GRAPH EXPO 14 Delivers BIG
Despite Chicago Air Traffic Issues
ORDERS AND OPTIMISM UP FROM LAST GRAPH EXPO

It would have been hard for even the most tenacious of travelers to not be impacted by the significant challenges that the fire at the FAA facility in Aurora, Illinois caused for people attending GRAPH EXPO 14 and co-located CPP EXPO this year. But despite 4,251 flight cancellations and over 12,000 significant delays at Chicago’s two major airports during the show, attendees found a way to get to Chicago.

“The show’s success, measured by increased leads and orders over the last GRAPH EXPO would have been noteworthy, but the number of stories of persistent efforts and the creative ways attendees used to get to Chicago further highlighted the value and significance the show holds for our industry and its leaders,” said Ralph Nappi, President of the Graphic Arts Show Company (GASC).

According to Igbanny Kalu, Owner, Discovery Print House, “EXECUTIVE OUTLOOK is the best thing that ever happened to me after so many years in the Graphic/Print profession. Regardless of the distance I traveled, more than 28 hours by air, to attend GRAPH EXPO 14 and especially EXECUTIVE OUTLOOK.”

Disappointed others who could not get to the show, like Henry Freedman, Owner, Technology Watch, went so far as to say, “This was the first year in three decades I missed GRAPH EXPO due to Chicago’s air traffic control problems. This significantly impacted our business in that I lost 14 meetings, was unable to share our company’s latest developments, and missed my first-hand opportunity to get a pulse on the state of the industry.”

Despite the negative impact from the FAA fire in Aurora, show attendance was off only 8% from the last GRAPH EXPO with actual onsite verified attendance totaling 19,229.

Well-satisfied attendees and exhibitors, who declared plentiful new leads and sales during the event held September 28–October 1, 2014 in Chicago’s McCormick Place, proclaimed the show a success. Among their comments were:

“KBA was extremely pleased with the quality of attendees at the show this year.” —Eric Frank, VP Marketing, KBA;

“...attendees came to the show ready to invest in the latest inkjet technology, and we experienced record sales and qualified leads.” —Tim Murphy, President, Printware LLC;

“This has been a true selling show.” —Gina Testa, VP of the Graphic Communications Industry, Xerox;

“In these changing times, it was good to see how the show organizers and NPES pulled it all together.” —Henry Hunt,
The Keys to Building a Top-Performing Sales Team

I recently saw a crew team training, and it reminded me not only of the importance of teamwork, but of how impressive it is to watch a group’s effort come together all at once. As I talk with employees and customers across the country and around the globe, effective teamwork is a theme that comes up time and again. Getting the most out of any team requires that you inspire the best in each member in support of the entire team’s mission.

As the incomparable Green Bay Packers’ coach Vince Lombardi said, “Individual commitment to a group effort—that’s what makes a team work, a company work, a society work, a civilization work.” Over the course of my career I have noticed certain attributes that good teams frequently share.

Common Goals

The racing scull I saw only works well when everyone is pulling in the same direction, and in unison. And a team needs to know what the end results should be, so that they know what they are working towards. Good leaders make the target clear, enabling the whole group to head for it as one.

Clear Communication

A muddled message usually leads to poor results. When everyone on the team knows what’s happening, it’s much easier to accomplish great things. Just as importantly, a positive environment is created when your people know they are being heard by colleagues who actually care about what they think. Well-defined objectives, answered questions and respected opinions are a recipe for team success.

Allow Leaders to Emerge

As a team grows together, a good leader is always on the lookout for emerging leaders. In any group, those with the confidence and experience to drive the process forward will appear. Those natural leaders are an executive’s best friend. They take ownership, contribute mightily to the overall process and help get the best out of the entire team.

This is also a great opportunity to identify your organization’s rising stars!

