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## **PAY PLANS NEED TO CHANGE—FOR IMPROVED PERFORMANCE**

By Sid Chadwick, [GreensheetBIZ](#)

*Also Inside: In-Plant Printers—Selling a Vision to Management*

“*I’m leaving mostly because you won’t pay me properly for what all the new business is worth that I’m bringing in...and that’s really what I’m good at and enjoy doing...bringing in major new business....I’ve checked, and I can make a lot more in another industry.*” —**Top producing sales rep during an exit interview**

Top competitors—with big ambitions—pay attention!

There’s a major opportunity waiting for your attention in the marketplace.

Four articles in the April issue of [Harvard Business Review](#) are worth your time (Yes, that “foggy” academic publication is different today. It’s readable, it’s practical and it’s actionable). Titles to those four worth-reading articles are: “Getting Beyond ‘Show Me the Money,’” “The Right Way to Use Compensation,” “How to Really Motivate Salespeople,” and “Who’s Your Most Valuable Salesperson?”

After recruitment, testing, interviewing and education and training, print service providers can get lucky and look smart (temporarily). The new sales rep they hired last year is a “top-notch hunter,” and loves to go after—and win—major customers. Then what does a printer do?

Printers ask (and pay) that rare talent to spend much of his or her future time servicing those major accounts rather than continuing to contribute to the company, where he/she is outstanding, bringing in more major new customers.

**Several key points you may want to ponder from those *Harvard Business Review* articles.**

1. Sales compensation plans should be customized to the needs of the company and each top producer, if you’re interested in hiring and retaining top-producing talent. Everyone’s different. Everyone’s needs are different. And everyone’s needs change over time. The income needs and preferred pay plan of a 25 year-old with a young family are dramatically different from a 50-year old seasoned and experienced professional.
2. Inside sales teams are a wave of performance for the future. Major corporations recognize that major buyers’ needs and expectations are changing. Immediate answers and access to important information are critical. And new technologies support innovative and multiple ways to develop performance with important customers through inside sales teams, including placing customer service reps (CSRs) inside your top customer organizations.
3. Sales performance bonuses tend to be neglected. Yet, research shows repeatedly that when bonuses are used for upping performance in a specific area, results do occur. Bonuses should be used to focus attention and performance where a company wants and needs it most, and where such performance will contribute to the company’s strategic needs in the future. Most organizations in the printing industry have customer markets and production areas they want and need to grow, but there’s seldom any difference in commission plans. Too often, printers still have a “volume wins” mentality. It’s like the industry is “stuck” on what everyone else is doing.

**Compensation Plan Tips** – If you recognize that having a top-notch and correctly sculptured compensation plan is critical for every top position, and not just the top sales reps, then here are a few tips and observations for you:

1. If your compensation plan isn’t in writing, you probably don’t have a compensation plan.
2. Compensation plans should be reviewed, along with the company’s changing needs—at least yearly.
3. Compensation plans should outline the investments the company has made, and will continue to make, on behalf of the sales rep (and other key personnel). Examples include but are not limited to: (a) CSRs and technical support, (b) upgrades in software and equipment, (c) entertainment and travel expense support, (d) education, training and professional development to the needs of the individual, (e) what compensation to expect for... ***Continued on Page 2 >>>***

## **NAMES IN THE NEWS**

- ◆ **Brian Bowers**, vice president and chief technology officer of Bell and Howell, was elected to the board of directors of the National Association of Presort Mailers. Bowers is a recognized expert in the sorting industry and will serve a two-year term on the board.
- ◆ **Laurie Hall** was named the U.S. Government Publishing Office's managing director of the agency's Library Services and Content Management department.
- ◆ **Bill Petrie** joined Proforma as director of sales development and training.
- ◆ **Joe Rodriguez** was named project manager of Harris & Bruno International.
- ◆ **John P. Alden** was appointed vice president of sales at Avanti Computer Systems Limited.
- ◆ **Bill Steenburgh** joined Pitney Bowes as senior vice president, global services, small and medium business and enterprise solutions.
- ◆ **Kevin Cushing** became president of Alliance Franchise Brands' Marketing & Print Division.
- ◆ **Rick Littrell** took on the role of vice president of direct hires and tech-creative talent at Semper International.
- ◆ **Brett Newman** was appointed managing director of Roland DG, UK & Ireland.
- ◆ **David Fletcher** was recently promoted to senior manager, Strategic Alliance Group, Toray Plastics (America).
- ◆ **Johnny Bobbitt** became a planner at Classic Graphics, and **Jay Radford** was named project manager/business analyst.
- ◆ **Robert Reddy** was promoted to senior vice president of large format solutions operations at Canon Solutions America.
- ◆ **Aaron Grohsas** was named president of AlphaGraphics.
- ◆ **Paul Leib** became chief financial officer at BLUE Software, LLC.
- ◆ **Roxanne McSpadden** was appointed marketing director, graphics for Materials Group North America at Avery Dennison.

