

*The Greensheet is issued twice-monthly. Go to: www.gcworld.biz
2100 West Loop South, Ste. 900, Houston, TX 77027 • Ph: 713-532-8639 • V.40, No. 23*

Dear Executive,

The big-screen TV is off. Two black leather sofas sit empty. No one stands by the pool table. The signature room at Madison, WI-based **Shine Advertising** is silent, but the agency is buzzing.

Inside a conference room, the firm's three owners and 24 employees speak passionately. It's the summer of 2006, and they're about to make a move many companies wouldn't consider—bowing out as the agency of record on two Super Bowl ads.

Shine had won that distinction from Internet domain registrar **GoDaddy.com**, whose Super Bowl spots in previous years were titillating and controversial. GoDaddy.com had told Shine it wanted a different voice this time—still stimulating but less trappy—and for the past few months, Shine had created ads that were "provocative and smart," says Creative Director **Mike Kriefski**.

But then GoDaddy.com began requesting new shots for which Shine hadn't planned. The client also began to re-edit material, changing the ads' message and tone. "The integrity of our ideas and vision had been compromised to an unacceptable degree," Kriefski says. "I was willing to walk."

When facing decisions that will affect profitability or employee satisfaction, everyone at Shine literally gets a seat at the table. Healthy debate often ensues, but not this time: GoDaddy was going to be gone as a client. (The internet company took pieces of Shine's concept, merged them with other ideas and ran two ads during the Super Bowl last year. One depicted its own marketing staff as a group of scantily clad women who routinely pour champagne over each other.)

Shine's decision demonstrates a belief that should be important to all graphic arts firms: When core principles aren't just rhetoric, the result is a workforce that's committed, confident and creative. "When we started the company in 2001, our main goal was to create a place where employees have fun, have room to grow and feel like partners," Kriefski says.

Shine's employee-first culture extends beyond its pool table, XBOX 360 video games and Wednesday morning bagel routine. At a time when many employers are increasing efficiency by limiting compensation and benefits, Shine has done the opposite. All employees receive a salary competitive with large-market firms, plus fully paid health, dental and life insurance premiums for both single and family participants. Other perks: performance bonuses, a 401(k) plan, paid downtown parking (about \$100/month), paid high-speed internet access for their homes and \$400 a year to explore the arts. While not guaranteed, the company also has given each employee a holiday bonus every year and a summer bonus four out of five years.

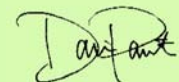
One reason Shine's entire staff gathers for key decisions is that everyone shares in the profits (or losses) from those choices through its **ShineShares** system, which is similar to an Employee Stock Ownership Plan (ESOP) but less limiting. (An ESOP is an employee-benefit plan operating through a trust that accepts tax-deductible contributions from the company to accumulate company stock. The stock is allocated to accounts for individual participants.)

When an employee joins Shine, he or she receives a certain number of ShineShares that become valuable after completion of two years of service. At the end of each fiscal year, the agency is contractually obligated to place a percentage of its profits into a pool that's distributed to employees based on their number of shares. (Shine's 2006 billings totaled \$28 million.) Employees can gain shares through performance bonuses and promotions. Each person receives the money via check or 401(k) contribution. A common yearly payout is 10%-20% of salary, Kriefski says. If Shine is ever sold, "shadow stock" shares turn into real shares so that all employees can share in the buyout proceeds. "As an owner, when we take on an extra client but don't add staff, how do I justify that to hard-working employees? Well, it's easy: It goes right to profit-sharing," he says.

The profit-sharing plan is one reason why a popular phrase at Shine is "grow grudgingly," meaning the company adds staff only when absolutely necessary. Shine hasn't laid off an employee since it began in 2001.

Kriefski admits that one of his toughest challenges is the delicate balancing act that occurs at times between employee satisfaction and agency profitability. "The former is going to win, but we always aim to have both. When you think about it, they don't have to be opposites. We're more profitable when we're most *engaged*."

That's a powerful lesson for any company—graphic arts firms, included.



Darin Painter, Editor-in-Chief, darinp@gcworld.biz

'GREENSHEET' PART OF NEW CHINESE PARTNERSHIP **OutputLinks**, the information portal to the high-volume transaction output industry and the owner of *Graphic Communications World*, signed a partnership agreement with the **China Academy of Printing Technology** (CAPT) and its publishing arm, **KeyinPrint Media**. Content in OutputLinks' publications (including "The Greensheet") will be published in China in Chinese each month on Keyin's Web site and in its magazine. CAPT is China's largest printing technology research organization. **GCW info: www.gcworld.biz, www.outputlinks.com.**

NAMES IN THE NEWS

Financial printer **Bowne & Co.** named **William Penders** as President.

Napa, CA, wine and label maker **Tapp Technologies Inc.** appointed **Carsten N. Sorensen** to CEO.

Triple Crown Media Inc. named **Robert Prather** as CEO.

Douglas R. Lebda, President and COO of **IAC/InterActiveCorp**, and **William G. Parrett**, former CEO of **Deloitte Touche Tohmatsu**, were named to **Kodak's** Board of Directors.

Trevor Haworth, President and CEO of Minneapolis-based **CGS Publishing Technologies International**, was elected to its Board.

Bradley C. Richardson, Executive VP/CFO of **Modine Manufacturing Co.**, Racine, WI, was elected to the Board of **Brady Corporation**.

IKON Office Solutions promoted **Tracey Rothenberger** to Senior VP and CIO.

Philippe Perthuis was named Senior VP and CFO of **Hachette Filipacchi Media U.S.**, New York.

Punch Graphix Americas appointed **Michael V. Ring** as Chief Marketing Officer and VP of Business Development.

Media firm **Belo Corp.** promoted **Guy H. Kerr** to Executive VP for Law and Government, **Carey P. Hendrickson** to Senior VP and Chief Accounting Officer and **W. Craig Harper** to VP of Technology.

Jeffery Haas is now Director of Strategic Channels and New Business Development at **MailSurity Systems**.

Oscar Padilla was appointed Director of Interactive Services at **Vertis Communications**, Baltimore. **Jon Singer** is Sr. VP of Sales and Mktg. in its Direct Marketing Division.

Ricoh Americas promoted **Vince Roma** to VP, Business Development.

Hai Nguyen is the new Controller at **The McClatchy Company**.

Goss International appointed **Gary Fisher** to lead a new initiative to promote Lifetime Support service and training opportunities among North American customers.