Respect Different Viewpoints and Experience

Strong leaders usually have equally strong opinions—based on experience and intuition—that’s part of what makes a leader. But don’t forget that a fresh perspective can add to the problem-solving prowess of your team. Every team member has something valuable to add, and the best leaders mold all the different strengths of the team into a whole greater than the sum of its parts.

Collaborate

The top teams that I have led, or been part of, have been a pleasure, often because of the way that all the members worked together. From brainstorming to analysis through experimentation to the production of a final product, everyone contributed. Remember, some people have more talent than others, but no one has more talent than all of us combined.

Evaluate and Evolve

This may be the most important business lesson I have learned about teamwork.

You can only get better if you measure what you’ve done, think about how to get better and make that change happen. Strong teams provide an excellent environment for this process. The feedback and assessment they provide is crucial to making real improvement.

When a team puts into practice all of the principles laid out here they will soon function much like that racing scull I saw—moving smoothly and efficiently toward the goal—with every individual’s effort driving toward success.
The response to 3D printing at GRAPH EXPO was way beyond my expectation. The number of high-level executives I was able to engage with at the show was impressive.—Paul Cesak, President, 3DConnectS

The quality and quantity of the traffic at this year’s show exceeded our expectations—and we like to have high expectations.—Guy G echt, CEO, EFI

Chief, Publishing Services Section, UNON;
“GRAPH EXPO was a solid show...seeing plenty of newspaper and commercial customers.”—Mike D’Angelo, Managing Director, Goss International Americas;
“There’s a nice buzz in the industry and Canon is very optimistic about the state of the marketplace.”—Dennis Amorosano, VP of Marketing and General Manager Marketing and Professional Services, Canon USA;
“GRAPH EXPO 14 was a fantastic show for HP.”—Avi Basu, Director of Market and Business Development, Americas Graphics Solutions Business, HP;
“...reported a 58% increase in booth traffic from the last GRAPH EXPO, making this year’s show an undeniable success.”—Bob Niesen, President, GPA;
“The show floor was packed full of people wanting to buy products. We hardly had the time to eat lunch at this event.”—Robert Ross, CEO, Xante;
“What was most impressive was the quality of the people we met with who were there looking for specific solutions.”—Karen Morris, VP of Marketing and Communications, Bell and Howell;
Vastly satisfied with his ROI from the show Michael King, President/CEO, Eagle Systems stated, “We got what we wanted: customers!”
“We definitely increased our leads year-over-year 35%.” —

Tawnya Starr, CEO, Printer-Presence by Firespring;
“GRAPH EXPO has been a very rewarding and impactful event for the Scodix team.”—Ela Bukshpan, Marcom Manager, Scodix;
“This is the best show we’ve been to yet, and we’ll be back next year.”—Craig Andersen, EVP/COO, Enterprise Print Management Solutions;
“Everything in our booth on the show floor sold!”—Eric Gutwillig, VP of Marketing, PriscoDigital.

EXECUTIVE OUTLOOK, held for the first time on show opening day, enticed eager buyer-attendees with announcements of the GRAPH EXPO 14 MUST SEE ‘EM Best of Category technology and product awardees.

