

Printing NEWS

Your Weekly Connection to the Leading Graphic Communications Market Since 1928

printingnews.com



Printer in Transition:

Network Financial Expands and Grows

©2007 Ellen Wolff

By Seth Mackenzie

The sailfish trophy mounted on his office wall tells only part of the story about a 2004 fishing trip Chris Concannon and his sons, Jack and Thomas, took out of Mexico's Puerto Vallarta. The trio also caught two large mahi-mahis, which they cooked and ate before returning to shore.

As Mr. Concannon tells it, that wasn't the original plan, but it seemed the prudent thing to do, since the boat crew hadn't stocked any provisions for guests (fortunately, there was a hibachi grill on board). "My boys were 13 and 8 at the time, and they were hungry, and so was I," Mr. Concannon relates. Ever the pragmatist, he saw the solution and seized it.

It has been much the same in Mr. Concannon's business life. The founder, president, and sole owner of Network Financial Printing—Digital Financial Printers has had to reinvent himself several times since he entered the graphic arts industry as a young man more than two decades ago.



A large percentage of the work done by Mr. Concannon's company involves documents needed for leveraged buyouts, which he calls "the hottest segment of the financial marketplace."

"My first printing job was with Gibson Graphics," he remembers. "When the company was acquired by Cunningham, I joined that firm in Hoboken. Mike Cunningham was one of my mentors in this business, and I learned a lot from him."

Mr. Concannon next went to work for Hygrade Printing, a forms manufacturer. "I was in the financial division, which was on Greenwich Street in Manhattan." While with Hygrade, Mr. Concannon helped create a bank note operation that printed MICR-encoded, consecutive-numbered stock certificates, medium-term notes, and commercial paper. After 10 years, however, the bottom fell out.

"Basically, what happened was that we lost a business to a changing technology," he went on to explain. "In the early 1990s, Depository Trust Co. (DTC) was gaining significant ground with its electronic trading systems. Certificates were on the way out, and over the course of two years, they had all but disappeared."

Seeking a new direction for his career, Mr. Concannon entered into a one-year contract to build sales volume for Merrill Printing, which he describes as, "one of the top three financial printers in the world. My focus was on South America's emerging markets." The year became eight months when Mr. Concannon opted out of the agreement and, in October 1996, opened Network Financial. Initially housed in 4,000 sq. ft. of space at 12 West 37th St., the new company entered life in the litho era. "We concentrated on prepress, although we also had one Miller four-color printing press. Some of the printing was brokered out," says Mr. Concannon.

In 1999, the company moved downtown to 75 Varick St., still occupying about 4,000 sq. ft., and then, in a transitional move, took a smaller space at 225 Varick. "We were there on Sept. 11, 2001, and we watched the towers fall from the roof of our building," says Mr. Concannon, dredging up the memories of that horrific day.

That was a turning point for the worse, he recounts. "Uncertainty gripped the financial markets, and there was very little business for about two years. On top of that, our landlord, Trinity Church, was intent on moving printers out of its buildings. We moved uptown again, landing in 3,000 sq. ft. at 555 8th Ave."

By this time, Network Financial had adopted digital technology, using four four-color and three black-and-white Canon printers—CLC 5100s, and imageRunner 105s, respectively. Business also was picking up, and, says Mr. Concannon, before the five-year lease had run out, his firm needed more space.

A New Era

In the late summer of 2006, when the Network Financial chief learned of a suitable 4,000-sq.-ft. space at 257 West 38th St.—where he would be the only tenant on the 16th floor—he had 90 days in which to make the move. Surrendering \$10,000 in a security deposit on the old place was not even the tip of the iceberg. "We embarked on a build-out that ultimately cost about \$250,000," he reports, "and we also took this opportunity to upgrade our shop, committing to around \$1 million in leases of new equipment." The company has been in its new home since December.

Topping the current equipment list are seven new digital printers, all made by Konica Minolta, which Network Financial acquired through a dealer, Digital Products Inc. (DPI). DPI also provides service on the machines, and Mr. Concannon has nothing but praise for the help his firm has received from DPI's rep, Luis Villa, and its owners, Rob and Marc Habeeb.

There are four 6500s—four-color machines that feature a Fiery 8000 RIP and can produce up to 65 pages per minute. Two have in-line collating,

folding, and saddle stitching, and the other two have finishing units. There also are three bizhub PRO 1050s, black-and-white units that can handle up to 105 pages per minute. All of these have inline saddle stitching up to 200 pages with face trim, and two also have the ability to create perfect-bound books of as many as 300 pages, with a glued spine and face trim. All of the binding operations can accept inserts, allowing, for example, a four-color cover to be affixed to a black-and-white book.

Other equipment at the 38th St. address includes an offline BQ 270 perfect binder made by Standard Duplicating Machines Corp., a model DC-545 Duplo cutter, a Mighty Lam 2700 roll laminating machine, Wire-O binding equipment, and, for prepress, a room full of computers capable of generating files that go directly to the digital printers; no platemaking is required.

In addition, there is a new Alpha-Doc automatic punch capable of creating 30,000 or more precisely punched Wire-O sheets per hour. More than any other, this unit has won Mr. Concannon's appreciation. "It frees up one or more operators who would otherwise have to perform this function manually, and it completes, in just a few minutes, work that used to take hours."