## **(Cont.) COVER STORY—PAY PLANS**

...what types and levels of performance. Note: As hard as this is to believe, many sales reps and CSRs on a pay for performance plan do not understand the details of their compensation plans.

**4. Keep it simple.** As one expert offered in one of the *Harvard Business Review* articles: If you can describe it on one side of a business card, that's the way a good plan should work.

There's an opportunity to examine your compensation plans, opportunities in your markets, what you really want to accomplish, and then develop additional incentives for: (a) where you need additional performance, and (b) where the marketplace is providing opportunities.

*The fact that the printing industry is generally "stuck" on a straight commission plan represents a major opportunity for the ambitious organization.*

All customers' revenue streams are not of equal value. Major new revenue streams are not of equal value to repeat customers' revenue streams.

Identify the talent you want, the performance you want, and then put together a compensation plan that serves both. (And it should not be based on what everyone else is already doing, though therein lies the opportunity.)

*"Copying what everyone else is doing is the surest path to mediocrity."* — Source Unknown.

*Sid Chadwick is a [GreensheetBIZ](#) associate editor and principal of [Chadwick Consulting](#).*

## **IN-PLANTS: 11 TIPS FOR ROI & SELLING A VISION TO MANAGEMENT**

*By Michal Gatti, Fairfax County Government Print Services*

**A** few months ago, I delivered a presentation called "Building an ROI and Selling Your Vision to Upper Management." In the conference session, I offered detailed tips about what data in-plants need to gather, track and use to effectively communicate value, vision and needs, and to develop a business case and ROI that resonates with upper management. The reaction was so positive, that I was asked to sum up the presentation into some key insights. Here they are:

**1. Why build an ROI?** An organization has many competing priorities. Be creative in how you present your need for equipment or software. It's not always about the dollar amount.

**2. Build one, three and five-year plans.** Data collection is key. Look to see when leases refresh, check timelines on equipment expiration and review staffing. Align with salary structure, rates, hours each person works, etc. Chart it all out. More information increases your credibility.

**3. Create mission, value and future statements, as well as a print center overview (core purpose) so that you have them ready if objections arise.** Re-examine and keep re-positioning as time passes; make sure the vision and mission hold true with new technology and your evolving customer base. Being ready and current communicates to budget decision makers that you are adept in your role.

**4. Have example documents/items to visually show the type of jobs the equipment produces, staffing to produce them efficiently.** Know customer demand.

**5. Future plans: Create "future state workflows" with costs, options, goals and benefits, timeline and rationale.** Track and analyze. Sell the picture. When replacing staff, seek people that have multiple skills and that support this future vision.

**6. Track outsourcing: Track the types of jobs, how often, how many and the cost. Use data to support purchase of equipment or capabilities.** [Rochester Software Associates'](#) Web to Print software ([WebCRD](#)), for example, can track jobs sent out. Want ideas about what to track that is outsourced? Try by dollar cap, type of finishing, book page count and turnaround time. Input outsourced categories into a spreadsheet. Make your tracking relevant to why you need specific equipment, software.

**7. ROI for web to print: Web to print is for customers, not just the print staff.** If you want web to print, don't sell it for the print shop. Ask for it because it's for everybody. It's a global piece that everybody in your organization will have on their computer to send a job to the print shop. Use a production dashboard to manage production and the workflow and provide customers status emails and updates. You will need fewer customer service reps to manage workflow. Consider a dual position with one hire since so much time is...

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**AWARDS**

- ◆ **Davita Vance-Cooks**, the U.S. Government Publishing Office director and an OutputLinks Communication Group Woman of Distinction, was selected by the editors of *FedScoop* as one of D.C.'s Top 50 Women in Technology.
- ◆ **GMC Software Technology** (GMC) was named Xplor's Technology of the Year for the company's Inspire Dynamic Communications, a new technology within GMC's Inspire customer communications management platform.
- ◆ **Benny Landa**, founder of Landa Corporation, was named Printing Industries of New England's (PINE) Industry Influencer Award recipient.
- ◆ **Sonoco's** display and packaging division won four awards at Point of Purchase Advertising International's (POPAI) 56th annual Outstanding Merchandising Achievement (OMA) Awards competition. The awards included: Gold award, temporary division, food category – Nestlé Coffee-mate 2GO launch floorstand display; Silver award, temporary division, food category – Nestlé Skinny Cow Iced Coffee launch displays; Silver award, temporary division, home and garden category – Robert Bosch Dremel Micro8050 national launch displays; Bronze award, semi-permanent division, mass merchandise retailer category – Nestlé NESCAFÉ Dolce Gusto inline demonstrator for Target.
- ◆ **Timothy Freeman and Kathy Sandler** will receive the 2015 Gold Key Award from Gamma Epsilon Tau, a graphic arts fraternity, in a ceremony in New York City on May 28. Freeman is President of Printing Industries Alliance, and Sandler is senior manager, content applications and digital workflow development at Penguin Random House.
- ◆ **Duplo USA Corporation** was awarded the 2014 Hardware Partner of the Year by Xerox.
- ◆ **FASTSIGNS of Lima/West Central Ohio** received *Wide-Format Imaging magazine's* Project of the Year Award.