Arandell Corp., Menomonee Falls, WI, hired **Blake Hutchison** as Purchasing Director.

Kevin Wood joined **Padgett Printing**, Dallas, as Sales Rep.

COMMISSION: IMPORTS DON'T INJURE U.S. PAPER INDUSTRY The U.S. **International Trade Commission** voted 5-1 that coated free sheet (CFS) paper imports from **China, Indonesia and Korea** weren't injuring nor threatening to injure the domestic paper industry. As a result of the ruling, the anti-dumping and countervailing duties previously imposed on CFS by the **U.S. Department of Commerce** will be withdrawn, and any deposits that have been collected will be refunded. The ITC vote, held Nov. 20, terminates a year-long investigation initiated in October 2006 by Dayton, OH-based paper maker **NewPage Corp.**, which had petitioned the ITC to look into improper or illegal subsidies to paper producers in the three countries. In December 2006, the ITC determined there was a "reasonable indication that a U.S. industry is materially injured or threatened with material injury by reason of imports of coated free sheet paper from China, Indonesia, and Korea that are allegedly subsidized and sold in the United States at less than fair value." In March 2007, the Commerce Department agreed to impose trade sanctions against Chinese glossy paper imports, reversing a 23-year U.S. policy that had excused China, as a nonmarket economy, from subjection to anti-subsidy laws. (The ITC works with the Commerce Department but can make its own independent determinations.) The Commerce Department set tariffs ranging from 23% to 99% percent in China, 0% to 30% in South Korea and 10.85% in Indonesia (*GCW*, 6/18/07). Many printers viewed the proposed tariff as a potential blow to business, saying increased prices on foreign paper would drive U.S. print buyers to countries where printers would have a competitive advantage by not having to pay higher paper costs. (The volume of coated paper imports from China increased 177% last year to \$224 million, according to the Commerce Department, and overall demand for coated freesheet is 5.5 million tons, up roughly 20% since the mid-1990s.) **Printing Industries of America/Graphic Arts Technical Foundation** (PIA/GATF) testified before the ITC that its members rely on an affordable paper supply that results from choices in the marketplace, and the print association implored the ITC to consider the negative economic consequences the proposed rates may have had upon the printing industry. "We commend the ITC's vote on CFS imports and believe the ITC's determination strikes the appropriate balance between protecting the domestic producer and the end user of an internationally traded product," said **Michael Makin**, PIA/GATF's President/CEO. "In this particular case, end users of CFS—such as America's printers—would have faced tariff rates on CFS imports from these three countries that, when combined, could have equaled nearly 150%." ITC's vote didn't address whether imports are actually supported by illegal subsidies. **NewPage** spokeswoman **Amber Garwood** said the company may appeal the ITC ruling pending review of an ITC public report to be released soon.

IS GOOGLE EYEING MAGAZINE PUBLISHING? Speculation is swirling among tech-industry watchers that **Google** may soon offer users the ability to fashion new, personal, printed magazines from Internet content. It was granted a patent Nov. 8 that would enable its users to search for Web content and create a custom magazine that also includes custom advertising. The patent, granted Nov. 8 and titled "**Customization of Content and Advertisements in Publications**," says publishers "often lack insight into the profiles of consumers who purchase their publications, and, accordingly, miss out on subscription and advertisement revenue due to a lack of personalized content and advertisement." Google might let users create their own magazines and receive an electronic or hard copy of the final product. Users could potentially create and print these publications at kiosks in supermarkets or retail stores, according to the patent. In addition to the editorial content, creating custom advertising would be an important feature. "Consumer targeting for advertisers is limited," the patent reads, "and there is virtually no standardization for ad sizes (e.g., an ad that is supposed to be a full page may need to be reduced in size to fit within a publication). Accordingly, advertisers sometimes purchase sub-optimal ad space in an attempt to reach their target markets. Advertisers also have difficulty identifying new prospective market segments to target because they have limited insight into the desires and reactions of consumers." In other Google news, the company launched an advertising service for its partner network in the United Kingdom and Ireland that will allow targeted ads to run around videos on the popular video-sharing site **YouTube**. **Google AdSense** partners can select video content in three ways—directly from a YouTube video partner brand, from a category such as sports, or by using a Google algorithm to generate relevant content. Ads are then delivered around the video.

AWARDS

New York University's 2007 **Prism Award** event honored **Cathleen Black**, President of **Hearst Magazines** and author of the newly released "Basic Black: The Essential Guide for Getting Ahead at Work (and in Life)." It was presented by New York University in recognition of leadership in the graphic arts and communications industry.

Printing Industries Alliance awarded **Lester Samuels**, Managing Partner of **Pictorial Offset**, Carlstadt, NJ, with its **Power of Communications Award**.

MERGERS/DIVESTITURES

The **Federal Communications Commission** approved real estate billionaire **Sam Zell's** \$8.2 billion buy-out of the **Tribune Co.** by a 3-2 vote Nov. 23, a move that will allow the deal to close by the end of the year.

Tampa, FL-based **Global Imaging Systems Inc.**, a **Xerox** company, acquired Wichita, KS-based **Image Quest Inc.**

InnerWorkings Inc., Chicago, will buy New York City-based promotional products provider **Corporate Edge Inc.**

EFI, Foster City, CA, completed a strategic investment in San Jose, CA-based **Raster Printers**, a maker of UV wide-format printers.

Konica Minolta Business Solutions U.S.A. Inc., Ramsey, NJ, acquired **Hughes-Calihan**, a Phoenix-based document and information management solutions provider.

Three independent entities of **Mankato**, MN-based **Taylor Corp.**—**Carlson Craft Business Solutions**, **Regency** and **Label Works**—will merge into a unified brand called **Navitor**.

Print services firm **Stone Publishing**, Santa Clara, CA, bought print-on-demand provider **Offsite Fulfillment Services**, Redwood City, CA.

Montreal-based **Pazazz** acquired a 50% interest in **Laminatex**, a large-format digital printing company in Montreal.

Allegra Network LLC franchisee **Cyndi Dunn** purchased **Desktop Digital Printing**, Houston. Allegra owns the **American Speedy Printing** and **Insty-Prints** consumer brands.

