

INTERVIEW

For those of you who do not already know him, **I would like to introduce you to Bill Berg**, who, during his career in the reprographics business, operated in the Greater Baltimore-Washington Common Market Area. The name of his company was MBC Precision Imaging (purchased by ARC and now operating as ARC)

From Joel to Bill, I very much appreciate your decision to participate in our “Masters of the Reprographics Business” interviews. Without further adieu, let’s get on with our questions and your responses:

1. When did you first get involved in the reprographics business, and what was the first position you held?

I worked as a salesperson for Frederick Post, a manufacturer of drafting products including vellums, films, diazo products & machines and photo material.

2. How many different reprographics firms did you work for during your career in the reprographics industry?

Only Frederick Post and MBC Precision Imaging (the latter originally founded as Maryland Blueprint Company.)

3. For how many years were you in the reprographics business?

Over 40 years; 6 years with Post, 35 years with MBC.

4. Did you start a reprographics company from scratch, and, if so, how did you capitalize the company and how much capital did the company start out with? Also, did you start that company with partners, or, if you did not, did you add partners later on?

I started MBC from scratch with \$750. I was fortunate that I knew my needed suppliers very well. They cut me slack on paying within 30 days and I was TENACIOUS about my collections. My landlord gave me breaks as well. I had a partner for about 3 or 4 months.

When we where working late one evening he saw a couple of guys he suspected of shop lifting some drafting supplies. He went to his car and brought out a 357 magnum and said quietly to me, “if they touch anything I’ll blow their f... heads off”. I knew I made a very big mistake. The partnership ended two days later.

5. If you did not start a reprographics company from scratch and joined an already existing business, how did you end up being the owner (or one of the owners, if there were other owners)? (Did you “acquire” a company? Did you move into an ownership position in a family-held company?)

N/A

6. If you had “partner owners”, how did that work for you? What are the good points have having partner/owners and, if there are any, the bad parts?

See question #4; as far as I am concerned there aren't any good parts.. You never know what you are going to get into.

7. When you retired from the business, did you retire from the company without selling it, and, if so, did you continue on as an “absentee” owner? Any thoughts you'd care to share with us about being a retired “absentee” owner?

N/A

8. If you sold your company (or more than one), when did you sell your company, and why did you sell your company when you did? Do you regret selling your company when you did?

I sold MBC March 2007. I spent much of my time with clients and many were slowing down, starting to have layoffs and looking abroad for work. In addition collections were getting tougher. MBC had a suitor for many years so it all just made sense to sell.

Regrets, NOT IN THE LEAST. I am very fortunate.

9. At the time you sold your company, how many locations was your company operating? (not including “FM”-sites locations)

We had 11 locations.

10. At the time you sold your company, how many people were on your company's team?

We had approximately 140 full time. I don't remember how many part time.

11. When you sold your company, did you agree to stay on with the company for a period of time after the sale? And, if you did stay on for a period of time after the sale, how was it different for you, if it was different?

I was asked to stay on for three years. I stayed for two. It wasn't that the new owners where difficult to work with. In fact I liked my boss very much. He always treated me with respect. Simply my heart was not in it any longer. I lost the drive. However selling MBC made a good transition for retiring.

12. Would you briefly share with us your frame of mind during the first year or so after you retired? Was it a difficult transition? Did you go through, or not go through, withdrawal?

Withdrawals? Are you kidding? I always had many interests. The company that purchased MBC was a public firm. Their paperwork was enormous plus emails, reports, meetings, life or death deadlines. Transitioning was easy.

13. Did your company ever “merge” with another company, and, if your company did, did the merger benefit your company, and, if it did, how so?

N/A

14. Different from a “merger”, did your company ever “acquire” another company, and, if you did, did the acquisition benefit your company, and, if it did, how so?

MBC purchased three and all worked out well. The number one benefit was the great people that came with the acquisitions. I remember them clearly. They contributed greatly to our growth. This is something we did not expect. Secondly new clients, areas and markets opened up for our services

15. Regarding any acquisitions or mergers you completed during your time in business, did they accomplish what you expected they would accomplish? With the benefit of 20/20 hindsight, what are the key issues to be aware of to ensure success with an acquisition or merger?

Since we only purchased the assets of the firms and did not acquire their liabilities or stock many problems were avoided. In addition we knew the owners their clients and reputations. We purchased local companies. MBC had a good lawyer and accountant plus our team.

We looked at their location and lease to be sure we wanted to locate there. In addition, were the clients ones we wanted, i.e., small, medium customers or one or two large customers? Did they have a usable inventory? What type of equipment did they have? How much would we have to spend after the sale on upgrading? Did their clients pay on time?

You get the picture!

16. What’s your definition of “success”?

In my business it was having the resources to do exactly what you want and not be afraid of failure.

17. Given your long experience in business, how did you, back when you were still in business, rank the importance of these issues, from the eyes of customers you did business with?

a. Price b. Service c. Quality

Service is number one. Then quality, and last is price. You can have average quality and above average price, but service will keep your clients.

18. In your opinion, do customers rank those issues differently today, and, if so, how do they rank these same issues, nowadays?

The same ranking.

19. What's your philosophy regarding "team building"?

Give responsibility.

20. What was your approach to communicating with team members and encouraging/motivating team members to really get engaged?

If by team members you mean my staff, the answer is giving them meaningful projects, setting goals, rewarding success, little paper/emails. My staff was motivated by seeing a goal being met and by seeing the company become successful.

