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The lean executive team at The MATLET Group, back row (from the left): Zeynel Zerek, vice president of information systems and prepress; Jill Davis, vice president of marketing and business development; and Rebecca Isowa, vice president of strategy and development. Front row, seated from left, are CEO Gary Stiffler and John Gaffney, COO and CFO.

Spreading Their Wings

Well-established, autonomous companies, critical equipment acquisitions, and the right executives in the right places have enabled The MATLET Group to gain market share.

Power of the Press

BY ERIK CAGLE
Senior Editor



GARY STIFFLER considers himself a good judge of people. A 28-year printing industry veteran, Stiffler's background includes stints with World Color and Quebecor World. During that time, he also became a shrewd arbiter of talent, appreciating the timber of employees that can enable a company to endure the peaks and valleys of business over the long haul.

Thus, when his then-employer, Quebecor World, announced in 2004 that it was divesting a number of what it deemed to be "non-core" operations in the United States and Canada, Stiffler saw a unique opportunity. A number of these short-run commercial printing businesses in the United States had thrived for 75 years or more. They had good people at the helm and competent employees on the floor.

To put a twist on a common mantra, one company's non-core business is another firm's treasure. Stiffler saw all of the pieces falling into place. He would propose a management-led buyout and set out on his own. Stiffler knew who the right people would be for the job. He had an idea of what it would take to infuse some new momentum and energy into these plants. All he needed to do was strike a deal with Quebecor World. That would take time.

Autonomy at Plant Levels

When Montreal-based Quebecor World was unable to find a single taker for all of the non-core plants, it reached separate deals in late 2005 with two groups: a concern led by Aivars Beik-

manis formed Grafkom out of six Canadian facilities, while Stiffler and two partners plunked down US\$70 million for five plants in the states. Stiffler named his new company The MATLET Group.

The transactions largely did not benefit most of the participants. Quebecor World, struggling with myriad issues, filed for bankruptcy at the end of 2007. And Grafikom, which Beikmanis and his investors paid US\$44 million to acquire and create, fell into receivership late last year.

The MATLET Group, on the other hand, is sailing along on the strength of more than just cautious optimism. Stiffler is a firm believer in autonomy at the local plant level. "You have to let people spread their wings, so to speak, for their facilities to grow and prosper," he contends. But, he also believes that in order to grow and prosper, you need the right tools for the job.

"Over the period from 2000 until when we closed on the deal, the businesses we acquired hadn't benefitted from a lot of capital investments," Stiffler says. "So, when we looked at this opportunity, we felt that since these plants were successful at one time individually, we had a very good opportunity to pull it all together if we could make the right investments in them."

Nearly three and a half years after consummating the deal, The MATLET Group continues to position itself for success. With roughly 600 employees, the company posted sales of \$148 million for its latest fiscal year. And, within the

Standing, from left: Rebecca Isowa, VP of strategy and development; Zeynel Zerek, VP of information systems and prepress. Seated, from left: Gary Stiffler, CEO; Jill Davis, VP of marketing and business development; John Gaffney, COO/CFO.

last year, the corporate arm has pulled the trigger on a pair of high-ticket press acquisitions geared toward bringing the facilities up to date with technologies that will enable them to compete more vigorously going forward.

"We took a considerable amount of time researching and developing what we wanted, and we feel strongly that we have made the right investments to position ourselves for the future."

—GARY STIFFLER

The Pawtucket, RI-headquartered company consists of three primary printing businesses with strong brand identities in their respective markets: Packaging Graphics, based here; Acme Printing of Wilmington, MA; and Central Florida Press in Orlando, FL. Each facility has its own president, with Nick Carafa (Packaging Graphics), Francis Canzano (Acme) and Greg Orlando (Central Florida Press) providing guidance at the local levels.

Packaging Graphics specializes in point-of-purchase items, blister cards, folding cartons, skin pack sheets, stretch packs, CD sleeves and other specialty items within its

300,000-square-foot facility. Acme produces high-end commercial products, including annual reports, advertising inserts, catalogs and corporate brochures. High-quality commercial printing is also the strong suit of Central Florida Press. It prints corporate communications pieces, and boasts specialties in casual dining restaurant menus, maps and brochures for local theme parks.

Path to the Future

MATLET has two other complementary businesses. NOVA Marketing Services, in the St. Louis suburb of Maryland Heights, MO, is a full-service fulfillment company that provides, among other things, inventory and database management services, kit and folder assembly, collating, inserting, pick-and-pack, as well as targeted direct mail. TMG Logistics, co-located with Acme Printing, is a third-party domestic transportation broker.

As for The MATLET Group's executive structure, Stiffler runs a very lean organization consisting of six people, two of which are IT specialists. He relies on people to wear multiple hats; John Gaffney, for example, provides both COO and CFO guidance. Most importantly, Stiffler insists on strong leadership at the local levels.

