



**2002  
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**QUESTIONNAIRE RESULTS**

Normally these columns are all my own words, as demonstrated by the mildly disguised dyslexia. Any one who has seen my hand writing will agree that it is amazing how the technology of word-processing can turn the functionally illiterate into a passable scribe. Having an opinion with, arguably, a reasonable knowledge of the industry is the basis for my ramblings. It is the technology and experience that can pull it together. But this is not the topic, however it is linked to this months subject.

Can the screen-printing industry treat the past as a launch pad for the future or a quicksand into which it will sink? To arrive at a conclusion I have spoken to some of our most astute and successful industry leaders. Their comments have to remain anonymous but be assured these people know what they are talking about. The cumulative experience of those questioned exceeded 250 years. All but one of the responders is a printer, mainly but not exclusively in the graphics sector. You may say why didn't I speak to the suppliers who supposedly know what is happening throughout the industry, well, I wanted to keep away from the spin that has been known to be promulgated by some of the more manipulative amongst them. These are honest opinions given anonymously. In situations like these it is very easy for the reporter to put his own spin on the answers but with great fortitude I have refrained from doing so. Where answers were simply a repetition of those before I have not included them but have noted the agreement. As you will see the comments have many common threads and some very telling points.

Responders were asked these questions:

- 1) How long have you been in the industry?
- 2) How did you get involved with screen-printing and at the time was it considered a high technology industry?
- 3) Over what period has there been the greatest rate of change and in what respect?
- 4) How has your company changed from its early years?
- 5) What do you expect your company to be doing in 5 years time?
- 6) Would you do it all again?
- 7) What future do you see for the industry as a whole?
- 8) What changes do you think the industry needs to make to survive and advance? How can this be facilitated?
- 9) What is holding the industry back?



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**HOW LONG HAVE YOU BEEN IN THE INDUSTRY?**

The longest serving member of the group had been in the industry 41 years and the shortest a mere 12 years. The average was 25 years. This is an industry whose enthusiasts have staying power.

**HOW DID YOU GET INVOLVED WITH SCREEN PRINTING AND WHEN YOU STARTED WAS IT CONSIDERED A HIGH TECHNOLOGY INDUSTRY?**

We wanted to expand our market from letterpress. When our clients requested single colour sales tickets and posters with large areas of colour screen-printing seemed to be a simple solution. It didn't really take off until paper rationing was lifted in the 1950's and heavier paper and board became available. It was certainly not considered a technical process.

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We were involved in litho and letterpress and screen printing was considered an inferior process, but we moved into it. Nowadays people who are ignorant of the process still consider it second rate.

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Another litho man who was drawn into screen-printing as a utility process.

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I bought a long established screen-printing company because it seemed such a simple process. I quickly came to realise how simple it was to lose money if it wasn't run in a very businesslike fashion. When you get it right however.....

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My dad was a screen printer. He printed textiles and I was born with solvent in the blood. It was a black art. When I started we were using silk mesh and Five Star. It really was "Silkscreen printing"

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We started printing corrugated boxes for local companies. Initially it was definitely a low tech process.

All the other respondents drifted into screen-printing from other printing processes and it became the primary process.



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**OVER WHAT PERIOD HAS THERE BEEN THE GREATEST RATE OF CHANGE AND IN WHAT AREA/RESPECT?**

In the last 4 to 5 years when the multicolour lines transformed large format printing. This was supported by direct to screen imaging and much more sophisticated production of origination. 15 years ago four-colour process was a rarity in POS screen-printing. When first attempted it was hit or miss. Using single colour machines and not understanding the theory meant that until all four colours were printed we did not know if it was acceptable.

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1990, when a standard was being devised for four colour process. Until then it was down to experience and guesswork. The adoption of four colour printing by the industry since this time is a big change over previous years where litho was the colour king.

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The last 3 - 4 years with the use of multicolour lines and digital printing. It is surprising how digital printing has merged into the screen-printing industry and its effect has been very positive. I think it's a lot to do with screen-printers not panicking. But it has made us get our acts together.

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The advent of larger format digital printing and a realisation by the industry of its threats and opportunities.

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In the last 5 - 6 years the quality and functionality of presses and other equipment has improved considerably. Consumables are far more consistent and have much wider operating ranges. Having the big players in the ink and consumable business based in the UK is a real benefit. They get a lot of stick (quite rightly at times) but they are giving a lot to the industry in terms of product development. 80% of our work is now four-colour. The digital press and digital technology is a very useful tool.

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The last five years. The customer has become much more sophisticated and has much higher expectations. Digital printing has challenged the traditional culture of the industry.

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In the last eight years. The use of UV curing inks had the greatest effect on screen printing. Because of it multi-colour lines were a practical proposition. High quality controllable four-colour process was practical. The effect of digital was to expand the market and increase demand for four-colour process.



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**HOW HAS YOUR COMPANY CHANGED FROM ITS EARLY YEARS?**

The quality of the product is better, turn round faster and we sell it cheaper. We have to be much more competent to make the returns we require to invest in the equipment that is essential to move forward.

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Investing in people and equipment. Becoming more efficient, producing higher quality and selling at lower prices. Profitability is held up by becoming a specialist supplier.

We have simply had to adopt new technologies and adapt to the changes they bring. The decisions have to be based on sound information not a whim or fashion. We started as silkscreen printers we are now a technology based business.

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The extensive use of digital technologies has made our business almost unrecognisable as compared to the first five years. The similarity is that we create images within a package of solutions we offer to our customers.

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Productivity has leapt, stimulated by the use of new technologies.

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Faster, cheaper and better. More professional, but still a long way to go.

