

WELCOME TO

*End the Frustration: How to Cost & Produce
the Job Right Every Time!*

signmedia
CANADA
www.signmedia.ca

By

David King

Commander of Results



Part 1

The Cost of Raw Materials: Understanding what it really costs

* NOTE: All dollar references in US currency, to be converted to CDN funds



What \$ Does it Take to Get Into Large-Format Graphics?

60" Printer	\$15k to \$30k
60" Laminator	\$12k to \$30k
60" Die Cutter	\$5k
Panel Saw	\$3k
Light Table	\$6k
Misc.	\$10k
Good Consultant	\$7k
Typical Cost	\$60k



What Technology & Resources Does it Take

Space	1000-1500 sq. ft.
PrePress	Know Files & Colour
Design	Ability to Design
Printer Operator	Typically Male
Finishing Person	Typically Male
Installer	Outsource?
Sales People	\$350k after 9 months



Why Should You Setup Your GL Properly?

Your Book Keeping System Can ONLY Give you Good Information if you Set it up Properly!

\$ 1000 – is **Assets** (your Inventory & Bank Account)

\$ 4000 – is **Sales** (Everything You Sell)

\$ 5000 – is **Cost of Good Sold** (What You Paid for What You Sold)

\$ 6000 – is **Expenses** (What You MUST PAY to keep Your Business Running)

If You Setup for your departments to have an Asset Account, Sales Account, and a COGS account, you can track each department to see if it is making or losing money.



Examples

COGS

Material (vinyl, ink, etc.)
Royalty Free Images
Contract Labour
Outsource Materials
Overtime Labour
Commissions Paid
Freight

Expenses

Rent
Payroll
Advertising (web, print etc.)
Auto Expenses
Office Expenses
Insurance
Equipment Lease
Professional Fees
Bank Fees
Postage
Depreciation
Utilities (phone, power, heat, etc.)



How Should You Setup Your Books

Expenses vs. Cost of Good Sold?

Expenses are the money expended each month to run your business. This includes ALL expenses that you MUST PAY to keep your business running.
 Cost of goods sold are the money spent on items and services that are DIRECTLY related to producing a sale.

Expenses

6-1000 Marketing -Print, Advertising, WEB, Radio, etc.
 6-1080 Contributions and Donations
 6-1200 Dues & Subscriptions
 6-1230 Contributions & Donations
 6-1250 Auto-Parking, etc.
 6-1275 Fuel - Mileage
 6-1300 Equipment Lease
 6-1350 Equipment Rental
 6-1400 Insurance
 6-1500 Interest
 6-1600 Late Fees Paid
 6-1650 Bank Fees
 6-1700 Leasehold Improvement Expense
 6-1800 Legal & Accounting
 6-1850 Visa/MC/Amex/Discover Fees
 6-1900 License Fees
 6-2000 Maintenance & Repairs
 6-2050 Computer Maintenance
 6-2100 Media Bookings
 6-2200 Office Supplies
 6-2250 Computer Supplies
 6-2300 Postage & Delivery
 6-2400 Rent
 6-2450 Shrinkage/Spoilage
 6-3000 Depreciation Expense

6-5100 Payroll
 6-5110 Wages
 6-5120 Employee Day Care Expense
 6-5130 Employer Expenses
 6-5140 Payroll Service
 6-5150 FICA-Employer
 6-5160 Employee Medical
 6-5170 Employee Dental Expense
 6-5180 SUI Taxes
 6-5190 FUTA
 6-5199 Employee Expense
 6-5200 Telephone
 6-5250 Cell Phone Expense
 6-5275 Waste Removal
 6-5300 Travel
 6-5375 Meals & Entertainment
 6-5400 Utilities
 6-5410 Gas/Oil
 6-5420 Electricity
 6-5430 Water
 6-5440 Internet Services
 6-5500 Depreciation Expense
 6-5600 Discounts
 6-5610 Discounts Given
 6-5620 Discounts Taken
 6-7000 Miscellaneous Expense
 6-8500 Bad Debt
TOTAL EXPENSES \$ _____

Cost of Goods Sold

5-1000 Media Billing Costs
 5-1100 Equipment Sales Expenses
 5-1200 Design Cost
 5-1400 Offset Printing Costs
 5-1700 Digital Graphics Costs
 5-1800 Installation
 5-2000 Consulting Costs
 5-2100 Video & Disc Costs
 5-2200 Light Table, Stands etc. Costs
 5-2500 MISC Costs
 5-2600 Events & Promotions
 5-2700 Photography
 5-3000 Cost - Thermal
 5-4000 Freight
 5-5000 Commissions Paid
 5-9900 Freight

TOTAL COST of GOODS SOLD \$ _____

Gross Sales \$ _____
 Cost of Goods Sold - \$ _____
 Gross Profit = \$ _____
 Expenses - \$ _____
 Net Profit/Loss = \$ _____



How do you cost the print?

