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NPES 75 ANNIVERSARY news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

What Are You Waiting For?

SAVE IN 2008 OR PAY MORE IN 2009

The *Economic Stimulus Act of 2008 (ESA)*, passed by Congress and signed into law by President Bush in February, provides huge incentives for investment in printing, publishing and converting equipment, but early action will be critical in order to take advantage of these tax savings. In general, qualifying property is defined as depreciable tangible personal property that is purchased for use in the active conduct of a trade or business. Off-the-shelf computer software also qualifies.

ESA provides 50 percent bonus first-year depreciation on investment in new equipment purchased after December 31, 2007 and "placed-in-service" before January 1, 2009. In addition, it also nearly doubles the limit on capital investment in 2008 that can be expensed, raising it to $250,000 from $128,000 for companies that purchase less than $800,000 of capital assets in the year. Enhanced Section 179 Expensing applies to equipment that is new or used ("new to the purchaser"). Businesses may be able to use both provisions to their advantage.

The $250,000 Expensing amount is reduced (but not below zero) by the amount by which the cost of qualifying property placed-in-service during the taxable year exceeds $800,000. The entire $250,000 of enhanced expensing is phased out after the taxpayer invests $1,050,000. Unlike Bonus Depreciation, which is limited to purchases made and placed-in-service in calendar year 2008, $250,000 enhanced expensing may apply to qualifying purchases made both this year and in 2009, provided that they are made in "tax years" beginning in 2008.

Because the ESA 2008 50 percent depreciation allowance

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The 2008 Economic Stimulus Act provides huge incentives to buy new technology now, but time to act and save is running out.

EXAMPLE #1:
RIPs (Raster Image Processor)

PURCHASED IN 2008
Example Price - $400,000
New 50% Bonus First-year Depreciation = $200,000
Plus Regular Depreciation = $28,000
Total First-year Depreciation = $228,000
Tax Savings = $91,200 (assuming 40% effective tax rate)
Effective Price with First-year Bonus Depreciation = $308,800

PURCHASED IN 2009
Example Price - $400,000
No New 50% Bonus First-year Depreciation = $Zero
Only Regular Depreciation = $56,000
Total First-year Depreciation = $56,000
Tax Savings = $22,400 (assuming 40% effective tax rate)
Effective Price without First-year Bonus Depreciation = $377,600

YOU SAVED $68,600 BY BUYING IN 2008 RATHER THAN WAITING UNTIL 2009!

SEE PAGE 5 FOR INFO ON SPECIAL WEBINAR: "MAKING THE MOST OF THE ECONOMIC STIMULUS ACT!"

INSIDE:

chairman's perspective

Hank A. Brandtjen, III
NPES Chairman
President, Brandtjen & Kluge, Inc.

Ladder of Respect

As President of Brandtjen & Kluge, Inc., and also NPES Chairman, like you, I'm well aware of the "ladder of success." Many of us have spent our entire lives climbing it, always reaching for the next rung, and enjoying the trappings of success that come with each new advance in title or responsibility. Lately, though, I've discovered the equally important "ladder of *respect*."

Recently, I joined one of our salespeople in traveling to an appointment to visit with a prospect. We arrived promptly on time, only to discover that our contact would be back in three hours! Without even acknowledging our inconvenience, we were simply asked, "Could we come back?" "Of course," we said smiling...then we spent the next three hours, and valuable cell phone time, out in the car rearranging our schedule. No problem.

Another prospect of ours, in Minneapolis, was about to purchase his first finishing press. Knowing the likelihood of lots of questions, and because I live there, I called the customer to introduce myself. We talked for some time and I sent a follow-up e-mail with the names of support companies that he wanted to talk to. A few days later, I called him and he invited me to stop by the very next day to meet with his decision-making team. When I arrived, promptly on time, I was told that his team was busy and then asked to reschedule for the following next day. No problem.

Now, like many of you, when we sell a piece of equipment or a process, operator training is included. So, not long ago, when we installed a machine at another customer's location, as is our practice, we trained the operator. Thirty days later, when the final payment was due, the customer refused to pay us. Why? Because the operator we trained had left and they needed the replacement to be trained. OK, *now* there's a problem!

What do these scenarios all have in common? *Lack of respect!* Believe it or not, what brought this issue into sharp focus for me was a used McDonald's cup near the entrance to our local heath club! Arriving there with my daughter for her swim lesson, she pointed out a used McDonald's cup lying beside the curb leading into the club. From the car, we watched as 20 people walked right past the cup and into the club. (Two people actually stepped on it!)

