Champions of Challenge and Change
LATEST INDUSTRY INTEL PLUS EXPANDED NETWORKING CONNECTIONS DELIVERS WINNING PROGRAM PUNCH

Inspired with the vision to leverage challenges into profitable new opportunities, NPES and PRIMIR members gathered together for the second time, at this year's NPES Annual Conference and PRIMIR Fall Meeting, held October 26-28, 2015 in Palm Beach, FL. Together they explored revolutionary changes in media communications, and breakthrough new business strategies to position their companies on the leading edge of industry transformation.

Themed “Future Print: Champions of Change,” the robust agenda engaged meeting participants in strategic conversation, provided dynamic presentations on breaking research, and led an exploration into new PRIMIR 2.0 studies for 2016.


In an engaging and visually entertaining style, Ross explained why certain teams are successful, while others aren’t. His informative talk was based on more than six years of research, interviewing more than 1,000 professional athletes and coaches, and resulted in two critically acclaimed series of sports business books. The first examined how and why certain teams win world championships; the other chronicles the unwritten and unspoken rules in the world of sports, or “codes” as they are known, which detail the fine line between cheating and gamesmanship—and the consequences involved when that line is crossed.

Ross identified some fascinating patterns, metrics and trends developed among certain individuals who possess a very unique DNA. For these individuals, or “champions,” it wasn’t always about winning; it was about following their moral compass in order to play the game the right way, with respect and integrity, in order to achieve success. His presentation provided the audience with strategies designed to improve their organization’s productivity, morale and bottom-line profitability.

Next up, David Humphreys, Director of Custom Research for the Americas, Economist Intelligence Unit (EIU), provided a thought-provoking PRIMIR study presentation on “The Future of Print in the U.S. – Landscape, Implications and Opportunities.” This session identified the key outside forces that are driving huge changes for printers and the industry from EIU’s findings, which included the:

- Ongoing contraction of commercial print from 2001, and continuing its decline trajectory for the next five to six years;
- Explosion in technology, data and predictive analytics leading to rapid mass personalization; and,
Humphreys noted that print plays an enormous role in consumer perception—“there’s safety in print”—and that print, if used correctly, can become more effective in influencing customers. He also emphasized that printers will have growth opportunities outside of consolidation, including: specialization and differentiation in specific products or verticals (requiring more specialized equipment and labor); leveraging new partnerships and business models to strategically provide ancillary services; and, expanding the talent pool—sales, specialists, and younger workers—to remain competitive.

Humphreys concluded in noting that pathways to success exist for both printers and vendor suppliers, but it requires action now; that survival will be difficult with only a print product focus, and those companies that thrive will do so in a customer-driven, solutions environment, sitting with partners at the strategy table.

Immediately following the presentation, meeting participants from throughout the value chain engaged in the first of two Member Exchanges, interactive sessions to deep dive into the study findings and its ramifications. Afterwards, the midday lunch break provided a casual opportunity to mingle with friends and make new business connections, which attendees always state as key benefit of attending the combined NPES/PRIMIR conference.

Ready and refreshed, the group reconvened for the afternoon’s concurrent sessions to provide input on draft RFPs for upcoming PRIMIR research. Here, attendees divided into key interest groups for the discussions, which resulted in a number of studies advancing toward release to consultants for bidding and task force oversight through to study presentations at the June PRIMIR meeting or NPES 2016 Annual Conference and PRIMIR Fall Meeting.

After the first full day of thought-provoking sessions, participants, spouses and guests gathered that evening for the Reception and Dinner, which featured a festive celebration of outstanding leadership and service.

Bright and early the next morning, in another timely PRIMIR study presentation, “The Future of Direct Mail through 2020,” Gilles Biscos of INTERQUEST focused his remarks on several key issues:

- The impact of changing demographics and preferences
- The decline of catalog mailing rates
- The increase in digital marketing techniques and technologies on non-catalog direct mail, as well as consumer demographics and preferences over the next five years;
companies in the evolving landscape.

Biscos emphasized that direct mail is a proven, cost-effective method of getting messages into the hands of customers. Although it faces strong competition from other channels, it offers a number of significant advantages and remains a valuable ingredient in a multichannel marketing mix. When asked about its benefits, interview respondents stressed that direct mail: is tangible and a key element for branding that stays around for a long time, and can be passed around to others; helps drive the call to action more than a digital message; is among the most trackable and measureable of all media; and, is the highest conversion and response medium next to telemarketing.

INTERQUEST projects that total direct mail volume (pieces) in North America will slightly increase by 0.4% from 2015 to 2020 (See Exhibit 2) as a result of relatively good economic growth and the continuing strengths of direct mail in the marketing mix. Biscos noted that B2C direct mail volume will increase by 1% annually over the period, and B2B volume will decline by 3% to 4% per year.

