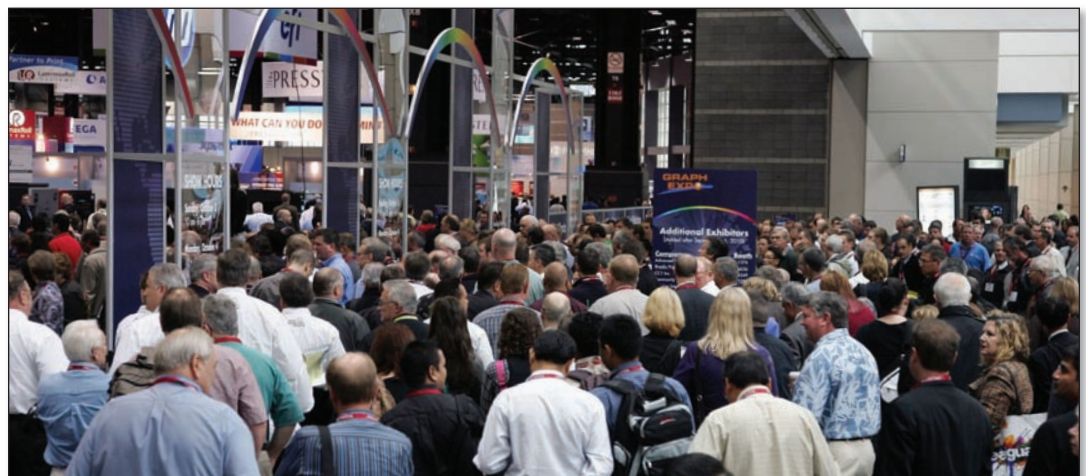


news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

GRAPH EXPO 2010 Success Hailed by Attendees, Exhibitors Across 11 Key Market Segments

Proving once again its value to the graphic communications industry, GRAPH EXPO 2010 presented a comprehensive exhibition of the latest technology and applications to a diverse spectrum of industry attendees. GRAPH EXPO 2010 was enhanced by the 20 co-located industry programs and events that provided attendees with a widely expanded range of business education and networking opportunities. The show attracted a total of 19,961



Crowds of domestic and international visitors, from 69 countries, assembled early each morning in McCormick Place's Grand Concourse awaiting the show's 10 a.m. opening.

INSIDE:

- President's Perspective..... 2
- View From McCormick Place
GRAPH EXPO 2010 4
- Vision 3 Summit..... 6
- Market Intelligence News:
UCC Filing Update 7
- Jim Duffy talks about closing
Alonzo Printing..... 8
- Duties Imposed on Chinese and
Indonesian Coated Paper Imports 10
- Capital Investment in a
Recovering Economy 11
- News and Notes: Join NPES
on a Trade Mission to India 12

attendees, which included exhibitors and attendees, and 12,552 actual verified attendee/buyers with an extraordinarily high level of purchasing power, from 69 countries, to the expansive McCormick Place in Chicago, October 3-6, who came to examine, compare and purchase the latest graphic communications technologies.

Based on its commitment to reporting the truest and most accurate attendance numbers, show producer, the Graphic Arts Show Company (GASC), defines 'actual verified attendees' as registered on-site show

goers—counted only once—regardless of their number of days at the show, or times they enter the exhibit hall. Show data reports reveal that while fewer attendees from each company were there, the show drew higher-level decision-makers from among the 7,171 unique buyer companies who came 'on a mission' with budgets to spend on the equipment, products, software and applications demonstrated by the 506 exhibiting companies that occupied 291,134 sq. ft. of space across the South Hall of McCormick Place. There they found 68 first time exhibitors,

many of whom joined veteran exhibitors in recognizing the high caliber of attendees and results from this year's show. GRAPH EXPO 2010 exhibitors spoke out loud and clear on the quality of this year's show, via the results of independent research conducted by Exhibit Surveys Inc., which revealed exhibitors' "overall satisfaction" rating at 70%, far surpassing their 53% rating for the 2008 show.

We've seen better attendance than what we anticipated," says Vince Lapinski, manroland CEO. "The market has been tough and business

president's perspective

Visioning for NPES' Future



Ralph Nappi
NPES President

In my column this past September, I shared with you the decision and process of the NPES Board to develop a new strategic plan. A big part of that process was talking with varied constituents about our future and the direction of the industry. When the

Board met, the following trends and issues were used as a starting point for the day-long meeting that began our strategic planning process:

1. Communication platforms are changing, with major impact on the value chain.

Today, print is neither the only, nor necessarily the primary, option for delivering information—which now include the Internet, e-readers, smartphones, and more—and print volume and consumption are shifting as a result.

With spending and ROI also being influenced, graphic communications companies must identify new strategies to adapt to these changes. What actions will help attain profitability in the short-term? How must companies reposition themselves over the mid- to long-term to achieve business growth? Many organizations are now

“For now, we must understand and forecast, to the best of our ability, the impact of existing technologies on our customer base, customer behavior, and the flow of money.”

restructuring to benefit from the new opportunities (or as a reaction to the decline of other revenue streams).