Always cost the prints by the Linear Foot

You sell the prints by the sq. ft.

1. Ink Cost - 1 litre of ink divided by 750 = CPSF
2. Media Cost - Length of roll divided by cost
3. Laminate Cost - Length of roll divided by cost
4. Board Cost – 48" x 96" use 25 sq. ft. or cost by the LF



Your Cost List Should Look Like This...

WITH YOUR NUMBERS

Product	Ink	Vinyl	Lam	Board	Finishing	LF	Total LF
Banner 13	\$.35	\$.16	N/A	N/A	\$.15	5	\$3.30
Banner 16	\$.35	\$.20	N/A	N/A	\$.15	5	\$3.50
Short Term Vinyl	\$.35	\$.35	\$.35	N/A	\$.00	4.5	\$4.73
Floor Graphics	\$.35	\$.35	\$.35	N/A	\$.00	4.5	\$4.73
Vehicle Wrap	\$.35	\$.90	\$.75	N/A	\$.00	4.5	\$9.00
Window Perf	\$.35	\$1.55	\$.00	N/A	\$.00	4.5	\$8.55
Coroplast w Vinyl	\$.35	\$.35	\$.35	\$1.25*	\$.00	4.5	\$10.35
Dibond w Vinyl	\$.35	\$.90	\$.75	\$5.85*	\$.00	4.5	\$35.33
Foamcore DP SS	\$.35	N/A	N/A	\$1.25	\$.00	4.0	\$6.40
Coroplast DP SS	\$.35	N/A	N/A	\$1.55	\$.00	4.0	\$7.60
PVC DP SS	\$.35	N/A	N/A	\$2.75	\$.00	4.0	\$12.40
PVC DP DS	\$.70	N/A	N/A	\$2.75	\$.00	4.0	\$13.80
Dibond DP SS	\$.35	N/A	N/A	\$6.25	\$.00	4.0	\$26.40

* Because the board is not 4.5' wide, I reduced the cost of the board by 15% to make the numbers work properly.



Determine the value of your printer

YOU ONLY MAKE MONEY WHEN THE PRINTERS ARE PRINTING!

1. How Fast is Your Printer – Linear Feet Per Minute

- 4 ipm = 3 minutes per foot
- 6 ipm = 2 minutes per foot
- Flatbeds need to calculate from start to next board start – must include labour in time.
 - Boards per minute

VALUE OF YOUR PRINTER PER HOUR

This is the number you will NOT do a job for less than this!

- Solvent Printer \$100 to \$250 per hour
- Flatbed Printer \$200 to \$800 per hour



Now You Can Do Your Own Proper Costing

Banner job is 400 banners at 2' x 6' hem and grommet

Banners are printed 2 up so we need 1200' of banner material + 10% (approx.) waste for 1300'

Our cost per LF is \$3.50 for materials so total cost for this job is $1300 \times \$3.50 = 4,550$

Now... how long will this job take?

Take the time for the job and do the math with your printer

Now add these two numbers together and.....

THIS SYSTEM ALWAYS WORKS!



How to Cost the HIGH Volume Jobs

A cost up model is best for these jobs

1. Determine the value of each machine with labour
2. Cost the materials and add 10% for waste/errors
3. Determine the time needed to print the job
4. Multiply the print time by the machine value
5. Add the material costs and the machine value

Example: 400 22" x 24" Sintra Prints on flatbed

- a. 50 sheets + waste (55), of sintra @ \$20 each = \$1,100
- b. 1,615 sq. ft. of ink @ \$.30 per sq. ft. = \$484
- c. 4 sheets per hour print speed = 13.75 hours
- d. 13.75 x flatbed = \$3,437 plus cog = \$5,021
- e. Total = \$12.55 each board or \$3.41 per sq. ft.



Part 2

Product Assembly: Tricks of the trade to help improve your estimation

* NOTE: All dollar references in US currency, to be converted to CDN funds



BUSINESS RULES!

✓ Know Your Limits!

- ✓ Always ask your customers what they expect from their graphics
- ✓ Colour is free, you only pay for the materials
- ✓ Always make it clear as to what you will do for them and how much it will cost
- ✓ Know your printer speed - so you can calculate the job time
- ✓ Just because someone else can do the job for less, does not make it better



I always use a contact manager

The screenshot displays a contact manager application with three main panels:

