
LEADING THE DIGITAL PRINTING REVOLUTION

The Greensheet Talks with Industry Expert Charlie Pesko

Charlie Pesko is well known in the graphic communications world. For more than 35 years, Pesko has worked with many of the major players in the print and document industry. He is vice president of [InfoTrends](#), the founder of CAP Ventures and the co-founder of the [ON DEMAND Exposition](#). Over the course of his career, Pesko's companies have been repeatedly recognized as some of the fastest growing privately held organizations in America.

Pesko was recently presented with a Lifetime Achievement Award at the [Xplor 2010](#) conference and also the ON DEMAND Expo, so *The Greensheet* asked him to share his historical perspective on what the future holds for the graphic communications market.

"Looking back to when we first started ON DEMAND 17 years ago, there weren't too many believers in digital printing. But today we've captured over 50 percent of the market in many different segments," says Pesko.

Pesko was an early advocate for digital printing, and he is happy to point out that most print providers have adopted at least some of the technology and approaches. "We don't have to talk to printers about digital printing and what it means anymore," says Pesko. "We have crossed that chasm and entered into the rapid growth phase. Now it's all about looking at specific applications and packaging software, solutions and the hardware together to capture new market opportunities."

Pesko believes that inkjet printing is the technology to watch in today's market. "The next big thing is what is happening on the inkjet side of the marketplace, which is going to provide very high speeds and very good quality at extremely attractive price points. That will allow us to go beyond the general document market and look at the publishing and magazine markets, the packaging market, newspapers, and other market segments that because of price and performance, we have not been able to capture yet."

The economic recession has taken a toll on nearly every industry, but printers have been hit especially hard, a reality that Pesko says all printers must continue to face. "The print market has peaked. Recession aside, if you look at the overall commercial print market place, the value of print is on a decline; there is no question about that. That means that if printers want to grow they are going to have to take business from other printers."

What advice does Pesko have for print providers looking to capture new business? "Margins in the market continue to decline, so printers really need to take advantage of digital technology now, and they need to look at process automation to get the costs of products down as low as possible. There are folks out there doing this today who still make a good margin on prices that are much lower than most of the traditional players in the marketplace. This is the only way you will be able to compete and take the business away from competitors that have a very traditional approach."

According to Pesko, there is still plenty of opportunity for printers who are able to adjust to changing market demands. "The biggest opportunity moving forward is going to be augmenting print by moving into a cross media environment," says Pesko. "Printers need to integrate print and digital channels, and market products using both of those media. Those printers that are leading edge and moving into that space are the ones who are going to be able to grow their businesses in the future."

Thought: The key to a profitable future lies in adopting digital technologies that drive profitable margins, automating processes to keep costs down. Start now: Adopt an approach beyond traditional printing.

Share your comments on this article and adopting digital technologies. E-mail GCW Publisher Tom Wetjen: tw@GCWorld.biz.

You may also contact:

Editor Aaron Kiel at ak@GCWorld.biz

NAMES IN THE NEWS

- ◆ **Paul Abdool** was re-elected as chairman of the Xplor International Board of Directors.
- ◆ The Printing Industry of Minnesota announced three new members on its Board of Directors: **Shawn Sundquist**, Range Printing; **Fred Thigpen**, RR Donnelley-Maple Grove; and **Gary Lee**, Mallard Ink.
- ◆ **Cynthia Hamann** was promoted to director of sales and marketing, and **Susie Wells** was appointed manager of mail certification programs at The Bennett Group.
- ◆ **Brad A. Alford**, chairman and chief executive officer of Nestlé USA, was elected to the board of Avery Dennison Corporation.
- ◆ **Chris Prince** was appointed marketing coordinator at Mutoh America.

