

Quick Printing Consultants: Can They Solve Your Problems

A one-hour seminar presented at the 2000 PrintImage International Convention, July 20-22, Chicago, IL; Moderated by Bob All, Editor, Quick Printing Magazine. The following is an edited transcript taken directly from tapes provided by Playback Now. To obtain further information on purchasing the entire audio-tape or recordings of other sessions, see the end of this document. Speakers are indicated in boldface.

The Print Image International would like to welcome you to this special, which was recorded live at the 2000 Print Image, July 20-22, in Chicago.

Bob Hall - They give out advice and they charge you for it. One of the lines I heard said some of the consultants are very good and very some are very expensive, and then some are just very expensive. One of the other stories says that some save their clients just about enough money to pay for them. I like Tom Crowser's comment on consultants: Years and years ago when I used to work for him he said he had a Tom cat and he had him neutered and now he calls him consultant. But, the fact is, is that consultants provide a valuable service. A lot of people in this business can look and see where they're making a heck of a lot more money, they're doing better than were if they hadn't brought in some outside help and some advice because a lot of times when you're in the middle of something, you don't really have an opportunity to or the ability to stand back and take a look at the big picture, and so we're going to try to talk about some of the specifics that you guys got into when you brought people in, and I know some of you folks here have had more than one consultant come in for different things because it's not one size fits all. So, what I'd like to do now is have the panel introduce themselves and kind of use the 12-step thing and say, "Hi, I'm Bob, and I used a consultant." Then we'll go from there and get some specific questions from everybody here and also I have some things that I'd like to address to the panel here when we're doing this. So, if we can start with Al here.

Al Karnavicius - I'm Al Karnavicius from Bay Print in St. Petersburg, Florida, and I've hired a consultant before. Actually, our shop currently will probably do just a hair under a million dollars this year. We opened the doors in 1982 with one Xerox 8200 and a single employee and we did \$89,000 the first year and it's been a long, hard struggle to get to where we are today and I think in the 18 years we've been in business, we've had nine good years and nine bad years. The good years seem to coincide directly with when we brought a consultant in or when we went to visit a consultant or called him to get some advice or some brainpower. The reason I've used consultants is. . . one of the things I tell myself is that I'm not a particularly great businessman. I have a lot of guts and I sure am a "glad-hander", but when it comes to being a Cracker Jack sharp businessman, that wasn't one of my strengths. I took two business courses in college and didn't do too well in either one of them. I ended up with a Liberal Arts degree and that is why consultants have had their way with me. It's been a very, very positive experience for me. We'll go into a little more detail later on that.

Gerry Englehart - My name is Gerry Englehart - and I'm a printer. I own a company called Porath Print Source in Cleveland, Ohio. I bought my company ten years ago. My background is actually in finance and accounting, so from the business side of things, I have a pretty good background. I really did not know much about the printing business; unfortunately, I found that out a little bit too late. Our business, when I bought it, was doing about \$430,000 and we are now

at the current run rate to do about \$1.8 million this year. My reasons for hiring a consultant basically come down to the fact that I needed some outside set of eyes to evaluate what I was doing. I needed to make changes in some of our practices and wanted validation that I was on the right track. For that reason *I brought in John Stewart in February of 1997*. Personally I was working my tail off, working 12 to 14 hours a day and I didn't think I was getting paid enough to be working that kind of hours and taking home what I was taking home. The other reason was the realization that I didn't know it all and wanted an outsider to give me a review. Every year your accountant comes in and he checks out your books and supposedly tells you what you're doing. That's after the fact. I wanted a professional from our industry to come on in and to basically tell me how our company stacked up against other companies.

The interesting thing was the ground rules I had set down were that I promised myself that if I was going to pay the money to bring in a consultant, that we were going to listen to him and take his advice. I also put my employees on notice that bringing in an outside consultant; he was going to make some suggestions and ideas, and as long as they weren't illogical, illegal, or immoral, that we were going to follow his prescription, and that worked out pretty well. I can go into more specifics as to what kind of results we achieved. *I can clearly say that without the help and guidance that we got from John, we would never have been able to accomplish what we were able to accomplish up until now*. More recently we've worked with Dave Fellman. I'd really like to say a lot of nasty, bad things about him, because if I really spoke and said what I wanted to say about Dave, you guys would all be on the phone to him and I'd never be able to get a chance. Again, very good, clear, concise advice, direct and to the point. As far as the fees goes for any of these guys, I cannot begin to measure the return, dollar for dollar, that I've paid either of these two people, both John and Dave. I cannot begin to count the returns I've gotten from their engagements.