One thing is clear: digital and ink are evolving together, so to successfully evolve your business model, you must understand the new and emerging relationships between them. Already with several digital transformation leaders across our

industry, the rest of us will need to catch up if we want to hold onto our market share.

2. The digitization revolution is not over—the endgame is not clear.

We will continue to experience significant changes, new advances, emerging business opportunities and further turbulence in the marketplace without an end in sight. Consider that a mere 15 to 20 years ago, film was alive and well. How many of us then could have predicted the tremendous impact of not just CtP, but also digital printing, on film use? This perhaps dated example, given all of the technologies we're dealing with now, aptly illustrates just how new and as-yet unforeseen trends can have a tremendous impact on our business.

For now, we must understand and forecast, to the best of our ability, the impact of existing technologies on our customer base, customer behavior, and the flow of money. I refer not just to industry-specific technologies, but other trends being embraced by consumers or those outside of graphic communications: the aforementioned e-readers and smartphones, for example, as well as social networking sites, QR codes and more.

And, as the digitization revolution continues, we must recognize the differing needs and new roles for traditional print, for hybrid traditional-digital, and for purely digital enterprises as further differentiation, evolution and merging will continue for the foreseeable future. Knowing what market you're serving now, and anticipating how the needs of your customer base may evolve, are critical.

3. U.S. companies are expanding internationally.

It used to be that the only American companies that did business abroad were the huge conglomerates. Now, with the ease of overnight package delivery and the Internet, borders no longer exist. U.S. companies can just as easily do business in Tallahassee, FL, as in the Czech Republic.

Increasingly there's reason to conduct business abroad. Unlike the U.S. printing industry, which has reached the saturation

point, the graphic communications market in countries around the world continues to grow. From Brazil, Chile and Peru to Poland to India, China and Indonesia—the printing industries in several regions of the world will experience significant growth in the coming years.

Those who decide to compete on foreign soil must understand just how complex a playing field they are stepping onto. Every region and country has different constraints, a distinctive way of doing business, and is at a unique point in its evolution. Whereas offset is the prevailing print process here (with digital catching up), for various economic, raw material and supply chain reasons, it's just as likely for rotogravure or flexographic to be the dominant print process elsewhere. Note also, that as the industry moves to a global scale, the policies of the U.S. and other major postal systems around the world will have increasingly important consequences.

4. Globalization is impacting U.S. companies doing business in North America.

Globalization goes both ways: just as U.S. graphic communications companies may consider expanding to other markets so, too, are players from other countries setting up shop here. Indeed, more graphic communications companies are doing business in the United States than ever before.

While the U.S. printing market is shrinking, in terms of dollars, it is still the largest print market in the world by far. Mergers and acquisitions are a key way for companies to gain market share—and here too, there is evidence of foreign firms acquiring U.S. graphic communications companies.

5. There is an untold story about sustainability/green issues and the facts relating to the printing equipment industries.

Concern over the environment continues to grow in the media and among the public. That our industry has not taken control of the “green” message as it pertains to printing has hurt us.

No story is ever just black and white; likewise the same holds true for printing. For instance, how many of our customers

understand that printing on 100% recycled paper may require *more* energy than printing on paper with less recycled content, or truly understand the *real* carbon footprint impact of the “not print” technologies? How many people in the general public know the printing industry has actually made huge strides in getting educated about our impact on the environment—and that we have taken action to reduce that impact?

The focus on environmental issues is not going away, making it more critical than ever for us to educate the public on the facts about “green” printing—and that we stand on the “right” side of the environment.

Print as a pull technology

Now understanding what the *industry* thinks about print’s future, what of the *public*? As NPES was conducting its industry outreach to determine the critical graphic communications trends for the future, Seth Kahan wrote a column for *Fast Company* about the work he was doing with us and asked his readers: “Is there a future for print in your life, and if so, where?” One particular response from the article caught my attention: “...perhaps the print of the future will be our own creations—drawn from whatever sources *WE* think are important enough to collect into a more permanent form. Each book will be a unique collection of items we found and chose to put together—for business or personal use. There’s an intriguing idea for a new business, eh?”

As our industry proceeds along its evolutionary path, one thing about print is certain—that it will continue to play an essential and integral role in both ‘traditional’ and yet-to-be-imagined new applications. ●

has been tough, but people are still investing. I think the strong printers are certainly investing.”

GRAPH EXPO provided a huge success for Alwan Color Expertise, with the company registering its best trade show sales since Drupa 2008. “This year’s GRAPH EXPO was a resounding success,” says Dave Hunter, Alwan’s representative for North America. “We generated excellent sales and significantly extended the reach of our sales network, which bodes very well for the future.”