Setting an enthusiastic tone for show week was turnout for the EXECUTIVE OUTLOOK Conference, held on Sunday, September 28, and for the first time on opening day of the show. Focused on “Print That Performs,” satisfied EXECUTIVE OUTLOOK participants conveyed their favorable assessments of the program.
“I enjoyed the session on Sunday prior to the show opening...also the segments on forecasting and how to stay relevant, I gained a lot of insight.”—Ruby Grant, Account Manager, Alcoa Global Packaging Division.
When GRAPH EXPO 14 and CPP EXPO officially kicked off at noon on Sunday, September 28 and throughout each day of the exhibition, exhibitors welcomed throngs of enthusiastic attendees to the show floor.
Top industry suppliers who came to demonstrate their latest and most advanced technologies and services—many making their U.S. debut at GRAPH EXPO 14:
“Our booth traffic was excellent with plenty of qualified and interested buyers.”—Michele Johnson, Corporate Events & Communications Manager, Mutoh America Inc.;
“We released new products here, which generated lots of interest and quality leads for us. It’s been a very good show for us.”—Doug House, VP Sales and Marketing, Fastbind USA;
“A large number of our Authorized Resellers attended the show...the ideal opportunity to introduce and demonstrate our newest product lines.”—Bruce Cozens, Export Manager, Vivid Laminating Technologies;
“I was a little skeptical about coming in Sunday, but we had great traffic and awesome traffic Monday, so we are happy with the turnout.”—James Schall, President, Budget-Insks.
First-time exhibitors were equally impressed with the turnout:
“This is our first show and it’s been busier than anticipated.”—Kevin Kennington, Sales & Marketing, TechVOX Inc.
Next up for the industry is the “Transform” themed GRAPH EXPO 15, together with co-located CPP EXPO and a host of co-located industry events, set to take place September 13-16, 2015 at Chicago’s McCormick Place.
For more information about GRAPH EXPO, visit: www.graphexpo.com.

For EXECUTIVE OUTLOOK, visit www.executiveoutlook.com.
1. GRAPH EXPO 14 buyer-attendees eagerly explored MUST SEE ‘EMS technology/product winners including, in Canon’s booth, the U.S. debut of the Océ Arizona 6100 Series wide-format printers.

2. Progressive print service providers seeking new profit opportunities found an array of exciting options among the 2014 MUST SEE ‘EMS winners, including Ricoh’s “1to1 Create Marketing Services.”

3. At GRAPH EXPO’s Latin America Day, exciting business opportunities were revealed for the Latin American packaging market in a special presentation by Eric Frank, VP Marketing & Product Management, KBA.

4. Show goers seeking to expand their range of service offerings discovered—still the world’s largest mailing show—inside DELIVER, the Mailing & Fulfillment Center at GRAPH EXPO 14.

5. GRAPH EXPO 14’s hands-on computer labs, taught by industry experts, were among the more than 70 workshops, seminars and special presentations that were packed with information, ideas, and “take-home” tips.

6. Future Print sessions at GRAPH EXPO 14 attracted progressive print pros all focused on the future of print—and the new and emerging technologies that are leading the way: RFID, Printed Electronics and 3D printing.

7. IKEA Asia Pacific captured the 2014 Positively Print Award for its humorous “Bookbook” campaign; Wanda Fisher, IKEA Local Marketing Specialist accepted the award on behalf of the company from GASC President Ralph Nappi.
8. Inside GRAPH EXPO’s new-for-2014 PLASTIC Print pavilion, show goers got a first-hand look at the 3D printing process, unique new applications, and potential new profit opportunities.

9. GRAPH EXPO buyer-attendees got “under the hood” to conduct side-by-side comparisons of the latest technologies designed to boost their competitive edge.

10. New-for-2014, the PLASTIC Print pavilion was a welcoming show floor “hot spot” for print pros in the package printing, commercial printing and industrial printing markets to mingle and learn about the new and emerging profits-boosting applications and solutions.

11. Greeting Daniel McManus (r), Community Outreach Coordinator for Congresswoman Tammy Duckworth (D-8-IL) during his GRAPH EXPO show floor tour is Barbara Reggio (l), VP Administration, Prime UV Systems, with Egon Rassow Jr., Canadian Sales Manager, Prime UV (center left), and NPES Government Affairs Director Mark Nuzzaco (center right).

12. GRAPH EXPO 14 Career Awareness Day on Wednesday welcomed nearly 1,000 local area graphic communications students who, after a lively morning presentation and announcements of the GAERF 2014 Student Design Competition Award winners, explored exhibitor booths seeking a first-hand perspective of the industry.

13. In addition to serving as the show floor social media hub, the PRINTERVERSE offered GRAPH EXPO attendees an eclectic and interactive mix of engaging learning opportunities including panel discussions, case study presentations, and networking events.
As the economy becomes more integrated into the global financial system, however, the performances of the U.S. and Chinese economies will have greater bearing on domestic prospects.