Ray Gendreau - Hi, I'm Ray Gendreau. I bought a printing operation in the suburbs of Boston four years ago. It was doing a half million dollars worth of business then. It did \$2.5 million this year, so it's been a pretty rocket growth. I'm pretty strong in operations but I'm really weak in sales and so most of the consulting assignments that I've worked with people on have been on sales and sales management. During this period of time we have added sales people. We now have three sales people and a sales manager. This is a group in an area that I just felt uncomfortable with, so a lot of the sales consultants I've been working with have been focusing in on that area. I'm going to hand a handout that's got the names of who I've been working with and how you get a hold of them, and that sort of thing and we'll have something that you can work with.

Keith Enstein - I'm Keith Enstein with Enstein Printing in Dallas, Texas. I have a shop similar to Al's. I've been in business since 1981, moved down from New York and just started from scratch. We've had some great years and some not so great years. I came from a printing background. . . worked for another printer for a few years prior to that. I had no experience in anything else, especially business, and after we had a rocket start in the beginning. We got kind of lucky and then reality hit and we had some tough times. That's when my lack of business experience really came through. I've hired number of consultants and I agree with the rest of the panelists that it's been a big boost for us. I can easily say that it's added consistently through the years four to five percent to the bottom line and we do \$1.2 million a year, so you can do the numbers. That's a whole lot more than what these consultants cost.

Bob Hall - How did you find out about who to get a hold of, how to kind these different people? Through the Association or where? Al's nodding. . . We're reading ads in "Quick Printing" magazine.

Oh, I like that. Our advertisers like that. They're not sure anybody reads the ads. But, from that and the Association.

Ray Gendreau - We know pretty much most of the people who work in our industry now. It's kind of a small circle of friends. Has anybody ever used a consultant who's not well known in the industry, from outside the industry? A business consultant or something like that?

The first one I worked with was a retired sales manager. I think you can find them in your local areas. I was really trying to figure out how do I hire a salesman. What do I pay them? How do I figure out territory and that sort of thing? Finding a retired salesperson through the Chamber of Commerce, Rotary, that sort of approach or just working with business people you're dealing with. He came in and he's worked with us probably for about 6 months. He's helped hire people, set up job descriptions, figure out a compensation plan, and that sort of thing. That was sort of the "get started" mode. Certainly the least expensive because you're working with somebody local and somebody you can work with on a daily or weekly basis as opposed to a one-time consultant. The second person that I hired, who was a local, is someone that had retired from an ad agency. He had run his own ad agency. He's putting together some of our collateral items now. I think that's important if you're going to have a salesperson going out, they should have something in their pocket folder and I had nothing that goes in the pocket folder. That and direct mail, PR releases, and that sort of thing works good with another retired sort of person. They've got a lot of "think time" they can give you without billing it. It's kind of a neat approach to use their skills and not have to spend a lot.

Bob Hall - How many people here have hired a private consultant in their business? You know we're preaching to the choir here. You know that, don't you? How many have contemplated it and not gone ahead with it? How come? Why?

Audience Member - Sometimes things appear to be going well. Sometimes it's a timing thing. Sometimes you think you're going to get things straightened out and you're going to do. The problem is that you need someone to help you get it straightened out in order to do it. It's like the chicken and the egg. There you are.

Gerry Englehart - I'd like to comment on that. On one hand I can't say that John came with like any stratospheric, rocket science ideas. But the mere fact that we had prepared ourselves on the front end and made the commitment that whatever he said was going to go and that we were going to do it. He gave me a real swift kick in the rear. He told me in no uncertain terms that unless I desired to live a lifestyle of a workaholic, actually, his exact words were, "Jerry, I'm 52 and if you keep on doing what you're doing now, you'll be dead by the time you reach my age and you won't see your kids grow up." Did he have to tell me that I was working 14 hours a day? I really don't think so, *but he (John Stewart) clearly put it in perspective and the fact of the matter is that he really lit a fire under me in that a whole bunch of things that I knew I had to do all of a sudden, within six months were done* and that really laid the foundation for what turned out to be three acquisitions of other companies in the ensuing years, none of that could have ever happened if we were still doing everything we were doing the old way. I knew it and I knew I could get around to it, but the fact of the matter is unless you get a kick in the pants, it doesn't happen.