MERGERS/DIVESTITURES

- ◆ **IWCO Direct**, a direct marketing solutions provider, signed a letter of intent to sell its Fort Worth, Texas operations to **Business Ink** of Austin, Texas. IWCO Direct's Fort Worth facility was part of its acquisition of **Transcontinental Direct's** U.S. operations in April. The proposed transaction, which is targeted to close by mid-May, is subject to satisfactory completion of due diligence by Business Ink. Terms were not disclosed.
- ◆ **Premier Printing and Mailing** in Stratford, Conn. announced the acquisition of **The Firm Advantage**, a Shelton, Conn.-based provider of personalized printing and mailing services.
- ◆ **Ricoh UK** announced that it has completed the integration of both the **Infotec** and **IKON** businesses and brands. The completion marks the final step of a process begun in January 2007, when Ricoh announced its acquisition of Infotec (formerly **Danka Europe**), and in September 2008 with the acquisition of IKON.
- ◆ **Pazazz Printing** made a proposal to creditors and suppliers and negotiated an agreeable restructuring plan. The proposal was accepted.

REED BUSINESS INFORMATION CLOSES GRAPHIC ARTS MONTHLY

In July 2009, publisher [Reed Elsevier](#) announced that [Reed Business Information](#) (RBI) magazines and other print titles, representing approximately 45 percent of the revenues of RBI in the United States, were to be divested. Since then, several titles have been sold in seven transactions. To conclude the divestment process, the publishing operations of the remaining RBI-controlled titles are to be closed, including *Graphic Arts Blue Book* and *Graphic Arts Monthly*, the latter in its 82nd year.

BÖWE BELL + HOWELL PATENTS DISASTER RECOVERY SOLUTIONS

[BÖWE BELL + HOWELL](#) (BBH) was awarded a patent for using electronic means for delivering billing and statement information in the event that a disaster affects a mailer's traditional mail delivery capabilities. The patent also includes notifying customers via one or many options including phone, e-mail and company Web sites of the availability of secure electronic information. The patented approach satisfies numerous government and industry requirements for time-sensitive account holder notification of transactions, billing due dates or service terminations. In addition, the system enables businesses to receive timely payments by enabling alternative delivery and payment options. **Mike Maselli**, BBH vice president of marketing and product management, said, "We are finding many new and cost-effective opportunities to bring together print and electronic communications in ways that previously were too difficult because of technology or workflow issues."

MONROE LITHO GETS SOCIAL WITH NEW MEDIA PROJECT ON TWITTER

[Monroe Litho](#) said it is teaming with [Kodak](#) and [Mohawk Fine Papers](#) to utilize **Twitter** to tell the story of the printing of a publication from original design concept to print and distribution. The project, dubbed "OneOnOne," will utilize video, photographs and interviews posted on Twitter to follow the printing of Kodak's *One Magazine*. "To be able to team with companies in our industry that share an interest in utilizing social media is very exciting," said **Tony Harris**, vice president of sales and marketing for Monroe Litho. "While print is changing, it is still a very viable communication tool. We hope that by utilizing Twitter we can reach new audiences and showcase what print has to offer as well as tell an interesting story." The companies are recording the production of the entire project from the original design concepts, paper manufacturing by Mohawk, printing by Monroe Litho and the distribution by Kodak beginning May 18 in Birmingham, U.K. at IPEX, one of the world's biggest events for print, publishing and media. The project will highlight the use of environmentally sustainable printing done by Monroe Litho and will utilize new environmentally-focused products from Kodak and Mohawk. Twitter users can follow the story at twitter.com/monroelitho and #printingONE.

CONSUMERS REDEEM 850 MILLION COUPONS Q1, SAYS MARKET STUDY

Valassis, a media and marketing services companies, said that coupon distribution and redemption continued to increase significantly in the first quarter of 2010. The findings are a part of a Coupon Market Quarterly Update, which was recently released by **NCH Marketing Services, Inc.**, a Valassis company. The report says that consumers redeemed 850 million coupons in the first quarter of 2010. "Two primary drivers will impact the year ahead for coupons: marketers and consumers," said **Suzie Brown**, Valassis chief marketing officer. "A change in the consumer mindset toward value is clear and evidenced by the increased redemption rates and the numerous studies focusing on shopping behaviors. Marketers are taking note of this phenomenon as they continue to appeal to the savvy shopper who has come to expect great deals."

