



news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

Crowds of Motivated Buyers Flock to GRAPH EXPO® and CONVERTING EXPO®

The huge crowds of industry professionals who converged on McCormick Place in mid-October for GRAPH EXPO® and CONVERTING EXPO® were remarkable not only for their numbers or their active interest in buying new technologies.

They also typified an extraordinary transition in the printing, publishing and converting industry. From shops large and small, these professionals came to Chicago not just to learn about new technologies but to choose the new tools they will use to provide lucrative services for their customers now.

“They’re getting it,” commented **John Kaufman**,



Vice President/Marketing and Business Development at **Punch Graphix Americas**, parent company of **basysprint** and **Xeikon**. “We don’t have to come in and explain everything from the ground up any more. Before, they were struggling with the concept, but now they understand what variable printing is all about. Now we can actually start

comparing ourselves to our competitors and show how we differentiate.” An atmosphere of keen interest in profitable technologies permeated the crowd, and translated into sustained surges of buying activity in many vendors’ booths. “We were extremely busy here; in the first day of the show, we signed 16 contracts. The response has been phenome-

nal,” said **Susan Baines**, Marketing Communications Manager at **Komori America Corp**. “We do this every year because our setup allows printers to see the entire workflow process, from file creation to bindery, in one location. We have been meeting customers who weren’t on our radar screen and who we probably would not have had an opportunity to talk with had

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chairman's perspective

Thomas Saggiomo

NPES Chair

President, Agfa Graphics NAFTA

Be Careful What You Wish For



In the weeks and months leading up to GRAPH EXPO 2006, the anticipation and speculation on what would happen was intense. Would anyone show up? Would they be real buy-

ers or just tire kickers? What would be the quality and business level of the visitors that attended the show?

In the vendor community, all bets had been placed and for the most part the wagers were big. Despite an increasingly competitive marketplace where every cost is being scrutinized, the marketing gurus delivered compelling exhibits inviting current and potential customers to visit and sample the wares. The statistics

tell the story: GRAPH EXPO 2006 was the largest national show in our industry since the year 2000. Vendor commitment was robust with over 440,000 square feet of exhibitor space and 630 individual exhibitors on the show floor.

Day 1, Sunday October 15: Kick-off time was 10:00AM. Unbelievable as it seemed only hours before, everything was in place, equipment running, carpeting perfectly positioned, and gleaming signage everywhere. Despite the Sunday afternoon "football syndrome," traffic was better than expected and exhibitors were feeling enthusiastic.

Days 2/3, Monday and Tuesday October 16/17: These were the touchdown days! Traffic was strong all day on Monday and for most of Tuesday. Business was brisk, as I observed full stands and busy people.

Day 4, Wednesday October 18: The potential leaders of our industry were out in full force. Students were visible in the halls observing technology and snapping up as many posters as possible. Meanwhile those final deals were being transacted.

In addition to our success on the show floor, another strong indicator was the robust participation in our seminars and educational programs. This year, 1400 individuals joined us to become better informed about

technology and our industry in general. Many of them signed up to attend multiple seminars.

So what was hot on the show floor? Listening to a number of industry pundits, the message was clear: Whether in the hardware or software domain, it was all about efficiency and productivity, customer intimacy and quality. Most agree that there remains a big business in our industry and an opportunity for profits, but only to the smart companies.

The old adage "be careful what you wish for" was in full play during the show. I arrived from Europe on Sunday and spent the next four days and nights non stop with customers and colleagues. Where else except at GRAPH EXPO could you take one domestic plane ride and meet more customers in four days than you could meet in four months?

Finally, a word of thanks is in order for everyone at GASC, NAPL, NPES, and PIA/GATF for the great effort in making GRAPH EXPO 2006 a roaring success.

P.S....if you visited the GASC sales office at the show you would have seen brisk activity for 2007 space – a foreshadowing of good things to come. ●

Printer Panels to Highlight Series of NPES Regional Meetings in January

NPES comes to you: Programs are set for a series of Regional Membership Meetings slated for January 2007 – and a Printer Panel will headline the bill at each event. With the help of our regional industry counterparts at PIA/GATF, all-star teams of printing company leaders are being engaged to dialogue with NPES members on industry topics of critical mutual concern.

