

Tepel Bros. printing company to spend \$3M on expansion

BY SHEENA HARRISON
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Despite the hits that the local printing industry has taken in a down economy, **Tepel Bros. Printing Inc.** in Troy plans to expand its capabilities and staff.

The company plans to spend at least \$3 million in the next six months to hire about 25 new staff members, expand its building by 16,000 square feet and buy equipment, including a new printing press worth up to \$2 million.

Tepel Bros.' expansion will allow the company to reach outside its niche market of small to mid-size companies and begin entering the large commercial market. It also will allow the company to do large-run print jobs in about 50 percent of the time and at a lesser cost than with current equipment, President Jim Tepel said.

Revenue is projected to grow from \$10.5 million this year to \$16 million after the expansion is complete, Tepel said.

"We hope to become a one-source commercial printing company where we will be able to perfectly do any run from one to 1 million," Tepel said.

Tepel Bros.' planned expansion comes at a time when many printers are just beginning to recover from a tough economy in which clients couldn't afford high-end



Tepel

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print services.

"The printing industry in Detroit has been decimated in the last three to four years, and a lot of the people that are still around have been weakened drastically," said Jon Strager, president of **The EGT Group Inc.** in Madison Heights, the largest commercial printer in the state. "It's only in the last six to 12 months we've seen a turnaround taking place."

Tepel agrees the industry has been volatile for companies that weren't able to weather financial storms or identify a client base that could sustain business.

"I find the market to be pretty sensitive because there's a high capitalization cost for minimal yield," said Tepel, whose company was started in 1989. "I think when we got into it, we could recognize an area that we could make our niche."

Despite the tough times that the printing industry has had, Tepel Bros. has nearly doubled its size about every two years, Tepel said. And after years of success with small to midsize clients, the company decided it was time to go for larger customers.

"We reached a point where we were going to have a decline in

business if we didn't expand," Tepel said.

Tepel Bros.' expansion is good news for companies such as **Simons Michelson Zieve Advertising Inc.** The agency has used Tepel Bros. for most of its smaller projects, but will likely start using the company for larger runs once the expansion is complete, said Barbara Lipitz, print production coordinator for the ad agency.

"Right now, they wouldn't be competitive price-wise with some of the projects I work on," Lipitz said. "But now that they're going to a larger sheet size format that will help quite a bit."

Strager said Tepel Bros.' expansion will likely put the company in more direct competition with EGT.

He believes Tepel Bros. could be making a smart move because the company has a strong reputation.

"Their strategy is sound," said Strager, whose company expects revenue of \$32 million this year. "Not every company has pulled it off successfully, but they have a good shot at being successful in this expansion."

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