WHITE HOUSE INTENDS TO NOMINATE ITS 26TH U.S. PUBLIC PRINTER

President Barack Obama announced his intent to nominate **William J. Boarman** as the 26th Public Printer of the United States. Boarman is president of the **Printing, Publishing & Media Workers Sector of the Communications Workers of America** (CWA), and the senior vice president of CWA. Boarman has been associated with the printing industry, its labor relations and personnel management for over 40 years. The Public Printer serves as the chief executive officer of the venerable **United States Government Printing Office** (GPO). The GPO's core mission is keeping America informed. The agency provides expert printing, publishing and digital media services to the three branches of the government. It is a near billion dollar government agency of 2,300 employees that operates like a business. While a portion of its funding comes from direct Congressional appropriation, GPO produces significant revenue by providing products and services to other Federal agencies and the American public.

MERGERS/DIVESTITURES cont.

- ◆ Jim Condio and Steve Condio, owners of **Duquesne Litho**, of Bridgeville, Pa., have joined **Heeter Direct** of Canonsburg, Pa. Duquesne Litho ceased its operations on April 9.

AWARDS

- ◆ The **Printing & Imaging Association of MidAmerica** announced that **Etheridge Printing Company** of Dallas, Texas was recognized with the prestigious Best of Show award at the 21st Annual Graphic Excellence Awards Competition.
- ◆ Through its GreenWorks Environmental Recognition Award Program, **Agfa** honored: **Allegra Print and Imaging** in Abbotsford, BC, Canada; **Coastal Printing & Graphics** in Shallotte, N.C.; **Curtis Packaging** in Sandy Hook, Conn.; **Rose Printing** in Oriccia, ON, Canada; and **Worth Higgins and Associates** in Manassas, Va.
- ◆ The **U.S. Postal Service** recognized **Arandell Corporation** with its Corporate Business Achievement Award for the company's commitment to a successful business partnership with the USPS.
- ◆ **WhatTheyThink** presented its 2010 Environmental Innovation Award winners to: **Brown Printing Company**, New York, NY; **Portland Color**, Portland Maine; **Patient News Publishing**, Hali-burton ON, Canada; **Green Books and Binders**, Langhorne Pa; and **Earth Color**, Parsippany N.J.
- ◆ **Mark Mikolajczyk**, president and publisher of **Florida Today**, received the 2010 RIT Isaiah Thomas Award in Publishing from the Rochester Institute of Technology.
- ◆ **Specialty Print Communications** received three Print Excellence and Knowledge Awards sponsored by *Print Solutions Magazine*.
- ◆ **Watkiss Automation Limited**, in the U.K, received the Queen's Award for Enterprise, for business-related achievement and performance.
- ◆ **GMG** won the award for Best RIP Solution for Wide Format of the Year from the European Digital Press Association.

PITNEY BOWES SURVEY REVEALS INSIGHTS INTO SMALL BUSINESSES

About half (52 percent) of small business owners would describe their business' economic situation as worse now compared to 12 months ago, according to a new survey released by **Pitney Bowes**. However, despite financial struggles, almost three quarters (73 percent) are optimistic about the future of their business. The survey, commissioned by Pitney Bowes, was conducted by **International Communications Research**, which polled 504 small businesses across the United States about the financial state of their business and outlook for 2010. The survey revealed that some of the top financial stressors for small business owners in today's economy include: decreased sales (74 percent); health care costs (52 percent); late payments from customers (42 percent); and greater restrictions on financing (42 percent). About eight-in-ten small business owners say they are very worried about cash flow. In spite of financial pressures, many small business owners still feel they have levers to pull before they would be forced to close. If their financial situation does not improve, 34 percent would resort to either layoffs or changing their mix of products or services, according to the survey. About a third would barter with customers, suppliers and employees to minimize the use of cash, while 31 percent would reduce operating hours. Twenty-nine percent would purchase a technology to increase the efficiency of their business. Not surprisingly, if forced to close, the survey revealed that more than a quarter (28 percent) would start a new business. About a third would either start a new career (34 percent) or retire (32 percent).

