



## Synopsis PRIMIR Spring Meeting April 8-10, 2013

April in Daytona Beach proved to be a good formula for another well-received PRIMIR program. A recurring theme throughout the program was achieving new business success. From the keynote presentation on Monday to the closing session on Wednesday, speakers emphasized the changing printing industry and where and how to be successful—whether it be through developing new sales tactics, adopting productivity improvements, engaging in new business development techniques, or exploring opportunities with emerging printing technologies.

Links for each *general* presentation are found at [www.primir.org](http://www.primir.org) in the Presentations, Articles and Videos tab. <http://www.npes.org/PRIMIRResearch/PresentationsandArticles.aspx>

The *Emerging Printing Technologies & Applications* study presentation is posted under the Research Studies tab under the study title. **You must be logged in to see the download link.**

What follows is a summary of the PRIMIR Spring 2013 Meeting, including task force sessions.

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### Presentations

Here is what you missed if you didn't attend. . . .

Sammy Papert, CEO of Wormhole kicked-off the PRIMIR Spring 2013 Meeting in a presentation where he instructed the attendees to “**Think Differently-Break Out of Your Box.**” As the printing industry is evolving and dramatically changing, Sammy’s words inspired the attendees to embrace change, and in fact, invite it.



Throughout his presentation Sammy shared stories of individuals in all walks of life who demonstrated how important it is to change

***Change hurts; stagnation is fatal!***

your thinking in order to bring about change in an organization—

whether it be in new product development, new processes, or simply new ways to tackle a problem. Sammy noted that there are three steps to change: (1) articulate why change is needed, (2) articulate what it means to all involved, and (3) articulate what support will be there to make sure change is executed properly.



Doug Schardt, Product Manager for Komori America Corp. spoke to the group about new technologies being employed on presses to reduce costs and increase efficiency, noting that ‘efficiency reduces the cost on *existing* work.’ Efficiencies are gained through energy and waste reduction, reduced maintenance and elimination of non-productive time. Doug noted that with increased press efficiencies, sheetfed becomes much more competitive with digital processes. Doug also spoke to the group briefly about their foray into printed electronics where a conventional printing press is employed to print electronic circuitry.

In addition to the myriad of presentations at the meeting, PRIMIR attendees were wowed during a tour of the very innovative DME’s nearby facilities.





Tuesday's program kicked off with Dr. Joe Webb addressing the group about **“The Rise of Business Development: Creating Rather than Getting Business.”** Dr. Joe noted that traditional print sales is based upon selling something that clients have always needed, whereas, business development is based upon understanding a client's problems and suggesting ranges of solutions. Dr. Joe noted that the shift in focus to business



development rather than simply getting business requires a culture change that starts at the top, and new sales skills are required from a variety of staff, not just the salesperson. He noted that business development can be employed by all firms, however some firms would benefit from strategic alliances with other print firms to meet their client's needs with new offerings and services. Alliances help manage investment and relevance risk when funding is not presently available. He noted that there are barriers to adopting a business development strategy because of legacy sales compensation traditions, becoming credible with the client base as a 'media expert', and different capex, staffing and accounting needs. In keeping with Sammy Papert's theme of *change*, Joe expressed the need for change in the printing industry to embrace business development strategies and practices.



Building upon the *change* theme of the meeting, Brad Taylor, Partner and Director of Business Development at SunDance Marketing Solutions, shared the SunDance story about **“Beating the Odds: Finding New Opportunities in the Printing Industry.”** Brad noted that he and his partners attended the PIA Converge 2009 conference shortly after purchasing the firm. That conference was the impetus for transforming the firm from a general commercial printer to a marketing solutions provider . . . with the tag line *Beyond Ink on Paper* throughout their branding. They rebranded



themselves, added expertise to their staff with 'young superstars that can dazzle,' and invested in the business to add the assets needed to expand into offering new communication platforms. When needed they built alliances for services they don't currently have through in-house expertise. While the transformation is ongoing, the efforts produced 30% growth with enviable margins and countless compliments from their clients.

Larry Warter, self-proclaimed industry standards geek, spoke to attendees about **“Industry Standards: Why You Should be Engaged.”** Larry noted that industry standards provide best practices, steps to automation and guidelines—all of which are updated as needed. There are rewards for firms who support the standards development effort including strategic positioning and entry into new markets. Larry briefly explained the methodology for standards development and reviewed the various key standards developed with our industry input.

