

GET INTO WIDE FORMAT WITH DES AND ROLAND  
 "YOU TRUST US WITH YOUR COLOUR"  
 NOW TRUST US WITH YOUR SIGN & DISPLAY SOLUTION"



Printing news and information for Australia & New Zealand

news

shop

employment

trade services

Print21



Search

## Latest News

PRINT

latest news

packaging

labels

wide-format

Supported by



Read the latest issue of  
 Print21 magazine

Subscribe for your print  
 copy



### Lessons from the train wreck - Cryer calls industry to account

Tuesday, 14 May 2013

By Print21

Now that the last piece of falling debris has hit the ground from the recent implosion of some of our largest printing companies, industry gadfly, James Cryer, reckons it's time to take stock of what lessons may be learned from the debacle.

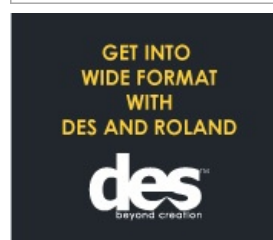
After traumatic experiences, it's helpful to hold a post-mortem. I don't mean a blood-letting, but a constructive analysis of what lessons we've gained – a bit like trying to draw good out of evil. One critical issue recently raised by Heidelberg is how should we manage credit within the industry? Too loose and it leads to unbridled profligacy a la Geon; too tight and it strangles good businesses who may go through a tough patch.

I suspect there are plenty of lessons to be learned. And just as importantly there are vital questions that need to be answered: –

- How do we control/manage credit? ie, how tough should we be – a 60 day limit?
- Should there be an industry bad credit-risk register?
- Is there a template to follow if a company tries another phoenix/pre-pack trick?
- What sanctions (if any) may be brought against a "delinquent" company?
- Are there still too many printing companies and should we reduce their number?
- And if so, how? The Brits did this through their own association (the BPIF) some years ago.
- Can we become better managers as a result of this episode?
- What do we expect from our association leaders in terms of public statements during such crises?
- What is the attitude of the associations (especially the PIAA) to redundancies that were apparently "disgraceful and cold-hearted"? Does the PIAA turn a blind eye when one of its members is a guilty party?
- What does the PIAA think of supplier embargoes? Did it agree with the real hero of the day, Stephen Anstice?
- What do we as an industry think about the unions publically lambasting Geon for bad management and poor handling of redundancies (maybe the unions have a point).
- What are the wider ramifications on paper prices – and of QBE possibly increasing its premiums?
- What sort of image does this recent crisis send to school-leavers considering a career in print? – and finally...
- Perhaps we as a truly broad-based industry, should join forces with the packaging and signage sectors to produce a website proclaiming the exciting career opportunities in print.

During the crisis, we only heard one voice expressing moral outrage, that of the head of Hannanprint, who could be accused of having a vested interest. However, in this case Hannanprint's motives aligned with the greater good of the industry in calling for an end to the neat disappearing trick that was about to be attempted.

At no time did we hear from the PIAA. But it's not too late. It now has a strong leadership and a desire to re-build our industry. It would be no bad thing to convene a PIAA-lead workshop addressing some of the above issues. As Kerry Packer would have said: "You only get one Geon in a lifetime." Let's make the most of it. Unless there is some formal leadership/initiative on this, all the bloodshed may have been in vain and we'll return to our old bad habits.



### Twitter Feed

A pathway to failure – Alan King on OnDemand. There are some intractable problems facing the industry. This is one. <http://t.co/Tjh6xANmqD>

Michael Wu wins the battle for OnDemand – Plenty of disappointed printers in Melbourne over missing out <http://t.co/IXv3PtckzF>

Starleaton expands with Zund agency takeover | Print21 Ben Eaton is on the takeover track. <http://t.co/GRTavWVg6C> via @sharethis

Joan Grace quits Printing Industries & Future Print –

---

Colin Longbottom heads towards the exit Good man Colin, hope your saddlebags are well loaded for the sunset ride.<http://t.co/d5oamorf2X>

---

### 3 Responses to “Lessons from the train wreck – Cryer calls industry to account”

1. May 15, 2013 at 9:27 am, **Trevor Cunningham** said:

A good article. I believe that ALL Graphic supply Companies should take advantage of the current situation to tighten credit terms & be prepared to enforce their terms.

2. May 15, 2013 at 9:32 am, **Ruby** said:

In regards to your comment “Is there a template to follow if a company tries another phoenix / pre-pack trick?” – This leaves the clear impression that you are suggesting that the industry should collaborate to prevent the occurrence of phoenix / pre-pack “trick” – This phoenix strategy is legal and in a lot of cases protects suppliers and employees from total loss and in other cases can protect unique intellectual property or needed production capabilities from being lost. No matter how you feel or what your “moral” viewpoint is, you are in dangerous territory suggesting any sort of industry collaboration to ensure this perfectly legal and oftentimes advantageous action is not taken – The best way to address this issue is with government and public support across all industries – Believe it or not, printing is only one of many industries in this country.

3. May 15, 2013 at 10:30 am, **Anonymous** said:

Definition of gad-fly:  
/gad flɪ/Nou

- 1.A fly that bites livestock, esp. a horsefly, warble fly, or botfly.
- 2.An annoying person, esp. one who provokes others into action by criticism.

Let's focus on the positive aspects of our industry. Geon and Bluestar were a negative impact from day 1 and are now experiencing the result of their own doing. They operated very differently to the rest of us and while I genuinely feel for the people and businesses affected by their Management's lack of care and integrity, I'm glad they're now on their way out.

Our industry is largely based on BS. Soy based inks, great for the environment... remember this move?? At the same time Soy bean farming is the main cause of deforestation to create soy bean farms from genetically modified beans that can no longer be used as a food source for the starving. Also these farms employ child slave labour!! But hey, what a great green alternative?, and yes I'm guilty of this too. The suppliers were pressured to conform to the pressure, they didn't push this technology.

Yet the use of paper is under attack. The paper industry is a renewable and recyclable resource that has a lower impact on the environment than electronic media. If our industry is to survive we need to lose the BS, open our eyes and work toward a common goal.

Our industry is full of Marketing Professionals, let's get their heads together and fix our position, work together and move forward. Stop closing our eyes and be honest and proud of our industry, we have nothing to be ashamed of.

### Comment on this article

Name

E-Mail (will not be published)

Website

Receive comment notifications?

Comment

To receive notification of comments made to this article, you can also provide your email address below.

Email address