"NPES members are extremely interested in issues around the relationship between customers and suppliers," says NPES President Ralph Nappi. "Panels like these are always the highest rated features on the program at our conferences, because they give our members an insider's view into market forces driving their customers' businesses. We do our utmost to foster dialogue between printing company executives and leaders from the vendor community, as the payoff can be extremely beneficial for both."

The regional meetings will also spotlight effective selling strategies for the industry, as presented by **Carl Henry**, a

consultant who focuses on helping company owners and sales managers identify and motivate sales talent for maximum performance. With over 23 years experience in sales and customer service training, Carl has taught his Modern Sales System to thousands of sales professionals around the world.

Rounding out the agenda will be updates on the latest Market Data findings from NPES and PRIMIR, and a report on the Association's new Strategic Planning initiatives. The meetings will include a full luncheon and run from 8:30 to 2:30 p.m. in the following regions:

January 17: Chicago

January 19: New York/Northern New Jersey

January 24: Long Island/Connecticut

January 26: Columbus, Ohio

Information on meeting venues and registration will soon be posted at www.npes.org. ●

Printing Industry Celebrates the Life of Harold Gegenheimer

On October 4, noted pioneer of the printing industry and former NPES President Harold W. Gegenheimer died at the age of 95. Over the course of his career, Gegenheimer built a long record of service to the printing industry, through personal endeavors and support of industry organizations. He served as President of NPES from 1977-1979 and his efforts led to the joint founding of the Graphics Arts Show Company in 1982 by NPES, NAPL and PIA.

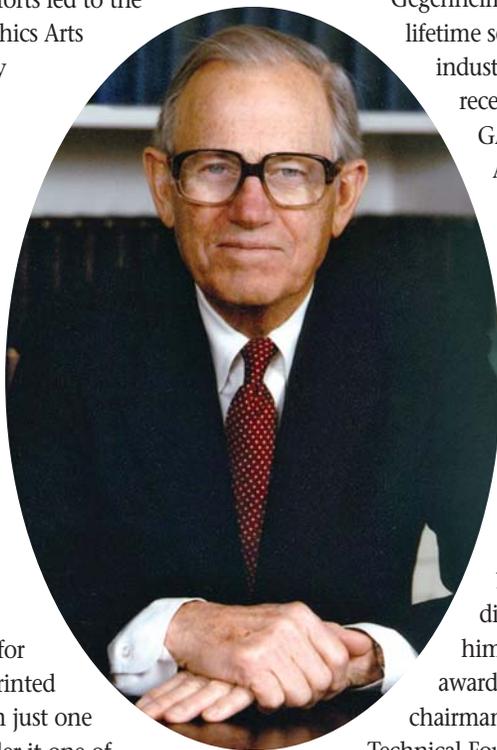
"Harold was one of the innovators and leaders of our industry," commented Ralph Nappi, NPES President. "He built a legacy that even today makes ours a thriving industry. We are indebted to his service and mourn his loss."

Gegenheimer, a 70-year industry contributor, invented the convertible offset perfecting press, a feature used by most press manufacturers that allows for one or more colors to be printed on both sides of paper with just one pass through. Many consider it one of the major print innovations of the past 60 years. Many of his other inventions have been attributed to the great postwar growth of offset printing, as press speeds and color print quality improved, and web and sheetfed printing expanded.

For Harold Gegenheimer, the graphics arts industry was much more than a career. It was his lifelong passion. In 1918, his father William founded the Baldwin Company which rebuilt offset presses in a small, garage-like building near the family home in Baldwin, Long Island. The company soon became one of the pre-eminent manufacturers of printing press accessories and controls.

Harold joined Baldwin after graduating from Georgia Tech in 1933 with a degree in mechanical engineering with athletic and scholastic honors. In 1937, he left to work for the next 15 years in other print-related organizations where he

became involved in press design, product development and general management. Gegenheimer rejoined Baldwin in 1951, overseeing the development of such inventions as the Automix, Balcontrol and Automatic Cloth Blanket Cleaners. He retired as chairman of Baldwin in 1983. Since 1986, he has served as Chairman Emeritus.



