

Masters of the Reprographics Business – Interview #1 – Peter Morin

For those of you who do not already know him, I would like to introduce you to Peter Morin, who, during his career in the reprographics business, operated in the Rhode Island market area. The name of his company was Rhode Island Blueprint, aka RIBP.

From Joel to Peter, 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? How many different reprographics firms did you work for during your career in the reprographics industry?

Got my first taste of reprographics while I was taking a break from school and went to work for a steel company and worked in their repro department. From there went to a large construction company as their one man repro operation. When they were acquired by one of the major oil companies because of their drilling technology I opened my own shop with them as my first customer. Three years later, now married and not wanting to work six or seven days a week, I went to work for what was then the largest repro firm in the area in a sales position. Six years later I decided to go back into business and, along with a partner, started Rhode Island Blueprint.

2. For how many years were you in the reprographics business?
40 years.
3. 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 would not have been able to start the business at that time without a partner. Basically my partner had the building and a diazo machine and I had the knowledge and contacts that he did not.

4. 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?

We both learned very quickly that each partner must have clearly defined roles and you must trust your partner in his role and not interfere with it. We remained partners until the late eighties when I purchased his interest in the Company. We are still partners today in the real estate.

5. 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?

I sold the company in 2001, signing a three year contract, stayed on for another year and a half after the contract, and finally retired in October of 2005.

6. 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?

This was the time when acquisition fever was getting started. I was fortunate to have three firms interested in talking about an acquisition. However, at that time I was President of the IRgA and felt that it would be prudent to wait until I finished my obligation to the Association so as to avoid any appearance of a conflict. I wound up signing an agreement with ARC in March of 2001 and closed on April 1st. I was fortunate that the timing could not have been better and do not regret it to this day.

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

Because our market area was relatively small I only had the one location.

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

We had a total of eighteen employees, which, after the first ten years, stayed fairly constant.

9. 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?

As I said earlier, I stayed with the company through the three year contract and another year and a half after that. With the exception of more meetings and reports than I was used to, very little changed for me in my day to day activities.

10. 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*?

After I retired my wife and I relocated to Florida. The change in location helped ease the transition with new friends and activities. I did miss (and still do) my employees and key customers who became good friends over the years.

11. 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?

No.

12. 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?

No.

13. 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?

Not applicable to my situation.

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

Success to me is having the respect of your employees, your customers, and your peers.

15. 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

I built the business on service and quality. We were always the highest price in our market but survived because our service was better than our competitors. That’s not to say we didn’t lose some business because of price – we did. But I think you have to commit to a strategy and stick with it. It was more important to me to be the best, not necessarily the largest.

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

I do think that price has more of an impact because of the state of the economy and some companies being forced into survival mode. But it's still much harder to turn a profit when you have to depend on volume to do it.

17. What's your philosophy regarding "team building"? What was your approach to communicating with team members and encouraging/motivating team members to really get engaged?

The beauty of a small business is it's much easier to communicate your vision to everyone. As the company gets larger it gets much harder for the CEO to communicate on a one on one basis with everyone. I think you get team members engaged by giving them responsibility and recognizing their accomplishments when they do a good job. Also, by cross training you give the employee a look at the larger picture and how each department and person are not individuals, but part of a team all working toward the goal of satisfying the customer.

18. How did you retain key team members?

I was always a firm believer in profit sharing. Also did a lot of little things, one of which was to personally bake a cake on their birthdays. It was actually something they looked forward to and made them feel part of the team.

19. What was your basic business philosophy?

As said earlier, try to be the best at what we did and provide a decent living for our employees. I recognized early on that any success I had was based on their efforts.

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

Collections are a part of the business nobody likes but which requires close attention. Distinguishing between a perennial slow payer and one who is on shaky ground is not always easy. The more relationships you build with your customers the better chance you have of making the right decision. As far as borrowing, we borrowed heavily in the early years with the financing of equipment and the construction of a larger building as we grew. I remember at one point paying 19% interest on a film processor. Scary at times to have everything you owned tied up as collateral. As time went on and we paid all of our obligations I chose to remain debt free. That attitude may have hurt our growth somewhat, but a decision I never regretted. We were never burdened by high overhead during the lean times. As far as the owner's role in the business, I was always a hands-on type of owner. As we grew I entrusted more and more

responsibility to key employees but always kept a close pulse on what was happening on a day to day basis. I always paid attention to profit. The bottom line was always more important than the top line. Increasing sales is fine, but not unless you are proportionately increasing the bottom line.

