

Where promotional product and garment printers lose their margin

A playbook you can start on Monday.



(Why this playbook)

If you print products, whether canvas, promotional items, garments or sporting gear, you almost certainly have products that sell at a loss.

Pens, mugs, bags, lanyards. T-shirts, polos, hoodies, workwear. Team shirts with names and numbers on the back. Somewhere in that range there are items that cost you more than they bring in, and you don't know which ones.

This playbook is a practical guide to tackling margin in a data-driven manner. Every section ends with something you can start doing next Monday, in your own workshop, with a pen, a notebook and a spreadsheet.

(In this playbook)

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Two foundational principles

(Principle one)

Be granular.

Don't look at margin per product. Look at margin per product, per option, per printing technique, per print position. A pen with a big clip and a pen with a small clip are two different products for margin purposes. A polo with a chest embroidery and the same polo with a screen print on the back are two different jobs. A logo on a white shirt and a logo on a black shirt are two different jobs.

If you average all of that, you hide the problem.

(Principle two)

Put the cost on the thing that caused it.

If an order goes wrong, the cost goes to the product or option that went wrong. Not to the product you shipped instead.

Say a client ordered 500 of pen A. Pen A was out of stock. You shipped pen B after three phone calls. Those phone calls cost money. That cost goes on pen A, because pen A caused the problem.

This is why margin is not allocated to an order. It is allocated to products.

Order number	Product	What went wrong
24-1187	Pen A, big clip	Out of stock. Three calls to the client, shipped pen B.

The cost lands on pen A, the product that was ordered, not on pen B, the product that shipped.

The logbook

(The one tool)

Most of this playbook works with one tool: a logbook. A paper notebook, a whiteboard, or a simple spreadsheet. It has three columns.

Order number	Product	What went wrong

That's it. From the order number you can later look up the printing technique, the print position, the artwork, the colour and the client. You don't need to write those down at the moment the problem happens.

Put a logbook at every place where things go wrong. Next to each press, at the embroidery machine, on the artwork desk, at the sales desk, at the packing table.

For correct allocation, never overwrite a confirmed order. You want a track record of the original order lines to attribute cost to.

(Where it goes)

Each press	scrapped units
Each embroidery head	scrapped units
The artwork desk	designer retro notes
The sales desk	order changes, complaints
The packing table	what shipped instead

A blank sheet to copy is on the last page.

Seven places where margin leaks

(What we see)

In our work in the printing industry we have seen common areas where unexpected cost arises and evaporates margin. This list is not exhaustive, but it is a good starting point for your analysis.



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Preparing the product

Before you print a pen, someone puts it in a mold that holds it in place. Before you print a shirt, someone lays it flat on the platen and lines it up. Before you embroider a hoodie, someone hoops it. For a team order, someone sorts thirty jerseys by size, matches each one to a name and number, and makes sure "Janssen" or "Smith" gets a 9 and not a 6.

That all takes time. Some products are harder than others. A pen with a big clip won't sit straight. A hoodie with a thick seam or a zip won't hoop cleanly. A mug with a curved handle needs a different jig. These products take time to set up.

Start Monday	Setup time	Start tracking the setup time of your 20% most popular products over several weeks. You are aiming for a good-enough average per item.
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The printing technique itself

We have seen this at a client. The clip of a pen catching behind the sponge of the pad printer. The sponge ripped the pens out. This happened repeatedly, and always with the same type of clip. It directly affects the margin of that particular product.

You see the same thing everywhere in this business. Thread breaks on a heavy canvas bag. A three-colour screen print that never lines up on a certain brand of shirt. A pad print that smears on a bottle with a slight curve. The margin on a product needs to include all the times the print goes wrong for that technique and that position. Not an average over all products.

Start Monday	Scrap log	Put a logbook next to each press and each embroidery head. Every scrapped unit gets one line: order number, product, what went wrong. At the end of the month, reconcile the lines with the actual product options and printing techniques to spot patterns. The products that keep showing up are your problem products.
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Artwork and the artwork department

Some artwork goes wrong more often. Logos with transparency. Logos on a black object where one line of the logo is also black, and all of a sudden something is missing. Fine text that turns into a blob when you embroider it. A gradient that a screen print can't do. Same technique, same product, different result.

And then there is the artwork department itself. They are under a lot of pressure. They have to work fast. They make decisions to hit the deadline. This is often about a specific product or technique.

Both problems have the same solution. You need to know why the artwork went wrong, and the only person who knows is the designer.

Start Monday	Five-minute retro	Every time a complaint comes in about a logo or a print, sit down with the designer for five minutes. A cup of coffee is enough. Ask two questions. What went wrong? Why did it go wrong? Write down the answer in a few sentences, with the order number and the product. Just collect the answers. At the end of the month, give them to an AI tool and ask what the common causes are.
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Ink, film, thread and screens

Ink, transfer film, thread and screens are often not tracked at a granular level. They go into "production cost". At the end of the year you divide the total by all products printed. That gives an average. That average is misleading. A full-back print on a hoodie uses a lot more than a small chest logo. Some jobs get printed three times before they're right. Those jobs eat the ink and film, but the average doesn't show it.