**(Cont.) TIPS FOR IN-PLANT PRINTERS**

...freed up through automation. Look at the number of touches and how many you can remove with web to print. Look at the physical steps that can be removed to show how much time can be saved in the print shop; those saved steps are dollars you can save and to be more efficient for your customers. Make it easy for your customers to get work in the door to you. I used RSA's ROI calculator to calculate Fairfax County Government Print Services' ROI. See [rocsoft.com/build-a-better-in-plant](http://rocsoft.com/build-a-better-in-plant).

**8. Track usage, hours and staffing for equipment and job types.** This helps determine equipment and staffing needs and supports the business case when there is a need for hiring or equipment purchase. New equipment can satisfy and retain staff—it's an employee satisfier.

**9. Understand buy vs. lease costs.** Do your homework.

**10. Work with trends and your organizations key initiatives:** Going "green," reducing noise, lowering power consumption, cooler operations, less waste, better safety features for employees, etc., are all examples of current trends. By understanding what is important, you can address those areas are part of your ROI.

**11. Know your audience.** What is their hot button? Cost? Efficiency? Know your clients' needs (use survey results). Use visuals like infographics. Talk value over price. Know to whom you are presenting your case. Tell the story with pictures. Addressing your audience with a good presentation, well thought out facts, and compelling visuals strengthens your business case and demonstrates that you have conducted your research.

See the full video presentation on this topic and download the "7 Steps to Sell ROI" infographic. Visit [bit.ly/1bch7IW](http://bit.ly/1bch7IW).

*Mike Gatti is manager of Fairfax County Government Print Services, where he has responsibility over offset sheet fed and digital production equipment.*

**RESPONSE RATES: EMAIL, SOCIAL, DIRECT MAIL ARE MOST POPULAR**

According to [The Direct Marketing Association](http://TheDirectMarketingAssociation) (DMA), the modern marketer is a multichannel strategist, relying most heavily on email, direct mail and social media. The DMA is the world's largest trade association dedicated to advancing and protecting responsible data-driven marketing

DMA's 2015 *Response Rate Report*, released this month, revealed 65 percent of respondents use two or more media types in their marketing campaigns, with 44 percent reporting they use three or more.

Of the key channels examined by DMA (Mobile, Email, Online Display, Paid Search, Telephone and Direct Mail), email ranked at the top with a full 83 percent of respondents reporting they used the channel in their marketing campaigns.

"Most organizations do not rely on any single type of media or channel for their campaigns," said **Jerry Rackley**, chief analyst for [Demand Metric](http://DemandMetric), which partnered with DMA on the report. "In fact, just 35 percent of this study's respondents claim to use just a single one, and that one is most often email." Rackley added that 44 percent of the survey respondents use three or more channels. "When this is the case, those media are most likely to be email, direct mail and social media," he said.

While mobile represented the smallest sample in this survey, indicating that it is not yet fully utilized by marketers, it shows the greatest promise for growth over the next 12 months, with 73 percent of respondents indicating plans to increase their usage. Moreover, the mobile channel is rarely used on its own. The report found that 98 percent of mobile users employ at least three types of media in their campaigns, and 65 percent use at least five.

"In the increasingly digitized and omni-channel marketplace, consumers expect to explore products, perform research and engage with merchants across a wide range of tools and channels before completing a purchase," said **Gina Scala**, DMA's vice president, education and professional development. "Marketers have therefore intensified their efforts to connect with consumers at as many key touchpoints as possible."

This year marks the first time social media advertising was measured in this study. Although a relative newcomer, social media is projected as the second fastest growing media type in this survey, with 64 percent of respondents planning to increase usage in the next 12 months. It also has one of the lowest cost per acquisition of all the media covered.

