



# NPES news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

## Several Vendors, One Solution

INDUSTRY COLLABORATION SPURS DEVELOPMENT AND CO-MARKETING OF CREATIVE OFFERINGS FOR CUSTOMERS

Success in the new printing industry often requires bringing the offerings of different manufacturers together into a customized workflow that meets the unique communication needs of an individual shop and its end customers.

As printers increasingly seek out “solutions” rather than machines and software products, vendors have been challenged to bring a similarly collaborative flavor to their marketing. The resulting partnerships help vendors to improve their offerings, reach new customers, and deliver “big company” resources combined with “small company” agility.

“Multi-vendor cooperation efforts are definitely on the rise,” says **Sophia Farina**, Strategic Marketing Manager at **Quark**. “Companies that have made significant investments in resources – whether in education of their workforce, their IT infrastructure, or in enterprise content management and digital asset management solutions – are constantly looking for solutions that leverage these investments and expand the range of their offerings into the marketplace.”

One factor contributing to the rise of partnering and collaboration, Farina adds, is “the adoption of open industry standards. We are seeing more and more vendors support standards, such as XML and JDF, which in turn allow customers to benefit from their ability to streamline workflows.”

Since it has become much easier to combine different products and processes into customized solutions, customers increasingly want to see those solutions demonstrated. Vendors are responding creatively.



At companies like Océ, strategic partnerships continue to escalate.

Early in 2006, for example, **MacDermid, Inc.** launched a “road show” to demonstrate its new Lava digital platemakers to audiences of prospective customers. MacDermid planned the series of events together with its distributor, **Enovation Graphic Systems**, to take full advantage of the close linkage between Lava and the color proofing devices and Fuji plate materials Enovation also distributes.

**Heather Perkerson**, Marketing Communications

Manager at MacDermid, says the companies built a program around a keynote speaker from Fox Valley Technical College in Appleton, WI, and a complete proofing-to-platemaking workflow demonstration.

The keynote speaker “was regarded by attendees as being unbiased,” and gave the event added credibility, she says. The completeness of the demo helped impress audiences with the comprehensive solutions available from the two companies.

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# chairman's perspective

## Thomas Saggiomo

NPES Chair  
President, Agfa Graphics NAFTA

### Strategic Alliances Yield Great Advantages

In my previous columns, I outlined the importance of developing and sticking to a competitive strategy for your business. Complemented by exciting new technology, this will help each of our companies to gain new customers and help current customers stay ahead of the pack.

While the essential elements for business success remain constant, the prescription for sustainability continues to evolve. The last 25 years have seen market leaders move from a full vertical integration strategy, i.e., "let's do everything ourselves," to today's full understanding that companies attempting to do it all usually under-perform. In keeping with our cover story, this month's column is aimed at urging member companies to explore the benefits of partnership and collaboration when developing long-term strategies.

Some of the early drivers of fully integrated strategies include quality control, supply chain reliability, employment, and keeping profits at home. Most importantly, enlightened management realizes that a company's core competency is the cornerstone of business value. It makes them successful because it is what they do best.

Understanding your company's core competencies is crucial. Focus your company on its strengths and review all other activities. If the activity is not core, it is a candidate for partnership or outsourcing. Leave no stone unturned in your review, because partnerships can effectively address many areas of the business – from sales and marketing, to manufacturing, logistics and business support, to back office.

Manufacturing partnerships could include outsourcing for components, assembly or total production. Support and back office partnerships could include payroll, IT, accounting, A/R, HR and training. Marketing and sales partnerships include private label agreements, channel partnerships, agent models, co-marketing, and could even include a competitor. Yes, a competitor.

Working with competitors denotes co-opetition



– a blend of cooperation and competition. "Co-opetition" is the title of the 1996 best seller by Adam Brandenburger of the Harvard Business School and Barry Nalebuff of the Yale School of Management. They suggest that companies can gain strategic advantage by forming business relationships with firms that produce complementary or related products, leading to expanded business opportunities and market opportunity creation. While this has been seen most often in the automobile and software/hardware industries, there are a growing number of examples in our own industry as well.

Through careful strategy development within a co-opetition model, each firm can maintain its identity while forming joint value that enhances both companies. For more information on co-opetition, visit <http://mayet.som.yale.edu/coopetition/index2.html>.