“We are pleased with the show results and our colleagues in Germany were impressed with the customer response,” states Mark Hischar, President/CEO, KBA North America, Inc. “The four-day show drew an amazing, well-qualified crowd of printers who took an active interest in our press models and kept our sales force busy. We sold several presses in all size ranges.”

“Our traffic has been unbelievable,” echoes Eric Gutwillig, Marketing VP at Prisco (Printers’ Service) early on after his firm sold six systems off the show floor. “We haven’t been able to sit, and 90 percent of our booth visitors have been interested in our digital offerings,” Gutwillig notes.

“It has been an exceptional show for us,” says Joe Manos, Executive VP & Alliances of MindFireInc. “We will have generated hundreds of thousands of dollars in new revenue from the show, which for a software company is really good.”

GRAPH EXPO exhibitors observed that attendees represented not just commercial printers but all segments of the graphic communications industry, including newspaper production pros, digital printers, book publishers, in-plant printers, transactional printers, mailing and distribution professionals, along with print buyers, among others.

“I was pleased to see so many newspaper executives at the show who, like me, were drawn by the debut of the News Print pavilion,” shares Rick Shafranek, VP of Sales and Marketing of ProImage America. “Also, the co-location of ING’s program was a home run, adding even greater value to this year’s show.”

Among the 20 co-located organizations’ programs and events that took place in tandem with the show, the Association of Independent Mailing Equipment Dealers (AIMED) held their fall conference immediately prior to GRAPH EXPO, and was on-site with a booth in the

Mailing & Fulfillment Pavilion. “Our members have a tremendous crossover with the printing industry, which makes GRAPH EXPO 2010 a natural fit for co-location,” says Executive Director Barbara Price.

“This show marked a significant change, reflecting the change that is occurring in the industry,” says Chuck Stay, President, Bert Co, Inc. “From my 40 years in the industry, I go to the show to see new technology and new processes and I was not disappointed by the exhibitors who chose to be there. Three days was barely enough time for me to see and in some cases experience and evaluate the new technology.”

To enable show goers to continue exploring the latest solutions with participating exhibitors, extend their networking with industry experts and peers—and especially for those who missed this year’s show—the GRAPH EXPO 2010: A Virtual Post Show Wrap took

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place on Wednesday, November 10, from 9:00 am to 5:00 pm (ET). The free event, which will be archived through March 5, 2011, featured key highlights from GRAPH EXPO 2010. During the full-day program, participants viewed timely education sessions, exchanged best practices in live ‘hot topic’ chats, visited one-on-one with featured exhibitors, downloaded new product information, and also viewed a wide variety of videos that captured just some of the excitement from this year’s show.

Looking ahead to next year’s show, GRAPH EXPO 2011 themed “Embrace Technology” is slated for September 11-14, 2011, at Chicago’s McCormick Place. For more information about GRAPH EXPO 2011 visit: www.graphexpo.com. ●

View From McCormick Place GRAPH EXPO 2010





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- 1 The PackPrint pavilion at GRAPH EXPO 2010 was among eight highly-trafficked special interest sections attendees explored throughout the show. Others included News Print—the newspaper pavilion; Future Print; the Mailing & Fulfillment Center; GREENspace; Prepress/Software-Design and Press/Finishing sections; and, Education Main Street.
- 2 GRAPH EXPO 2010's conference program offered attendees more than 50 state-of-the-art learning opportunities in 20 education categories—from executive level to 'hands-on' computer labs—something for everyone!
- 3 At the Positively Print Recognition Reception following EXECUTIVE OUTLOOK, program administrator Bill Lamparter, President of Print-Com Consulting (left) and Ralph Nappi, President, GASC (far right) congratulate the new print advocacy program awardees for creatively promoting the power of print in their communications—(second from left to right) Gary Stackpole, Printing and Graphics Association-Mid-Atlantic; Gavin Jordan-Smith, Xerox; Warren Werbitz, Pizzaz Printing; and, Don Murphy, Hewlett-Packard.
- 4 GASC Chairman D. J. Burgess applauded the efforts of Teachers Conference participants during his welcoming remarks at GRAPH EXPO 2010.
- 5 Former pro ball player Bo Jackson was a highlight of Xerox's special marketing keynote on achieving success Monday morning at GRAPH EXPO 2010.
- 6 Exhibitor presentations at GRAPH EXPO 2010 drew capacity crowds with in-demand subjects such as "Social Media, Search Engines, Printing and You," presented by Tawnya Starr, President of PrinterPresence.
- 7 Lead generation and on-the-show floor sales were brisk at GRAPH EXPO 2010 as high level decision-makers from 7,171 unique buyer companies came with budgets to spend, seeking solutions to move their companies forward.
- 8 Targeted cross-media market campaigns—personalized for each of 11 key industry market segments—drew a broad cross-section of attendees with budgets to spend who came for a 'look under the hood' comparison of the latest technologies and newest applications to finalize their purchasing decisions.
- 9 Among the many GRAPH EXPO 2010 "show firsts" were the 20 organizations that chose to co-locate their events and activities in tandem with GRAPH EXPO 2010, including the Muller Martini Users' Group (pictured), International Newspaper Group (ING), Association of Independent Mailing and Equipment Dealers (AIMED), Dscoop, EFI Pace Users Group, KBA Web Offset Users Group, Agfa :Apogee Users' Group, and MAN Roland Users' Group (MANURUG).
- 10 GREENspace was a highly-trafficked hub of information, education, and complimentary one-on-one consulting with sustainability experts—plus provided access to products and services to help attendees 'go green' with confidence. The GREENspace Directory was a handy reference for attendees to seek out numerous exhibitors beyond the pavilion who also offered eco-friendly products and services.
- 11 GRAPH EXPO 2010 was the epicenter for industry education during show week as—in addition to the conference program's more than 50 sessions—the newly co-located G7 Summit, sponsored by IDEAlliance and IPA (pictured), and Xplor Document University both debuted at this year's show.
- 12 GRAPH EXPO 2010 offered free, timely segment-specific presentations—seven in all—to help attendees move their careers and businesses forward, including "Keeping it Real—Essential Steps to Success for Quick and Small Commercial Printers," sponsored by Quick Printing Magazine and NAQP.