Al Karnavicius - What I wanted to say, getting back to the earlier point on why you might not consider using a consultant, or what's preventing you. . . I think, in my case, and I think in a lot of other people's cases, it's ego. *You do not want to confirm or admit that you might not have all*

the answers for your business and that somehow by hiring consultants, an admission of defeat or failure, or something along those lines. But I'll tell you, after the first couple of experiences, Keith and I were kidding around earlier and I said, "Which one of us was hiring more consultants?" I'm not sure, it might be a tie. I've hired six or worked with six over the last 18 years and there isn't a single corner or nook in my company that hasn't been changed and rehashed because of those. We have completely revamped our operational workflow issues, we have bonus plans, we have outside sales compensation plans, desktop publishing pre-press workflow. Every single department in the company has improved from working with the six consultants over the 18 years. If I think that if I had it to do over again, my only regret is probably not hiring them sooner, in my particular case. It's that ego thing again. The money, I think, we may have spent \$12,000 or \$13,000 for the six consultants. I think I totaled them up. This is when Stu___ was charging \$120 to come out if you fed him or something like that. It was a little bit more. . . he was the first one in the early days. I've paid as much as \$3,500 for a consultant. In every single case, it was well worth the money. It more than made up for the money we spent. It was money well spent.

Ray Gendreau - I think there's one other thing a consultant can do that has a great value, at least in my experience, and that is that there are some things I know I should do, but they're unpleasant and if I can blame a consultant, I can get away with it.

Bob Hall - Well I've got a question for you. You all have said that you've used consultants and that they come in and work with you in the different departments. Have you ever hired one and paid one and not done what they've said?

Al Karnavicius - Is John here? Yes, John's here. John told me to fire my cousin because he was unproductive and I didn't do it. It was a big mistake and it took me two years. We had to fire him two years later and nobody had to tell me how to do it. The only mistake was to not do it then. You're going to get a list of things to do. In almost every case, when a consultant leaves or when you leave. . . here's the things you've got to do. You're going to do some of them and you're not going to do some of them. That's just human nature. I don't know of anybody who's going to do every single thing that the consultant tells you to do. You're going to do most of them. You probably ought to do all of them, but there's that ego thing bumping again. We're different here; we're a different kind of company. You look back and say, "Yeah, he was right. We should have done that or whatever, but it's too late now."

Bob Hall - Anybody else?

Keith Enstein - A lot of things that consultants will tell you to do, like Al was saying, are very difficult to do. But you also know when they're right, because it usually hurts. You think about it and you don't want to do it, but it gets you inside and you say, "Yeah, it's probably something I should do" and you try to find all kinds of excuses. I did for about five or six years about firing somebody. Finally I did and it was the best thing I ever did....

Gerry Englehart - That's point number 3 on the standard form they give us. . . it's firing people. They always come in and they have to pick firing somebody. For me, it was my production manager. I didn't have the guts to do it and John and I both basically came to the conclusion that there was no way that this guy could implement half of what we talked about and we even questioned whether he understood the other half. How you could have a guy like that running your plant, I'm not sure, but I did it. Within three months after John came in, he was gone.

Bob Hall - Does anybody here have any questions now for the folks here? Anything in particular you would like to ask them about some of their experiences or anything?

Audience Member - Are you left with tools to continue the process?