Strategic alliances, when undertaken in a form that meets your business objectives, can yield great advantages. While many variations are evident in the marketplace, the end payoff is always the same: the needs of existing customers are fulfilled in new and effective ways, and entirely new sets of customers can be attracted into the fold. ●

**SAVE THE DATE!**  
**NPES ANNUAL  
CONFERENCE**  
**NOVEMBER 4-6**  
**PONTE VEDRA INN & CLUB**  
**PONTE VEDRA BEACH, FLORIDA**

SEVERAL VENDORS continued

Even better, she says, was the opportunity to recruit **Nilpeter, Inc.** for one of the road show events. Nilpeter's press products added a hard-copy output dimension to the demonstration. "We were able to show people the print samples as well," Perkerson says. "We think that's the way to go," she adds, noting that other press manufacturers may also be included in future events, depending on geography. As many as a half dozen additional events are slated for the fall.

Perkerson reports that "we have some very hot leads" from the road shows. "This has been a very successful partnership." While a conventional trade show can deliver a large and broad audience, the road shows are an opportunity "to bring people in, show them exactly what our machine does and how it runs, and provide them directly with additional information."

Prepress software vendor **Rampage** was also part of the road show agenda, Perkerson says, and a number of "co-suppliers," offering such ancillary products as inks, participated through tabletop displays.

**Jim Hughes**, Director of Product Management, Finishing and Continuous Forms at **Océ Digital Document Solutions**, says that forming partnerships is a key strategy for the company. "We started in the late nineties, and its importance has doubled every year since. The whole strategy of selling is very different today from what it was ten years ago. Every day, I work with a partner."

Océ looks for opportunities to demonstrate and promote its digital output systems together with vendors of peripherals such as unwinders and rewinders, cutters, slitters and UV coating systems – because, Hughes says, customers today aren't solely interested in the printing engine. "People don't just want to print, they want to do something unique with it.

"The sales guys will always say, 'we sell printers,' and of course we do," Hughes goes on. "But we need these other guys to help us sell a total solution." Customers, he notes, may feel bewildered by the number and variety of options in today's market, and they want a single source they can count on for advice and support.

Océ's ongoing partnering efforts involve other such vendors as **Hunkeler, MBO, Muller-Martini** and others. Activities can range from jointly published success stories and case histories bearing multiple corporate logos to extensive collaboration at major trade shows like GRAPH EXPO® and CONVERTING EXPO®, and AIIM/On Demand.

As part of the value proposition to customers, Hughes adds, Océ applies a stringent qualification process to products of other vendors who want to partner. "We bring the equipment here and test it," he says. "If they say the product does A, B and C, it had better actually do A, B and C." Once they are accepted as a partner, "it is a big gain for them," Hughes says.

**Tim Combs**, Senior Vice President, Sales and Marketing at Enovation, says his company, as a distributor, is heavily oriented toward partnering. The joint venture road show with MacDermid



Quark's Sophia Farina: "It's a very collaborative process."

**Computer Systems**, a small software developer for the graphic arts industry, Executive Vice President **Stephen McWilliam** says his company's long-standing alliance with **Xerox** has helped both companies significantly.

Most important, he notes, "we have reached the point where Xerox is actually out there selling Avanti products. Before, it was just a referral business."

## “ Strategic partnerships help vendors deliver 'big company' resources combined with 'small company' agility.”

and Nilpeter was just one example. Enovation frequently hosts "lunch and learn" sessions at many of its 34 locations around the country, and these gatherings often include demonstrations of products and systems from multiple vendors.

"It can be a challenge to get people out of their own locations," Combs says. "However, if we didn't do this, I don't think we would be able to get the undivided attention we need."

Enovation's salespeople frequently make joint sales calls with reps from vendor companies, Combs says, and they have the chance to call on the technical expertise of these vendors to answer customers' questions. "It has worked well for us," he concludes, "and we're going to continue to try and make these things happen."

Payoffs from effective partnering can go beyond immediate sales. At **Avanti**

"We just did a deal together at Ohio State University," reports McWilliam, "where we have Xerox equipment and Avanti software all integrated together in a complete workflow. A key part of Xerox's strategy is to make sure the customer can come to one vendor for everything they need. It really helps entrench Xerox in that account."

