

## Customer Insights

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A recent newspaper story cited that only 30% of family businesses make it to the second generation, 15% to the third, and 5% to the fourth generation. This is a success story of a close family managing and transforming their business – now in its third generation.

The vision for Bartash Printing, Inc. began in 1952 with Joe Bartash. Joe's son-in-law, Sidney Simon, bought the company in 1977. Sidney's son, Michael Simon, joined Bartash in 1994 after trying his hand at screenwriting in Los Angeles. Michael now handles all the day-to-day operations. When he joined the business, annual sales were \$5 million and the company employed approximately 50 workers. Last year, sales reached \$30 million with 250 full-time employees working four press lines, 24 hours a day/seven days per week.

In 1995 after losing a large client, Bartash Printing faced a huge challenge. Other businesses might have folded. But Sidney and Michael decided this was an opportunity. They had just moved from their original location, a 10,000 square foot converted row home in South Philly, to a 100,000 square foot facility. They expanded from two to four press lines after buying two Tensor four-color press machines – the first on the East Coast. This allowed them to Web print at a higher volume and speed, with more color capability and less waste.

The excellent print quality of the new equipment helped expand their client base. Some of the publications Bartash now prints include college course guides, weekly newspapers, retail circulars, Penny Saver TM publications, real estate and auto ad books, and niche publications for seniors, parenting, and fishing. Bartash also started doing binding, inserting and labeling, and added an onsite post office, a necessity to grow and survive. They are currently mailing over two million pieces per week.

Another addition the Simons made in 2000 was hiring a controller, Ed Yucis. Ed previously worked with Gannett Co., Inc., publisher of USA Today and other large publications. Ed was happy for the change stating, "Bartash is unique because they aren't short-term bottom line driven. The Simons reinvest back into the company, which expands the business, which leads to a perpetual increase in the bottom line." For example, in June 2002, Bartash eliminated bonuses and raises and moved to a goal-based system. Every job is graded by time and waste. In addition to their regular wages, employees are paid for the efficiencies their crew achieved for the month. Two-thirds of the profits from 2002 will be invested into new equipment and air-conditioning the press-room – a promise Michael made to employees if goals were realized. Also, Bartash re-invests some of its profits into current and potential customers to help them grow and become more productive and efficient.

In 2002, Ed decided to shop for a new banking relationship. He said that National Penn's Manufacturing Group had an edge because he was aware of the Group's focus on manufacturers from our newsletter, Manufacturing Insights, seminar mailings and multiple direct mail pieces. He spoke to Relationship Developer Jeff Siebold, who he describes as cooperative and responsive. "Our customers are an extension of the Bartash operation. And we wanted our banking partner to think that way too. National Penn is flexible, and we feel we are receiving better attention and service than what we might receive from a larger bank," said Ed. "The detailed plans for how the Manufacturing Group will partner with manufacturers was a key decision-making point. National Penn's Manufacturing Group is definitely unique and brings added value to a client relationship."

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As for tips on succession, Michael says his working relationship with his father is strong. They talk through decisions and respect their differences in opinion. According to Michael, “We compromise on some points. It’s nice to have Sidney’s experience and to use him as my sounding board. When our opinions differ, we have agreed that by the end of the business day,

a decision must be made. I’m free to express my ideas and follow them through – successful or not.” Third generation Bartash has reached the 15% family-owned business succession rate. Congratulations and best wishes for Bartash’s continued success.

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