The theme running through these and other replies, although unspoken, was the change in culture. For many years there were shifts in the industry but not major changes. Some people made a great deal of money. The last five years has changed all that the money is still there to be made, but managing change is one of the most important skills that needs to be mastered. There is still some significant repositioning imminent amongst the main players.

**WHAT DO YOU EXPECT YOUR COMPANY TO BE DOING IN 5 YEARS TIME?**

The POS market is uncertain and change is occurring so fast our aim is to manage that change successfully.

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We expect to see our market share increase due to demise of smaller players. Our continued high level of investment will take us to becoming a one-stop shop. Our current growth of 30% per annum is expected to continue.

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Increase our product offering to a wider market.

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Our digital printing capacity will have increased. We will be doing more high resolution screen-printing instead of using litho. We will have completed our conversion to digital workflow.

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We will still have screen-printing as our primary production process but we would take every viable option to digitise the company.

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We are on course for doubling our turnover. The trick is maintaining the margins by working smarter in new state of the art premises.

**WOULD YOU DO IT ALL AGAIN?**

Yes, yes, yes with no dissenters.

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Another key point here was the enthusiasm of all those questioned. They had all been through very tough times but they loved the process and had many friends in the industry. We're not a bad bunch really.

**WHAT FUTURE DO YOU SEE FOR THE INDUSTRY AS A WHOLE?**

The process is diversifying so that it will maintain its importance but its dominance in the POS area will reduce as digital printing filters into traditional areas. This effect is ameliorated by the stimulus that digital is giving to the image creation industry.

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Screen-printing is rather like dough that when you squeeze it, it changes shape but the volume remains the same. This analogy can be developed into once it is proven it will increase in size. Hopeful maybe but possible. The screen-printing market predictions worldwide are the most optimistic for two years.

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Smaller companies will reduce in number and there will be rationalisation of some of the major players, creating larger groups.

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Greater polarisation. For larger companies the critical mass for expansion of profitable turnover has risen from £5M five years ago to nearer £8M now. Smaller companies will not be able to make the necessary investments.



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Micro companies (less than 5 people) will still be able to forage round locally maintain their business.

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Reduction in numbers of large companies. Mid size companies take a bashing. Small (micro) companies will continue.

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The profits of doom were wrong rather than destroying the process, digital printing has acted as a stimulant. The casualties will be those who have not reacted positively to that stimulus. There will be continued use of the screen-printing by companies using it as part of their production. Suppliers will have to be more realistic in their claims for their products as users become more knowledgeable.

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Casualties in the premier league, survival of the fittest, medium sized companies under greatest threat. There is an over capacity particularly in the large format sector.

**WHAT CHANGES DO YOU THINK THE INDUSTRY NEEDS TO MAKE TO SURVIVE AND ADVANCE AND HOW CAN THIS BE FACILITATED?**

Continue its current investment in new technologies and look at innovative ways of using these technologies.

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Develop innovative solutions like the high speed belt printer and dry screen printing.

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The silly prices that are being quoted in the industry are destructive. Some companies are quoting material costs plus 15%. On one particular contract prices varied from £82K to £150K, the majority of those quoting came in at £110/120K. We considered our price at £115K to be competitive. How the printer arrived at a price of £82K is a mystery, unless his substrate fell off the back of a lorry.

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There is an increasing need for a step change in skills development particularly management skills using distance learning to reinforce performance in the workplace. Projects developed whether managerial or production can create improvements which in themselves more than pay for the cost of the courses.

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Professionalism, professionalism, professionalism. Particularly in management.

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Measure, control and predict accurately. Suppliers to provide product within required tolerances. Have a multi-skilled workforce managed by professional managers serving a wide range of markets or a niche.

**WHAT OR WHO IS HOLDING THE INDUSTRY BACK?**

One of the biggest problems is the client who does not know or will not accept the need for origination that is suitable for the process. There used to be print buyers who understood print and recognised the needs of the process, now many haven't got a clue.

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Currently parts of the industry lack confidence in itself and the process. The transition from a craft based process to a technology has exposed some of the weaknesses in the structure. Making it work and keeping it going are no longer viable tactics in an increasingly sophisticated market. Continuous process improvement has to be the key element in operating an organisation.

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Nothing is holding us back!

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Lack of confidence in the economy is inhibiting the spend of customers. Increasing red tape in all areas of business. For as long as this continues the overcapacity created will hold prices down. The 9/11 effect was very real. There were two months when everything stopped.

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Clients make increasingly unreasonable demands on printers. The requirement is often forgotten until the last minute and then the panic occurs.

Low levels of relevant skills in all areas particularly management.

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The industry is its own worst enemy many involved in it have not yet been able to understand the difference between price and cost. The question should be first "how good" and then "how much".



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The Plimsoll report shows 24% of the graphics screen-printing industry is in the danger zone, which is higher than most other industries. Its headline states "Too many companies are chasing too little market."

An extract from the analysis shows, of the 505 companies surveyed the following;

Rating	Companies	Pre-Tax Margin	Debt as a % of sales	Retained Profit
Strong	162	11.4%	5.8%	4.7%
Good	63	3.0%	7.7%	2.1%
Mediocre	64	3.2%	13.4%	2.4%
Caution	83	1.2%	22.4%	0.0%
Danger	133	0.7%	29.2%	-0.5%

This is the hard-nosed view of the industry from which the opinions in this article are gathered.

In my situation as a consultant and trainer I visit many different companies. Many have every right to be positive and optimistic but some are making the most basic errors in operational practice which if continued will bring them down. For many years the high margins and the ignorance of the customer allowed badly run companies to succeed. Those days are over.

The enthusiasm and commitment are still with us. There is an ocean of experience, it's a great industry and in the UK we are in a good position to take advantage of the upturn of the world economy when it occurs.