- Left Panel (Contacts):** A list of contacts arranged by name. Visible contacts include:
 - 1 First Line Pro Answering Services (Worcester, MA)
 - 360 Signs (Austin, TX)
 - 3C's Collision (Cortland, OH)
 - 4 Over, Inc. (Glendale, CA)
 - A & J Auto Clinic Inc (Quincy, MA)
 - A Sign & Graphics (Hardwood, MD)
 - AAA Signage (Medford, MA)
 - ABC Signs (Appomattox, VA)
 - Academy Glass Svc (Ayer, MA)
 - Accent Banner (Medford, MA)
 - Access Bolton Television (Bolton, MA)
 - Accounting Solutions, Inc. (Worcester, MA)
 - Acme Auto Body Repairing, Inc. (Leominster, MA)
 - Act Fastening Solutions (Lawrence, MA)
 - ACT Secured E-Recycling (Concord, MA)
 - Action Unlimited (Concord, MA)
- Center Panel (Calendar):** A calendar view for January 2015. It shows a grid of days with various events and tasks scheduled, such as "Kids with Me", "Trash", "Call Keith...", "Article for...", "Call to get D...", "Morgan - D...", "Fiona in Toronto", "Review ne...", "Kids with Me", "Review wit...", "Fix Electric a...", "Ethan's bli...", "Kids with Me", "Ethnan's birthd...", "Kids with Me", "Trash", "Review Ne...", "Install graph...", "Call service oil", "Pickup FL...", "Drama Club...", "Wrap Bus", "Morgan...", "Kids with Me", "Kids with Me", "Pickup b...", "Fix m...", "Pickup...", "Kids with Me", "Pickup St...", "Call for H...", "Fiona in Indiana", "Kids with Me", "Kids with Me", "Fiona in Indiana", "Trash", "Morgan - D...", "Install M...", "Design new...", "Pickup...", "Check ou...", "Go to NY then to Cape to check out new...", "Go to NY then to...".
- Right Panel (Projects):** A list of projects arranged by name. Visible projects include:
 - Atomic Design-Nike Foam Wall-DK150122
 - Boston Public Library-Totem-DK150120
 - Boston Public Library-Vinyl Samples-DK150124
 - Crimson Acres
 - Flexcon Company-School Supplies-DK141001
 - Greater Pittsburgh Dek Hockey-Recreate Banners-DK141212
 - Harpoon Brewery-Beer Tickets-DK150128
 - Harpoon Brewery-Beer Tickets-DK130710
 - Harpoon Brewery-Beer Tickets-DK120513
 - Harpoon Brewery-Beer Tickets-DK141030
 - Banners-DK140312
 - er CV & Beatles-DK140114
 - 150128
 - er Bus-DK150109
 - ubes-DK150109
 - trize Wheels-DK150112



Sales Tools

The following tools you must have



Fat Max 25' Tape



Digital Camera or Smart Phone



Pantone to Process Guide



Sales Kit



Pad of Paper and a Pen



Sales Presentation

Take a photo of the opportunity, then...

BEFORE



DURING



AFTER



Sales Presentation

Take a photo of the opportunity, then...



BEFORE

AFTER



Sales Presentation

Take a photo of the opportunity, then...



BEFORE

AFTER



Part 3

Installation: What you must know to ensure a successful outcome

* NOTE: All dollar references in US currency, to be converted to CDN funds

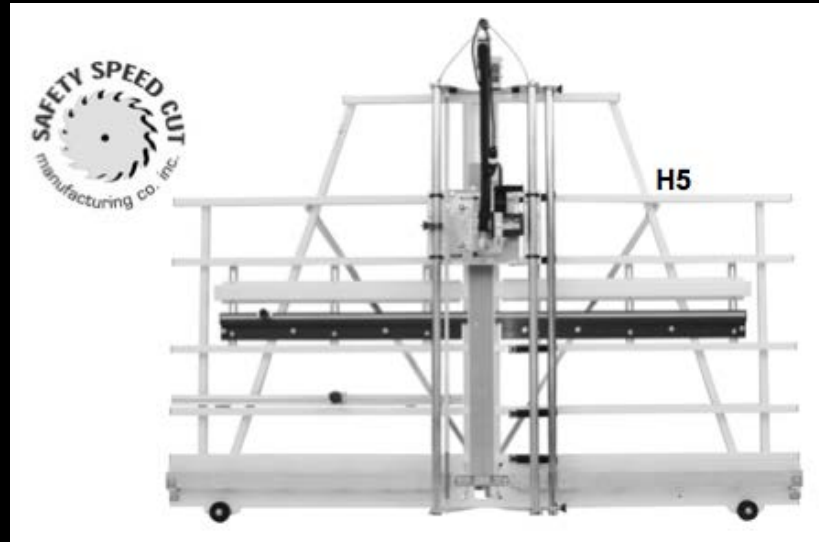


Proper Tools



Glass Light Table

Proper Tools - Finishing



Proper Tools - Banners



Proper Tools - Installation



Who to call for installations

PDAA.com
Local Installers

Always get references from installers
You NEVER know until you ask!



What must you have for a
successful installation?

A complete understanding
A proper working environment
Proper tools & proofs
The right material
Enough time & patience



Thank You for Attending
End the Frustration: How to Cost and
Produce the Job Right Every Time!

Questions?

David King
Commander of Results



Print Shop Makeover

Guaranteed to put \$50,000 on your
BOTTOM LINE!



This Handout Can Be Found
at our Web Site
Click "On The Road with Dave King"

David King
Commander of Results

1.888.THE.KING (843-5464)