Vision 3 Summit

REGISTRATION OPEN FOR GROUNDBREAKING NEW LEADERSHIP CONFERENCE

Registration is now open for the Vision 3 Summit, a groundbreaking new leadership conference produced by the graphic communications industry's top three associations—the National Association for Printing Leadership (NAPL); NPES The Association for Suppliers of Printing, Publishing and Converting Technologies (NPES); and, Printing Industries of America.

of NPES. "Here we can leverage our unique strengths and share our respective insights so that the industry can benefit from one major event." As such, the Vision 3 Summit will include in-depth, informative sessions featuring subject-matter experts, panel discussions based on real-life business examples, plus inspiring keynote addresses from both professional and

the printing industry

- A panel discussion with prestigious *Fortune* 1000 panelists on the key cross-media marketing opportunities and partnerships available to graphic communications companies in today's "beyond print" environment

- A revealing presentation by Dr. Lowell Catlett, an internationally recognized expert on commodities futures markets, on which areas of the economy are expected to experience the greatest post-recession growth

- A crucial legislative update on the environmental, labor, postal and tax policies most likely to affect graphic communications companies in the second half of President Obama's term

- A timely session on the top strategies for profitable sales growth in this changing marketplace, featuring the new "go to market" tool kit ingredients as keys to success in the future

- An interactive workshop on how to use social media, such as Twitter, LinkedIn and Facebook, to attract clientele and build a reputation as a trusted resource for clients, and

- A 2011 forecast with an explanation of the 'new' rules of recovery and the best actions companies can take to build their company for 2011 and beyond.

"The U.S. economy is recovering from its 14th recession in the past 80 years. At the same time, our industry is encountering ever new technologies that are changing



the way we do print—moreover, that are challenging the idea of print as the sole means of marketing and communications," said **Michael Makin**, President and CEO of Printing Industries of America. "Most company leaders understand that they can't keep doing business the way they did five—even three or two—years ago, but they're unsure about what should replace those traditional business models. The Vision 3 Summit will offer top industry expertise and real-world tactics that will show executives how to turn today's business challenges and into new profit opportunities."

In addition to the educational sessions addressing the range of marketing, financial, sales, technology and other issues regularly faced by upper-level management, the Vision 3 Summit will also feature several solutions-oriented roundtables and a variety of networking events. A number of receptions and recreational outings will also be available for attendees and spouses or guests.

"When it comes to learning the best strategies for your business, and finding out what



News of the Vision 3 Summit, co-produced by NAPL, NPES and Printing Industries of America, was jointly announced by the three organizations in a press conference at GRAPH EXPO 2010; (l to r) Bill Gibson, Chairman, Printing Industries of America; Michael Makin, President & CEO, Printing Industries of America; Joe Truncale, President & CEO, NAPL; Ralph Nappi, President, GASC/NPES; D.J. Burgess, Chairman, GASC/NPES; and, Keith Kemp, Chairman, NAPL.

The two-and-a-half-day event slated for March 13-16, 2011, at the Desert Springs J.W. Marriott in Palm Desert, CA, is designed for company owners and executives, open to both industry service providers *and* suppliers, and offers a distinctly management-level approach to addressing the industry's biggest challenges. "Getting our industry's three primary associations working together to produce one mega networking and education event seems fitting in these times," said **Ralph Nappi**, President

industry-specific leaders. Topics will span the gamut of management concerns—from the economic recovery to future growth markets, to new-media marketing strategies and sales tactics—with a particular emphasis on real-world applications and 'how-to' advice. Program highlights include:

- An Innovators Panel, featuring three graphic communications companies that have successfully leveraged the opportunities of the Internet and other emerging trends and technologies to create business models new to

works and what doesn't, nothing beats face-to-face discussions with like-minded peers," said **Joseph P. Truncale**, President and CEO of NAPL. "The Vision 3 Summit is designed to facilitate this kind of invaluable information and idea exchange. Because the conference is designed for upper-level management from across the entire spectrum of the graphic communications industry, attendees will benefit by meeting executives from a variety of backgrounds

and experiences, who nevertheless all share in common the same business challenges."