State-of-the-Art Facilities

Impressive as it is, the equipment is not all that is new at Network Financial. Mr. Concannon lavished as much, if not more, attention, and a huge amount of money—all of it self-financed—on his new facility. The space features a full kitchen, two bathrooms with showers, a conference room outfitted with a 42" Sony LCD flatscreen television set, and a nap room with both a recliner and a Murphy bed. The latter is available primarily for employees who sometimes work long into the night to complete a job, and may need to catch a little shut-

eye before either going back to work or heading for home. The flatscreen TV, meanwhile, is used either for client amusement while they are waiting for jobs to be completed—a rarity—or for DVD presentations.

Heating, ventilation, and air conditioning is custom-installed, so the right environment is maintained both for the equipment and the personnel working on it. "We have a 10-ton Mitsubishi City Multi system installed on the roof," says Mr. Concannon.

According to the supplier, units in this series, "offer a simple and flexible solution where there is a demand for a changeover capability between heating and cooling, ensuring a constant, comfortable indoor climate." Mr. Concannon notes that at Network Financial, each room has its own zone-controlled blower and exhaust. "This allows us to shut down rooms that are not in use, and save money on our energy bills."

Lighting also is high-tech, he adds. "We use full-spectrum T5 and T8 bulbs for the truest color representation. Also, none of our overhead fixtures shine down directly; they all beam their light up to where it is reflected off a bright white ceiling." The walls, however, are not white, which might have caused too much glare; instead, they are a light beige, and contribute to what Mr. Concannon calls a "warm feeling."

Courting Sensitive Jobs

An elaborate security system also has been installed—necessary because of the sensitive nature of the work performed by Network Financial. "When people exit either the passenger or freight elevator on our floor, we can see them via a closed-circuit television hook-up," says the owner. "We also are always careful to shred any excess paper from jobs to ensure confidentiality for our clients and their projects."

Currently, says Mr. Concannon, a large percentage of the work done by his company involves documents needed for leveraged buyouts (LBOs), which he calls "the hottest segment of the financial marketplace." Clients include investment banks and private equity firms.

Work includes annual reports, proxy statements, and compliance documents. But the big push currently is on what the financial industry calls "bank books." "These are perfect-bound books that contain all the particulars of a proposed LBO deal, including the financial documents," Mr. Concannon explains. And, he adds, most jobs are extremely time-sensitive, requiring Network Financial to turn them around in between four and 24 hours. In fact, he points out, a high percentage is completed in less than 12 hours.

"When a client has 100 potential investors sitting in a room, we have to put the books in their hands. There is no room for error in such a short time frame. We have to get it done, and we have to get it right."

What's more, those time spans don't necessarily begin at 8 or 9 a.m. It's not unusual for the clients to continue working on a project up until 1 or 2 a.m., then e-mail it to Network Financial, where it goes through all the steps from preflight, to printed, bound books.

At present, the company employs four cross-trained, full-timers, including Mr. Concannon, customer service manager Charles Neri, and two others. When volume demands it, which is frequently, the company also can call on half a dozen experienced part-timers or subcontractors.



The equipment is not all that is new at Network Financial. Mr. Concannon lavished as much, if not more, attention, and a huge amount of money—all of it self-financed—on his new facility.

“We run one or two shifts as needed, and often go on overtime,” says Mr. Concannon. “When a client has 100 potential investors sitting in a room for an 8 a.m. meeting, we have to put the books in their hands. There is no room for error in such a short time frame. We have to get it done, and we have to get it right.” At times when Network Financial’s people are on the job for as much as 24 or 36 hours straight, the nap room is of particular value—almost more a necessity than a luxury.

Typically, says Mr. Concannon, documents come in via e-mail in a variety of ways, but mainly in Word or PDF format, and the Network Financial staff converts them to PDFs. One particularly helpful tool, says the company president, is PitStop PDF preflighting and editing software available from Enfocus.

A Successful Combination

Sales volume at Network Financial is currently around \$2 million a year, says Mr. Concannon, indicating that he would like to grow this to about \$5 million during the next 24 months. One avenue he is seriously considering in this regard is expansion into large-format printing. Posters are growing increasingly popular, he states, and represent an area of opportunity he would like to take advantage of.

Nevertheless, there is no room for this kind of expansion in the 4,000 sq. ft. now controlled by the company.

“Fortunately,” Mr. Concannon says, “we have an option to lease the 15th floor, the level directly below us. If we do take the extra space, we have an agreement with the landlord to create an in-shop stairway that would make the movement of materials and information between the floors relatively simple.”

Another idea Mr. Concannon is tinkering with is the creation of a service offering virtual data rooms, where prospective parties to mergers and acquisitions could, in an online environment, do the due diligence required. Although such a service would require very little, if any, print-on-paper opportunities, it is an emerging method for gathering and exchanging information in the financial world.

As Mr. Concannon points out, he has already “lost” one business—certificate printing—to technology, and he doesn’t want to find himself in that position again.

Long term—with no commitments—he appears to entertain the possibility that his sons might follow him into the business. Jack, now 16, already helps out in the shop during the summer months, and on vacations from school. At the moment, however, both he and 11-year-old Thomas are students at a school in Brooklyn Heights, where their mother, Lupe, is the assistant director of finance. Numbers, it seems, run in the family.

Seth Mackenzie is a New Jersey-based correspondent specializing in the graphic arts.



257 W. 38th Street, 16th Floor, New York, NY 10018
T. 212.624.1110 • F. 212.202.7840
www.networkfinancialprint.com
netfin@networkfinancialprint.com

Chris T. Concannon
President