As we got out and walked up to the door, I picked up the crushed cup and tossed it into the trash can. Just then, my daughter said one of those things that make a father's heart swell with pride: "I knew you would pick that up because you respect the Earth and the people who live here." (Needless to say, after her swim lesson my daughter got an ice cream cone!)

Unlike the *vertical* ladder of success, the ladder of respect is *horizontal* — and one that we should all aspire to travel along. Today's business climate contributes to the stress that we all feel in our daily lives, which is all the more reason to try and treat one another — and our planet — with the utmost respect. Fortunately, in our industry we have a special opportunity to treat our planet with respect, called "sustainability." I invite you to join me in learning more about how our businesses can (as my daughter would say) "respect our Earth and the people who live on it" by incorporating sustainable practices into our daily operations.

A wise man once said that every society is judged by how it treats the least fortunate among them. These profound words require more than just thought, they demand action. I'd continue on...but I've got a salesman waiting to talk to me. He's arrived on time for his scheduled appointment and I want to respect his time. ●

SAVE THE DATES!

NPES Annual Conference
November 15-17, 2008

Don CeSar Beach Resort
St. Pete Beach, Florida

A dynamic and content-rich agenda is shaping up designed to engage members in direct exchange with industry thought-leaders and peers.

MARK YOUR CALENDAR NOW!

STIMULUS continued from page 1

is generally patterned after prior bonus depreciation statutes, the Treasury Department and the IRS intend to issue guidance allowing taxpayers generally to rely on Treas. Reg. Sec. 1.168(k)-1. The upcoming guidance will also cover the new increased Section 179 Expensing limits.

The March 2008 *NPES News* had examples of the powerful investment incentives available under the new law. These and other examples can be found online at: www.npes.org, along with a 2008 ESA Calculator. These can be real deals for NPES members and their customers.

The power of 50 percent bonus first-year depreciation is dramatic. If you need new equipment and are ready to invest, waiting until 2009 will cost you time and a lot more money; the accompanying examples tell the story! They assume that the purchasing company's total capital equipment investment in the year has exceeded the maximum amount allowable for Section 179 Expensing.

EXAMPLE #2:
Six-color, 56 Inch Wide Sheetfed Press with Coater

PURCHASED IN 2008
Example Price – $3,500,000
New 50% Bonus First-year Depreciation = $1,750,000
Plus Regular Depreciation = $245,000
Total First-year Depreciation = $1,995,000
Tax Savings = $798,000 (assuming 40% effective tax rate)
Effective Price with New 50% Bonus First-year Depreciation = $2,702,000

PURCHASED IN 2009
Example Price – $3.5 Million
No New 50% Bonus First-year Depreciation = $Zero
Only Regular Depreciation = $490,000
Total First-year Depreciation = $490,000
Tax Savings = $196,000 (assuming 40% effective tax rate)
Effective Price without New 50% Bonus First-year Depreciation = $3,304,000

YOU SAVED $602,000 BY BUYING IN 2008 RATHER THAN WAITING UNTIL 2009!

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

NPES 2008 Industry Summit

1 *NPES members and guests filled the room to capacity at the NPES 2008 Industry Summit, held March 31-April 3, at the Doubletree Metropolitan Hotel in New York. This popular three and a half-day "mega event" brought together the annual PRINT OUTLOOK economic update event with three other key sessions – the PRIMIR Spring Meeting, NPES Market Data Committee Meeting and NPES Board of Directors Meeting.*

2 *PRINT OUTLOOK keynoter Dr. Sung Won Sohn stated unequivocally during his presentation on "The Outlook for the U.S. Economy Pre- and Post Election" that the U.S. economy is in a recession. On the flip side, he offered two bright points: that housing and the stock market are near the bottom — favorable news since both are leading indictors of a return to growth.*

3 *Responding to a question from the audience regarding the newspaper market, PRINT OUTLOOK's advertising panelist Roman Hohol, Director, AMEC Forest Industry Consulting, shared his concern over the viability of daily newspapers, but offered a positive outlook on weekly and advertiser type papers.*