The Vision 3 Summit replaces NAPL's, NPES' and Printing Industries of America's individual leadership programs, including NAPL's Top Management Conference;



NPES' Industry Summit that included the PRINT OUTLOOK Conference and PRIMIR Spring Meeting; and Printing Industries of America's Presidents Conference. Both NAPL and NPES will hold their individual board of directors meetings in conjunction with this conference. NPES additionally plans to hold PRIMIR

committee meetings.

While the first co-produced conference by NAPL, NPES and Printing Industries of America, the Vision 3 Summit is not the first joint venture between the three organizations. NAPL, NPES and Printing Industries of America also co-own the Graphic Arts Show Company (GASC), which produces the popular industry GRAPH EXPO and PRINT exhibitions. For more information and to register, visit: www.vision3summit.org ●

Market Intelligence News: UCC Filing Update

The chart compiled from UCC data provided herein by Equipment Data Associates (EDA), shows up-to-date UCC (see definition below chart) activity for all printing equipment. Both new and used printing equipment filings continued the rather "flat" pattern that we've seen since the start of the Great Recession. Although the Great Recession has been declared over, UCC filings of printing equipment have not participated in the recovery yet.

Although UCC filings are a combination of new equipment sales, used equipment sales and refinancings of existing placements, they are still a strong indicator of market activity.

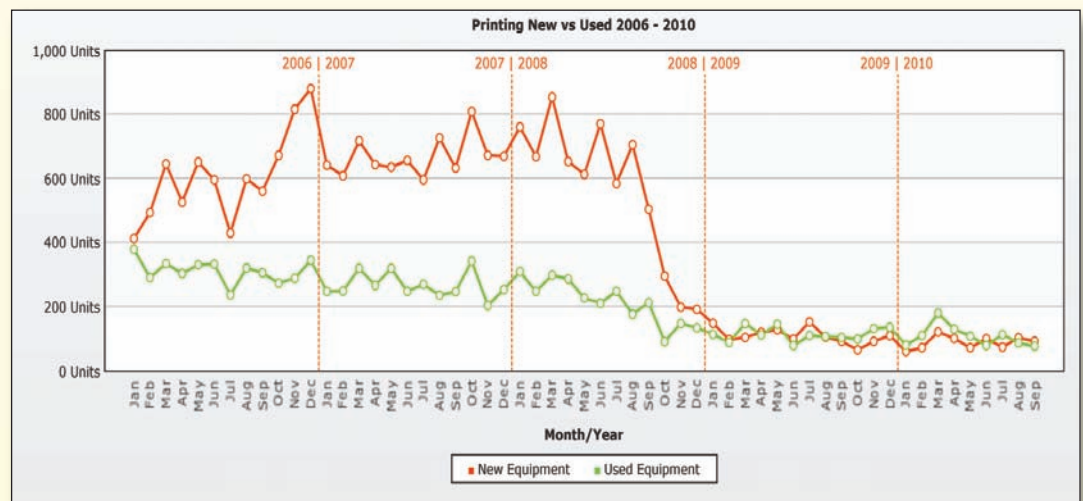
This information is extracted directly from EDA's comprehensive database of nearly 30,000 records for purchasers of printing equipment.

For each of the data points in the table, subscribers to EDA's market intelligence services can see exactly who purchased the piece of equipment—and the manufacturer and model. NPES member companies that participate in the free NPES Market Data program are eligible for significant discounts on EDA's services. By combining the critical purchaser information from EDA with the comprehensive market

statistics, analysis, and forecasts provided by NPES' free Market Data program, participating NPES member companies can get a complete picture of the current and anticipated future activity in the marketplace.

For more information, or to join the free NPES Market Data program, contact NPES Assistant Director for Market Data, Rekha Ratnam at phone: 703/264-7200 or e-mail: rratnam@npes.org. For specific information about the market intelligence services offered by EDA, contact Mauricio Jurin at phone: 704/845-1099 or e-mail: mjurin@edadata.com ●

Printing Equipment UCC Filings: 2006–2010



A Uniform Commercial Code Form 1 (UCC-1) filing is a financing statement required by law to be filed with the state to show that one party (usually a lender) has a security interest in another party's (usually a borrower's) personal property, and most frequently relates to the commercial financing of capital equipment through a lending institution. UCC data is filed everyday throughout the U.S. Each UCC data filing statement has three components: the borrower, the lender, and what the borrower purchased, including make, model and serial number. Once the data is filed, EDA's more than 50 employees manually review each filing to identify and correctly classify the transactions of printing equipment. What results is a robust database that offers subscribers continually updated information on exactly who is buying or leasing what pieces of equipment.