NIXING REFINANCING PLAN, QUEBECOR FACES UNCERTAINTY

Pierre Karl Peladeau, President and CEO of **Quebecor Media Inc.** and the principal shareholder of parent company **Quebecor Inc.**, is under pressure to sell its Montreal-based commercial printing subsidiary **Quebecor World Inc.** so the parent firm can focus on its media operations, according to published reports. Quebecor World, founded by Peladeau's late father Pierre, recently unloaded its European printing operations to **RSDB NV**, a Dutch printing company, for 234 million euros (\$343 million) in cash and stock. *The Canadian Press* reported that a divestiture of Quebecor World is Peladeau's likely preferred option. Potential buyers could include competitors such as **RR Donnelley**, **Quad Graphics** or **Consolidated Graphics**. Selling all or part of Quebecor World is just one available option, though. Alternatively, Peladeau could stave off seeking court protection from creditors by allowing its preferred shares to dilute until it returns to the market to do another high-yield offering. The company has said it will continue to "evaluate all alternatives" after withdrawing a refinancing plan to provide financial flexibility. It had planned to offer about C\$250 million worth of shares and C\$500 million worth of new debt securities, but credit markets have been in turmoil since August, making it difficult for firms to obtain financing. The company has C\$2.07 billion of long-term debt. Quebecor World's shares are selling for about C\$2.60 on the Toronto Stock Exchange. The market value of its stock has plummeted 75% to \$215.2 million. Five years ago, the commercial printer had value of \$3 billion when its shares were each worth about \$40.

GARTNER SUMMIT KEYS ON PRINT MANAGEMENT, INVESTMENT

The renowned Gartner print and imaging analyst team is discussing print management and investment strategies at the **Gartner Print & Imaging Summit**, held Dec. 2-4 in Tucson, AZ. Now in its second year, the event for office print and production print professionals is a forum designed to create strategic connections between corporate print buyers with their peers and future technology partners. Organizations that have aging or mismatched equipment, exploitative vendor contracts, or ineffectual policies could benefit from the educational session, "Overcoming Stubborn Obstacles in Managing Office Print," led by a team that includes **Matt Boon**, Managing VP for Hardware Markets Worldwide at Gartner. The summit is showcasing how several clients of **Rochester Software Associates Inc.** (including American Fidelity Insurance) have improved their workflows using the firm's software. Also, Web-to-print technology provider **Printable Technologies** is demonstrating integrated marketing solutions at the conference, including personalized cross-media direct marketing and collateral management ideas. More: www.print-imagingsummit.com.

H-P THRIVES AS PC RIVAL STRUGGLES

Palo Alto, CA-based **Hewlett-Packard Co.**'s quarterly profit jumped 28%, helped by strong shipments of PCs and revenue from acquired software firms. Sales in the company's PC unit surged 30% to \$10.1 billion, led by demand in China and emerging markets. Overall quarterly revenue rose 15% to \$28.29 billion. H-P is increasingly seen by investors as a tech bellwether because of its broad product portfolio that includes printers, personal computers and tech services. It said its fiscal 2008 revenue would rise 7% to \$111.5 billion, above Wall Street forecasts of \$109.5 billion, according to **Thomson Financial**. Its main PC rival, Round Rock, TX-based **Dell Inc.**, posted a 27% rise in profit and an 8.5% increase in 3Q revenue, but the personal-computer maker also reported signs of falling profitability and provided a muted forecast that showed the company remains in transition. Revenue for its U.S. consumer-PC business fell 6% year over year. In addition, Dell said it will continue to incur costs as it restructures and reduces its headcount and noted its short-term results could be affected by a slower decline in component costs, among other factors.

STUDY: COLOR CONSUMABLES MARKET WILL GROW

Total U.S. print volume produced by color devices will increase from 307.63 billion to 763.59 billion impressions from 2006 to 2011, according to a forecast by **InfoTrends**. Print volume produced by monochrome devices is projected to drop from 1453 billion in 2006 to 1045 billion in 2011. Companies are increasing the use of color in marketing materials and other highly visible documents. Also, the costs of color devices are decreasing, increasing the purchases of color equipment. InfoTrends has released a series of documents that provide forecasts from 2006-2011 for inkjet and laser printers, copiers, fax machines and more. More: www.infotrends.com.