Finally, Tom Ashley, presented findings from his completed PRIMIR research about **“Emerging Printing Technologies & Applications.”** The study evaluates a number of emerging print technologies, several that are printed and some further on the horizon that are *potentially printed*. Largely security printing, 2-D matrix barcoding, printed electronics and displays are the mainstay with additional growing opportunity in 3D printing. Bio-medical and nanotechnology are not technically related to graphics printing. Tom's full report will explore each of the technologies in detail with discussion about how PRIMIR member firms can engage in these new technologies.



## **Recognitions**



During the meeting, PRIMIR President, Kip Smythe, recognized several members who played a key role in the successful completion of PRIMIR research studies. Andy Gordon and Frances Cicogna, Canon USA, were recognized for guiding the *eCommerce & Print Business Models* study through to completion. Ramin Zamani, Mindfire Inc. and Colleen Molkenbur, Canon USA (who received her plaque in person) were recognized for their efforts to complete the study *Impact of Integrated Marketing on the Printing Industry*.

**Thank You!**

## **Current Research Recap**

*Following is a summary of activity for each current research task force at the April 2013 meeting. If you would like to join a task force, e-mail Mark Horvath ([mhorvath@npes.org](mailto:mhorvath@npes.org)) and he will add you to the database so you will be kept informed of conference calls or other meetings and e-mail activities between now and the next meeting.*

### ***eCommerce & Print Business Models***

This study defines the market landscape, segmentation, definitions, and size for eCommerce print providers. It provides an understanding of the business models, sales & marketing strategies, organizational structure and services, workflow, service level requirements (in-house or outsourced), shipping practices and more along with opportunities for printers and suppliers through 2015.

The research was completed and distributed to members in March 2013.

### ***Emerging Printing Technologies & Applications***

This new study will provide an understanding of adjacent product markets that could utilize printing technologies to manufacture such as RFID, security applications, displays, electronic circuits, bio-sensors and micro printing. It will reveal threats, opportunities, drivers and barriers as well as applications in the printing industry over the next three to five years. This study will also explore stages of development and commercialization. The scope of the study will be global product development with attention to those that could offer opportunities to the North American printing industry.

Tom Ashley provided the final read out of the research results and findings during the Spring Meeting. The task force is eager to review the draft report which should be circulated in early May 2013 for review. We anticipate distributing the final published report later that month.

### ***Impact of Integrated Marketing on the Printing Industry***

The need for a better understanding of integrated marketing and how to secure print's role, was identified as a PRIMIR priority. As a result, this new study identifies the highest growth vertical markets for integrated marketing providing market size, growth rates, trends, and potential for print in their marketing mix. In addition, case studies showcase printers who have successfully transformed to become integrated marketing service providers.

The research was completed and distributed to members in early April 2013.

### ***Packaging in Emerging Markets (Latin America & Asia-Pacific)***

An evaluation is needed to examine trends in reverse manufacturing, criteria for determining manufacturing location and packaging/converting location, market sizes, how labor trends in emerging markets will affect the purchasing decision, and effects of sustainability on the purchasing decision. The study will also

evaluate the tipping point at which production might move back to mature markets based on cost, delivery, quality or other factors.

The study was funded by the Executive Committee and the task force kick-off meeting was held with the LPC team in January. Research is underway with converter phone interviews underway in select countries. The next step is the brand owner questionnaires. Task force members have received the proposed questionnaires and should be prepared to provide input during a conference call on April 18 with LPC. The study completion date is late Fall 2013.

### ***UV/EB Curing Technologies in Printing***

There is limited data available in this rapidly changing marketplace. This study will focus on commercial and package printing markets and will have both historical data and forecasts through 2017 for market size. The study will be limited to North America and Europe. It will address key drivers, barriers and opportunities for further adoption of UV and EB curing technologies in various applications for both digital and analog printing technologies.

The task force selected I.T. Strategies to complete the work on this project and a kick-off meeting was held in early March. Secondary research has been completed and the consultant created a vast matrix which he is in the process of populating with data that will be reviewed by various members to ensure the numbers are sound. He is concurrently in the process of drafting survey guides that will be circulated to the task force shortly for review and feedback. The study completion date is anticipated for late Fall 2013.

### ***Value-Added Print and Finishing for Improved Profitability***

This study will address foiling, coatings, color, laminating, and die cutting. It will identify how brand owners manage color requirements. It will also address cost constraints and return on investment and trends by application. It will also address how print with these high-end finishing options can compete against e-technologies.

A kickoff meeting was held in early January with Hal Hinderliter. The task force provided feedback on surveys with print service providers, trade service providers, print buyers and brand owners. Survey response targets were met with the exception of brand owners and Hal is still working on gaining more completes. Vendor interviews will start this week as well as interviews will be getting underway for the case studies. This study's anticipated completion date is early Fall 2013.