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

I would estimate that close to 90% was derived from the AEC industry.

22. How did you communicate with customers?

Although I made visits to clients as well as a full time sales representative a lot of communication was done by the internal staff in their day to day interactions with customers. I was fortunate to have some great inside staff who developed close relationships with our customers and went a long way in building the trust in our firm that we tried to achieve.

23. How did you get feedback from customers?

Although we tried surveys at different times I found the most effective was a phone call or a visit.

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

Two things come to mind. First, going out of our way on a consistent basis to satisfy the customer needs, and secondly, staying in the forefront of new technology and methods.

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

We were the first firm in our market to switch to large format xerographic copying and we switched from square foot pricing to per sheet pricing. We also offered faster turnaround times for smaller clients who the larger firms were not pursuing as much as we were.

26. 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 were pretty successful at new services, such as B&W copying, CAD plotting, etc., but not as successful in expanding into new market segments. One of the segments I wanted to pursue was the color market. There were two things

working against us at that time. First, two well-established, long term color houses had close to 100% of the market, and my unwillingness to invest the capital necessary to make a serious run.

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

In the eighties we were doing a large amount of business with companies doing sub contract work for the Navy about thirty miles from our location. I seriously considered a second location but I decided that the compact size of our market justified increasing pickup and delivery service instead. A year after we made that decision the Navy worked dried up and most of our customers in that area closed and moved south or went out of business. So in this case we were successful in not expanding.

28. What were your best sales techniques/tools?

Almost daily early morning meetings with the outside sales person and constant contact with each customer that came in the store. It always amazed me what a casual conversation can lead to.

29. 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?

My first FM was placing a person in a large customer's facility to run their copying operation. We had been doing some overflow work for them as well as supplying them with material. The person that was there retired and we were presented with the opportunity to man the operation. It turned out to be a very successful relationship. After a year and a half the client hired our placement. Rather than a negative, things only got better. The client's business increased dramatically because of acquisitions and we received a large amount of overflow business as well as services that they could not do in house. Turned out to be a long term and profitable relationship.

30. 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?

When I had my first business I had the opportunity to meet a gentleman at an Eastern Reprographic Association meeting. He was the manager of, and as I remember, also a partner in a large reprographic organization in Boston. He took me under his wing and we had some great conversations about the business. One of the many relationships I developed over the years through Association events.

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

Some that come to mind that helped both our growth and our profit are being the first in our market to close our photo lab and move into xerography, going to per sheet pricing to lessen the emphasis on square foot pricing, and being the first in the market to go into CAD plotting. Another decision that turned out to be good was when the governor of the State abruptly closed all the credit unions in the State without notice. We had some customers that had all of their personal and business funds with those institutions with no way to gain access to them. I made the decision to carry the ones that chose to stay in business. It was six months before the situation was resolved, but we gained loyalty from those clients that exist to this day.

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

The only bad one I can think of at the moment was to terminate some clients too quickly in the early days over credit issues. That did cost us some business and made it almost impossible to get their business back when they became successful. It's a fine line we (*all reprographers*) walk every day.

33. 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?

I'm sure that some would have done things differently than I did, but I have no regrets.

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

I think it's extremely important and wish I had done more of it. Despite the Internet and the easy access to product information there is nothing that beats meeting your peers face to face and discussing your business.

35. 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?

I was always a firm believer in the benefits of belonging to the regional and International Reprographic Associations. In the beginning it was product knowledge and industry contacts. Although that is now somewhat negated by

the Internet as I said earlier, the peer to peer contact is very valuable. Not only from the business perspective but, maybe more importantly, the lifelong friendships that develop. I have met so many wonderful people from across the country that I could call on anytime with a business problem and get an entirely different perspective to help reach a decision. These friendships are priceless.

36. 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?

The common thread is that all have a history of profits based on paper, and all are trying to figure out how to make money in the transition to a digital model.

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

I remember during a presentation at an IRgA convention in the late seventies the presenter from one of the major film companies saying that the blueprint (reprographic) industry wouldn't be around in ten to fifteen years. Well, it's still here. Changed, yes. In some areas dramatically. But I think it will still be here in ten years. More fragmented, more challenging, more digital, but still here. I would like to think that there are enough intelligent people and resources out there to meet the challenges as they occur.

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

Two things, first it is imperative that you develop strong relationships with your clients so you are constantly aware of the direction of their business and how you can respond to keep them in your camp. Secondly, don't ever minimize or dismiss the importance of your employees. They will have a huge role in your success.

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