Al Karnavicius - It varies. In some cases, you're left with very specific tools and a plan of action. In other cases, it's a matter of common sense and just taking notes and implementing them. It's a matter of style on the individual consultant's part. I'll tell you that the six consultants that I've worked with over the years, two of those times they were survival issues. The other four times they were tweaking and fine-tuning and improving and educating issues. The survival times we got some specific plans of action and some tools to definitely implement some changes. The thing that I think is most important is to get over the hurdle that a truly good report is going to give you some information that you're not going to want to hear and that you may not even agree with and you have to get over that fact, get over that little hurdle, and implement what you're being told anyway. A lot of times that's a little difficult if you haven't properly prepared your staff for it, especially the ones that you're going to fire. The bottom line is that I think it's really important to get the staff to buy in to the whole process before it even begins. Some of the consultants will survey the staff and not include you in the survey and basically a lot of times they'll be finding out what you're all about. That's some of the parts that you might not like to hear. One of the things Gordon and I have always joked around about is my job description. What do you do on a day-to-day basis? A couple of times it's been a real head scratcher. If you had to write a job description for yourself, what it is that I do if I was going to replace myself, what would the ad read like? That kind of thing. These consultants have a way of narrowing that down pretty nicely. But you definitely have to be prepared to hear some things and get some procedures that you're not going to like and you're not going to maybe even agree with, but they're 99.9% correct.

Ray Gendreau - I think from the sheet that I handed out you can see that there's two different kinds of consultants that I've been working with. John Stewart came in for a couple of days and did sort of a one-shot "whack you in the head" kind of approach with a 25-page written report of action items that needed to be taken. Well that's one type. The other type is like; I'm working with Bob Moffitt, who's back there. That's a 15-month program. This is an interchange. . . he's almost staff. . . he's going to be working with us for a long period of time. The answer to the question is that there is a whole lot of help in some cases, well in both cases. The "whack in the head" thing, I've got a document I can go back to and go look at this thing and say, "Okay, now, how am I doing?" But the Bob Moffitt, 15-month sort of approach, is tools that are going to be ongoing for a long period of time.

Gerry Englehart - To add on to that, even using the 2x4 approach, you have a consultant who comes in for a specific engagement. I've called John Stewart a couple of times and asked him specific questions or to get a clarification or some fine-tuning. Also, in terms of working with Dave Fellman, a lot of times issues come up. It's an in and out kind of thing. . . present the problem, talk about it, get the facts, and get a proposal for how we're going to fix the issue and deal with it. I have no question that any of our industry-specific consultants who are involved in our industry will do the same. It's not even an issue of dollars because in some instances, questions have been answered, I've been referred to different places, and there's been no charge. Sometimes I get a bill. Again, knowing that you have the resource and the person who is an expert in a given discipline at your fingertips is clearly well worth the cost, if there is any.

Bob Hall - That's interesting. So y'all had a bunch of consultants come in over the years and everything and you're doing things better. Are you guys doing as good as you could be? Are you doing the best right now? Where are you looking then? Hell no is a good answer.

Keith Enstein - I'm not even close. In fact I work with Tom Crowser. I'm a mentor in one of his groups and I'm also in one of his performance groups. Maybe it's just me personally, I need that 2x4 every six months or so. I don't do everything that he suggests or that the team suggests. I do some of it. I need to have that refresher every six months. Our businesses are dynamic and they also change and so what was an issue six months ago, we may have fixed, but something else is an issue. We also keep rising up, we keep getting better, but when you get to "there", there's another "there." You keep growing and you get better and better. But, one thing I also wanted to say that I didn't say in the beginning is that consultants are not silver bullet, they're not a panacea to your problems. It's your business and you're ultimately responsible for it. They can give you suggestions and tell you what to do, but you're the one that has to suck it up and do the work. One of the things I suggest, if you do get a consultant in, that you take some time afterward and sit down and really think about what they said, what you're going to do, maybe include some of your key personnel, and go forward. Don't just jump back into business again and stick the report on the shelf because you've just thrown a couple thousand dollars out the window. . . it's pretty much useless after that.

Ray Gendreau - I think running a business is just a little bit like sex. Everybody in this room is doing both and in the case of one of those, or maybe both, we're not sure that we're doing everything we should do and isn't there somebody doing this better? So consultants can kind of help us on one end of it!!!

Bob Hall - It's kind of like the old story about the Internet. The Internet's like old high school sex. Everybody thinks everybody else is doing it, but not that many people are doing it and those who are doing it are not doing it very well. That's the best I can do with that kind of a line.

