated a temporary wage reduction with their unions. The net effect? According to the company general manager, "we expect that this will make us more competitive over time."

Increased profitability. Improved productivity. More competitive. The PIA/GATF Ratios have helped printers for decades to build their business, keep it healthy, and thrive. You, too, can get started using this valuable management tool. Visit the PIA/GATF Store to check out the 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.