Jim Duffy talks about closing Alonzo Printing



In mid-January, Alonzo Printing closed its doors after more than a year of struggling financially. Jim Duffy, owner of Alonzo Printing for 22 years, shared his thoughts with Gail Nickel-Kailing of WhatTheyThink on the closure and had some advice for others in the same situation.

WTT: Alonzo Printing was not just a flagship green printing company, but seemed to be a successful web, sheetfed, and digital printing company. And yet, in January 2010, after 33 years in business, you shut the company down. How did it all unravel?

JD: In an effort to reduce labor costs, we made a lot of investments in equipment in 2007. We put a new press in and we had enough work for two shifts a day. Things were going OK and we were making money. November 2008 came along and sales

shell hit. December of 2008 and January and February of 2009 were awful months for us. By the end of January 2009, we were down from 50 to 36 employees and Alonzo had lost more than \$300,000. Despite our efforts to reduce costs by May 2009 Alonzo was behind on press payments.

“A large financial company”—I’ll just call them that—removed our press in October 2009. With the cash deposit, the dollar value of 20 payments and a conservative street value the leasing company had received more than a million dollars in

“Some of us get caught up in this and some of us skate through it. I do know that a lot of printers are on the edge.”

were down. We lost money that month, but we were still profitable for the year. Then the bomb-

assets. Despite this the “financial company” sued Alonzo Printing—and me personally—for \$1.2 million.

Because of this Alonzo had no choice but to cease production and close its doors.

When a company closes, employees lose their COBRA benefits unless there are at least two employees in the system. In order to ensure employees the ability to receive COBRA benefits, Alonzo prepaid healthcare insurance for two employees through June 2010.

That’s really what happened. Some of us get caught up in this and some of us skate through it. I do know that a lot of printers are on the edge. They’re hanging on with their fingernails and running out of cash.

Some printers will benefit from Alonzo’s departure. That’s \$4 million of web work, \$1 million of sheetfed, and \$1 million of digital that has been absorbed by other printers.

WTT: What about your initiatives as a marketing services provider? As a company that offers more than printing, a company that offers direct mail, pURLs, campaign management and other marketing services?

JD: I never viewed Alonzo as a marketing services provider. Did we understand what pURLs are? Did we understand what Direct Smile is? Yes. While we used the

tools sometimes, I never truly felt that the West Coast adopted them as much as the East Coast.

We bought Printable and never used it. We didn’t really have the technically skilled people to make it come to life. Did we do variable? Yes. Did we have a storefront? Yes. We used Page DNA because they were local with no upfront costs; it’s pay as you go with them.

We marketed Alonzo, and from a pure marketing perspective, it was just a dream. And yet, it was another issue of not having the right people to make it really come to life. Then we reached the point where we couldn’t hire the right people. That’s how you get caught in the spiral.

You do need to market yourself; you need to do it in a way that’s going to be meaningful for your clients. But, when you’re caught in this web of reduced cash flow, how do you do it?

We started with a monthly newsletter. Then it became bi-monthly, then quarterly. Then I got so busy and I stopped producing it all together, not to mention it cost money we didn’t have.

WTT: What is your advice to the other printers? To the ones who might be hanging on by their fingernails?

JD: Number one: set your egos aside. For the most part, we're talking about presidents in owner-operated companies. They have to set their egos aside and actively consider merging with other printers to keep it all alive. It's hard to do; nobody wants to fail. Do it from a business model and not from a personal model. You may need a facilitator to help you get there; someone to help you clearly define roles and responsibilities. You will have to lay some good people off for the entire entity to survive. It hurts to lay them off, but if you don't do it, you're going to fail.

Number two: I would caution people to think very seriously about the commitment they make for digital equipment. It's very expensive to operate. There's no doubt in my book that HP has the best print quality of any color digital application, but it's a very costly system to maintain. And if you're stuck in a lease with an older model, you're paying a premium while the new buyers are paying less money and have a competitive advantage. It's not like buying an offset press where you can pay off the press and keep running it for years. Digital equipment has a definite shelf life.

If you lease equipment, don't get a fair market

value lease. Instead opt for the \$1.00 buyout. It may cost slightly more but it gives you much greater flexibility. Also, get a short term lease; I wouldn't lease anything for more than three years because you'll get caught up in it. Just don't plan on keeping any of this equipment for a long period of time. People are going to be a lot more cautious about buying equipment. There's so much equipment

print goes down. When pricing is the key, the green initiative takes a backseat. We reduced the amount of FSC-certified products that were bought, because it cost more.