In addition to selling, the Avanti-Xerox alliance creates opportunities to collaborate in development of new products. "They test and bounce new ideas off us as one of the software partners," says McWilliam. "We work in their labs and work with them on software tools they need to develop internally to round out their solutions."

Partnering is becoming part of everyday life on the marketing front throughout the graphic arts business. And with printers putting ever more emphasis on one-source solutions, the trend seems likely to continue in a big way. ●

## Quark: Strategic Partnerships in Action

On a broad scale, Quark has established the QuarkAlliance, consisting of over 3700 members that work with the company on various levels. Some are XTensions developers; others are resellers and integrators; and yet others are strategic partners, such as Apple, Pantone, HP, and PODi. These last support research and development, marketing, and outreach to end users.

Good examples of Quark's knack for strategic partnering can be found surrounding its Quark Dynamic Document Server, (QuarkDDS), which automates creation and on-demand delivery of personalized communications across print, e-mail, and the Web. Through QuarkDDS, content designed in QuarkXPress can be integrated into workflows for Web-to-print, one-to-one marketing, advertising automation, catalog generation, and other variable data publishing applications servicing a host of vertical markets. At the recent AIIM/On Demand show, the company showcased the interplay of QuarkDDS technology in tandem with several strategic partners, including:

- **DeskNet**, developer of ContentWelder, an enterprise platform for customer communications that focuses on needs of the financial marketplace.
- **GLUON**, developer of the HyperPublishing System for QuarkDDS, which gives database publishers extensive control in production of catalogs, circulars, direct mail, print services, real estate, car and apartment listings, and many other applications.
- **LiveTechnology**, an ASP that just released LiveAdMaker, the first application to provide marketers a single interface to manage the creation of advertising across all forms of media - including television, radio, newspapers, direct mail, out-of-home, in-store/POS and Online.
- **IO Integration**, specializing in high-end server-based automation, digital asset management and Web-based production tools to provide profitable workflow solutions for the graphics arts markets.

Says Quark's Sophia Farina, "It's a very collaborative process. We deliver the core engine, and our partners add business logic and adaptive layers to build an enhanced solution for their end users."

**A 35-year veteran in the graphic communications industry, John Hamm has extensive applied experience on both sides of the fence. Following nine years in sales and management at Xerox, he enjoyed a fruitful 20-year career in commercial printing, growing and presiding over an industry-leading firm in the DC area (Balmar Inc.). In 1999, Hamm rejoined Xerox to lead its Worldwide marketing efforts and create market demand for a new breed of innovative commercial printing technology. Most recently, he launched his own business and market development consulting firm, John M. Hamm & Associates, LLC, based in Annapolis, Maryland. Our interview took place in mid-June.**

*– Doug Sprei*

*You recently were commissioned to co-produce (with Boston-based State Street Consultants) a major new market research study for PRIMIR, entitled **The Digital Printing Outlook in a Production Environment**. How's it going, and who are some of the companies you're interviewing?*

I have been interviewing a variety of companies from throughout the U.S. and Canada, and am thoroughly enjoying the



project. Surveying more than 500 firms throughout North America, State Street is performing the quantitative analysis, while I am conducting in-depth interviews with 25 firms. We've targeted a wide cross-section of firms by geography, market segments, size, and the niches that they serve – such as those who are producing only digital printing, commercial printers who have added digital to complement their offset services, book printers, web-enabled digital print, direct mail, and more. And we're also talking with many of the major suppliers in the digital print space.

*Are you looking toward vertical markets and demand for digital printing there; as for instance how one-to-one marketing might play out in a healthcare or real estate environment?*

Yes. As an example at the moment, I am interviewing a large financial services enterprise that is using personalized, digital printing to achieve measurable business results with their documents.

*What's your access route into learning about how print communication produces improved business results in such markets?*

It's through identifying document applications that these enterprise companies are producing in support of their go-to-market strategies. Among the most successful opportunities are multimedia programs that create numerous touch points with the ultimate customer and drive them toward buying decisions. Such cross-media programs may include the combination of print with personalized web sites (PURL's), e-mail follow up, and personal selling.