SCUTTLEBUTT & OTHER SUNDRY STUFF

- ♦ A **fireball** that fell from a neighboring plastics factory in Richmond, IN, destroyed a warehouse of Auckland, New Zealand-based **Graphica Technologies NZ**. The building collapsed into rubble, destroying everything stored there. Graphica Technologies is a supplier to the finishing and packaging industry. More: www.graphicatech.co.nz.
- ♦ Printing machinery maker **MAN Roland** is aiming for a public listing next year and hopes to generate more than 500 million euros from the **IPO**, according to the *Financial Times* of London. More: www.manroland.com.
- ♦ **Adobe Systems Inc.** and **Yahoo Inc.** launched a service Nov. 29 allowing publishers to insert advertisements into many online newsletters or other electronic documents. For example, a company that publishes a daily bulletin for electrical engineers may open the content to digital camera companies, laptop computer vendors and other advertisers. The ads will contain links so the reader can go immediately to the advertiser's Web site. The deal requires publishers to opt into the program.
- ♦ Sunnyvale, CA-based **Kovio** announced a new process for printing transistors for memory and logic chips, as well as analog devices for radio. Because the technology uses commercial printing equipment such as inkjet printers, it could be a cheap and easy way to make high-performance microchips, according to the company. More: www.kovio.com.
- ♦ The new **Amazon Kindle e-reader** employs reusable black-and-white e-paper displays that don't use much power and are bright even in daylight. It more closely reproduces conventional paper and ink than does backlit displays. E-paper pioneer **E Ink**, whose technology underpins the Amazon gadget's display, is prototyping versions of the e-ink that are bright enough to support filters for vivid color displays, and that have a fast-enough refresh rate to render video. More: www.eink.com.
- ♦ With his sentencing set for Dec. 10, a defiant **Conrad Black** told a British radio talk show that he will be back no matter what happens—but in the finance industry, not the newspaper business. Prosecutors have suggested they will ask a sentence in the range of 20 to 30 years on the convictions for obstruction of justice and fraudulently pocketing \$30 million from the parent firm of the *Chicago Sun-Times*. His lawyers filed a document saying the sentence should not exceed 29 months.
- ♦ **B-to-B magazine ad revenue** declined 2% through August compared with the same period last year, according to **American Business Media's** Business Information Network. Ad pages fell 3.3% through the first eight months of this year. More: www.americanbusinessmedia.com. Meanwhile, ad dollars spent on U.S. newspapers and their Web sites declined 7.4% in the 3Q to \$11 billion, a further sign of a deteriorating trend in print publishing, the **Newspaper Association of America** said. Spending for print ads in newspapers fell 9% from a year earlier to \$10.1 billion, more than offsetting a 21% gain in dollars spent on Internet ads. More: www.naa.org.
- ♦ **Danka Business Systems PLC** will distribute **Konica Minolta Business Solutions U.S.A. Inc.** products in the United States, and Konica Minolta will market its complete line of **bizhub** color printers and network-ready multifunctional products in select Danka markets beginning in early 2008. More: www.konicaminolta.com.
- ♦ Seven companies organized the **RFID Consortium LLC** to jointly license essential ultra-high frequency radio frequency identification patents: **Hewlett-Packard**, **Zebra Technologies Corp.**, **3M Innovative Properties Co.**, **France Telecom**, **LG Electronics**, **Motorola** and **ThingMagic Inc.** More: www.rfidlicensing.com.
- ♦ The **Audit Bureau of Circulations** will adjust the definition of paid circulation to better reflect payments by individuals and specialized channels. A new verified category has been created for third party circulation, such as schools, which will no longer be part of paid circulation reports. More: www.accessabc.com.
- ♦ **PIA/GATF** is calling for entries for its **2008 InterTech Technology Awards**, which recognize innovative technologies likely to have a major impact on the graphic communications industry. More: www.gain.net.
- ♦ Building off a milestone year in which customers loaded and redeemed \$1 billion on Starbucks gift cards, **Starbucks** created its **My Customized Starbucks Card**. Customers can create and personalize gift cards at www.starbucks.com/mycard.
- ♦ The **U.S. Citizenship and Immigration Services** announced in a **Federal Register** notice Nov. 26 that employers are required to use the revised **Employment Eligibility Verification Form (I-9)** no later than Dec. 26. All employers are required to complete a Form I-9 for each employee (citizen and non-citizen) hired in the U.S. Download: www.uscis.gov/files/form/i-9.pdf.
- ♦ **Staples'** 3Q profit dipped 5% to \$274.5 million as consumers spent less on office supplies, but sales of profitable items such as ink cartridges grew. Overall sales rose 9% to \$5.17 billion during the period. More: www.staples.com.
- ♦ Three unions representing most of the 795 workers at the **Verso Paper** mill in Bucksport, ME, ratified a new **four-year contract** Nov. 26, avoiding a potential strike at the year-old company's mill. The unions had rejected a contract proposal earlier.
- ♦ **Fraser Papers Inc.** will increase the selling price for some of the company's specialty packaging and printing grades. The average increase of 6% affects thermal base papers, pressure sensitive papers and packaging products. Price increases will be applied to all shipments after Dec. 9. More: www.fraserpapers.com.
- ♦ **R.J. Reynolds Tobacco**, which has been under pressure from antismoking groups over print ads for its cigarettes, said it wouldn't advertise its brands in newspapers or consumer magazines next year.

"The bad news is time flies. The good news is you're the pilot." *Michael Althuler*

Dear Executive,

The **Rubicon River** once marked the boundary between the Roman province of Cisalpine Gaul to the north and Italy to the south. Roman law forbade its generals from crossing the river with an army, so when **Julius Caesar** did so in 49 BC to make his way to Rome, it was a deliberate act of war.

Mal Baboyian, President of Production Printing Systems for **Océ North America**, made a quick reference to that historical event during a speech at the company's **Continuous Innovation Press & Analyst Event**, held Dec. 3-5 in Boca Raton, FL.

He didn't speak in classical Latin to the event's 40-plus attendees, because plain English worked just fine: "We're no longer the company many of you thought we were."

Baboyian is right. Océ, long renowned as a dominant force and market-share leader in transactional printing, unveiled two new continuous-feed systems at Boca Raton that could reshape the ultra-high-speed inkjet print market. The company is now aiming to help customers penetrate growth markets in the graphic arts realm, a bold and potentially brilliant move for a firm many analysts considered to be a niche player.

As Caesar is purported to have said when he "crossed the Rubicon" (now an idiom meaning to go beyond a point of no return), "The die has been cast."

The die has been cast because the **Océ JetStream** has been launched. It's a 500 feet-per-minute continuous-feed machine that can be configured as a single- or dual-engine system. It has the capacity to handle *60 million* impressions per month, and can run a vast range of paper (from newsprint to expensive coated stock). It likely will appeal most to print providers, service bureaus, graphic arts operations, lettershops, and other commercial and corporate printers who no longer have to fear placing ink on their high-volume documents. These printers have historically done their high-speed printing on preprinted "shells" to obtain color logos and the like, but now they can do the job in one easy step.

An increasing number of Océ's customers in North America and Europe were asking for more speed and color, and the JetStream was the firm's answer. The company expects the machine, which is available in single-engine (JetStream 1100) and dual-engine (JetStream 2200) configurations, to serve significant markets, including direct mail and "transpromo" documents that merge transactional and promotional information. The first U.S. installations will occur in 1Q of this year, said **Sebastian Landesberger**, CEO of Océ Printing Systems.

One of the JetStream's most impressive attributes is its color quality, which is unexpectedly excellent for a press moving that fast. Samples printed and displayed for analysts and members of the press were literally applauded. One reason the quality is spot-on: Océ's DigiDot piezoelectric drop-on-demand printheads deliver 600 x 600 dpi images using tiny (7 to 15 picoliters), variable-sized droplets of ink. Varying the size of the drop results in higher quality images and smoother halftones, while producing less waste. The variable drop sizes let users change the density of any application to best suit the job and media.

The JetStream also features appealing bells and whistles. To avoid mismatching of data between one side of a statement and the other, it includes patented data synchronization technology. Also, optional integrated verification cameras can view any portion of a page so operators can check print quality without stopping the machine.

Regarding workflow, the JetStream is designed to work with **PRISMA**, Océ's award-winning workflow software that installed in about 8,000 companies worldwide. Operators will be able to handle any JetStream job (transactional, direct mail, transpromo, etc.) basically the same as if they were being printed on Océ's VarioStream models.

At the press and analyst event, Océ also unveiled its new **VarioStream 8000** continuous feed family. [More: www.oceusa.com](http://www.oceusa.com).