Audience Member - I talked to John Stewart last year here and just went over things. We want to bring in a consultant and after talking to John, I got the feeling that he'll come in and make an evaluation and give me his report, you know, this is what you should do, but then people don't do it. What I got from John was that it was very frustrating that some people call back in a couple of months or six months and say that this isn't working. John will ask some questions and he'll find out that they guy didn't implement some of these key changes. Is that what happened to some of you guys? Is that why you had six consultants in the last six months?

Gerry Englehart - Well, speaking from my perspective again. There was an agreement and a mental mind set on the front end. I'm not going to spend \$2,500 or \$3,500 to have someone come in and look under every aspect of my business under the microscope and then ignore them. So, you need to make the decision. This follows exactly what Keith said, "it's your business. Are you going to settle for mediocrity or performance or do you want to be in the best?" I want to be in the best. I don't have a choice. I have five kids. The youngest at this point is 4-1/2 years old. I need to be in this business earning a decent income for the next twenty years. I can't live on \$25,000 a year nor will I. So the bottom line is we are going to be in the upper quartile. I enlisted professional help to help me get there. We are there, but the bottom line is from day one, he walks in the door, he's going to tell us what has to happen, how it's going to happen, and we're going to follow his prescription. If not, then we're stupid.

Al Karnavicius - I'll agree with the stupid part. You have to implement this stuff. We had a top ten things to do and we did every one of them. There were also peripheral suggestions and other

things and we did some of them and we didn't do others. But there was a definite hit list of "here's what has to happen and here's how we're going to do it," so we had a company meeting with all the employees and we put it up on a big flip chart and we said, "We're going to do every single one of these things and we're going to achieve it." Inside of six months, we did it, we pulled it off.

Audience Member - What was the response from your employees when the consultant came in and they knew that the consultant was going to make some suggestions to make changes?

Al Karnavicius - I think it's exactly what you would expect it to be. Some of them feel threatened, some of them feel encouraged. . . . you know, the employees are pretty smart. They see that there may be a problem here or there. They understand if you're getting behind on a bill or two or if there's a personality conflict or if the sales are coming. They're not stupid. They really understand that. Some of them feel threatened when you bring a consultant in, especially the ones that should feel threatened. I think that's appropriate. You're trying to fix the problem. You're trying to tweak the situation or whatever. I think some of there are resistant to change, especially production or technical oriented people. "We don't want some outside guy coming in here telling us how to do our job. We know what we're doing." Well, no you don't. If you knew what you were doing, we wouldn't be calling this guy. They're a little resistant to change, but you just have to blaze right through that and deal with it and if somebody doesn't want to buy in, fire them and get them out of there. That's just it.

Audience Member - So, you pretty much just laid everything out on the table with your employees and told them you had a consultant coming in and the whole thing?

Al Karnavicius - In my case, I think I went and visited two of the consultants that I had worked with, Dave Fellman and Tom C., and spent big bucks to do it. That was a very valuable experience, as dumb as it sounded, but it really worked out very well for us. The other times they came in. We told them we were seeing consultants and, in fact, with Tom, Pam went and interviewed all the employees while Tom was digging into the financials. Their two-day visit was pretty intense on the employees because they did a lot of one-on-one interviewing of the employees. I found out a lot about myself during that time.

Gerry Englehart - I'm going to put a little bit of a different spin on this. You can have your people be scared that this guy's coming in with a baseball bat and a broom and he's going to clean house, or you can put a little bit of a different spin on it. We are winners and we are going to grow our business and we are going to be one of the best print shops around here, both in terms of environments in which to work and in terms of a solid company. The fact of the matter is in all of the newspapers there are issues of companies downsizing and going out of business with problems. If you put a proper spin on it, if you have an opportunity to grow your business, and you could be better than all the rest of the joints out there, you can turn around and get your employees enthused about the fact that they are working on a willing team with a willing company and as the company grows and goes and is more successful, they're going to be more successful also. I think if you put the proper spin, not that this guy's coming in to beat everybody up, but hey, we are going to move! We are going to be movers and shakers in this town! We are going to take an industry that is consolidating, that has a lot of old type members in there that want to retire, and people who don't know what they're doing, and we're going to be the guys who are buying up the other companies, and we're going to the ones that are growing, and we're going to be the ones that are going to be preeminent in the marketplace, you won't have any problems making changes. These guys will be willing to do whatever it is you want, whenever you want, and however you want....