## **Future Research Studies**

### ***Tag & Label Printing Trends: Processes, Applications & Consumables***

Focused on North America, this study will cover tags and prime labels (wet glue, pressure sensitive, clear, stretch or shrink-wrap, and pull-out labels) as well as in-mold labels and heat transfer labels. It will include shipments, export data, information about functionality by product and market segment, technology investments (incl. speed, productivity, image quality, color consistency, run length, and more). Print process usage and shifts by market segment along with substrate and other consumables usage stats and trends will be included.

The RFP was finalized and sent out to bid to consultants. Three solid responses were received. During the meeting, the task force agreed to eliminate one of the responses and asked staff to go back to the remaining two to clarify some issues. Once clarified, the task force will get together via conference call to select the consultant to complete this research.

### ***The Future of Retail Advertising (update of 2005 study)***

This study will update the first PRIMIR report done in 2005. It will address the current and future status of retail advertising's use of print media. It will investigate both brick & mortar as well as online advertising barriers and drivers, trends and growth areas. Segments include direct mail (blast and targeted), Sunday inserts, and digital media (mobile, online, coupons, QR codes, Purls, etc.) Baseline data will be for 2011/12 with projections through 2015. A look back five years will also be useful. Study will also cover distribution, use of variable data printing, and emerging applications.

During the meeting attendees reviewed the draft RFP and suggested some key edits. Staff will make changes to the draft RFP and circulate it to task force members for review and comments.

### ***Changing Business Models for Printing Equipment & Supplies Manufacturers***

This study should provide a qualitative and quantitative analysis of changing revenue sources—total revenue as well as percent derived from sales vs. new revenue sources such as service, retrofits, rebuilds, consulting services, etc. for the various constituents of PRIMIR including press manufacturers, digital press manufacturers, bindery and other equipment, color management software, consumables such as rollers, blankets, plates and press accessories and also HAZMAT. The study will also provide trends and forecasts for the next 3-5 years.

A draft RFP was circulated to the task force prior to the meeting. During the meeting there was considerable discussion about the RFP and the scope and focus of the study. It was agreed that staff will take the feedback to the chair who was unable to attend and they will work to clarify the areas of concern.

### ***Print Applications: Revenues, Processes and Run Lengths in Commercial Printing***

This study should provide quantitative statistics for run lengths by print process for applications (books, catalogs, magazines, direct mail, packaging, etc.), along with job frequency and revenue. The study will help manufacturers and dealers understand opportunities and trends by application and print process. Additionally, the study will explore the revenue breakdown since the value of pages is different between the various processes.

The draft RFP was discussed on a conference call prior to the meeting and the scope was narrowed, removing the need for ratios of consumables along with direct and in-direct printer costs. The task force also narrowed the study to nine applications and decided the market segment breakouts would be in the commercial printing sector. In-plants will be an optional add-on. Staff will make changes to the draft RFP and circulate it to the task force for further review and input.

If you wish to join any of these task forces, notify Mark Horvath via email at [mhorvath@npes.org](mailto:mhorvath@npes.org).

## **Other Research**

As part of their Strategic Plan, NPES commissioned two research studies that are managed by PRIMIR. As a result, PRIMIR members receive these additional studies.

By now, all PRIMIR members have received a new study, ***Defining and Understanding Communication Platform Trends and Implications to the Print Value Chain*** by J Zarwan Partners and Sherburne & Associates.

Also, NPES is updating the 2006 ***World Wide Market for Print*** study and database. The research which mirrors output in the PRIMIR studies completed by Pira in 2006/2007 (and updated database in 2009) is well underway with a team from The Economist Intelligence Unit conducting the research. The team is gradually making data available for foundational countries which are being reviewed by a task force of NPES and PRIMIR members. These foundational countries will be part of the basis for the remaining countries included in the study. A summer 2013 delivery is anticipated.

## **Changes at PRIMIR**

At the end of the meeting, PRIMIR President Kip Smythe reported that PRIMIR Managing Director, Jackie Bland has decided to begin transitioning into retirement by becoming a contractor to NPES. This will enable her to work from her home in Charlottesville, Virginia which is several hours away from the NPES offices. Jackie will continue providing support to the studies that she has been managing. In addition, she will continue to provide support in RFP development, marketing of PRIMIR, and developing the content for the PRIMIR meetings. Other NPES staff including, Kip Smythe, Carol Lee Hawkins, Rekha Ratnam and Mark Horvath will assume Jackie's other responsibilities. Mr. Smythe felt that there will be a seamless transition and PRIMIR members should see no difference in staff support.