In 2008, we measured our carbon footprint. A part of that process included the papers we purchased and the recycled and post consumer content of those papers; 92% of all the paper we purchased contained recycled

wanted recycled. They wanted FSC. But you know what? Many printers are FSC certified because it is the green thing to do, not because customers are willing to pay for it. For the most part, they want the FSC logo but didn't want to pay for it. We kept running low VOC inks—vegetable and soy-based—and we used low VOC cleaners and press washes.



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out on the market right now; it's readily available. Unfortunately people don't have the cash to buy it.

Number three: cut, cut, cut, cut, cut! Don't be afraid to cut. You have to do it. You don't have an alternative. Too many people are just too kind. It's "Oh, we can't lay this person off. She's a single mom, and she's got this and she's got that, and we've got this and we've got that."

WTT: In your perspective, has the green initiative lost its edge? Are people asking you for green? Are they backing off? What's happening there?

JD: When you have a softening economy going on,

content and 48% of all the paper purchased was made with from post consumer waste. Needless to say this was a monumental achievement and commitment to using environmentally sustainable papers.

In 2009, we were forced to change how we bought paper. We went from buying 40% recycled content to 10% recycled content. We even went to buying virgin FSC-certified papers because they had a certified history and you could be assured they were coming from sustainable forests and they did cost less.

Everything was price. Some people wanted green. They

I realize that with the shutting down of Alonzo coming to a close and having the time to think back, given the chance, I would do many things differently.

Thank you for the opportunity to tell the Alonzo/Jim Duffy story. I'm committed to sharing my strong commitment to a "green" and sustainable print industry. It wakes me up inside and I realize that we—by we, I mean the print industry—certainly can do a better job of caring for our environment. ●

This interview was reprinted with permission from Print CEO (printceo.com), part of the WhatTheyThink media network.

Duties Imposed on Chinese and Indonesian Coated Paper Imports

The United States International Trade Commission (USITC) has determined that the U.S. paper industry is threatened with material injury from imports of certain coated paper from China and Indonesia, which the U.S. Department of Commerce has found are government-subsidized and sold in the United States at less than fair value. As a result, the Commerce Department will issue antidumping and countervailing duty orders on imports of these products.

NPES President Ralph Nappi stated that “the Association strongly supports the enforcement of international trade law sanctions where violations have been found. This is in complete conformity with NPES’ longstanding support of free and fair international trade that provides a level playing field for NPES members’ products in global markets.”

In September 2009, U.S. paper producers Appleton Coated, LLC; NewPage Corporation; and S.D. Warren Company, dba Sappi Fine Paper North America, along with

presses, manufactured by paper producers in China and Indonesia. The paper under investigation is typically used for printing multicolored graphics for catalogues, books, magazines, labels and wraps, greeting cards and other high quality items.

Petitioners sought relief under two of the most frequently applied U.S. trade statutes, Anti-dumping (AD) and Countervailing Duty (CVD) trade laws. Chinese and Indonesian producers argued that U.S. domestic shipments of coated paper have been down because of the overall bad economy, not because of any unfair practices of theirs, and believed that the petitioners’ cases would ultimately fail as did similar petitions in 2007. Other opponents of the petitions

“The Association strongly supports the enforcement of international trade law sanctions where violations have been found.”

“This is in complete conformity with NPES’ longstanding support of free and fair international trade that provides a level playing field for NPES members’ products in global markets.”

argued that repercussions in the U.S. economy could result from increased paper prices stemming from the imposition of duties on coated paper from China and Indonesia.

In accordance with the trade laws, AD and CVD cases were conducted jointly by the U.S. Commerce Department’s

International Trade Administration (ITA) and the USITC. Antidumping laws provide relief to domestic industries that have been or are threatened with the adverse impact of imports sold in the U.S. market at prices that are shown to be less than fair mar-

ket value. Additional import duties can be imposed on dumped imports. Countervailing Duty laws give similar relief to domestic industries that are

jeopardized by imported goods that have been subsidized by a foreign government or public entity and therefore have a competitive advantage over similar goods produced in the United States. Like dumped goods, additional duties can be placed on subsidized imports. In September 2010 the Commerce Department confirmed earlier findings of unfair trade practices, and announced final antidumping and countervailing duty margins on the paper in question. Antidumping margins on Indonesian imports are 20.13 percent, and range from 7.6 to 135.83 percent on Chinese imports. Countervailing duties on Indonesian imports are 17.94 percent, and range from 17.64 to 178.03 percent on Chinese imports.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org. ●

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and the Service Workers International Union filed a petition seeking the imposition of tariffs on certain categories of coated paper suitable for high-quality printing using sheetfed

ment’s International Trade Administration (ITA) and the USITC. Antidumping laws provide relief to domestic industries that have been or are threatened with the adverse impact of imports sold in the U.S. market at prices that are shown to be less than fair mar-



Capital Investment in a Recovering Economy

By Joe Truncale, President and CEO, NAPL

“In this economy and technological age, a bad decision can put a company out of business.” That’s how one participant in the NAPL *Capital Investment Study* puts it. He’s right, of course. Margins for error are shrinking across our industry. And while the return to making the right capital investments is greater than ever, so is the cost of making the wrong ones.