As it relates to print technology and equipment sales over the next 18 months, survey and interview respondents indicated purchase decisions as “very likely” or “likely” at 46% for color toner; 29% for web-fed inkjet; 28% for sheet-fed inkjet; 23% black toner; 13% for offset press; and, 11% for inkjet on offset.

Executive Director, Paper + Packaging Board (P + PB), Mary Anne Hansan, provided for the NPES and PRIMIR meeting a tremendously engaging presentation on the P + PB’s promotional and marketing “Paper & Packaging—How Life Unfolds” campaign, which is utilizing an extremely effective multichannel mix of media, PR and social outreach. Hansan emphasized that the campaign—which launched this past summer and is supported and generated by almost 60 manufacturers and importers of paper and paper-based packaging—created unified messaging for the industry designed to appeal to the minds of consumers.

Run by the P + PB and authorized until 2021, the program aims to slow the decline in usage of paper and increase the demand for packaging with a consumer-focused marketing campaign overseen by the USDA. She pointed to broad national coverage in being recently highlighted in The Washington Post, Wall Street Journal, NPR, Ad Age and many more outlets, and also highlighted social media “promoters” among several celebrity influencers.

In the coming weeks, the campaign will showcase how paper and packaging help make the holidays special for children across the nation. Hansan recommended meeting participants check out the integrated effort on the campaign website, www.howlifeunfolds.com. This eye-opening presentation concluded the PRIMIR Fall Meeting and NPES 2015 Annual Conference on a very enthusiastic high note!
EXIM is an essential tool for small manufacturers exporting to new markets...

U.S. House, Senate Vote to Reopen EXIM Bank

ANOTHER PRINT’S VOICE 15 OBJECTIVE CLOSE TO REALIZED

The U.S. House has joined the Senate in voting to reopen the Export-Import Bank (EXIM), which has been shuttered since June as a result of a struggle between the Bank’s opponents who see it as “crony capitalism” or “corporate welfare,” and its supporters including NPES and other major business organizations who know the value of EXIM Bank’s support for U.S. exporters, including NPES members, and the American jobs they provide.

The vote of 363 to 64 that would reopen EXIM came as the House approved a highway spending bill that contained a rider that reforms and reauthorizes EXIM Bank for four years. An identical provision was already passed by the Senate in its highway bill this past summer. The two bills now must be reconciled in a House/Senate conference before being signed by President Obama. “Although the timing of the conference is not yet certain, with strong majorities in both houses of Congress backing EXIM, as well as support from the President, the chances of the Bank being reauthorized are very good, but should not be taken for granted,” said NPES Government Affairs Director Mark J. Nuzzaco, who urges NPES members to thank their representatives who voted for reopening the Bank. The House roll call vote can be found at: clerk.house.gov/evs/2015/roll623.xml, and an online tool for sending a letter is available at: governmentaffairs.npes.org/voter-resources/.

The lopsided 363 to 64 House vote belies the stiff opposition that EXIM Bank reauthorization faced this time around. It moved forward only after a majority of members comprised of 184 House Democrats and 62 Republicans employed a rare discharge petition to pass a standalone reauthorization bill. However, due to Senate Majority Leader Mitch McConnell’s opposition to an EXIM-only measure, it was necessary to package it in the House highway legislation that can be conferred with a similar Senate measure.

Both the House and Senate legislation would reinstate and extend the Bank’s charter, lower EXIM’s lending cap from $140 to $135 billion, and increase the Bank’s support for small businesses from 20 to 25%. “Reauthorization of EXIM Bank has been a top NPES government affairs priority and was an important focus of this year’s PRINT’S VOICE Capitol Hill Fly-In,” said NPES President Ralph Nappi. He emphasized that “EXIM is an essential tool especially for small manufacturers exporting to new markets,” and added that “reopening the Bank is great news, especially with U.S. exporters already facing the headwinds of a strong dollar.”

Additionally, SBA 2012 Southeastern U.S. Exporter of the Year, NPES Government Affairs Chairman Ron Rose, President, Nova Pressroom Products, Jacksonville, FL, who has used EXIM Bank to help Nova develop a successful export business, observed that “a reauthorized EXIM Bank can now start making new loans and loan guarantees that will bring long-term stability and confidence to manufacturers and exporters that foreign markets will remain accessible for their products and services.”

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org.
After ten years at the helm, it is time for NPES to find its next leader and for me to find my next passion. As we consider a new strategic planning process, it became apparent to me that this would be the right time to bring in a new executive.