Our average tenure with our company. . . I mean we've got people who've been there longer than I have. . . in any other companies we've bought. . . the employees we have wanted to keep have all transitioned over into our company and they all think they've died and went to heaven because we're decent people to work for and we respect their opinions and we do have a group effort. The bottom line is that these are all keepers. The ones who don't want to work and don't want to pull their weight get chased out the door and I'm not the one who does it.

Bob Hall - Do you talk to other business owners, other than just in general? In terms of networking, etc.?

Gerry Englehart - I happen to be a member of YEO (Jr. version of YPO). It's for young business owners with businesses that have over 10 employees, doing over \$1M in business, and you have to be under 40. I got into that organization when they were trying to start a new chapter. I happened to have been 39 at the time and there was a special waiver from California for me. There are about 20 guys, all about ages 35 to 45, that own their own business and we do kind of tap into each other and we do try to help each other out with problems. I'm subscribed to the Print Owners Online Net, which is worth its weight in gold in terms of being able to go and lay problems on the table and you'll get more answers that you'll know what to do with. Again, it's a question of reading trade journals, talking to people here. You know, there isn't anybody around here who, we all have the same common problems. Life's too short. . . I can't make all the mistakes myself.

Ray Gendreau - Can I address this thing also? There's also this thing called peer groups. I guess everybody knows what they're about. I guess there are various forms of them all over. I'm a member of a peer group and I think it's absolutely great. We're meeting four times a year. We meet for two or three days at a time. We met here before the session started. We have to lay it all out, everything about you; I mean even where's the secret coming from sponsoring the fact that you can go broke while running your business. The peer group really puts peer pressure on you to be able to perform at the rates and the commitments that you make to the group, so that's a networking group of printers. You've got a networking group of local businessmen and you can probably get some business out of that too. That's good. I can't get any business out of these printers.

John's going to hate me for this. John Stewart was very instrumental in helping us get it set up. He's decided he wants out after he got it set up. Maybe he can be talked into setting up another one. We're kind of on our own now. He did a good job. He got us to the point that we can run it without him. So, yes, we used John Stewart as a consultant to get the peer group started.

Bob Hall - John, this kind of a consulting question. What kind of things do you do when you're getting people together, even if you're not in the business anymore, of putting together a peer group?

John Stewart - It's not that I'm not in the business. What I decided is that it was not by role to go out, I'm not a salesperson. My role was not to go out and get people in this group. I was not out selling something. What I did often do was, if there were a group of three or four people who were interested in forming a peer group, I'd go to one of meetings to pull it all together. I help start it, get it going, but then I want to move on. The best peer groups that I've seen were started by one or more printers who said, "Let's get three or four more printers. . . how many does it take? Maybe we can pull this off." At that point, maybe you bring in an outsider who puts the

finishing touches on it, sets a date, picks the place, gives you the itinerary, and says you better show up. It's really not that difficult to start, but it starts at the print shop level, not at the consultant level. You may hire other consultants or speakers to come in. There are peer groups that survive for ten or fifteen years. Sometimes they collapse because they were ego trips.

Audience Member - In your experience of hiring consultants, it seems to me that the consultants all play a different ball (operations, finances, sales, DTP). Is there a particular situation that needs more attention than others?

Gerry Englehart - For me, it was just the question of I knew we needed some tweaking. I'm going to borrow what Ray said before. There's certain things I had tried to do and was getting resistance, so I used John Stewart as the marquee of saying, "Hey, we're bringing in the pro. Whatever he tells us to do, we're going to do," knowing full well some of the recommendations he would make. I just wasn't satisfied with my quality of life and I knew that he would come in and, just like the accountant does at your end, he'd come in and give me a report saying here's what you're doing right and here's what you need to fix. That's exactly what I got.