Océ is used to touting its machines' "speeds and feeds," but targeting the graphic arts realm will require the company to adopt new approaches for hiring (color specialists are needed), training, marketing and more. To create a new impression, the company shouldn't focus on statistics such as impressions per minute.

Océ has a potentially groundbreaking machine, one that enables users to enter new markets such as the distributed printing of newspapers. The firm's version of "crossing the Rubicon" could be more than an evolution for the transactional stalwart.

It could be the catalyst for a *revolution* in the high-speed color market.



Darin Painter, Editor-in-Chief, darinp@gcworld.biz

NAMES IN THE NEWS

Quebecor World CEO **Wes Lucas** resigned and was replaced by **Jacques Mallette**, who had served as Executive VP and CFO.

Mohawk Fine Papers Inc., Cohoes, NY, named **Jack F. Haren** as President and CFO. The Honorable **Claudine Schneider**, President of the **Solar Alliance**, joined its Board.

OKI Printing Solutions, Tokyo, appointed **Harushige Sugimoto** as President and CEO.

Kodak named **Kevin Joyce** as CMO of its **Graphic Communications Group (GCG)**. **David Wigfield** becomes Managing Director, U.S. and Canada for GCG.

Sun Chemical, Parsippany, NJ, appointed **Rudi Lenz** as its CEO and President.

Mark Berkey is now President and COO of **St Ives' U.S. Division**.

Marketing company **Harte-Hanks Inc.** named **Doug Shepard** as CFO.

David Kane was appointed VP of Information Systems at catalog printer **Arandell Corporation**, Menomonee Falls, WI.

Deborah Sagert joined **Xanté** as Director of Customer Support.

Huston Patterson, Decatur, IL, named **Kirk Jurgens** as Director of Client Services at the large-format package printer, and appointed COO **Steve Frantz** to the same role for **Sigma Graphics**, its Ottawa-based Special Products Division.

New York-based **Mimeo.com** hired **Coleen Smith** as Chief People Officer.

Flexo Concepts named **Chris Noilin** as Market Development Manager.

Rhona Bronson rejoined the **National Association for Print Leadership** as its Sr. VP of Marketing.

Eric Roundtree joined the software development team of **Apago Inc.**, Alpharetta, GA.

Commercial printer **McCormick-Armstrong**, Wichita, KS, named **Brian Hampel** and **Candas Carmen** as Account Representatives.

Digital document firm **Océ** appointed **Joseph D. Skrzypczak**, President and CEO of **Océ North America**, to the Board of Advisors of **Fordham University School of Business Administration**.

STRUGGLING QUEBECOR NEEDS US\$125M BY JAN. 15 The perceived risk of Montreal-based commercial printer **Quebecor World Inc.** defaulting on its bonds declined after investors speculated that North America's second-biggest printer may meet a bank-imposed deadline to repay a \$500 million loan by June. Investors are demanding \$2.35 million upfront and \$500,000 a year to protect \$10 million in debt from default. Bankers have demanded that bankruptcy-threatened Quebecor World, controlled by publisher **Quebecor Inc.**, find \$125 million by Jan. 15 to pay debt and get commitments to repay about \$500 million in loans by June 30, according to a Dec. 31 statement. Credit-default swaps linked to Quebecor World's debt fell 2.5 percentage points to 23.5 percent upfront and 5 percent a year for five years, according to **CMA Datavision** in London. (Credit-default swaps are financial instruments based on bonds and loans that are used to speculate on a company's ability to repay debt. They pay the buyer face value in exchange for the underlying securities or the cash equivalent should a borrower fail to adhere to its debt agreements. They decline as investor sentiment improves.) Quebecor World lost about 90% of its market value in the past year (from about C\$1.8 billion to C\$215 million), and an attempt to revive profit by selling its European business to Hilversum, Netherlands-based **Roto Smeets** fell through. (*Greensheet*, 12/17/07). It also recently canceled a refinancing plan. The company reported a 3Q net loss of \$315.1 million, compared with a profit of \$18.9 million a year earlier, according to a November statement. Quebecor World is still "pursuing financing options" to its liquidity and balance sheet challenges, it said. Should the firm fail to raise the funds, it could be forced into a fire sale of its assets, financial experts say. The *Globe and Mail* recently quoted sources as saying American printing giant **R.R. Donnelley & Sons** and private investment funds **Kohlberg Kravis Roberts** and **Cerberus Capital Management** were among potentially interested buyers. More: www.quebecorworld.com

SUCCESSFUL EVENTS UNDERSCORE VALUE OF CHINESE MARKET The success of two recent print expos highlights the significance of the burgeoning print market in China. **ON DEMAND China Printing & Publishing**, held Nov. 14-17 at the China International Exhibition Center in Beijing, drew nearly 8,000 show-floor visitors and more than 400 conference-program attendees. The event opened with remarks from a trio of Chinese printing-industry luminaries: **Wu Wenxiang**, Honorary Director of the Printing Technology Association of China (PTAC); **Haixiang Shen**, President of Digital Printing Sub-association at PTAC; and **Harry Hsu**, Strategic Planning and Development Department for the Commercial Bank of China. They addressed the growth potential of the print-on-demand market in China. **Liu Xiaokai**, Vice Director General of the Printing & Reproducing Industry Management Department of the General Administration for Press and Publication of the People's Republic of China, told attendees that printing will soon have a more prominent position in daily life, as China enters a more prosperous era. Sponsors included **Fuji Xerox**, **H-P**, **Kodak** and **Océ**. More: www.ondemandexpo.cn. Also, **Labelexpo Asia**, which took place at the Shanghai New International Expo Center, welcomed 14,004 visitors from China and abroad, compared with 9,112 in 2005. (About 15% of attendees came from other countries.) The Chinese label market is growing at about 18% a year, according to event organizers. Now open for foreign investment, the market is attracting major label suppliers, manufacturers and converters. More: www.labelexpo-asia.com.

REPORT ANALYZES PUBLISHING TRENDS In the summer of 2007, only 23% of publishers surveyed said business conditions for the past 12 months had been "excellent," according to "**Publishing Forecast 2008**," a 176-page report from market research firm **The Industry Measure** that analyzes trends and forces faced by book, magazine and catalog publishers. The top three planned investment categories for all publishers were workstations, flat-panel LCD monitors and desktop publishing software. The report provides a comprehensive look at current media trends, analyzing how new media technologies and platforms are creating challenges and opportunities for publishers of all stripes. "Publishing Forecast 2008" includes insight on multichannel publishing and "Web 2.0" technologies. It draws on U.S. government data, industry association data and The Industry's Measure's 12-year historical database of survey results. The report also presents The Industry Measure's latest investment projections for more than 100 equipment, hardware and software categories. More: www.theindustrymeasure.com.