Nappi to Depart NPES After Ten Years as President

At the NPES Board of Directors Meeting in Palm Beach, Florida in October, NPES President Ralph Nappi advised the board of his intention to transition out of the organization. “After ten years at the helm, it is time for NPES to find its next leader and for me to find my next passion.” Nappi continued, “As we consider a new strategic planning process, it became apparent to me that this would be the right time to bring in a new executive. Along with NPES’ very strong balance sheet and the most committed and innovative staff I have worked with in my 35-year association career it was clear that now is a very good time to go.”

Nappi has agreed to continue for 90 days after the new president is hired, allowing for a smooth transition and with a timeline for his departure most likely in late June or early July 2016. Besides serving as president of NPES, Nappi serves as president of the Graphic Arts Show Company (GASC), and president of the Graphic Arts Education and Research Foundation (GAERF). He will resign all three positions at the same time.

After the announcement, Mal Baboyian, newly elected Chairman of NPES and GASC, and Executive Vice President, Large Format Solutions & Production Print Solutions, Canon Solutions America stated, “Ralph has guided us very effectively during a time of substantial change. NPES, GASC and GAERF have been fortunate to have had a leader with such strong strategic and fiscal acumen. Ralph will certainly be missed, but he has provided an orderly transition plan that gives us the benefit of time and his expertise and includes him serving on the search committee for his replacement.”

Nappi added, “I have had only two jobs in the last 30 years and I am proud that NPES was one of them. But now it is time to write a new chapter that will allow a little more time for family and other pursuits.”

Search for Next NPES President Gets Underway

Heidrick & Struggles, Inc., a leading executive search and leadership consulting firm with a national and global presence, will conduct the search for the next president of NPES. The firm’s clients include major professional and trade associations, nonprofit organizations, as well as leading corporations, law firms and companies across many industry sectors and specialty areas. Eric Joseph, partner in charge of the Heidrick & Struggles Washington, D.C. office, will head up the search to identify candidates for the position that Ralph Nappi will vacate next year.

The NPES Search Committee, which selected Heidrick & Struggles from a distinguished short list of executive search companies, comprises Chairman Malkon Baboyian; Executive Committee Members Mark Hischar, Michael Ring and DJ Burgess; and, Ralph Nappi. The next item on the agenda for the committee will be to work with the Heidrick & Struggles team to set parameters for the complex job description that will attract the right candidate with the necessary skills, versatility and innovative thinking to lead NPES, GASC and GAERF at this time of change in our industry.
If you have not considered Indonesia before as a viable and strategic export market, now is the time, even if you have never considered export of your company’s products previously.

NPES Leads the Way to...INDONESIA
HOTTEST NEW INDUSTRY EXPORT MARKET

While it may be difficult to think of Indonesia, beyond its beaches, volcanos and exotic wildlife, there also is significant business potential! Indonesia is the fourth most populous nation in the world, and one of the world’s fastest-growing economies. If you have not considered Indonesia before as a viable and strategic export market, now is the time, even if you have never considered export of your company’s products previously.

In September, NPES earned a funding award through the Market Development Cooperator Program (MDCP) within the U.S. Department of Commerce’s International Trade Administration (ITA). The award is significant to NPES and our members as it will provide financial and technical assistance from the ITA to support export projects that enhance the global competitiveness of the U.S. print industry. The funded project will allow NPES to expand members’ U.S. manufactured exports by:

- Opening an export assistance office in Jakarta;
- Developing programs to help U.S. firms participate in trade shows and trade missions abroad; and,
- Providing technical training and education for the print industry in Indonesia.

This year only five non-profits nationally earned this very competitive ITA award for innovative projects that generate exports and create or sustain U.S. jobs.

Given recent U.S. market conditions and projections for the future—leveraging business potential outside the U.S. is extremely important. The NPES Indonesia office and programs will make available the same one-on-one, customized services that a growing number of NPES members utilize in India, China and Latin America to increase their productivity, competitiveness, innovation and, of course, exports.

FOUR REASONS WHY YOU NEED TO EXPLORE INDONESIA:

- **Southeast Asia’s Largest Market—and World’s 4th Largest Country!** With a population of over 253 million, NPES members have the opportunity to enhance Indonesian printers’ productivity with U.S. technology that will advance their competitiveness on a global scale.

- **Publishing & Packaging Markets in Growth Mode!** Driven by improving economic conditions, an increasing urbanization rate, and rising education levels, the demand for publishing print products is fast tracking in all sectors—books, newspapers, and magazines. Plus, the growing middle class is also driving increased demand for a wide range of non-commodity products and services.

- **The Geographic Advantage!** Strategically located, Indonesia borders on the South China Sea—one of the world’s busiest sea lanes, transporting over U.S. $5 trillion in global cargo annually.

