



**PROFILE:**  
**VINCE POPPITI**

Vince Poppiti arrived at Binding Together, Inc., in 1994 after more than 20 years as an accountant and controller in the graphic arts industry. He joined the senior staff in 1996 and became Director of Business Services in 1998, making him responsible for all of BTI's fiscal operations and for developing new business opportunities; his primary mission is to grow the business, and he's done so at a rate of 15 per cent per year for each of the past three years. Poppiti graduated from Ball State University in 1973 with a degree in accounting and spent the next 15 years with Quality House of Graphics on Long Island. He also coached soccer for ten years at the elementary and high school levels. He and his wife Mary live in Seaford, New York, and have three grown daughters.

## AGAINST ALL ODDS . . .

Try building a business this way:

- Recruit employees from the ranks of recovering substance abusers, people who are homeless, high school dropouts and felons
- Keep your production employees for no more than six months
- Have them spend large chunks of the work day in classes or counseling sessions

A nonprofit in New York City did . . . and did it successfully.

The adventure began in 1986 when Phil Caldarella, the co-founder and Executive Director of Binding Together, Inc. (BTI), spotted an opportunity for entry-level positions in the copying and printing industry. The organization's initial goals were somewhat unique for the time . . . to run a business that would simultaneously help people who have multiple barriers to employment find and keep permanent jobs.

Over the years BTI's printing/copying/binding/fulfillment/ mailing business has grown to \$1.1 million in annual sales and a net profit of 11.6 per cent.

Most of the employees are recovering substance abusers. "They have to be clean for six to 12 months before we'll take them," says Vince Poppiti, who became Director of Business Services in 2000. The majority are high school dropouts, many were recently homeless and "there are quite a few with misdemeanor and felony convictions." Some have never had a job, they range in age from 21 to the mid-50s, and they either come to BTI from treatment centers or as outpatients.

The challenge, says Poppiti, is helping them adapt to the world of work.

### REALISTIC WORK ENVIRONMENT

"We try to set up a work environment inside the shop," he says. "They punch time cards, follow a dress code." But BTI also spends a lot of time teaching them life skills. "Some of these guys have never filled out a W-4 form or paid a telephone bill," he says, "never done the things they need to do to succeed."

The student workers spend eight hours a day working in the print shop, taking classes, attending individual counseling sessions, participating in mock job interviews. It's a four- to six-month program with rolling enrollment, which means BTI is bringing in about 20 new people a month and serving approximately 75 to 90 people at any given

time. Each person is assigned to one of two full-time job developers who help them prepare for interviews and search for a job. Two other full-time staff members do follow-up with graduates for about 15 months.

There are three graduation ceremonies a year, and Poppiti says “they can really get to you. Many of these people have never graduated from *anywhere* and they each get a diploma and usually two or three get up and give some compassionate talk about their experiences at Binding Together.” The graduates also receive a \$1,000 stipend and, if they stay on their new job for six months, another \$1,000. The stipends are intended primarily to ease the transition once the students move out of a treatment center into New York City’s rental market, where it costs at least \$700 for a one-bedroom apartment. All the stipends are generated from print shop profits. BTI has also formed an alumni association that meets periodically, arranges dances and bowling parties; it’s hard to hold meetings, says Poppiti, “because in the ‘real’ world businesses run three shifts and our graduates are often spread out among them.”

## DIVERSIFIED CUSTOMER BASE

A major portion of the print shop’s sales come from contracts with more than 250 institutional customers, including corporations, government agencies, litigation houses and nonprofits. Another portion of the customer base consists of brokers (middle men who work with both the customer and the print shop) and other printers who turn to BTI for overload help or fulfillment services, which typically consist of hand assembly work such as collating pieces into packets, inserting them into envelopes, affixing labels and shipping.

The average job handled by the shop brings in \$400 to \$500 in revenue, and there are about 50 jobs a week. BTI increased its sales by approximately 30 per cent in its most recent fiscal year and is hoping for another 10 to 15 per cent increase this year. Two areas of business that are growing rapidly are color and digital copying.

Binding Together is located in the Tribeca district of New York City. There are 32 people on the full-time staff, including seven graduates of the business venture, and the over-all budget is \$3.2 million.

## CRITICAL SUCCESS FACTORS

Poppiti has identified six factors that have been critical to the company’s success.

**Quality control:** “You’ve got to make sure the product that walks out the door is right,” he says, and that’s complicated for BTI because “we have to overcome the obstacle of always having new students as workers.” That means constant

## Vince Poppiti talks about . . .

- Building a business when none of your production employees stay for more than six months
- Setting up a for-profit mentality inside a nonprofit atmosphere
- Why a promise is a promise . . . including getting things finished on time
- Making sure the work is done right before it goes out the door
- Operating in a fiercely competitive industry
- The snares of government bureaucracy
- The importance of “repeat” customers

training and heavy supervision before any job goes out. “When we’re doing a job for a broker,” says Poppiti, “he doesn’t necessarily care that you’re a nonprofit. He has to supply his customer and he needs the job done correctly.” And he says “quality” also means “getting it done on time. When you make a promise, you have to keep that promise . . . and if you’re not going to keep the promise, you’ve got to inform the customer and do whatever you have to do, including overtime.”