Indonesia: Expanding Asian-Pacific Print Market Opportunity

Political stability has emerged as the norm in Indonesia, viewed now as Southeast Asia’s most democratic nation and a role model for the region. Following successful general elections in April, in which nearly 140 million people cast ballots (a turnout of 75%), the Constitutional Court denied an appeal by the losing presidential candidate, a former army general and son-in-law of Indonesia’s former dictator, leading to a peaceful democratic transfer of power, with all parties accepting the results and setting the foundation to move forward as a stable, growing nation.

According to the “World-wide Market for Print: Identifying Global Opportunities for the Print Industry” study—conducted by the Economist Intelligence Unit (EIU) and released in late 2013 by NPES and PRIMIR—Indonesia’s print products market continues as a power player in the entire Asia-Pacific region and globally. Indonesia’s overall score in the EIU’s business environment rankings is projected to continue to rise through 2017. As the economy becomes more integrated into the global financial system, however, the performances of the U.S. and Chinese economies will have greater bearing on domestic prospects.

Print Market Summary

Indonesia’s print market is forecast to grow from US$5.3 billion in 2012 to US$9.1 billion in 2017. The print market’s 2007 to 2011 growth rate of 4.1% is expected to almost triple between 2012 and 2017 to 11.2% (see Exhibit 1). Indonesia’s lower labor and transportation costs are driving growth and giving the country a more competitive edge in the market, allowing Indonesia to draw business away from China. Conversely, China’s expanding middle class has created an Asia-Pacific trade cycle to increase demand for non-commodity exports to China. Additionally, the Indonesian government has provided incentives to the print and print-related industries—all compounding prospects for the nation’s print market.

Print Product Revenues

The annual growth rate in print product revenues projected through 2017 spotlights the potential in Indonesia (see Exhibit 2).

Every print product’s sub-category will experience growth through 2017. Drivers include improving macroeconomic conditions, an increasing urbanization rate, rising education levels, and an expanding middle class with a higher propensity to spend on non-commodity goods.

The market size of publishing printing will double from US$1.7 billion in 2012 to US$3.4 billion in 2017. By 2017, publishing will represent 37% of total print product sales, up from 32% in 2012. The forecasted growth of publishing printing is partially driven by improving economic conditions, an increasing urbanization rate, and rising education levels in Indonesia that have increased the demand for publishing print products, such as books, newspapers, and magazines. The growing middle class in Indonesia has increased market demand for educational, professional, business, and technical books as well. Additionally, improving economic conditions have increased many Indonesians’ demand for non-commodity goods and advertising.

Packaging, which will grow at 15.2% between 2012 and 2017, will be the second-fastest growing print products sector and have the second-largest market size at US$2.7 billion, in 2017. The growth of the packaging sector will also be driven by improving economic conditions and urbanization, which will increase demand for packaged goods.

Equipment, Ink & Substrate Sales

All equipment product categories will experience growth between 2012 and 2017. Sheetfed offset lithographic equipment will continue to be the largest category of equipment sales by volume in 2017, with a market size of US$61 million in 2017 up from US$53 million in 2012. Sales of sheetfed offset lithographic equipment will make up 27% of total print equipment sales in 2017. Inkjet equipment sales, which are expected to grow at 4.9%, will experience the highest growth rate of all equipment sectors in 2012 to 2017. Film imagesetters and screen equipment,
both with a growth rate of 4.6%, will also experience above average growth for equipment sales between 2012 and 2017.

Letterpress ink sales and coldset web offset litho ink sales will experience the highest growth rate, both at 14.9%, between 2012 and 2017. Electrophotographic ink and toner sales will have the greatest volume of sales, US$71.5 million in 2017, up from US$38.1 million in 2012.