Al Karnavicius - The biggest area that we needed help on a number of occasions was in reading, analyzing and acting upon the financial data for the company. Being able to analyze our financial statements. I'm a very non-financial person, but I have forced myself to learn how to read a P&L and how to look at a balance sheet, and kind of sort of understand what that means. But really I have no experience training and analyzing any of that stuff, so that was a real big boy. In the early days of this industry, basically if you had a pulse you could succeed. There wasn't really much more required than that because the demand was by far outstripping the supply. You opened the doors and people just beat a path to your door and you could just be an idiot. We competed with a lot of idiots, but you could just be a really poor businessperson and still make a buck. But it's not like that anymore and it hasn't been like that for some time and I think it's going to get even tougher as we get down the road. So the lack of those business skills, particularly for me in the financial area, really rise to the top immediately and need to be addressed and continues to need to be addressed. I'm a squiggle, I'm not a pyramid or a square or a circle. I don't do details too good, but that's where we really needed the help and probably will continue to in the future. I'll tell you that we've gotten to the point where we not only get a financial statement every month, we create it. We use our accounting software and the day that the bank statement comes in the mail is the day we print out our profit and loss statement for the month. Six or seven days after the end of the month we are analyzing our numbers. We never used to do that, but we do now.

Bob Hall - Anyone else?

Keith Enstein - We needed help everywhere. That's why we had six different people. Basically where I started was, I was working long hours and I wasn't making any money. I know that's a shock to everybody here. I think that's rampant in our industry. As I stated before, we used John and Tom Crowser. As operations and management consultants, they helped me get back on track and squeak out another 4-5%. I want more and there's more to get.

Audience Member - Is there any one thing after a consultant came in or made a recommendation, is there any one thing that really stood out and really changed the way you're doing business?

Ray Gendreau - There was for me. I knew that I hadn't done any direct mail. I knew I hadn't put up any collateral. I knew I hadn't done any marketing. I'd just been building an organization by putting in better equipment and hiring better people. I didn't have any time for that. The sales

were growing, so what the heck. ***John Stewart made that the number one problem that I had, that I had no marketing, so there was no more coal in the engine.*** This thing was going to die on the tracks somewhere if I didn't keep it going. So really helping me focus in on something that I should've done on my own, there I was. I needed to have sales, marketing, to get this whole thing rolling. That's why I'm now working with Bob Moffitt, my local ad agency guy, and really focusing in on that. At the same time, he told me that my production manager was (he didn't have a high opinion of my production manager), although the production manager had a very high opinion of himself. He's 28 years old and has a very high opinion of himself. . . some of it is justified, but. . . John didn't really say fire him, but he got close. I have got him in Dale Carnegie training and it's been going on for about 8-9 weeks and I think we may make a human being out of him. John was instrumental in helping me understand that as well.

Al Karnavicius - Getting back to the one moment that makes a big difference. There have been several. Once again, the very first consulting we had – we waited way too long. ***We had John in the late 80s. It was an intense consulting session.*** The bottom line was a monthly mailing program. We weren't doing enough and the one lesson that remains is that it's much more important to be out there every month as opposed to whatever you're mailing. It doesn't really matter what you're sending as long as you're sending it out consistently every month, so direct mail's been a direct source of some very large clients that we've acquired over the years. The other thing was from my Tom C.'s visit, which basically revamped our entire production workflow. We have a published. . . the theory was that when a front counter or salesperson was making a promise to a customer, it was always a roll of the dice. Maybe we can get it done, maybe we can't. Now we have a published firm deadline structure on how long things take to do, and convincing the press operators to print everything in the rack every day as opposed to if we print everything today, what will we print tomorrow. Getting over that hump was a great big deal, but we did! I know that if I plug in a job, I know how long it takes for the proof. Those two were the biggest deals for me. The model for who does what and having the production manager be the production czar, being the connecting point between sales and production and fulfilling all expectations that they've been promised. That model is one that we've gone to in just the last three years and that model, combined with all the other things, has made an incredible difference. Basically, we're doing the same volume today with 7 full-time and 2 part-time people that we were doing with 13 people two years ago. It's just the efficiencies of doing that and they are all getting paid more than the 13 people were before.