**Balancing the for-profit and nonprofit missions:** “One of our toughest jobs,” says Poppiti, “is to establish as much of a for-profit mentality as we can inside the shop – but always within the limitations of a nonprofit atmosphere.” How do you run a business with people who are spending much of their time in classes and counseling sessions? The answer, says Poppiti, is flexibility. “For example, if we suddenly have a rush job that has to be done in an hour but five students have to go to computer training, we’ll reschedule the training. The customer doesn’t want to hear about those sorts of things.” In sum, “it’s a unique situation to run a for-profit and a non-profit simultaneously. You always remember the students first . . . but you still have to produce as a business.”

**Technology:** One of the forces driving the printing industry today is changes in technology. According to Poppiti, “manufacturers are making two types of copier machines, analog and digital. Xerox and Canon are only producing digital machines. And that means we have to help our employees get basic computer skills because they need them to operate a copying machine that’s driven by a computer.” And that leads to another challenge . . .

**Equipment:** “We can’t be training people on ancient equipment,” says Poppiti, but acquiring new equipment has always been a challenge. “Over the years,” he says, “we’ve tried to get funding from the government or grants from Foundations,” but it’s been slow going, and one of the reasons has been an inability to justify the expense. “Our competition can run its equipment 24/7,” says Poppiti, “but we can’t do that. Obviously, the more you run it, the more impressions you make a month and the lower the cost per impression. We’re looking into buying new equipment now, and we’ve looked into expanding to a second shift, but we’re not at that point yet. Before we go to 24/7, we’d have to hire additional staff, so first we need to be sure we have enough work to make it profitable.”

**Recruitment:** There are all sorts of bureaucratic obstacles to keeping the pipeline of students full. “We recently hired someone to do full-time recruitment,” says Poppiti, and one of that person’s jobs is “to cut through some of the government bureaucratic red tape that slows down the processing.” Some of the money BTI needs to provide the training classes and job readiness counseling sessions comes from the Department of Vocational and Educational Services for Individuals with Disabilities (VESID), but before the money can flow, VESID must approve the individual and the rate per day of service. BTI’s new recruiter helps get them processed.

**Repeat business:** “We’re constantly prodding ourselves to get repeat customers,” says Poppiti. “I keep preaching to our new sales people that it’s so much easier to work with a regular customer than to start from ground zero every time.” BTI is also getting an increasing number of referrals, “so obviously we’re doing something right.”

## **FINAL WORDS OF ADVICE**

Poppiti’s advice for others looking to start a printing business is simple. “Start slowly,” he says. “Build from the ground up and be ready to put in some long hours.” And he offers a caution. “Test the market,” he says. “Do some kind of study to see what types of employees local industry needs for the future. It may turn out to be something entirely different than what you expect . . .”

# Binding Together, Inc.

## TYPE OF BUSINESS:

**Printing, digital copying, litigation photocopying, color laser copying, binding, fulfillment services, mailing**

**Mission:** To provide on-the-job experience for individuals who have multiple barriers to employment and to generate revenue to support the organization's training and counseling services — student workers include people who are homeless, disabled, recovering from substance abuse or are unemployed or underemployed because of economic or educational barriers to employment (*the goal is to place graduates in full-time jobs that pay at least \$8 per hour plus benefits and to help them leave the public assistance rolls*)

**Year founded:** 1986

**Structure:** A program operated internally by a nonprofit

**Headquarters city:** New York City

**Geographic market:** Metropolitan New York City area (including western Long Island)

## CURRENT FINANCIAL PERFORMANCE

(fiscal year ending June 30, 2000)

*Annual sales:* \$1,145,955

*Net profit:* \$132,533 (11.6 per cent)

## SOCIAL RETURN ON INVESTMENT

*Average number of student workers at any given time:* 75 to 90

*Total number of student workers (annual):* 175

*Percentage who graduate:* 75 per cent

*Percentage of graduates who find full-time employment:* 95 per cent

*Percentage who are still employed full-time one year later:* 70 per cent

*Number of graduates since 1988:* More than 775

## INITIAL INVESTMENT

*Planning time required before operations began:* One year

*Dollars required before operations began:* \$150,000

*Source of planning dollars:* Government subsidy

*Time until the business generated positive cash flow:* One year

*Additional working capital required before generating positive cash flow:* \$362,000

*Sources of working capital:* Government subsidy plus corporate and Foundation contributions

*Time required to recover planning dollars and working capital:* Six years

## PARENT ORGANIZATION:

**Binding Together, Inc. (founded 1986)**

*Mission:* To help people who have multiple barriers to employment find and maintain competitive employment

*Programs:* Vocational training supplemented by social service support and counseling

*Annual operating budget:* \$3,205,049

*Number of employees (FTE):* 32  
(including seven graduates of the training school)

*Number of people (unduplicated) served per year:* 175

## SENIOR MANAGEMENT TEAM

*Executive Director:* Philip J. Caldarella

*Director of Business Services:* Vincent Poppiti

*Director of Operations:* Carlyle Roberts

*Manager, Customer Service/Sales Support Service:* Lori Kelly

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