Newsprint and coated wood-free print are predicted to grow at the fastest rate of the substrate sectors between 2012 and 2017. Paper and board packaging print will have a market size of $US4.2 billion in 2017, up from US$2.3 billion in 2012. Paper and board packaging print will represent 53% of total substrate sales in 2017, equivalent to 2012 levels.

What NPES Members Should Consider as Next Steps?

Indonesia is forecast to be a high-potential market in the Asia-Pacific region (in addition to China and India), and globally, through 2017; but poses a unique set of socio-economic and structural dynamics, well worth print industry companies’ investigation to develop market entry or sales expansion strategies. Print firms that think outside of the box historically are those that have remained profitable, despite a challenging environment. The Internet, along with improved transportation options, eliminates many geographic barriers. Might NPES member firms capitalize on opportunities in the growing publishing and packaging markets in Indonesia?

Now may be the time to consider engaging in emerging markets’ growth by exploring new service offerings and partnering with in-country firms—but, knowledge is power. The comprehensive “World-wide Market for Print,” study provided to all NPES and PRIMIR members earlier this year, provides much greater information on the macro-economic and print markets in Indonesia, as well as in-depth data and research for the entire Asia-Pacific region and others, and includes individual profiles for each of the 51 countries that make up over 90% of the global print market.

Exhibit 2: Total Product Revenues - Asia Pacific CAGR 2012-2017 (%)

Source: NPES 2013 study, “World-wide Market for Print: Identifying Global Opportunities for the Print Industry,” by Economist Intelligence Unit

India continues to be a dominant emerging market for print and a must for companies with a global business strategy to investigate. NPES invites members to participate in a 3-in-1 Business Development Program designed especially for your needs. The three-part program consists of:


Benefits include:
- Booth Share with NPES
- Briefing from the U.S. Commercial Service
- Meetings with prospective customers, distributors, agents
- Meetings with Indian printing associations
- Tour of printing plant facilities in the New Delhi area
- FREE registration to NPES-ICC Color Management Conference 2015
- Daily destination transfers included
- Visit to the Taj Mahal in Agra

For more information or to register, visit www.npes.org or contact:
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3-IN-1 BUSINESS DEVELOPMENT PROGRAM
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In 2013, the market for production digital presses increased 19% to over $1.7 billion, the highest it’s been since 2011. The total market—traditional printing equipment, graphic arts supplies and production digital color presses—also increased 8% in 2013 to nearly $2.8 billion. See Figure 1 for more details on the total market annually.

At the end of 2013, shipments for traditional printing equipment and graphic arts supplies fell -8% and -5% respectively from 2012 levels. Printing equipment shipments continue to be hall of what they were in 2009, but despite actually seeing slight growth in 2011 the decrease continues through 2013 dropping to $423 million vs. $460 million; shipments of supplies also continued to fall in 2013 to $666 million vs. $700 million.

### 2014 Digital and Total Market Snapshot

Shipments of digital presses for the first quarter of 2014 are up +31% compared to the same period in 2013 at $422 million vs. $321 million. The increase in digital press shipments has a strong correlation to decreases occurring in traditional pressroom equipment. The total market for equipment and supplies is also up +8%, mainly due to the increase in digital presses, while analog printing equipment and graphic arts supplies continue to decline.

### 2014 Printing Equipment Snapshot

Overall, printing equipment shipments for the first quarter of 2014 are down -23% compared to the same period in 2013—$89 million vs. $116 million. Declines are evident in all areas of the traditional printing equipment arena and shipments are still nowhere near the levels of previous years.

### 2014 Graphic Arts Supplies Snapshot

In the first quarter of 2014, supplies shipments decreased to $152 million, down -14% over the same period in 2013 ($177 million). Typically, sales of film, plates, proofing products and chemistry are all directly correlated to shipments of printed products. In addition, the continuing shift of some offset work to digital presses has impacted plate volumes with litho plates down -8%. Until print volumes increase, supply products will continue the struggle to see growth.