4 *Among the highlights of PRINT OUTLOOK was the panel discussion on "The Outlook for Advertising in 2008." This lively and interactive session provided attendees with provocative new insights directly from industry "front line" panelists (l to r) Matthieu Coppet, Global Media Strategist, UBS Equities; Bruce Biegel, Managing Director, The Winterberry Group; and, Roman Hohol, Director, AMEC Forest Industry Consulting. Among the positive news shared, Mr. Biegel projected that, despite the recession, direct mail would increase by 5% in 2008.*

5 *Jacques Denault, Senior Marketing Consultant-Newspapers & Commercial Printing, Transcontinental Printing (standing, center) was among the many NPES members and guests who actively participated in the Q & A time following each of the presentations, which provided additional opportunities for greater insight and group interaction.*

6 *Bernadette Budde, Senior VP, BIPAC, regarded by many as the "dean of Congressional campaign watchers" concluded the PRINT OUTLOOK program by sharing her keen, candid, and often humorous insights on the people and races making news this election year. According to Ms. Budde, this year, party affiliation is less important than the issues that candidates take on. She identified the top four issues on voters' minds today as: 1) Iraq exit strategy; 2) taxes; 3) the backlog of issues (i.e., product liability and healthcare) on the table every year, but never resolved; and, 4) the design and funding of the infrastructure of America.*

7 *At the PRIMIR Spring Meeting, held during the Industry Summit, PRIMIR study task force leaders were recognized with individual plaques of appreciation for their dedication and leadership in producing PRIMIR studies released this past year.*

One on One

Marco Boer

Digital printing has been touted as the next big technology for graphic communications for several years now, and indeed, the marketplace has witnessed its share of exciting digital print introductions. With drupa 2008 on the horizon, we asked Marco Boer, Senior Analyst and Vice President at I.T. Strategies, Hanover, MA, for his perspective on the emerging technologies and themes the graphic communications industry will face in coming years. Mr. Boer has more than 14 years of experience in guiding senior executives of Fortune 1000 and smaller innovative companies to successful solutions in emerging digital printing markets.

Based on the results of the latest PRIMIR study, "Trends and Future for Financial Transactional Printing," which you presented during the NPES 2008 Industry Summit, what key emerging themes do you foresee in the years ahead?

If you look at the market for print, it's a huge market. At the very basic level is consumer printing: that market is flat. There's a little growth, but not much—the turbo growth days are over, because everyone who needs a printer at home now has one.

The same holds true in the office. But we're seeing a shift from black-and-white to color, particularly higher-performance color. This is critical, because now companies can afford to buy a 50-ppm copier/MFP that produces faster printing, copying, faxing, finishing and more. Once offices start adopting these copiers, the effect may be that materials that used to be outsourced may now be printed and copied in-house. More critically, these color copiers come out of the general office budget, general overhead—compare that to projects that are sent to the printer, which goes on your [department's] bill. Several vendors, such as Canon and Ricoh, are doing extraordinarily well with this trend—but this comes at the expense of quick printers, which are hemorrhaging right now.

When you go further up-market, you get to the digital press vendors. For a lot of these vendors, their growth has to come from displacing offset printing—otherwise, they won't grow.

IT Strategies follows all of the digital technologies for print. Clearly, the differentiating factor between digital technology and offset is the ability to produce personalized promotion pieces: variable data printing (VDP). What, in your opinion, needs to happen to accelerate the use of VDP? What are the barriers and drivers to its further adoption?

At drupa 2004, the theme of variable data printing really hit market awareness. Four years later, there are fabulous examples of very good variable data printing. But that's not the case for the bulk of the market. Variable data accounts for only about 20 percent of the high-speed digital printing market.

The reason it's low is that it's hard to do. You must have the infrastructure ahead of the jobs to be able to do variable data printing well. A colleague of mine told me about a mailer that just came to her. She had her oil changed a while back, and the company had a record of what kind of car she drove, when, and where she last had her oil changed. She received a postcard that had a picture of a house and her exact model car parked in front of it. That's a very good example of variable data printing, but that's the exception, rather than the rule.

Variable data printing isn't going away, but it's not growing really quickly. It's becoming more of the Holy Grail and will become more interesting as time goes on, but its growth is in control of the print specifiers, who own the data. You *can* do variable data printing, but the key is, how can you do it *right*? Because it's not just having data, but trying to make sure it's relevant and of value.

So, if digital printing is not all about variable data, then what's the next wave? The transaction space is moving to digital, because it's more efficient now. The run lengths of digital presses are now coming very close to the run length for offset on many jobs. About 80% of print jobs are 3,000 impressions or less. If you can make a digital press as cost-effective as an offset press, then that changes things. The economic cutoff for digital printing used to be 500 impressions, but it's now closer to 3,000.