*Any compelling findings in the early going?*

We're looking at companies with very interest-

ing sets of services. A good example is one I visited in Cleveland. They had operated as an offset lithographer since being founded by a great-grandfather, nearly 100 years ago. Today, they offer an integrated set of graphic communications services through three separately branded business units. One is their direct marketing arm, fulfillment center and mail operation; another is their commercial print operation; and the third is a database marketing service unit that provides e-storefront, web-to-print access and digital asset management services.

Through this third business unit, customers can access their intellectual property assets such as images, documents, video, and more; and order the printing and distribution of documents, while maintaining control and brand integrity. This service provides customers with a secure DAM repository that they can access worldwide via the Internet.

This former printing company, now re-engineered as a solutions company is differentiated, global and growing through providing ancillary value-added services to their customers in various targeted industry markets.

*That's a nice example of going after new opportunities without leaving your base, picking up ancillary revenue streams.*

Yes, and I think it's also a great story about branding – giving identity to valuable, complementary service offerings instead of positioning oneself as a printing company that also offers such services. We did that when I was the president of Balmar, successfully branding our graphic design studio that was housed in one of our printing plants.

One  
on  
One

**John Hamm**

*What was the advantage of doing that? Is it because you already had an embedded identity as a printing company?*

When my sales associates visited marketing directors in prospective client companies, they were able to represent our design services value proposition as the integration of design with the printing process. That type of brand identity and positioning opened up many new markets and revenue opportunities.

*So then when it comes to approaching chief marketing executives, what are you learning about the nature of the pitch?*

I visited a large direct mail operation in Pittsburgh that is providing digital printing and mailing of 400 million pieces annually. There are others that are larger in that segment, but one competitive advantage this company has created is their teaming approach with designers and agencies. Rather than presenting themselves as simply a mail house, they are a personalized marketing communications company, offering an integrated set of offerings. And that's enabled them to secure important, major corporate and non-profit clients that their competitors would like to have.

*Do they go into the chief marketing officer's office with a story about return on investment?*

Yes, they are not talking about price per piece; they are talking about R.O.I., sales-per-piece, or donations-per-piece. And they present metrics and case studies as proof of benefit for personalized and cross-media communications.

*Our cover story for this issue focuses on collaboration in the supplier/vendor community. When I went to On Demand I was struck by how many vendors – including many NPES members – are teaming up. Big and small players are collaborating in ways we haven't seen before.*

I would say that's true. Just look at any of the digital press suppliers, such as HP, Kodak or Xerox, and their partnering relationships. For example, one of Xerox's strongest partners is Adobe, and there are many other similar examples. For our PRIMIR study, I have interviewed a Minne-

apolis printing company who has posted a partners page on their web site, and their top partner listed is Adobe. I thought it interesting that they had not named Heidelberg, Xerox, or others that one might expect. When I asked their president why, he answered, "With a postscript workflow, Adobe is one of our most important partners. That's how we get our work – through the success of Adobe's solutions and working with our customers in a PDF environment."

*You mentioned Heidelberg. When I worked at their Digital Division in Rochester several years ago, Xerox was their adversary across the river. Now Heidelberg and Xerox are collaborating.*

That's right, now they are partners, and their Prinect and Freeflow workflow solutions offer interoperability. . .

*So that their respective offset and digital devices can interact seamlessly?*

In today's printing environment, workflow is increasingly instrumental in creating manufacturing efficiencies. People like to say that digital printing complements offset; that's particularly true when printers integrate these technologies, creating an environment where their various press technologies operate as alternative output devices on a common workflow platform. For example, if your pre-press workflow is Brisk, or Prinergy, or Prinect, and you integrate your workflow software with your digital press workflow, then any of these digital presses, sheet fed presses, web presses and other machines are available for print production through your single workflow.

*Going back to the digital printing study you're doing for PRIMIR...any interesting anecdotes in the early going?*

I was interviewing a Canadian printer, and asked him why he thought market adoption for personalized printing had taken so long. After telling me that he didn't see it as such a big deal; it's been around for a long time, and he's not interested in personalized catalogs that had been created from database decisions concerning his personal preferences, he added, "Print will be around for a long time, because there's no faster random access tool in existence than the human mind." That's an interesting perspective, wouldn't you say? ●

## NPES Service Personnel Compensation Survey:

**QUICK AND PAINLESS TO COMPLETE; PARTICIPANTS REAP THE BENEFITS**

Are you aware that the average annual salary for service personnel of surveyed NPES member companies fell to \$57,405 in 2005, down two percent from 2004? Or that the average base salary for technical service personnel rose 10 percent, to \$54,854?