Gegenheimer was recognized for his lifetime service with a number of industry honors. In 1982, he received the Robert F. Reed and GATF's Society of Fellows' Award for his contributions to the technical development of the graphic communications industries and the Byron G. Culver Award presented at Rochester Institute of Technology for his contributions to graphic arts education. RIT named him "Graphic Arts Man of the Year" in 1983. In 1993, the board of directors of NPES recognized him by creating two service awards in his name. He served as chairman of the Graphic Arts

Technical Foundation's National Scholarship Trust Fund, and later as GATF's Society of Fellows Chair from 1993-1995. He was elected to Georgia Tech's Engineering Hall of Fame in 1995, and later that year endowed the development of an annual Lecture Series on Innovation at his alma mater. In 1996, he received GATF's Award of Excellence for Education and Training in Industry. In 1997, he was honored with the Soderstrom Award in recognition of his many contributions to the industry's advancement.

A memorial service will be held on Saturday, November 11 at 2:00 pm at Mystic Congregational Church, East Main Street, Mystic, CT, 06355. A reception and celebration of Harold's life will follow at his home in Mystic, 7 Eldridge Street. His family has asked that in lieu of flowers, a donation be made to the scholarship established in his name at Print and Graphics Scholarship Foundation (PGSF), (412) 259-1740, or (800) 910-4283. ●

NPES Gegenheimer Awards Presented to Clark, Baldwin Technologies

Gerald Clark, Director of Sales for Graphics Microsystems, and Baldwin Technologies Company received the 2006 Harold W. Gegenheimer individual and corporate Awards for Industry Service at the NPES annual conference November 6 in Ponte Vedra Beach, Florida.

The awards, named after the former NPES President and Chairman Emeritus of Baldwin Technology Company, recognize qualities which Harold Gegenheimer stood for – a lifelong commitment to technical innovation, sound management, support for education and research and working for the good of the whole industry. The winners receive plaques, and NPES will contribute scholarships in the name of Mr. Clark and Baldwin Technologies Company to the Print and Graphics Scholarship Foundation.

View from McCormick Place

GRAPH EXPO AND CONVERTING EXPO IN PICTURES





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1 Large crowds of visitors assembled in McCormick Place's Grand Concourse each morning awaiting the show's opening at 10 a.m.

2 Members of the U.S. Army's Deployable Print Center took a break from their own demonstration duties on the show floor to appreciate a display of image quality in the Wide Format Pavilion.

3 Jennifer Deming of Adobe Systems gave hands-on demonstrations of the company's creative solutions.

4 With a multitude of vendors running offset and digital presses on the floor, hard copy comparisons took center stage.

6 Representing the future of our industry, many teachers and students visited to check out the latest advances – including this group of obviously “pumped up” graphic communications students from Clemson University.

7 Visitors with a critical eye hovered intently over large-scale output in the HP booth.

8 The team at Printable Technologies gave in-depth personal demonstrations of their workflow wares many times during the course of the show.

9 The seminar program was very well attended, with over 1400 visitors registering to take one, two, or even more of the 70-plus seminars offered.

10 Jeff Hayzlett, Chief Marketing Officer for Kodak's Graphic Communications Group, delivered the keynote address to teachers at PIA/GATF's Education Conference.



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we not been here.”

“We were packed every single day at our booth, and I even had to bring in extra booth staff,” said **Jill Worthen**, Large Format Trade Show Manager for **Hewlett-Packard Company**. “We also had a lot of sales. A lot of people who come to this show make it a point to visit the Wide Format Pavilion, which is beneficial for us.”

“The show for me is more than just about selling. I come here to learn what our customers’ needs are and go back home to determine how we can address those needs.”

ing for the hybrid approach even a few years ago, because they did not really consider that they could do it,” he said. “Now they see that they can do it, and it has become a much stronger and practical business proposition.”

Along with workflow and management information systems, variable digital printing was one of the key technologies identified by the “Must See ’ems” selection committee as a

—*Brian Brack, President and CEO of Globe-Tek Corporation*

At **Mitsubishi Lithographic Presses**, Business Development Coordinator **Mitch Dudek** expressed satisfaction with the show’s results and the quality of leads generated, adding that “Being here creates a brand awareness so that people know that you’re in the marketplace and you’re a viable, quality, service-oriented supplier.”