The argument still exists for quality [on an offset press vs. on a digital press], but that's changing very quickly, and in some cases, the quality is near, or equal to, offset. Either way, quality requirements are changing because the offset printer has to be more economically savvy in this market: if a customer says, "I need 2,000 pieces tomorrow," and the printer has a print job queued up on their offset press for the next two or three days, they may print the job on their digital press. They may tell their client, "You can have your finished job tomorrow on our digital press, and the quality will be like this, or wait four days and we can run it on our offset press." And oftentimes, the printer might give them a discount to run it on the digital press. Ultimately, those who really care about print quality will be customers at big corporations like Coca-Cola, where the jobs are going to be long run-lengths anyway.

As an expert on digital printing, and a strong proponent for the use of color in business applications, what new technologies coming out at drupa really excite you?

What's so interesting about this year's drupa is that for the first time, pretty much every single major vendor that's in the digital printing market has some kind of inkjet solution. It used to be that a few years ago, inkjet was only for consumer applications. But now it has moved beyond wide-format printing.

This drupa will be about super-productive inkjet, not necessarily high quality. There will be inkjet presses that print what someone, looking at the results with offset eyes, might consider as not being all that good—but they will print at 2,600 pages a minute. It'll be appropriate for a lot of applications like transaction statements, or color manuals like teachers' editions of textbooks, which are printed in short runs but printed fairly frequently.

The growth for inkjet will be in: 1) transaction printing, 2) manuals and some books, 3) direct mail and, to a lesser extent, 4) community newspapers.

A key takeaway is that Heidelberg, which has shown inkjet technologies at drupa before, will show new inkjet equipment that's not aimed at document printing, but at packaging. So we're seeing an expansion of inkjet: we see lots of document-printing inkjet technologies, printing at 600 to 2,600 pages a minute, but we'll also see more and more niche applications.

And no, inkjet will not cut into the toner digital press market—for most of these digital presses, their width is limited due to economics. Toner presses are about 13 inches or 14 inches. Inkjet presses will be anywhere from 19 inches to 40 inches wide. Inkjet is two to five times more productive than toner, but it's a totally different market. And the quality gap is still enormous.

Also, what you shouldn't underestimate is that this is still the beginning of inkjet. Color digital presses were first introduced at drupa 1995. It took 10 years for these products to settle in and find their niche. Right now, we're at the beginning of inkjet. It may not take 10 years, but it will still take some time. If anything, inkjet will displace some of the preprinted shells that used to be printed on offset.

Essentially, the real offset stalwarts will be continuing with offset, and they'll buy the latest iteration of these more automated offset presses. The younger, more "adventurous" printers will be the ones getting into digital—not necessarily because of variable data printing, though in a lot of ways, that will be why they bought it, but because the break-even point is coming down and the digital presses will be used for load balancing.

Having recently spent time in China exploring its package printing and flexo industries, what did you learn about their current technologies and capabilities? Also, what observations can you share about the state of their economy and current print industry market place?

If you look at the drupa floor space, China accounts for probably less than 10 percent of the floor space. Generally speaking, their offset press manufacturers aren't all that good. They bought some Japanese companies two or three years ago, but by and large, they're not really there. That said, the Chinese are masters at taking old equipment and making it run forever—because it's very cheap, and the quality is good enough.

On the digital side, there's very little going on. Their idea of short-run or on-demand printing is very different than ours—if I'm a customer who needs a job done right away, say, 1,000 annual reports or boxes, and I need it done tomorrow, Chinese printers will deliver it [with offset equipment]. That's because labor there is very cheap, so the printers' solution to quick turnaround is to use more people—whereas our version is to reduce the labor and reduce the cost [through digital equipment]. So China isn't going to go digital anytime soon. The other thing about digital printing: it's basically useless for export, because the product has to get on a boat or plane for delivery. So on-demand printing is really only practical for internal usage, where printers will just use more labor to get a job done.

Of course, there is a range of buyers, as with any market. Those offset printers in China that do book printing and other products that get exported will buy offset equipment, because they want high quality. Those catering to an internal domestic market may buy used equipment or something domestically made that's good enough.