*The report is available at the DMA Bookstore. See [thedma.org](http://thedma.org).*

**SCUTTLEBUTT & OTHER SUNDRY STUFF**

- ◆ More than 7,500 attendees from around the world attended the 40th annual [Graphics of the Americas Expo & Conference](#) (GOA), held Feb. 26-28 at the Miami Beach Convention Center. GOA noted that the special 40th anniversary show was a hotbed for sales, activity and widespread education. **George Ryan**, GOA president, said, “The excitement on the show floor was contagious, where a large volume of sales and signed dealer agreements were reported...GOA is truly the ‘Gateway to Latin America.’ We are thrilled to see so much activity and enthusiasm within the industry.” An array of educational session tracks covered the latest information in prepress and production, InDesign and Photoshop, sales and marketing, wide format and more. Next year's show will take place Feb. 18-20, 2016 at the Miami Beach Convention Center. Visit [goaexpo.com](#).
- ◆ [Staples Advantage](#), the business-to-business division of [Staples, Inc.](#), launched Print-to-Store, enabling customers to order print jobs through [staplesadvantage.com](#) and pick them up at their closest Staples store.
- ◆ [EDSF](#) is accepting applications for several scholarships for outstanding students in graphic arts, document technology and communications, for the 2015-2016 academic year. Applications must be postmarked by May 1, 2015. See [edsf.org](#).
- ◆ [The National Print Owners Association's](#) (NPOA) mailing pricing survey shows that, despite the rise in e-commerce, mailing services are still an important part of the job mix for quick and small commercial printers. Average sales for the survey group were \$2,639,879 with 71.62 percent of sales coming from printing and copying and 28.38 percent coming from various mailing services. Some 22.3 percent of mailings were First Class while 71.9 percent were standard postage. Parcels and periodicals combined accounted for only 3.8 percent of the total. See [printowners.org](#).

**Nathan's Notes from GreensheetBIZ Guest Contributor Nathan Jamail**

Consider these three practices to communicate, engage and influence your company's team members.

**1. LEARN TO COACH** – The word “coaching” is used in business today as much as the word “culture,” but in the same way that “culture” is used in most organizations, it is merely a word with very little impact or “law.” Leaders tell their managers to coach, but they never teach them how to coach. Many managers may say, “Hire good people and then just let them do their jobs.” This strategy will suffice if a leader is content with never making their employees better.

In professional sports, a coach drafts the best player they can find and they commit every day of their professional life to making them better. In business, it is the leader's job to hire great people and make them better. The key to start coaching is to change the mindset from managing to coaching. To accomplish this, the leader's actions must change from a reactive approach—of getting involved when needed—to a proactive approach of getting involved before they are needed, in order to prepare the employee to win.

**2. KNOW WHAT TO COACH** – A very important factor in coaching is understanding what to coach. Leaders need to stop focusing on just product and industry knowledge and begin to focus on perfecting soft skills like communication, personal interaction, body language, voice inflection and the transfer of positive energy. Envision what you consider great customer service and bad customer service, or what separates a top performer and a bottom performer. The most adept leaders have harnessed face-to-face communication. In baseball's World Series, the greatest players are still practicing the fundamentals, such as throwing and catching the ball. In business, we must do the same, and practice repeatedly throughout the duration of a career.

**3. IMPLEMENT A PRACTICE PROGRAM** –

When one thinks of a practice program, they may instantly feel overwhelmed and attempt to outsource it. This is a big mistake as leaders of an organization need to be a part of their practice program—and it is not nearly as overwhelming as one might think once it is kicked off. Team engagement and immediate success and results will snowball this into full blown commitment on everyone's part, making it even easier and more effective. The hardest part? Getting it started and staying committed.

*A first and simple step is to implement weekly practice sessions that the leader mandates and runs.* Just like if a parent wants to coach little league sports, the key is they must make the team practice during the week, so they win on the weekends. In fact, similar to little league sports, the more serious the competition and priorities placed on winning, the more practices take place. In business, everything is serious and competitive when it comes to success and winning, because winning matters. Learning to practice is almost as hard as learning any new skill. It will feel awkward, redundant, uncomfortable and hard at times, but just like parents tell their kids, “If you want to be the best and win, then you have to practice.”

While social media and a litany of gadgetry have streamlined our ability to connect and interact, there will never be a substitute for stout communication skills. Focusing on these time-honored skills and building better teams in business will make us all more prepared and more successful—today and tomorrow.

*Nathan Jamail, president of the [Jamail Development Group](#), and author of the best-selling [Playbook Series](#), is a motivational speaker, entrepreneur and corporate coach. Jamail's most recent book released by Penguin Publishers, [The Leadership Playbook](#), is at [NathanJamail.com](#).*