At the bustling **Eastman Kodak** booth, **Len Christopher**, Director of Segment Marketing and Business Development attributed some of the excitement not only to broader adoption of digital printing but more interest in hybrid approaches that mix digital with conventional offset – a trend that was certainly on center stage at the show. “Not many customers were ask-

vital shaper of both the show and the industry. With those trends highly visible at the show, a host of new products made their debuts not in a vacuum, but as parts of an increasingly integrated strategy.

“It’s pretty clear what clients see in the results from these programs,” said **Michael C. Aumann**, Executive Vice President/Sales and Marketing at **Streamfeeder**, referring to highly personalized direct mail communications enabled by variable data printing. “If you receive a kit and it’s just a marketing piece, it has some value. But if the marketing piece is selected specifically for you, all of a sudden this package gains a lot more value.”

FOR A NUMBER OF THE printers shopping at GRAPH

EXPO and CONVERTING EXPO, investments being made on the show floor were keyed to make maximum use of “the last 90 feet” of the production process, when finished print products go out the shop door and into the mail.

While a dazzling array of postpress solutions were displayed at larger vendor exhibits such as **Goss International**, **Bowe Bell + Howell**, and **Heidelberg**, enthusiasm for this trend cascaded nicely down to smaller niche-oriented vendors. “The digital printing revolution has revitalized our market segment,” commented **Michael Venittelli**, Vice President of Sales at **MBM Corporation**, a provider of advanced finishing solutions. MBM launched a new tabletop folder and reintroduced a business card slitter at this year’s show. “We’re seeing a real upswing in the market,” he added.

Technifold USA, another small finishing firm exhibiting at the show, was very pleased with their performance. “This was our fourth year here in Chicago and we’ve consistently done very well,” said **Andre Palko**, President. “The ROI at this show was excellent – it paid for itself in the first two days!”

WHILE SALES WERE ON THE top of exhibitors’ minds, many companies left the show with more than just orders. Education was plentiful too. **Heather Perkerson**, Marketing Communications Manager at **MacDermid Printing Solutions**, saw GRAPH EXPO and CONVERTING EXPO as an important educational opportunity. “This is a great place to see what new technologies and products are being developed.

It’s fascinating to see where the industry is going and check-out emerging markets.”

Brian Brack, President and CEO of **Globe-Tek Corporation**, agreed. “The show for me is more than just about selling. I come here to learn what our customers’ needs are and go back home to determine how we can address those needs. I leave Chicago with a refined business strategy in mind for the coming year.”

Seminar attendance at the show was extremely strong, with 1,400 individuals registered for 70-plus educational sessions and, in many cases, even two or more. Meanwhile at the EXECUTIVE OUTLOOK® conference a day before the show’s opening, NPES Vice President **William K. “Kip” Smythe** reported the preliminary findings of a study now being completed by the Print Industries Marketing Information and Research Organization (PRIMIR), highlighting the dramatic rise of non-print or “ancillary” services within the industry.

CLEARLY, GRAPH EXPO and CONVERTING EXPO demonstrated that offering services with strong, proven ROI performance is a major key to print’s future success. While much of the dialogue between printers and vendors on the show floor revolved around the potential business return promised by new technologies, industry experts agree that a key driver of success is the fact that printers are engaging in fundamental strategic discussions with their own clients – discussions in which they were not involved before – enabling both parties to build strong, mutually profitable relationships in the process. ●

NPES First-Half 2006 data shows strong growth for equipment

The data is finally in: findings for the first half of 2006 are pointing to a strong upswing in sales of printing equipment. Shipments totaled \$1.317 billion for the first half of 2006, a 28.8 percent increase over the same period in 2005. This follows a good 2005 in which equipment shipments were level with 2004, but up 23 percent over 2003, which was the low point year for equipment sales in well over a decade.