21. How did you retain key team members?

See response to question #20.

22. What was your basic business philosophy?

Keep it simple & delicate.

23. What are your thoughts on; Collections, savings, borrowing, growth, owners role in business, delegation, profit

Collections, be relentless, savings, most small businesses that I came into contact with and now ones that I am involved with think that if they have a new car, nice house and children able to go to college they are set. Well their business might not be set. Always put away money for investment. Investment for growth. Borrowing, don't think of borrowing every dollar needed as you have to be able to pay it back some day. Owners role, do what you like to do but stay involved, don't over manage, delegate. Profit is the key to growth, a must in good and bad times.

24. Kindly estimate the percentage of your sales that came from customers involved in the A/E/C Industry.

70%

25. How did you communicate with customers?

I personally visited as many as I could and had a well trained sales force calling on clients showing new services and ideas. I often spent time with our service

technicians and IT group working in the field. I met a different set of client employees and learned a lot that helped MBC hold on to customers

26.How did you get feedback from customers?

One small low-tech feedback method was to simply put a self mailing card in each production job randomly. Asking a few job related questions. No sales pitch whatsoever. I got many back and answered all. Many became part of our next meeting. Any problems were addressed by the appropriate manager or by me.

27.What factors led to your company's success in its geographic market area?

Our service was unmatched. As an example: MBC opened up a branch that was purely on speculation. Our operating procedure for all new branches was to have our best employees working from day one.

The branch manager was a legend. He brought a cot to the new shop and camped out every night. Why? Well, because he said we had to be ready when the phone rang. We couldn't lose and that shop did a mil very quickly.

28.If you did attempt to do so, how did you differentiate your business from your competitors?

See above.

29.Were you able to expand into new services / business segments? And, if so, what services / segments did you add during your career and were your expansion efforts successful? If not, why not?

We had a mini FM Department just for schools. We installed a color plotter, laminator, included service, supplied the paper and cartridges. And had a dedicated sales person. It did approximately \$60,000/month, with good profit.

30.Did you expand your company's reach geographically, and, if so, were your geographic expansion efforts successful? If not, why not?

We did reach out further than Maryland, DC and VA by reproduction and delivery of jobs using one of our local branches. That is, doing a job say for a California firm working with one of our clients locally.

31.What were your best sales techniques/tools?

Locking in accounts through FM's What ever we had to do to get them, see below.

32.Did your company offer "Facilities Management" (FM) services? Staffed? Unstaffed?

And, if your company was in the FM business, how did being in that business help - or, to the opposite extent, hurt - your overall business?

MBC had staffed (one) and a great many unstaffed (hundreds) FM's. There were only pluses. Made money, locked in accounts, we became closer and on another level, the FM's opened up new avenues of business and intro to new accounts, Gave us all the overflow large job repro work

33. What business books, if any, would you recommend reprographers read?

Although I've read quite a few books authored by famous business leaders, one that I thoroughly enjoyed was "Copy This", the story of Kinko's.

34. Did you have a mentor (or more than one) when you started in business or later on, and how did having a mentor (or mentors) help you?

At Post I worked with a wonderful person, Al Horn, that I became very close with. He became Sales Manager for Azon when I started MBC. His knowledge of the business was vast and he introduced me to other Azon dealers who were very generous sharing their knowledge with me.

He died tragically very young and I think of him often.

35. Would you share with us two or three of the most significant "good decisions" you made during your career?

Spent money to get great people, went quickly to digital, opened branches as a business strategy,

36. Would you also share with us two or three of the most significant "bad decisions" you made during your career?

Opened first branch and didn't understand the commitment necessary for it's success. Actually my wife says my memory is so bad I can't remember all the bad decisions I made. I say that's why I made out ok.

37. If you could go back in time and start (or acquire) your business again - with the same tools available then but knowing what you know now - what would you do differently?

Do most of what I didbut do it much faster!

38. What's your view of the importance of networking with other reprographers (competitors and non-competitors)?

See response to question # 40.

39. Is “branding” important, and, if you think it is, how so?

Absolutely. Your company’s uniqueness and individualism is what sets you apart from the crowd. When your company name is seen on a web site or in print anywhere it most convey your brand message.

40. Which reprographics industry associations, organizations and/or affinity groups did you or your company participate in? Did your involvement with these associations or groups help your company’s success, and, if so, how so?

IRGA and Quick Printers Assoc. I would think most all would agree it’s the contacts you make. It is more important than ever. If you are looking for ideas, what better way to get you thinking is listening and talking to people in your industry. MBC first heard about the OCE 9800 from an IRGA member. And visited his shop. It changed our thinking quickly.

41. What common thread do the following businesses/industries hold in common: newspaper industry, map and atlas industry, magazine industry, publishing industry, phone book industry, reprographic industry? And, can we learn something through that common thread; can our industry apply the 'lesson of the common thread' to our current circumstances?

If you are saying that technology advanced so quickly it overtook those industries before they knew what hit them. You are right. But some are adjusting, niche markets are developing. New companies are starting around the new industries. Don’t live in the past.

42. How do you view the future of the reprographics business and industry, five years from now, ten years from now?

I wouldn’t know. I’ve been out of the business for five years. I don’t know my future five years from now.

43. In your opinion, what are the key issues that reprographers should be concerned with, now and as time marches on?

The same issues facing any businessperson in any business. Whether you own a restaurant, steel mill, make ice cream or paper, computers or cloths, things change. Be alert and be ready to change.

Bill, thank you for participating in our series of interviews!