Vital industry information like this is revealed in NPES's most recent Service Personnel Compensation Results. Did your company receive this valuable report? If the answer is no, it's because the report is distributed exclusively to NPES member companies who complete and return their confidential Service Personnel Surveys.

This year's survey has been re-worked for quick and easy completion. There are 11 questions and the survey takes only a few minutes to complete. That's a small price to pay for the privilege of receiving essential industry data to guide your business's decision making process.

**Brandtjen & Kluge, Inc.** is just one of many companies that annually participate in and benefit from these compensation surveys. "The wage and salary surveys that NPES conducts are a critical piece in our budget planning efforts," says **Hank Brandtjen**, President. "Successful companies are those that remain competitive with what the market is doing. By taking part in these surveys, we get the results in aggregate, so we can adjust our compensation program accordingly."

Adds **Bruce Goodwin**, President of **Glunz & Jensen, Inc.**, "The NPES Service Personnel Survey serves up important information that we use every year to make sure that our Field Engineers are reasonably compensated and in line with our industry partners."

The 2006 Service Personnel Survey will be distributed by mail to members in July. NPES will also e-mail you a link to where it is located on the NPES website. Don't let this opportunity pass you by! For more details, contact **Aaron Allenza** at (703) 264-7200, ext. 253 or aallenza@npes.org. ●

# Targeting Unique Business Opportunities in a “Blue Ocean”

Instead of worrying about how to grab more business from their competition, or keep the competition from grabbing theirs, more print companies and their suppliers need to focus on leaving competitors behind as they move into fertile new markets in which they are the only player.

That’s the gist of “blue ocean strategy,” an approach to business planning that emphasizes creating whole new markets, even new industries, rather than continuing the competitive bloodletting that turns the familiar business “ocean” red.

“Print for the sake of print has become a real red ocean,” says **Larry Letteney** of Hubcast, who described the blue ocean concept in a presentation at VUE/POINT® in April and elaborated on its implications in an interview several weeks later.



Larry Letteney

*Blue Ocean Strategy* is the title of a 2005 book by W. Chan Kim and Renée Mauborgne, published by Harvard Business School Press. Its subtitle sums up its message: *How to Create Uncontested Market Space and Make the Competition Irrelevant.*

“This is one of the few books that deals with business strategy but has a real



VistaPrint’s ability to stand out from the pack has netted the company six million customers in 120 countries.

templated methodology,” Letteney says. “It’s not a puff piece.”

Printing is, in many ways, a typical “red ocean,” in which competitors fight to the death for shares of a finite or dwindling business volume. Technology has made products cheap and almost indistinguishable, and global competition continues to squeeze profit margins to extinction.

What’s needed is a breakout, a radical re-definition that creates whole new categories of business in which the innovator can achieve and maintain a long-lasting head start. Letteney suggests planners should think about all the mainstream industries thriving today that once didn’t exist at all, from cellular phones to coffee bars to home video.

Then – here comes the hard part – imagine the businesses that will come into being in the next 20 years. Letteney has some advice along these lines for printers as well as the manufacturers and suppliers who serve them.

Start by realizing that print is a small part, yet a very expensive part, of a huge market-

ing and communications mix. “If print is a \$100 billion business,” he says, “it’s really a trillion dollar business if you think about everything that goes with it,” from design to fulfillment to administrative costs.

What’s more, print today comes with reliable quality and steadily declining prices, Letteney adds.

To begin building the mindset for blue ocean thinking, printers should think in terms of three “strata,” which he calls O, E, and I – for Output, Execution and Intellectual.

The O level is where the blood is being shed. “The output you produce is not necessarily differentiable,” Letteney says. What’s more, success on the output level may be a mixed blessing. “Many printers are thinking, this is such an asset-intensive business that even if I grow, I’m in trouble.”