IN MEMORIAM

Douglas O. Morgan, 75, a publisher whose extensive collection of rare 19th-century wood type letterforms helped start a graphic design revival, died Dec. 10 at his home in Essex, NY, of heart failure.

Steven T. Florio, 58, former chief of **Condé Nast Publications** who thrived by selling expensive advertising in magazines such as *Vogue* and *Vanity Fair*, died Dec. 27 in Manhattan of a heart attack.

AWARDS

William J. Hickey III, President of **Smyth Companies Inc.**, is the eighth member of the **Label Printing Industries of America Hall of Fame**.

The **Web Offset Association** and the **Flint Group** announced that **Jeff Wendt** of **Arandell Corporation** won the **H. Howard Flint II Press-room Manager of the Year Award**.

MERGERS/DIVESTITURES

Ennis acquired some assets of printer **Englund Graphics**, New Hope, MN, through Ennis' wholly owned subsidiary, **Northstar**.

Commercial printer **Cenveo** will buy packaging manufacturer **Rex Corp.**, Jacksonville, FL.

Coated paper manufacturer **New-Page Corp.** completed its acquisition of the North American paper manufacturing operations of **Stora Enso**.

Document processing firm **Böwe Bell + Howell** will acquire **Opex Corp.**'s postal technologies division.

Frankfurt, Germany-based **Bertelsmann AG** is planning to take over **News Corp.**'s publishing house **Harper Collins** for \$1 billion. **News Corp.** will sell eight TV stations for \$1.1 billion to investment firm **Oak Hill Capital Partners**.

Consolidated Graphics, Houston, completed its acquisition of **The Cyril-Scott Company**.

RR Donnelley & Sons, Chicago, completed its purchase of **Cardinal Brands Inc.**

Alcoa is selling its packaging and consumer businesses to New Zealand's **Rank Group Limited** for \$2.7 billion.

German publishing group **Axel Springer** put **Pin Group**, its domestic logistics subsidiary, up for sale.

VALASSIS, PITNEY BOWES LAUNCH SERVICES

Direct marketing giant **Valassis Communications Inc.** launched on Jan. 3 a consumer brand and portal called **RedPlum**. The company's co-op mailers, free standing inserts and polybagged marketing products direct consumers to an online portal at www.redplum.com, where they can search for deals, print coupons and enter sweepstakes. The portal aggregates existing content and values from the Valassis portfolio into categories such as grocery, travel, home and yard, lifestyle, entertainment and town square (a local family guide). In addition to featuring advertising partner deals and coupons, the site includes short articles, reviews and movie previews. The firm's announcement follows its \$1.1 billion acquisition of direct mailer **ADVO** in July 2007. Valassis revenues more than doubled in 3Q as a result of the deal, and the company says it now reaches more than 100 million consumers every week. More: www.valassis.com. Also, Stamford, CT-based **Pitney Bowes Management Services (PBMS)** launched on Dec. 19 **Pitney Bowes Mailstream Consulting Services**, an offering designed to help customers better manage their postal costs. **Jeff Stangle**, Director of Solutions Development for PBMS, said the firm's consultants are involved in every aspect of the process, including cleaning up address lists, managing data, composing documents, printing, inserting, sorting and applying postage. More: www.pb.com.

NEW TECHNOLOGIES FUEL INKJET PRINTING, MOBILE COMPUTING

University of Tokyo researchers developed a plastic pad that allows electronic devices placed on it to communicate with each other. The 1 mm.-thick sheet could provide a more secure, lower-energy alternative to short-range wireless communications, such as Bluetooth. It's made by inkjet-printing various insulating and semiconducting polymers, as well as metal nanoparticles, to make transistors, plastic switches, communications coils, and memory cells, and is designed to be used in combination with another sheet developed by the researchers last year that can sense the location of an electronic device placed on it and deliver power to it. Because the sheet is made with inkjet printing, it could be inexpensive, compared with conventional electronics, to pattern over large areas such as a desk, a floor or a wall. Eventually, similar sheets could be used for communications between thousands of devices, potentially for health-care applications, says **Takao Someya**, Professor of Engineering at the University of Tokyo. Also, a new device to be launched later this month, could change the way people practice mobile computing by bringing processing power to traditional pen and paper. Made by Oakland, CA-based **Livescribe**, the **smartpen** is designed to digitize the words and drawings that a user puts down on paper and bring them to life. So long as the user writes on paper printed with a special pattern, the smartpen transforms what is written into interactive text. For example, the pen has a recording function, called "paper replay," that can record sound and connect it to what the user writes while the sounds are being recorded. Later, the user can tap the pen over what she wrote and replay the associated sounds. Users can also access the pen's power by writing commands on any surface printed with the pattern. For example, if a smartpen user wants to know the definition of a word, she can write, "define," followed by the word. The pen, using data stored in its memory, will recognize the word the user writes and display its definition on a small screen on the side of the pen. The same type of procedure can be used to translate words or solve math problems. More: www.livescribe.com.

U.S. HISTORICAL RECORDS TO BE MORE ACCESSIBLE

A digital library partnership, including two nonprofit organizations and the **Boston Public Library**, is preparing to begin making digital copies of the library's paper-based government documents collection (including the *Congressional Record* and *Federal Register*), which will then be made available on the Internet. The project, which will take two years and require the hand scanning of millions of pages of government hearings and related publications, will cost an estimated \$6 million, according to the project's sponsors. **Public.Resource.Org**, a nonprofit group seeking to open public access to government records, and the **Internet Archive**, a San Francisco-based digital library, are undertaking the effort. The **Government Printing Office** has been making its published materials available online since 1994. **Public.Resource.Org**'s online collection includes 21 million copyright records, 5 million GPO pages as well as information from the **Securities and Exchange Commission**, **U.S. Patent Office** and other federal agencies. More: <http://resource.org>.