The equipment data discussed here includes prepress, press and postpress/bindery equipment sales and is collected through the NPES market data program. This is actual data reported by NPES members and it is believed to represent approximately 85 percent of total equipment market in the U.S. If this trend continues through the balance of the year, this will be the best year our members have experienced since 1998, as the data in Figure 1 illustrates.

A quick look at some of the equipment categories shows that sheet-fed press sales have led the industry growth at a whopping 70 percent increase over first half 2005.

Product type	Growth 1st half
Platesetters	+2.5%
Sheetfed presses	+70.6%
Web-fed presses	+6.1%
Cutters	-8.1%

On the heels of an extremely well attended GRAPH EXPO in Chicago and based on many discussions with members on

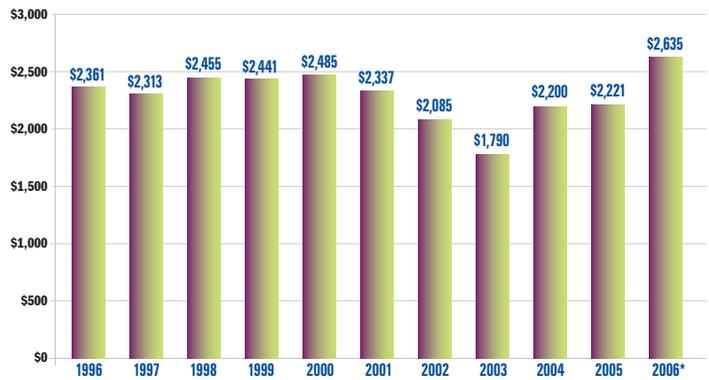
the show floor, we believe that the second half will be strong too; however it will be difficult to maintain a 29 percent growth pace. But even if the growth rate slows somewhat, 2006 will probably hit the books as one of the best years in the last decade for sales of equipment.

Can we expect this to last?

Regardless of what the growth rate turns out to be, this is great news for our members. But you have to ask the question, can we maintain industry sales levels of \$2.5 billion per year? This may be a challenge for a few reasons. First, we believe there was significant pent-up demand from over five years of declines in printing volume. Since printing sales were down, printers were not buying. Now that printing industry sales volumes have returned to 2000 levels, coupled with the fact that the equipment offerings of NPES members are more productive than ever, printers are upgrading to take advantage of efficiency improvements this new technology provides. How long will this surge from pent-up demand last?

Secondly, consolidation continues unabated in the printing industry, which equates to fewer customers for our members. Coupled with the resultant surge in used

Figure 1
US Printing Equipment Shipments
(\$ Millions)



equipment on the market, this makes it tough to sell new equipment to those printers left in a shrinking marketplace. Finally, printing equipment sales are cyclical and generally follow the rise and fall in GDP. The U.S. economy is doing well, but lower growth is forecast for the coming years.

Graphic Arts Supplies

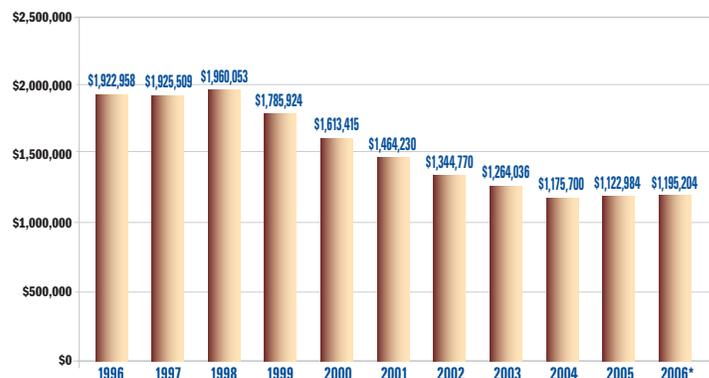
The first six months of data on supplies show that shipments are about level when compared to 2005. In a market that has been experiencing technological substitution for many years, level isn't all that bad (see Figure 2). The products that constitute the Graphic Arts Supplies data include graphic

arts film, lithographic plates, conventional and digital proofing materials and the related chemistry. As readers are well aware, prepress workflow once encompassed many steps involving phototypesetting paper, graphic arts film, a plate or plates and conventional proofs. Today, that workflow has been streamlined to go from the computer to the plate or directly to the press many times without a conventional or digital proof. This has had a dramatic impact on the dollar volume of consumable materials sold in the industry, which peaked at \$1.96 billion in 1998 and today stands at about \$1.2 billion...a loss of nearly \$800 million in yearly revenue!