It's more difficult than vendors think, to earn sales internationally. There's not much digital-press opportunity, for one. There's some, but it doesn't make a lot of sense infrastructure-wise at this point. Offset sales make sense, but the import duties alone on offset equipment is about 18 percent. So immediately, North American vendors are at a huge disadvantage compared to their domestic vendors. There are a lot of regulatory things that factor into all these markets—it's not just about having nice technology. ●

Recession or Not?

"Yes," Said the Two-Armed Economist

Dr. Joe Webb

by Dr. Joe Webb, Director, WhatTheyThink Economics & Research Center

March's unemployment report seems to have convinced everyone, including previous skeptics, that we're in a deep, dark recession. The data is not as clear as one might think, especially when one looks at some recent history.

Let's look at some data that shows whether or not we are in bad economic times. If economists identify full employment as between 4% to 6%, then March's 5.1% employment report is pretty good. Has the number of workers on payrolls gone down? Let me check... ummm... there are +536,000 more people on payrolls in March 2007 than in March 2006. That seems okay, not the best, but okay. In the household survey, which includes self-employment, there are +824,000 more workers than last year. Perhaps a longer term view might shed some light on the horrible economy. If the recovery started in August 2003, then it seems that there are more than +8.4 million additional people employed since that time. This is getting very confusing. Maybe initial jobless claims data can help. Let me look at this now... okay, the four week moving average of people filing for unemployment for their first time is 378,000... and we're well below the 400,000 level that indicates a slowing economy. Analysts have used that

> **Most data shows a slow economy, not a crashing one.**

400,000 benchmark for quite a long time, but that's never been adjusted over the years for the increased size of the workforce and population. Using the historical ratio of initial claims to the civilian workforce, that would mean the average initial claims would be 481,000 based on today's workforce size, so we are still significantly below that.

Some of the hand wringing over whether we're in a recession or not doesn't seem to take this re-benchmarking of initial claims into consideration. Most data shows a slow economy, not a crashing one. Are we in a recession because most economists work in banking and finance related businesses that are being punished for their self-inflicted subprime woes? When everyone around you is losing their jobs, it's easy to project that to the entire economy. Remember the late 1990s when the publishing business was booming from the flood of space ads used by Internet companies for branding? Cheerleading for the Internet was common in the publishing industry, because they were prime beneficiaries of the spending. At that very time, the foundations of the printing business were starting to crumble because of the rise of web pages and search engines, and they would start to take the publishing business with them. With most of the economics analysts working in banking and finance, or depending on those industries for their income, are they missing a real story about how resilient the workforce really is and how resilient the underlying economy is?

Those who make the case for recession found justification in the March payroll figures, but not in the long term trends. A job loss of 80,000 in March was preceded by revised payroll job losses of 76,000 for each of January and March. How is it, though, that the number of payroll jobs is actually greater than that of June 2007? It depends what you decide to focus on, of course. If you're looking for turning points, of course you have to take these negative data into account.

Unemployment data are lagging indicators. Service jobs took a beating in the employment report, except for government, education, and health care. We knew that already, as construction and real estate jobs were smashed by the subprime mortgage meltdown. We still believe that unemployment will probably be 5.2% soon, and no more that 5.5% at worst, as this plays out, but it's the old news of the last six months, not the news of today. Our net new businesses indicator seems to have already stabilized in the 65,000 per month range, at the same level it was in 2005, which is an annualized rate of 780,000 net new businesses.

The recession-worriers may finally have the data they "wanted," but it's not an old-style recession at all. GDP for the first quarter may be slightly negative, so they may be able to be further justified in their

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assessment. Even though investment is stymied by uncertainty over tax rates, we still have a stimulative 15% capital gains rate, and the Fed has already been very aggressive, probably too aggressive, in its rate-cut actions. In past "recessions," it's not until the unemployment rate gets yet higher than this level that the Fed even starts to cut. In this case, the cuts are already in place and already appear to be working in the improved general confidence of the stock markets, even though corporate earnings (again, a lagging indicator) will affirm the slow first quarter, but many companies started adjusting to this new environment in that quarter.

The bigger problem will be inflation and the weak dollar (commodities prices will keep rising; their short pullback has already been short-lived). The Fed will probably loosen again soon, compounding that problem.

There is positive news supporting the contention that the economy will be very slow but not recessionary. The Institute for Supply Management issues two reports every month that are essential to tracking the short-term twists and turns of the economy. Their manufacturing report showed its disappointing ways with a reading of 48.6, below the break-even 50 mark. But even the ISM economists wrote that this reading "corresponds to a 2.4 percent increase in real GDP annually." Does that sound like a recession? It almost sounds optimistic. We've obviously fallen into a horrible and deep abyss: we might need a stepstool to get out of it.