SCUTTLEBUTT & OTHER SUNDRY STUFF

- ◆ The **U.S. Postal Service** is seeking feedback on proposed rules related to the use of **Intelligent Mail** barcodes. Developed by the USPS to encode routing and tracking information on mail, the barcode includes fields that identify the mailer and class of mail, encode special services, and uniquely number each piece. Also, the USPS is considering counting digital subscriptions for Periodicals class qualification, good news for publishers with large numbers of paid or requested digital subscribers. The **USPS Periodicals Advisory Group** is scheduled to meet in Fort Lauderdale, FL, this week to discuss, among other topics, whether digital subscriptions should factor in to the requirement that publications must have 50% or more paid or requested copies to qualify for the Periodicals class. Currently, the percentage is based on hard copies. More: www.usps.com.
- ◆ The **Sustainable Green Printing (SGP) Partnership** held its first stakeholders meeting Nov. 27 in Arlington, VA. Representatives from the **Printing Industries of America/Graphic Arts Technical Foundation (PIA/GATF)**, the **Specialty Graphic Imaging Association (SGIA)**, the **Flexographic Technical Association (FTA)**, environmental groups and key government agencies took their first steps toward a national registry program for green and sustainable printing practices. The SGP Partnership, formed in June 2007, plans to launch a registry at the **National Environmental, Health and Safety Conference**, to be held March 10-12 in Indianapolis. More: www.sgppartnership.org.
- ◆ **Document Security Systems Inc.**, a Rochester, NY-based provider of optical deterrent technologies and products that protect against the counterfeiting of printed documents, plans to file patent-infringement proceedings in Germany after an unsuccessful attempt to reach an agreement with the **European Central Bank**. In August 2005, Document Security Systems filed a patent infringement lawsuit in the **European Court of First Instance** against the ECB, alleging that the Euro banknotes produced by the ECB infringe upon a patent. In defense, the ECB filed claims to invalidate the patent with courts in nine countries, and had to win in all nine to invalidate the patent. A German court recently ruled the patent valid; other courts have yet to rule. More: www.documentsecurity.com.
- ◆ **MeadWestvaco Corp.** expanded its portfolio of specialty print technologies by licensing a patented **3-D design and printing** technology from **Azuna LLC**, Jenkintown, Pa. Azuna 3-D technology produces four-color imagery with deep dimensional effects. MeadWestvaco will offer the technology through its consumer product packaging unit for the entertainment, beauty and personal care, health care and beverage markets. More: www.meadwestvaco.com.
- ◆ About 65 firefighters battled a **two-alarm fire** Jan. 5 at a *New York Daily News* printing facility and warehouse in Jersey City, NJ. The blaze broke out in an area containing printing presses and disrupted part of the newspaper's Saturday production. No one was injured, and the cause of the fire is under investigation.
- ◆ Media firm **McClatchy Co.**'s daily closing share price (about \$13) has fallen 78% since the end of 2005.
- ◆ **Electronic payments**, including credit and debit cards, accounted for more than two-thirds of the 93.3 billion non-cash transactions in the United States last year, according to a **Federal Reserve** study. Electronic payments have been increasing at a 12.4% annual pace since 2003.
- ◆ Jan. 14 is the deadline to enter the **Foil Stamping & Embossing Assn. Gold Leaf Awards** competition. More: www.fsea.com.
- ◆ **Verso Paper Corp.** announced plans for an initial public offering of its common stock on the **New York Stock Exchange**. More: www.versopaper.com.
- ◆ The **U.S. Senate** passed a bill Dec. 17 making the **Do-Not-Call Registry** permanent. Before the bill passed, consumers on the list had to renew their registration every five years. Another bill the Senate passed permanently authorizes the **Federal Trade Commission** to administer the registry while capping fees that marketers pay to access the list.
- ◆ **Transcontinental Inc.**, Montreal, reported Q4 profits dropped 24% to C\$38.6 million, as the commercial printer was affected by a drop in direct mail from financial services customers. Revenue for the quarter was up 2% to C\$618 million compared with the same period a year earlier.
- ◆ **WS Packaging Group**, Green Bay, WI, developed a **heat-resistant coupon** that's rated safe to 500 degrees F. The coupon, which is an in-pack promotion affixed to a film layer that covers a frozen-meal tray, is oven-safe in the event that consumers forget to remove the layer before cooking. More: www.wspackaging.com.
- ◆ The Dec. 31 issues of *The Cincinnati Post* and a companion title, *The Kentucky Post*, were the last for both afternoon dailies. Fewer than 10 cities still have two or more daily newspapers, and Cincinnati was the last two-paper town in Ohio.
- ◆ Packaging producer **Graham Packaging Co.** established a new, 4,000-square-meter packaging plant in **Tuzla, Turkey**. More: www.grahampackaging.com.
- ◆ **Océ** donated 168 toys, built by Océ employees from the **Océ Wide Format Printing Systems** division, to the **U.S. Marine Corps'** Toys for Tots program as part of a teambuilding exercise. More: www.oceusa.com.
- ◆ **Eastman Kodak Company** said its **KODAK EASYSHARE All-in-One (AiO)** printers will be featured on the Jan. 17 episode of NBC's "**The Celebrity Apprentice**." More: www.kodak.com.

"Success is the prize for those who stand true to their ideas." Josh S. Hinds

Dear Executive,

Deb Flynn and **Pam Stomel** call themselves the "Green Girls," and it's no surprise their employer is in the black. Flynn, Marketing Assistant for Carlstadt, NJ-based **Pictorial Offset Corporation**, one of the fastest-growing commercial printers in the United States, and Stomel, an Account Manager at the \$80 million company, recently posted a public service ad on **YouTube.com** to promote environmental responsibility. In it, they talk casually about what it's like to work for a company that takes steps to reduce its "carbon footprint." Video: www.youtube.com/watch?v=xsDOqaayD8.

The video is insightful but not surprising: Pictorial Offset's path to corporate social responsibility defines its culture. In 1998, the year of its 60th anniversary, employees invested more than 40,000 hours to achieve **ISO 14001:2004 certification**, which is awarded to firms that institute a companywide management system for curbing negative impacts on the environment. Since then, it has received chain-of-custody certification from the **Forest Stewardship Council (FSC)**, an international non-profit organization devoted to encouraging responsible management of the world's forests. FSC's membership includes representatives from environmental and social groups, the timber trade profession, community forestry groups and others. More: www.fsc.org.

Pictorial Offset is part of a prevalent, noteworthy trend—increased eco-friendly action among printing and publishing firms. Interestingly, many companies aiming to help save the planet also are helping their bottom lines.

Can companies avoid the red by "going green"? It's not a given, of course, but it makes sense that a tangential benefit of social responsibility is something industry firms crave: *efficiency*.