XEROX PARTNERS PRINT POSTCARDS OF SUPPORT FOR U.S. TROOPS

Members of **Xerox Corporation's** network of Premier Partners are printing postcards of support for U.S. troops. Digital printing and graphic communications companies are donating resources to produce millions of postcards from Xerox's "Let's Say Thanks" program that are sent to U.S. servicemen and women stationed overseas. The nationwide program has postcards designed by children ages 6 to 14, and the postcards are available at www.letsaysaythanks.com for people to select their favorite and write a message of support to the troops. To date, more than 25 million people have sent well-wishes to the troops through the Web site and at local card drives across the country. The postcards are printed on Xerox iGen4 and iGen3 Digital Production Presses. Recent participating partners include: **Associates Graphic Services**, Wilmington, Del.; **Copy General**, Sterling, Va.; **CRW Graphics**, Pennsauken, N.J.; **Digiprint**, Reno, Nev.; **Laser Print Plus**, Columbia, S.C.; **The Total Mailing Systems**, West Deptford, N.J.; **Universal Reprographics**, Los Angeles, Calif.; and **Visions, Inc.**, Brooklyn Park, Minn.

HP TO ACQUIRE SMARTPHONE PROVIDER PALM FOR \$1.2 BILLION

HP and **Palm** have entered into an agreement under which HP will purchase Palm, a provider of smartphones, at a price of \$5.70 per share of Palm common stock in cash or an enterprise value of approximately \$1.2 billion. The transaction has been approved by the HP and Palm boards of directors. "Palm's innovative operating system provides an ideal platform to expand HP's mobility strategy and create a unique HP experience spanning multiple mobile connected devices," said **Todd Bradley**, executive vice president, Personal Systems Group, HP. **Jon Rubinstein**, chairman and chief executive officer of Palm, said, "We look forward to working with HP to continue to deliver industry-leading mobile experiences to our customers and business partners." The transaction is expected to close during HP's third fiscal quarter ending July 31.

RICOH ASKS BUSINESSES TO CREATE SECURITY POLICES FOR DATA

Ricoh UK is asking companies to develop security policies, processes and solutions around document governance. Ricoh said that data leaks, occurring as a result of ineffective document management, are a considerable threat to a company's information infrastructure. Ricoh recently commissioned research, revealing that companies across Europe are unintentionally putting their confidential information at risk. The research surveyed European business leaders from across multiple business sectors and found less than half (47 percent) had a strict policy in place to control the printing of commercially sensitive information. Almost half of the respondents (49 percent) are concerned about the risks from digital and printed information.

ON DEMAND ENDS ON A POSITIVE NOTE; ORGANIZERS SET 2011 DATES

Over 24,000 technology industry professionals gathered in Philadelphia, Pa. for **info360: AIIM Expo + Conference and ON DEMAND Conference & Expo**, said **Questex Media Group**, organizers of the event. Questex also announced plans for the 2011 event, which be co-located with the ITEX in Washington, D.C., March 22 - 24, 2011.

GCWorld.biz includes more in-depth coverage. Bold, underlined text indicates a link in the online edition.