- **Economic Growth!** The U.S. Commercial Service currently ranks Indonesia 4th in the East Asian Pacific region for new-to-market export success of U.S. Small-Medium Enterprises (SMEs), and 2nd in the Southeast Asia region overall.

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NPES President Ralph Nappi (center right) and Jimmy Junaeboto (center left), Chairman of the Indonesian Master Printers Association (PPGI), sign a Memorandum of Understanding between the two organizations during AllPrint Indonesia in Jakarta, October 2015.

Receiving a plaque recognizing NPES’ successful MDCP Award submission from Marcus Jadotte (r), Assistant Secretary for Industry and Analysis, International Trade Administration, U.S. Department of Commerce are NPES Assistant Director International Trade Programs Pernilla Jonsson (c) and NPES Vice President of Market Data and Research Greg Safko (l).
**GAERF Launches 2016 Student Design Competition**

The Graphic Arts Education and Research Foundation (GAERF) announces the launch of the GAERF 2016 Student Design Competition, themed “Infograph It!” This eighth annual contest challenges participants to combine their critical thinking and creativity with cutting-edge technology to design and create an engaging printed item with an infographic—defined as a visual graphic that presents complex information or data quickly and clearly—on the topic of their choice. The design must also incorporate a reference, URL or other, to the source of information on their chosen topic. Entries will be judged on design, ability to convey information quickly, and inclusion of reference to information source. One secondary school winner will be identified for each of the first, second and third place awards.

The competition is open to all students attending secondary or post-secondary institutions in the continental United States who are studying in a graphic communications/printing, advertising, graphic design or interactive media program. Entries selected by GAERF will be judged by a panel of industry professionals.

First place winners and their instructors will receive a two-day trip, all expenses paid, to attend GRAPH EXPO 16 in Orlando, FL. The winning students will receive an award of $2,000 presented during GRAPH EXPO 16’s Career Awareness Day, Wednesday, September 28, 2016. Second place winners will be awarded $1,500, and the third place winners will receive $1,000.

“GAERF is proud to continue its commitment to supporting education initiatives by encouraging creativity and self-expression in students through the art of design and production,” said GAERF President Ralph Nappi. “This year’s competition centers on effective graphic design to convey complex information and will serve to recognize our best and brightest students, as well as the significant commitment of their instructors.”

For complete information about the GAERF 2016 Student Design Competition visit: [www.graphicCOMM-central.org](http://www.graphicCOMM-central.org).

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**INAUGURAL NPES TRADE MISSION TO INDONESIA (& INDIA)**

**SPECIAL OFFER!**
Take advantage of our exclusive offer for the first five NPES members to join us on our inaugural Indonesia Trade Mission, planned for March 16-18, 2016. NPES will underwrite all in-country expenses and waive the trade mission fee—inclusive of organized one-on-one meetings, plant visits, hotels/meals, transfers and a dedicated educational program to attract key principals from Indonesia’s print market, a key networking opportunity.

**BONUS:**
Leverage your trade mission benefits and also participate in the dovetailed India Trade Mission, slated for March 13-15, 2016.

For more details and to register contact NPES Assistant Director International Trade Programs Pernilla Jonsson at phone: 703/264-7200 or e-mail: pjonsson@npes.org.
Display graphics printers revenue is expected to grow from $553 million in 2014 to $711 million in 2018.

What’s the PRIMIR Takeaway?

Display graphics printers revenue is expected to grow from $553 million in 2014 to $711 million in 2018. That’s 6.5% CAGR growth of display graphics systems revenue. Unit shipments will decrease, but revenue growth will increase as the new technologies maintain higher selling prices than the mature conventional aqueous inkjet segments.

### North American Wide Format Display Graphics Inkjet Printer Shipment Revenue by Technology, 2010-2018 (SM)

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<td>$0</td>
<td>$1</td>
<td>$1</td>
<td>$3</td>
<td>$14</td>
<td>$23</td>
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<td>$513</td>
<td>$538</td>
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<td>$626</td>
<td>$671</td>
<td>$711</td>
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**Congressman Erik Paulsen (R-3-MN) is flanked by constituents Jane and D.J. Burgess during a recent visit to Burgess Industries that followed Paulsen’s meeting with PRINT’S VOICE 15 attendees in Washington, D.C. in June. Burgess thanked Paulsen for his leadership on issues of importance to the graphic communications industry, including pro-capital formation tax policy and strong support for international trade.**

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**Did You Know?**

Consumers are more likely to notice and read direct mail (53%) than email (26%).

—Breaking Through the Noise, Canada Post, June 30, 2015