Gerry Englehart - I don't know if I had one major thing stand out, but ***within 90 days after John's visit we had PrintLeader up and running. 128 days later we had a bonus plan set up, we had remodeled our office to get me out of everybody else's business, we fired a production manager, and we changed our job numbering system, all of which had material dollar effects as well as just operating effects helping us set the table for what was to come.*** In terms of Dave, we were having problems with a salesperson that subsequently left me. Unfortunately, he quit and then left me 9 months later. Dave helped me define what it was we needed. He came up with a plan for hiring the person, helped me interview candidates, developed a compensation program for new hires, and has been an advisor for me as well as for her. To me, this was a tremendous help and success. I was clueless, but for whatever Dave charged me, it was clearly worth it. Return on investments cannot be measured. We're trying to take the next step in sales, staffing, structure, and again, I'm working with Dave to define those.

Keith Enstein - I probably had one of those moments, but we've been using consultants so long that I've lost them over the years. I think probably two of the biggest things were understanding financials. Not coming from a business background, it took me a while, and recently, not understanding a cash flow statement. Now I love that thing and it makes a lot of sense. In

operations, as well, with using Crowser's system, it has helped us to understand all our jobs, and even mine. It clarifies and makes our operation run a lot smoother.

Audience Member - I feel we have a very good hands-on accountant right now. Would Tom work with my accountant to educate him in the printing business?

Gerry Englehart - Let me answer that, being a former accountant. Your accountant works for you. I think to quote John Stewart, "If he doesn't do what you want, fire him." Like Keith said, "Accounting is accounting." If Tom is going to say that you need to set your financial statements to match industry standards. If you can open up the operating survey and you can match your financial statements against the industry benchmarks, your accountant better do it. If not, get a new accountant. That's the end of the discussion. The other thing I tell you is, "Don't talk about getting Tom Crowser. If you can make the decision that you need some help, just do it." Just do it, because you'll just talk about it for the next five years....

Gerry Englehart - For me, I know I take home tubs of billing because we have a standard billing system that lot of people. . . John's sitting in the back laughing. This was a real discovery for him as to how we did things. The bottom line is that half the stuff I used to do I don't do anymore because I've got people to do it and they have standard ways of doing it. So, it has definitely changed my life. I think it has made my employees feel a lot more important and certainly a lot more charged and empowered. Like I said, one of his recommendations was getting me out of our front office work area so people could just do their jobs without me putting my two cents worth in every time they were trying to deal with an issue. You know what, it works. I don't have to decide which courier company we're going to take because it might save us \$.50 or \$.75. That's not my job. So, for me, it helped me to keep me more focused on issues that I really need to be dealing with instead of the garbage I put my nose in the middle of because I was sitting right in the middle of the freeway trying to direct everything.

Bob Hall - Anybody else?

Gerry Englehart - That would be the way I would recommend doing it. I don't necessarily know how well any of the automated systems have an integration into a general ledger package, but the bottom line is it's a trivial thing for your accountant to pull the revenue side of your business and plug it into any general ledger package. The more important thing is which of the automated computer programs works best for you. The accounting side is just extraction. The main focus in how you earn your living is what piece of automated software is going to help you accomplish that best. There are 50 different packages out there that will do everything you want it to do. . . all you have to do is just plug in your revenue side, which is your sales receivables and it'll work fine.

Bob Hall - Anyone else? Let me go to the panel here. Does anyone have anything else they would like to say? Any words of advice to the audience?

Al Karnavicius - When somebody buys a new car and spends \$25,000 - \$40,000 for the car. . . The next day you ask them how they like their car. They say that they like it a lot. I mean, what are they going to say? They just spent \$40,000 on the car. They're not going to say that they really don't like the car. I think it's kind of the same way with us. We've all spent money hiring consultants and so what are we going to say? That it was a stupid idea? Well, I think that if it was a stupid idea, I would tell you that it was a dumb idea. If somebody here asks a question, "Were any of those experiences a waste of money?" I think if any of them were I would tell you they were. It wasn't a waste of money for us. Everybody's got their own personal situation, but I just

think you can go wrong if you need some help or if you want some advice or you want to tweak something or you want to get educated about something. We aren't getting a cut here. It's just personal experience. It's just hard to go wrong. Don't let your ego get in the way. If you think you need somebody, you probably do.

Bob Hall - I know all consultants out there are very well aware of the fate of the Greek philosopher, Socrates, who went around giving good advice and they poisoned him. They try to do the best they can. I want to thank you all for coming. I want to thank the panel very much for this. I hope you got something out of it.

THE END

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