You don't need a logbook for this one. You already have the data. It's in your past orders.

Start Monday Rough split

Export last year's orders. For each order you have the product, the technique, the print size and the quantity. Next to that, put your total ink, film and thread spend for the year. Now make a rough split.

1. Give a large print three points, a medium print two, a small print one.
 2. Multiply by quantity.
 3. Divide your total spend over the points.
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Returns and complaints

Some products and some printing techniques come back. Take sportswear. A screen print on a sports shirt fades easily with washing and sweat. Sublimation is much more durable. Sell a team fifty screen-printed shirts and the complaint comes in three months later, after a season of training. The same happens with promotional items. A pad print that rubs off a pen after two weeks in a pocket. A mug print that fades in the dishwasher.

Here the cost is not just the reprint. You are probably losing the client. Consider attributing that cost as well.

Start Monday	Second review	Send out a second review email three months after the order was shipped. Ask for the experience after several months of use, and combine that with your everyday customer communication. Every complaint gets a line in the logbook: order number, product, what the complaint was, and how many days after delivery it came in. Every three months, look up which techniques were used on the complaint orders.
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Stock, communication and lead times

Inaccurate stock often leads to orders you cannot deliver. The client orders 40 navy polos in M. The system says you have 45. You have 32. Someone calls the garment supplier. Someone calls the client to apologise. Maybe the client accepts a mix of M and L. Maybe they wait a week. With promotional items the blank often comes from an importer and the lead time on the blank is two weeks. Either way, hours of work went into that order that were never planned.

That cost goes on the product that was originally ordered. Not on the product you shipped. That is why you never overwrite a confirmed order.

Lead times are part of this too. We often see lead times that are optimistic or just plain naive. They don't count that the artwork has to be approved before printing can start. They don't count that the blanks have to arrive first from the supplier. They don't count that half the workshop is on holiday that week. The delay is built in from the moment you promise the date.

Start Monday Two logs

First, every time an order changes after confirmation, log it: order number, original product, what replaced it, and why.

Second, for one month, write the promised delivery date and the actual delivery date next to each other for every order. Count the days between them. Look at the worst ten and ask what happened.

Old price agreements

This one is not about the workshop. A client agreed on a piece price three years ago for the 5,000 pens they order every year. Your costs went up since then. The blank got more expensive. Ink got more expensive. Wages went up. The price stayed the same. Nobody looked at it again. That client's orders make less every year and nobody notices.

Start Monday	Two columns	Make a list of every client with a fixed price agreement. Write down the agreed price and the year you agreed it. Next to it, write what it costs you today to make that product. Two columns. Anywhere the cost is close to the price, or over it, you have a conversation to have.
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Client and product	Agreed price	Year agreed	Cost today

(For the wall)

The checklist

Print this page and put it on the wall.

(Set up)

- ☐ A logbook next to every workstation
- ☐ A notebook or whiteboard at the artwork department for the retros
- ☐ A process that tracks both the original order and the changes

(Every day)

- ☐ Scrapped units logged: order number, product, what went wrong
- ☐ Order changes logged: original product, replacement, reason
- ☐ Complaints logged: order number, product, complaint, days since delivery
- ☐ Every logo or print complaint: five minutes retro with the designer

(Every quarter)

- ☐ Check which techniques are behind the complaints
- ☐ Check which clients did not order again after a complaint
- ☐ Run the designer retro notes through an AI tool and read what comes back
- ☐ Go through the fixed price list

(Once)

- ☐ Track time spent producing your top 20% sellers over a few days. Enough for an average time per order size.
- ☐ Last year's orders in a spreadsheet with a rough consumable split
- ☐ List of fixed price agreements with agreed price and today's cost

(Every month)

- ☐ Count logbook lines per product. Which products keep showing up?
- ☐ Look up the printing technique and print position for the worst products
- ☐ Compare promised and actual delivery dates

(The two principles)

Be granular: per product, per option, per technique, per print position.

Put the cost on the thing that caused it, not on what you shipped instead.

(After three months)

A data-driven approach to margin analysis

After three months you will know which products, options and techniques keep causing trouble. You will know roughly what each one costs you in scrap, rework and phone calls. That is usually enough to find the two or three products you sell at a loss.

Make it a ritual. Being data-driven is as much about having access to data as it is about the discipline to consistently track and analyse it.

(Read more)

Open Commerce builds e-commerce and integration for made-to-order printing, and starts with the process, not the platform.

Read more about optimising your process at www.opencommerce.agency/en/printing



(To copy)

Logbook

One at every press, embroidery head, artwork desk, sales desk and packing table.