

Bartash Rises From the Ashes

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When Bartash Printing Co. of Philadelphia was threatened with the loss its biggest client, one that represented more than a third of its sales, it faced a tough decision.

The client was grocery retailer Shop n Bag. Bartash printed all of its advertising circulars, an account worth \$2 million out of \$5 million in total sales.

In 1995, Fleming Cos. Inc., which owned Shop n Bag and Thriftway, decided to consolidate production of its circulars with one printer. Bartash and the other company were asked to bid.

"We made a decision," said Michael Simon, vice president and part owner of Bartash. "We knew the other printer was going to come in with a very low bid."

He and his father, Sid Simon, the other owner of the company, had to ask themselves whether they wanted to run their presses at such low margins.

"We decided to become a different kind of printer," Michael Simon said.

So Bartash, which was founded in 1952 by Michael Simon's maternal grandfather, Joe Bartash, made a bold move to concentrate on more sophisticated four-color printing. The Simons decided to try and grab the business of the smaller publications that were springing up everywhere because of desktop publishing technology.

The change paid off. From \$5 million in sales in 1995, Bartash reached \$25.5 million in revenues last year. Its customers represent a wide variety of publications like retail circulars, small local newspapers, penny saver (coupon) publications, and real estate and automobile glue-and-trim ad books.

One of Bartash's biggest local clients is the Shopper's Guide out of Cherry Hill, but its client footprint extends from Washington, D.C., to

Connecticut. The majority of its business is in the New York metro area.

"For all intents and purposes after we lost that job (Shop n Bag) we were building a new company. A tremendous amount of niche publications were potential customers because computers made it easy. It's not like you had movable type anymore," Simon said.

A few other factors also made the company ripe for change.

For one, the company had just moved from 10,000 square feet at 72nd Street and Woodland Avenue to 100,000 square feet at 54th and Lindbergh streets. Both locations are in Southwest Philadelphia. With the new space Bartash was able to add two more press lines, for a total of four, as well as more units per line.

"A unit in printing is essentially responsible for one color. You can configure the units in different ways and add more (colors)," Simon explained. Because of Bartash's decision to stick with Southwest Philadelphia it was able to get financing from the Philadelphia Industrial Development Corp. to help with the move and the new equipment. Bank loans and internal funds were also used.

Another factor in the change was Michael Simon's return from Los Angeles, where he'd been trying his hand as a screenwriter.

"Part of the problem was that I found L.A. very daunting. Everybody's got something going like a Jackie Mason routine...I made a decision. I wasn't really 100 percent sure I wanted to devote my life to screenwriting. It might have meant years of deprivation. The other part is I knew I wanted a family," Simon said.

Sure enough, within three months of returning to the Philadelphia area he met his future wife, and after working for a publisher for a year, which Simon called "a good education," he joined his father's company.

At first the younger Simon worked in a sales capacity. Now he owns 48 percent of the company. His father Sid owns 52 percent and is still president, although in semiretirement.

"Most of day-to-day stuff is left to me," Simon said. "But (Sid) comes in everyday. I utilize his well of 30 years' worth of knowledge."

From the fundamental change in 1995, the company has been expanding its services slowly and surely. After upping the press lines to four, Bartash invested in "pre-set" equipment: imagesetters and computers.

"Even up to today we're still investing. We just got three new imagesetters. We're constantly upgrading the computer equipment," Simon said.

The initial pre-set investment was followed by the purchase of a bindery.

"To get more business we have to turn around quickly," Simon said. "We could see the potential so we said let's get a bindery."

Obtaining local car book "Cars By Dealer" as a client prompted Bartash to make the investment, Simon said.

Shortly thereafter Bartash upgraded its original presses again, not a light undertaking considering one unit can cost up to \$350,000.

The company also added mailing to its list of services when it landed North Shore Today, a penny saver publication on Long Island, as a client.

"At first we mailed 187,000 pieces a week to Long Island," Simon said. "We had to get a post office here. Now we have our own office on site. It's all paid off. That one client has ballooned and we're mailing close to 1 million pieces per week."

Once you get one penny saver, Simon said, the others come easier: "That is now probably the biggest market we serve."

Simon estimated that penny savers account for about 25 percent of annual revenue. Local papers like the Kensington Guide, El Sol and University City Review account for about 10 percent.

The rest comes from a hodge podge of small publications: WHYY's Applause magazine, senior magazines, parent magazines, inserts and circulars.

The growth in the client-base was not so much a deliberate strategy as something that "unfolded," Simon said.

"We would basically go and comb the streets. Wherever they had free publications we grabbed samples to bring back, and made a lot of calls," Simon said.

Publishers are usually very open to sale calls, Simon added, because printing is their highest cost and they are always looking for ways to save.

"But don't get me wrong, it was a lot of work," Simon said. "Some people we worked on for a whole year."