Looking at the individual product groupings within the

continued on next page

Figure 2
Graphic Arts Supplies
(\$ Thousands)



*2006 Contains estimates. NOTE: Includes Canadian shipments for Pressroom Equipment (except sheetfed presses). Also includes Bindery Estimates (1996-Present)

Graphic Arts Supplies data, film continues its long-term downward trend at -17.4 percent for the first half 2006. Even recording film used in imagesetters is down over 16 percent this year. This should be no surprise as non-film based workflows continue to be implemented rapidly by printers of all types and sizes. Offpress (conventional) proofing products are also down 6.1 percent for the first half. A strong indication that the move to digital proofing and even soft proofing has not abated. Of course the bright spot in the supplies market is in the plate arena where we see growth of almost 2 percent for the first half 2006. But this "aggregate" total masks the interesting dynamics going on beneath the surface between analog and digital plates. Presensitized (analog) plates were down over 25 percent while direct-to-metal (digital) plates were up 9.1 percent. The message is clear; the all-digital workflow continues to be rapidly adopted by the industry.

How can you monitor this trend yourself?

On an overall basis, the first half of 2006 has been extremely positive for our members and the industry. With a strong GRAPH EXPO behind us, we can look forward to the first half trend continuing through the year. How long this trend continues remains unclear however. ●

If we told you that you could get data like this for over 160 product categories every month for free, would you believe it? It's true. The NPES Market Data Program collects and disseminates market totals for these and other products on a monthly basis to participating member companies. If you would like to receive this data too, all you need to do is commit to provide your data through our confidential, legally monitored program. This arms you with the information to see changes in the marketplace and make informed business decisions to help your business succeed in a challenging marketplace.

*To learn more, contact **Rekha Ratnam** at (703) 264-7231 for details.*

news and notes

NEW INDUSTRY REPORTS AVAILABLE FROM SLOAN PRINTING INDUSTRY CENTER

Back in 2001, Rochester Institute of Technology (RIT) was selected by the Alfred P. Sloan Foundation to become one of its Sloan Industry Centers. The Sloan Printing Industry Center is a joint program of the RIT School of Print Media within the College of Imaging Arts and Sciences and RIT's College of Business, emphasizing Sloan's long-standing tradition of applying a broad multidisciplinary approach to industry investigations and findings.

As an industry partner of the Sloan Printing Industry Center, NPES has exclusive access to the Center's findings through its research monograph publications. The Center recently published a set of new monographs for 2005. These are available to NPES member companies as a benefit from NPES's sponsorship of the Printing Industry Center.

The new research monographs include:

- A Comparative Study of the Environmental Aspects of Lithographic and Digital Printing Processes
- An Investigation into Papers for Digital Printing
- Formulation and Implementation of Environmental Strategies: A Comparison Between U.S. and German Printing Firms
- Media Distribution in the Printing Industry
- New Skills for DAM and Variable Data Printing Services: Is the Printing Industry Prepared?
- Sourcing of Corporate Print: Three Case Studies
- The New Medium of Print: Material Communication in the Internet Age
- Utilization of E-Commerce by Commercial Printing Companies
- Variation in Premedia Color and the Potential Automation of Imaging Tasks

To obtain these valuable reports, contact NPES Vice President Kip Smythe at ksmythe@npes.org or (703) 264-7220. ●

Save the Dates!

2006

PRIMIR Fall Meeting

November 13-16
Tampa, Florida

Market Data Meeting

November 16
Tampa, Florida

PAMEX

NPES Trade Mission and Exhibit
December 10-14
Mumbai and Bombay, India

2007

NPES Regional Meetings

January 17: Chicago
January 19: New York/New Jersey
January 24: Long Island/Connecticut
January 26: Columbus, Ohio

PRINT OUTLOOK®

NPES Spring Board

PRIMIR Meetings

March 26-29
Chicago, Illinois

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