SCUTTLEBUTT & OTHER SUNDRY STUFF

- ♦ [Heidelberg Druckmaschinen AG](#) (Heidelberg) recorded a significant fall in sales and profit for financial year 2009/10 (April 1, 2009 to March 31, 2010). In addition, the total number Heidelberg employees decreased; as of March 31, 2010, the Heidelberg Group had a workforce of 16,496 worldwide and the previous year was 18,926.
- ♦ [Consolidated Graphics](#), in Houston, Texas, announced plans to install a [Kodak](#) Prosper 5000XL press at the company's Automated Graphic Systems facility in White Plains, Md.
- ♦ [Pitney Bowes](#) is expanding its collaboration with [RISO](#), to offer RISO's ComColor series of full-color inkjet printers to U.S. customers. The ComColor series complements Pitney Bowes's suite of mail management software, working with an array of the company's products for a "print-to-mail" solution in a cut-sheet environment.
- ♦ According to The Associated Press, **The University of California, Berkeley** will shut down its 136-year-old printing service.
- ♦ **SmartWood**, an independent forest management certifier, suspended the interim certification of **Asia Paper Resources International Limited** pulp products. The paper company allegedly failed to meet the **Forest Stewardship Council** minimum standard for controlled wood certification.
- ♦ Are you going to **Ipex**? Consider one of the Ipex Guided Tours, which are divided into three categories: pre-media/pre-press/digital solutions; printing/output/ancillary services; and post-press/finishing. Running once a day for each category, the tours include: **Canon, Duplo, Friedheim International, Fujifilm, Heidelberg, Horizon, HP, KBA, Kodak, Komori, manroland, Morgana, Pitney Bowes and Ricoh.**
- ♦ [The Offset & Beyond Conference](#) will look at leadership, production, operations, finance and digital opportunities. The event will be held May 17-19 in Baltimore, Md.
- ♦ [InDesignSecrets Live!](#) 2010 North American Seminar Tour is underway. The next set of tour dates and locations are: May 19: Atlanta, Ga., Cobb Energy Performing Arts Centre; June 28: Chicago, Ill., Chicago Hyatt.
- ♦ The [KBA Web Offset Users Group's](#) conference will take place in conjunction with GRAPH EXPO, Oct. 3 – 4.
- ♦ Notable quotable: "We were a green company before we even knew what being green meant," said Don Bean, production manager of [Universal Printing](#), located in Durham, N.C. "It's not something we're doing because it's hip or trendy. It's part of our business culture and has been since the doors opened more than 30 years ago."

Wetjen's Word *Perspective from GCW President Tom Wetjen*

A few issues ago, I wrote about four kinds of companies in our business: printers, printers who changed their names (but not much else), solutions providers, and consultants or agencies.

As I thought further, I should have included a discussion about hybrid organizations. Everyone seems to be looking for the "either/or" answer. The right answer is probably all of the above or combinations of the above. It is not about only value added services vs. commodity printing; it is about both. Many printers have shared with me success stories about their base business growing because they invested in new areas. Many have been surprised to find how much work their major clients were doing with other people because they did not provide or were not perceived to provide a needed service.

We all need to maximize our revenue and profit streams. The only customers we ought to be firing are the ones that are not bringing us profit. The journey for a print service provider to become a responsible strategy contributor who is measuring and communicating ROI takes time and investment; during that time, you still need to run and manage your base business.

At the recent ON DEMAND Expo, the sessions on how to approach the transition were well attended and very interactive sessions. In one session, there was a scheduling mix-up and a group of successful solutions providers conducted their panel without a moderator. The interaction from the printers who wanted to learn with the group showed the intensity in our industry to transform. All of these companies went through a transition where they were not thinking "either/or" but both.

A sound strategy in these times is to rely on other sources for help and advice. Vendors, consultants, press and media can help you sort it all out. At Graphic Communications World, we have written about many business development subjects and have been taking your advice to focus more and more on how you can make money or how you can save money.

Keep sending us your ideas and questions and I will keep searching out sources to assist you.

Let me know if you would like to discuss this further. You can always reach me at tw@GCWorld.biz. Send me thoughts of what is working for you.



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