Growing manufacturing industries noted in the report included: apparel, leather & allied products, miscellaneous manufacturing, primary metals, computer & electronic products, machinery, transportation equipment, and food, beverage & tobacco products. "Printing and related support activities" was also listed in the ISM's growing industries. It was good to see our industry there, of course. Remember, many print businesses are doing well, gathering sales from defunct or troubled competitors, and focusing on growth segments such as direct marketing. Declining manufacturing businesses in the ISM report were nonmetallic mineral products, electrical equipment, appliances & components, petroleum & coal products, wood products, paper products, fabricated metal products, chemical products, and plastics & rubber products.

> **Overall, I'm still in the camp that there will be very slow growth with increasing inflation.**

The ISM's non-manufacturing index came in at 49.6. The new orders component of the report was 50.2 percent. Growing sectors were real estate, rental & leasing, mining, agriculture, forestry, fishing & hunting, construction, information, utilities, retail trade, accommodation & food services, health care & social assistance, and public administration. Contracting sectors were transportation & warehousing, wholesale trade, educational services, finance & insurance, management of companies & support services, and professional, scientific & technical services.

The prices paid components of the manufacturing and non-manufacturing indices were disturbing, however. In manufacturing, it was 83.5; in non-manufacturing it was 70.8, showing significant increases in the costs of materials. The weak dollar is having an effect: exports were up, imports were down, and many of those imports are ingredients that cannot be found elsewhere. Dear protectionists: I'm still waiting for those domestic North Dakota bananas and Alaskan coffee to show up in my supermarket.

The first rule of understanding what's happening in the economy should probably be that all economic reporting, and corporate reporting, is always about "what have you done for me lately." History matters little, it seems, in daily marketplace battles. My concern is that the negative economic reports are taking away from the discussion of what's really wrong in the economy: inflation. Economic slowness and sluggishness can be tolerated by most businesses better than ceaseless uncertainty in their costs and prices.

Federal Reserve actions are debasing the currency in the short term to prop up the financial system, cheapening the dollar. The inflation that this unleashes, in a competitive world market for goods and services, means that businesses will have higher costs that cannot be fully passed along, resulting in cutbacks in budgets and employment. Increased costs for manufacturing materials were previously paid for by productivity and rising sales levels. The Fed's easing of money will have the exact opposite effect than desired.

While the experts keep patting the Fed on their collective back for bravery and doing the right thing, they do seem like a financial version of a drug dealer, giving out free samples to make sure their clientele stays hooked. The market might be doing what should have been done had it been left alone. There are many anecdotal reports in the media, and in the Fed's own Beige Book, indicating that although rates are lower, banks are tightening up their approval processes. That is, even though there is lots of cheap money around, it's hard to get. It would have been braver to tighten and have the pundits talk about "tough love" instead.

Overall, I'm still in the camp that there will be very slow growth with increasing inflation. This is a combination which will be corrosive to earnings and create a threatening political environment as workers realize that any wage or productivity increases they get (if any) are worthless. Since the general public has no idea what a "Fed" is or how money actually works, there will be pressure for acts of economic grandstanding which will have unintended consequences. The favorite recession-related legislation is lengthening the duration for unemployment payments, which actually ends up keeping people out of the workforce and lengthening economic downturns because those workers are not creating goods or services.

> **If we could survive the stagflation of the late 1970s, and the high interest rates of the early 1980s that cured it, we can do this again.**

Many economic indicators are not cooperating with the recession-callers. Sure, we're in for very sluggish times, and there will probably be at least one negative quarter. When the Fed turns their attention to the inflation problem in 2009, combined with the likelihood of increased tax rates and protectionist actions, this economic slow period could be very troublesome, testing the management skills of printing industry suppliers and our clients in significant ways.

Managers should never obsess over the economic data because general business booms and busts never affect individual industries and companies in the same way. The economic growth of the last four years was not seen in commercial printing shipments in the U.S. because of growing and more intensive use of digital media. An executive's task is to deploy capital (resources, skills, competitive advantage) to solve the problems of the marketplace over a period of time that is far longer than any business cycle will last. Economic conditions are to be navigated and not feared, with skillful detection and tapping of opportunities along the way. If we could survive the stagflation of the late 1970s, and the high interest rates of the early 1980s that cured it, we can do this again. ●

NPES 75 Years Later

LONG RANGE PLANNING: THEN AND NOW

This year, NPES The Association for Suppliers of Printing, Publishing and Converting Technologies celebrates 75 years of service to member manufacturers, importers and distributors who provide the equipment, supplies, systems and software used in every printing, publishing and converting process from design to distribution. Throughout 2008, in every issue of NPES News, look for some of the featured highlights from our association's distinguished 75-year history.