Many printers have differentiated themselves, and built business in the execution arena through such tools as web-to-print, mailing and fulfillment services, database management and distributed, networked digital printing. Results can be good, but

“What’s needed is a radical re-definition in which the innovator can achieve and maintain a long-lasting head start.”

Letteney warns that being effective on the E level does not mean you’ll stay a differentiator for long.

The future action will come on the intellectual stratum. Here is where printers can help their clients build better communication strategies and get more out of every aspect of their budget.

“Printers are bringing people in from marketing services and creative side, showing clients how to tie things together and measure returns. They’re doing things a classical marketing team doesn’t know how to do,” Letteney says.

For vendors, the challenge may also be to stop thinking of products and technology. “The first step for vendors is to figure out what role they can play. That starts with understanding the needs of the printer’s ultimate customers. Why does Product X matter to the client? What won’t be a huge differentiator?”

Letteney says the graphic communications industry boasts a number of firms that have successfully implemented “blue ocean” strategies. Among them, he cites **Rastar Digital Marketing**, which has developed automated direct marketing, customer retention and similar programs for auto manufacturers and dealers nationwide.

These programs enable dealers to communicate with customers on a more personal level than ever before. Communications are related to where a customer stands in a 12-level customer loyalty model, and a powerful web-based Customer Relationship Model tracks results, spots trends and

guides refinements in the program.

Another example is VistaPrint, which has innovated in using the Internet to deliver a complete suite of high quality, custom-designed products and services. For example, the company recently formed an alliance with EarthLink to provide high-quality business cards at no charge to EarthLink subscribers. This and similar initiatives have helped VistaPrint serve more than six million customers in 120 countries.

When vendors explore the linkage between their offerings and the needs of their customers’ customers, opportunities emerge – whether it’s the ability to print on unique substrates, deliver faster turnarounds, or connect people and processes throughout a marketing campaign.

Specifically, vendors need to realize that some long-running technology disputes that matter greatly to them may not only be unimportant to customers but actually counter-productive. “Things like the whole violet/thermal CTP tech wars create confusion and destroy our credibility with our ultimate clients,” he says. “They assume a standard will emerge but they don’t care what it is.”

It all adds up to a new approach to strategic planning. Traditional business strategy, say the Harvard book authors, “is about confronting an opponent and driving him off. Blue ocean strategy is about doing business where there is no competitor...Looking forward, it seems clear that blue oceans will remain the engine of growth.” ●

**DON'T MISS OUT!**

*Map Out Marketplace Opportunities in China, India, Brazil, and Russia*

## Profiting from the Big Emerging Markets of China, India, Brazil, and Russia – Setting Up a Strategic Plan and Making It Work

July 21, 2006 • 8:00 a.m. – 3:00 p.m.

Hilton Suites Hotel, Oakbrook, Illinois (near O’Hare airport)

If you’re seeking to launch a profitable operation in today’s most promising global markets, treat yourself to a wealth of insights shared by senior international print industry leaders, including:

- **Ray Hartman**, Group Executive Vice President, RR Donnelley Company
- **Lu Chang-An**, General Manager, Beiren Manufacturing Company – the largest manufacturer of printing equipment in China
- **Evgueny Boutman**, President, ECS Corporate Group Moscow

You’ll also network with NPES members who are thriving in business overseas; learn first-hand how to avoid costly mistakes; and take home a wealth of data on today’s hottest emerging print markets. Economic forecasts and advisories will be presented for China, India, Brazil and India by NPES international market representatives and other industry experts.

For details or to register for this outstanding and convenient event, visit [www.npes.org](http://www.npes.org), or contact **Mike Hurley**, NPES Director of International Trade, at [mhurley@npes.org](mailto:mhurley@npes.org), or call (703) 264-7212.

# news and notes

## GRAPH EXPO® AND CONVERTING EXPO® EXHIBIT SALES BEATS 2000 RECORD

More than 400,000 square feet of display space has been booked at this year's GRAPH EXPO® and CONVERTING EXPO®, assuring that this will be the largest national graphic communications and converting exhibition since 2000.

NPES President Ralph Nappi, and President of the Graphic Arts Show Company which manages GRAPH EXPO and CONVERTING EXPO, says the show's growth in 2006 is striking for two principal reasons. First, we continue to "buck the trend" affecting trade

shows in the graphic arts arena – and capital equipment shows in particular.