"We encourage entrepreneurship at the plant levels," he says. "We also devised a business plan for making capital investments that would put us ahead of our competitors. We took a considerable amount of time researching and developing what we wanted, and we



At Central Florida Press (clockwise, from the front left), Frank Quiles, pressroom manager; John Glick, SVP of sales and business development; Greg Orlando, CFP president; and Joe Artle, manufacturing manager, pose with the first Roland 700 DirectDrive press that was installed in the United States.

feel strongly that we have made the right investments to position ourselves for the future."

Two major sheetfed offset press purchases have drastically altered the future path for The MATLET Group. In both cases the company turned to manroland for its solution. Last fall, Central Florida Press installed the first Roland 700 DirectDrive sheetfed press in the United States, a 10-color, 40" model. Early this year, Packaging Graphics obtained a 17-unit Roland 700 Ultima perfecter, equipped with 10 printing units, interstation UV lamps, multiple coating units and an in-line foiler. The 127-foot-long machine is reported to be the first manroland press configuration of its kind in the world.

According to Orlando at Central Florida Press, the Roland 700 Direct-

Drive model's most appealing characteristic is its quick makeready capabilities. "It's all about versioning, and getting from one form to the next form as fast as we can. Overall, we've reduced our makereadies to one-third the time they took on our older models."

"We're realizing **production efficiencies** and can now **provide our customers with the same product—or better—at a lower price.**"

—NICK CARAFA

Plate changing and press washup occur simultaneously.

As for the manroland R700 Ultima at Packaging Graphics, Carafa points out that quick makeready times, product flexibility and in-line foiling were among the defining characteristics that prompted the MATLET brass to opt for manroland. For example, the press configuration allows the facility to spot blister, provide multiple coatings per form and to split coatings by product line.

"Its 10/0 or 8/2 color printing platform provides improvements over our existing presses," he says. "We're realizing production efficiencies and can now provide our customers with the same product—or better—at a lower price. We've also been able to eliminate outsourcing certain services, such as foil stamping, by being able to foil in-line at press speeds."

The corporate brain trust evaluated the unique manroland press offerings in



Nick Carafa (top), president of Packaging Graphics, and Greg Iannuccillo, vice president of sales, stand with their 17-unit Roland 700 Ultima perfecter.

Germany, and felt they would provide both of the facilities with “game-changer” capabilities and a distinct advantage in their respective markets. The company also has a trio of Rotoman presses at Acme Printing. “Acquiring these units was a well-planned, major step for us,” Stiffler adds of the latest acquisitions.

The press acquisitions were key to MATLET’s three-year business plan. The company also invested heavily in its infrastructure, beefing up the computer/IT end with a cracker-jack staff. Sheetfed offset printing may soon have a complementary capability within the MATLET organization.

Digital printing could join the menu in the not-too-distant future, either through the acquisition of gear or by obtaining a digital printing operation. “We’re always looking at and evaluating acquisition targets,” notes Gaffney. “We’ve seen quite a few opportunities come across our desk. But, we’ve yet to find one that complements the value proposition that we deliver to our customers.”

Building Relationships

The key, in part, to The MATLET Group’s future lies in the results it

hopes to reap from the new presses. More capacity utilization will speak towards the company’s goal of growing each facility beyond its local/regional markets. Aiding in that quest is MATLET’s status as a certified minority business enterprise; it lays claim to being the largest minority-owned printing company in the country.

According to Stiffler, the business is one of only two printers that have attained Corporate Plus status within the National Minority Supplier Development Council, which provides a considerable advantage in dealing with major corporations. He feels it’s a major tool in the sales and marketing arsenal.

As the printer continues to spread its wings and re-establish the brands of the individual facilities, The MATLET Group is also forging its own identity as a corporate concern. “We’ve worked hard to develop relationships,” Gaffney states. “We’re constantly interacting with clients to understand what direction their businesses are heading. We also feel like we’ve cherry-picked the best talent available in building our senior leadership team.

“Beyond that, the entrepreneurial nature in which we conduct business

allows us to be more nimble and reactive to customers,” he adds. “Quebecor World was significantly more bureaucratic than how we conduct business, and the way we challenge each other to make decisions quickly in the interest of our customers.”

Stiffler is proud of the work his team has accomplished in three short years. And, as the company continues to ramp up, he hopes to fortify the front office, while continuing to foster the entrepreneurial spirit and building of long-term customer relationships. The major investment in new manroland presses has underscored MATLET’s commitment to providing high-quality output and quick turnarounds, even in a much-less-than-favorable economic climate.

“With the current economy and the challenges facing printers, the investments we’ve made provide us with sales advantages when talking to clients and prospects,” he says. “Who else is making these kinds of investments right now? Who else can offer different solutions and provide cost control benefits because of the investments they’ve made? Right now, we’re trying to take advantage of that as much as we can.” *PI*