With an eye towards the future, back on October 9, 1987, NPES' Long Range Planning Committee met to ratify the draft plan it created for presentation to the NPES Board of Directors. The plan proposed the five following Objectives:

1. To promote in every lawful manner the common interests of the manufacturers and/or the distributors in printing machinery, equipment and parts thereof, supplies and allied products.

2. To promote the common interests of the manufacturers and/or the distributors in printing machinery, equipment and parts thereof, suppliers and allied products in manufacturing, engineering, marketing, safety, transportation and other fields.

3. To collect and disseminate information of value to its member organizations and to their members or to the public in regard to printing machinery, supplies and allied products.

4. To undertake, promote and carry on such other activities as shall advance and promote the common interests and well-being of the member organizations and their members.

5. To do everything necessary, proper, advisable or convenient for any of the foregoing purposes or the furtherance of any of the powers authorized under and to the extent same is not forbidden by law.

Fast-forward now to early 2007, when the Association approached the long range planning effort from an entirely *new* perspective. For the first time ever, NPES' leadership and staff worked to craft an over-arching statement that would include the NPES "family" of affiliated organizations — the Graphic Arts Show Company (GASC) and Graphic Arts Education and Research Foundation (GAERF) — which would create a synergy and link the missions, objectives and goals of these independent organizations (and their constituents) into a comprehensive roadmap for the future. By the November NPES 2007 Annual Conference, that statement — "To Double the Engaged 'Customers' by 2011" — had been approved by all three organizations.

While the "customers" for each entity are different (NPES: *members*; GASC: *buyers & sellers*; GAERF: *students & schools*), after many months of hard work by the leadership and staff, that statement has evolved into a detailed roadmap with clearly defined individual Mission Statements, Objectives, Goals — and *measurable metrics* for success — for each of the organizations.

Interestingly enough, no different than 21 years ago, today's NPES members share a keen interest in long range planning. And based on the path set upon by our Association's leaders back in 1987, NPES members today are part of a greater mission in which NPES' affiliated organizations play a complementary and key role in advancing the graphic communications industry. ●

NPES Mission Statement
Advance the interests of the Graphic Communications industry and assist member companies in advancing their business objectives in a global marketplace.

GASC Mission Statement
Produce leading industry events that provide education and facilitate commerce in the Graphic Communications industry.

GAERF Mission Statement
Advance the knowledge and education in the field of Graphic Communications by supporting programs that prepare the workforce of the future.

news and notes

NPES CALENDAR

May 2008
NPES Pavilion and PRINT® 09 Booth drupa 2008
May 29-June 11 • Düsseldorf, Germany

June 2008
PRIMIR℠ Summer Meeting
June 18-20 • Cincinnati, Ohio

ICC Meetings
June 24-27 • Tokyo, Japan

July 2008
Joint CGATS SC3, CGATS SC4, USTAG TC 130 WG3/WF4
July 15-16 • Minneapolis, Minnesota

September 2008
PRIMIR℠ Fall Meeting
September 3-5
Portsmouth, New Hampshire

TC130 Working Groups and Plenary
September 22-27 • The Netherlands

October 2008
EXECUTIVE OUTLOOK®
October 25 • Chicago, Illinois

GRAPH EXPO®
October 26-29 • Chicago, Illinois

November 2008
ICC Meetings
November 6-8 • Portland, Oregon

ICC DevCon 08
November 10 • Portland, Oregon

NPES Annual Conference
November 15-17
Don CeSar Beach Resort
St. Pete Beach, Florida

December 2008
PRIMIR℠ Winter Meeting
December 3-5 • Baltimore, Maryland

March 2009
ICC Meetings
March 17-19 • Paris, France

May 2009
TC130 Working Groups 1-4
May 18-23 • Dallas/Ft. Worth, Texas

June 2009
ICC Meetings
June 15-18 • Tokyo, Japan

September 2009
PRINT®
September 11-16 • Chicago, Illinois

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