Over 350 companies, with annual sales ranging from under \$1 million to over \$350 million participated in our study. Topics included investment priorities for the next three years, priorities for the last three years (past priorities explain a lot about future priorities), investment rates, plans to invest in new equipment, in used equipment, to expand capacity, to replace capacity, the most trusted sources of capital investment advice, and where the capital investment process most needs to be improved. Here’s some of what we learned:

- By more than 2-to-1, participants in our research plan to invest less in capital equipment over the next three years than they did over the last three years. Uncertainty about the economy and our industry is part of the reason. But this is about more than waiting for the clouds to lift. It’s about a tough new mindset—born of an extraordinary recession—that will invest “only when sound measures of expected return justify investment, not because our competitors are investing, we’re getting a deal, or it’s new, hot, and going to make all the difference.”
- Digital infrastructure, bindery/finishing systems, Web-to-print and e-commerce, and variable-content digital printing are top five priorities for the next three years, just as they were for the past three years. Priorities vary by company size, but similarities across size categories are far more significant than the differences. For example, digital infrastructure and bindery/finishing systems are among the top five priorities in every company-size category. Web-to-print/e-commerce is among the top five priorities for all but companies with sales of \$1 million or less. And workflow solutions and variable-content digital make everyone’s top 10, with at least one of the two in everyone’s top five.
- Four-or-more-color lithographic presses will be a priority over the next three years or were a priority over the last three years for one-third of our research group and for nearly half with sales above \$20 million. Of course lithography’s share of our industry’s revenue has been declining for a decade. And no turn around in the economy—no matter how robust—is going to change that. But lithography is still a \$40-\$50 billion market. Who’ll get the lion’s share of that work? The most efficient, the most productive, and the most adept not at printing but at putting print to work for their clients. Everyone else will have to fight it out for what’s left.
- There are many ways manufacturers and suppliers of graphic arts technology can help their clients make better capital investment decisions. The four our study group mentioned most: know our business, connect us with peers who can give us the whole story about the investments we’re considering, show us the ROI, and educate and support us—before, during, and after the investment.

Our research is just beginning. *Capital Investment Study* participants made it clear that there’s a lot more they want to talk to us about. As always, we’re ready to listen. Our goal: Better understand how they make capital investment decisions so we can help them make better decisions. After all, better investment decisions will lead to a stronger, more sustainable industry. And that’s something from which we will all benefit. ●

“In this economy and technological age, a bad decision can put a company out of business.”

NPES CALENDAR

January 2011

Printpack

NPES Member Booth and Trade Mission
January 16-21 • New Delhi, India

February 2011

ICC Meeting

February 14-17 • Tokyo, Japan

March 2011

Vision 3 Summit

Desert Springs J.W. Marriott
March 13-16 • Palm Desert, California

PRIMIR Spring Meeting

J.W. Marriott Desert Springs Resort
March 14-15 • Palm Desert, California

GAERF Board Meeting

J.W. Marriott Desert Springs Resort
March 18 • Palm Desert, California

April 2011

TC130 Working Groups

April 11-15 • Berlin, Germany

May 2011

Expográfica

NPES Member Booth and Trade Mission
May 17-20 • Mexico City, Mexico

June 2011

ICC Meeting

June 14-17 • Barcelona, Spain

September 2011

EXECUTIVE OUTLOOK Conference

September 10 • Chicago, Illinois

GRAPH EXPO

September 11-14 • Chicago, Illinois

International Graphic Arts Show

NPES Member Booth and Trade Mission
September 21-27 • Tokyo, Japan

October 2011

TC130 Working Groups and Plenary

October 15-20 • Tokyo, Japan

NPES 2011 Annual Conference

October 16-19 • Palm Beach, Florida

November 2011

ICC Meeting

November 13-15 • San Jose, California

October 2012

GRAPH EXPO

October 7-10 • Chicago, Illinois

Join NPES on a Trade Mission to India in Conjunction with the PrintPack Show in New Delhi, January 16-21, 2011



This is a tremendous opportunity to boost your company's sales by entering, or enhancing your presence, in one of the fastest growing global markets for print!

The Indian Printing Industry in a nutshell:

- Today, India is the third largest Asian market for printing equipment and consumables.
- The Printing Industry is one of the biggest and fastest growing sectors within the Indian economy. Printing industry

revenue growth has consistently outpaced national GDP growth.

- GDP (purchasing power parity): \$3.548 trillion (2009 EST.)—4th largest in the world!

- GDP Growth: India GDP growth of 7-8 percent

- Population: 1.16 billion people with a population growth rate of 1.38 percent per annum.

NOW is the time for YOU to learn how to participate in—and benefit from—this tremendous

growth opportunity.

For more information contact Pernilla Jonsson at e-mail: pjonsson@npes.org or phone: 703/264-7200. ●

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