"While many shows struggle to maintain their size, and most are shrinking, equipment and service providers in the graphic arts industry find that GRAPH EXPO and CONVERTING EXPO provides a great return on their marketing investment," Nappi points out. "Some large shows have even disappeared, yet our show continues to thrive."

Second, Nappi adds, "the total space occupied by our largest exhibitors has actually decreased, which means this year's growth is broad and embraces our entire show floor,

## SAVE THE DATE! NPES ANNUAL CONFERENCE

NOVEMBER 4-6  
PONTE VEDRA INN & CLUB  
PONTE VEDRA BEACH,  
FLORIDA

not just a few large booths."

It's not too late to join the excitement. Limited exhibit space is still available. To reserve your space now, contact the GRAPH EXPO and CONVERTING EXPO sales department at (703) 264-7200 or visit [www.graphexpo.com](http://www.graphexpo.com).

## NPES WORLD MARKET NEWS INTERNATIONAL TRADE BULLETIN NOW AVAILABLE

The NPES *World Market News* international trade bulletin released its final quarterly report for 2005. Although the economic data for the 4th quarter 2005 is not complete, early indications show a negative trade balance with total imports slightly exceeding total exports.

The report shows that total U.S. exports reached nearly \$2,150,560,000 in sales dollars with the top buyers being Canada, Mexico, Germany, Japan, Singapore, United Kingdom, Netherlands, Brazil, China and Ireland. (See chart below)

The amount of printing machinery imported into the U.S. topped the amount exported by more than \$388

million, with the total exports reaching \$2,539,000,000. Leading sellers to the U.S. printing machinery market were Germany, Japan, Switzerland, Canada, United Kingdom, Italy, France, Israel, China and the Netherlands.

The report predicts one likely bright spot in the 2006 economic forecast – the export sector, both manufacturing and service, will benefit from a weaker dollar and continued robust growth in the Chinese, Indian, Eastern European and Latin American markets.

To view the complete report, including top converting importers and exporters and regional breakdowns, visit the NPES website at [www.npes.org](http://www.npes.org) and click on International Trade.

### Regional Markets

European Union  
Asia & Pacific Rim  
Latin America  
Canada  
Middle East  
Africa (Sub-Sahara)  
Eastern Europe  
Russia & CIS

### US\$ Exports Through Trade Year 2005

589 million  
530 million  
477 million  
418 million  
55 million  
29 million  
21 million  
10 million

### US\$ Imports Through Trade Year 2005

1.4 billion  
540 million  
49 million  
183 million  
66 million  
10 million  
7 million  
331 thousand

## INVESTMENT INCENTIVE EXTENDED

Good news for NPES members and their customers is the recent extension through 2009 of the IRC Section 179 small business expensing tax incentive that allows businesses to deduct up to \$100,000 of depreciable assets per year. Originally increased from \$25,000 to \$100,000 in the tax cut bill of 2003, the provision has been a major incentive for renewed capital investment in the printing, publishing and converting industry, as well as other sectors of the economy. The conference report for H.R. 4297, Tax Increase Prevention and Reconciliation Act of 2005, also extended through 2010 the 15% tax rate on capital gains and dividend that was set to expire in 2008. NPES supported these actions, and is an active advocate for tax policy that encourages and fosters capital investment that leads to greater productivity.

For more information, contact **Mark Nuzzaco**, NPES Government Affairs Director, at 703-264-7235 or email [mnuzzaco@npes.org](mailto:mnuzzaco@npes.org). ●

## WELCOME NEW NPES MEMBERS!

**Innolutions, Inc.**  
Windsor, NJ  
[www.innoinc.com](http://www.innoinc.com)

**Best Graphics**  
Menomonee Falls, WI  
[www.bestgraphics.net](http://www.bestgraphics.net)

**Graco, Inc.**  
Minneapolis, MN  
[www.graco.com](http://www.graco.com)

**Cresswood Recycling Systems**  
Cortland, IL  
[www.cresswood.com](http://www.cresswood.com)

**Tekmatex Incorporated**  
Charlotte, NC  
[www.tekmatex.com](http://www.tekmatex.com)

**Gems Sensors and Controls**  
Plainville, CT  
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