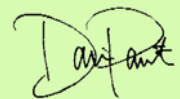
True, some business leaders institute environmentally friendly practices because of ethical convictions or necessity (compliance requirements such as rules against dumping chemicals or releasing volatile organic compounds, or VOCs, into the atmosphere). Also, some customers are pushing their printers toward sustainable processes. One is **Wal-Mart Canada**, which soon will base the products it sells partly on suppliers' efforts to increase the recycled content of their packaging. Suppliers will complete a detailed survey, and firms that haven't worked to make packaging less wasteful will have a harder time getting shelf space.

But many printers are realizing that self-prescribed sustainable processes that reduce waste also happen to make their businesses more lean and profitable. After launching an effort to minimize waste, **MAN Roland**, a manufacturer of commercial web and newspaper web presses, reduced its natural gas usage by 38% and water consumption by 32% at two plants in Germany. More: www.manroland.com. **Fujifilm** recently announced that its primary U.S. manufacturing complex in Greenwood, SC, will extract methane gas from a local community landfill and use it in two of the plant's four boilers. By doing so, Fujifilm will prevent the release of methane from the landfill (scientists say the gas is about 20 times more damaging to the ozone than carbon dioxide), while powering about 40% of the facility's operations. More: www.fujifilm.com.

Other firms announcing eco-friendly programs in the past few weeks include **Sappi Fine Paper North America** (its entire brand lineup is now FSC-certified), **Stora Enso** (its Arbor papers contain 30% post-consumer waste), **Mohawk Fine Papers** (its five-truck fleet uses clean-burning alternative fuel made from natural sources), **Avery Dennison** (its RIS Environmental Stock consists of 45 coated and uncoated eco-friendly samples), **International Paper** (its new Office of Sustainability supports customers' conservation and environmental goals) and **Océ** (its 2006 Sustainability Report at www.oceusa.com/sustainability2006 details its reuse of components, energy and water, among other practices).

Companies interested in launching similar projects can look to these firms and others as shining examples. Industry associations and online resources are plentiful, too. Over the next three years, the **Gravure Association of America** will present a three-part Environmental Workshop series. The program's emphasis this year is on promoting sustainable forest management, certified fiber and chain of custody. More: www.gaa.org.

Publishers, printers and suppliers striving for sustainability use fewer materials and can attract more business through improved brand value. Simply put, going green can be golden.



Darin Painter, Editor-in-Chief, darinp@gcworld.biz

APPLIED TECHNOLOGY CONFERENCE DELIVERS VALUE In recent years, fewer printers have let competitors hear about their successes and tribulations in working with new technologies. The inaugural **Applied Technology Conference** "seems to have broken that hesitancy," reports Consultant and GCW Contributing Editor **C. Clint Bolte**, who was among 115 attendees at the event, held June 20-22 in Atlanta. Organized by the **Research & Education Council of the National Association for Print Leadership**, the conference featured case studies, implementation tips and other practical information in four tracks: pre-press/premedia; pressroom; bindery, finishing, mailing and distribution; and "Digital Smart Factory." (*Continued on p. 2*)

NAMES IN THE NEWS

RR Donnelley & Sons, Chicago, named **Daniel L. Knotts** Group President of **RR Donnelley**.

Press accessory provider **Baldwin Technology**, Shelton, CT, elected **Karl Puehringer** as CEO.

Ron Coughlin will join **Hewlett-Packard** by July 23 to become Senior VP of Worldwide Marketing for H-P's **Imaging and Printing Group**.

On-demand digital printer **Mimeo.com**, Memphis, TN, named Former **InfoTrends** Group Director **Charlie Corr** as VP of Corporate Strategy.

Print procurement provider **InnerWorkings Inc.**, Chicago, named **Brian Secord** as CIO and **Brian Carlson** as Procurement VP.

Donald R. Droppo Jr. is the new Senior VP of Marketing at **Curtis Packaging**, Sandy Hook, CT. **John Giusto** was promoted to Senior VP of Manufacturing.

Catalog printer **Arandell Corp.**, Menomonee Falls, WI, named former **RR Donnelley** exec **Tom Murray** as VP of Catalog Strategies.

Print supplies distributor **xpedx**, Loveland, OH, appointed **Tom Weisenbach** as Executive VP of Sales and Marketing, and **Guy Belew** as VP of Strategy and Planning.

Label and card manufacturer **Continental Datalabel**, Elgin, IL, named **John Kassal** as R&D Director.

Agfa Graphics named **Peter Wilkens** as U.S. Sales and Mktg. VP.

Carton manufacturer **Curtis Packaging**, Sandy Hook, CT, promoted **John Giusto** to Senior Mfg. VP.

Package printer **Huston Patterson Corp.**, Decatur, IL, promoted **Doug Mayberry** to Asst. Mfg. VP and **Vic Mullins** to Dir. of Plant Operations.

Digital offset equipment provider **Presstek Inc.**'s Senior VP and CMO **Todd Chambers** was appointed to the **National Association of Quick Printers'** Board of Governors.

Mailing & Fulfillment Service Assoc. elected **Tammy Caserta**, Director of Mailing Services at marketing services firm **Think Patented**, to its Board of Directors.

Dr. Dean Fish was appointed Chief Acquisition Officer for the U.S. **Government Printing Office**.

(Continued from p. 1) It began with an impressive tour of the **EPI Companies'** new plant in Marietta, GA. The company has posted 23% average annual sales growth over the last two decades by diversifying beyond print services. EPI now offers fulfillment, digital printing, online and creative services, promotional products and more. The firm's President and CEO, **William Woods Jr.**, spoke about the need for printers to be collaborative and results-oriented instead of transactional. **Henry Freedman**, Editor at **Technology Watch LLC** and Technology Editor of *Graphic Arts Monthly*, spoke about several new technologies he expects will spark industry growth, including an inline LED-based spectrophotometer color measurement and control system from **Xerox**, digital press photographic printing from **Eastman Kodak** and a print head from **Hewlett-Packard's** new Edgeline inkjet brand. **Howard Fenton Sr.**, Consultant in Technology & Production at NAPL, and **Raymond J. Prince**, VP and Senior Consultant at NAPL, led insightful panel discussions about prepress advances and web/sheet-fed pressrooms, respectively. More: www.napl.org.

USPS RATE-CHANGE REJECTION IRKS MAILERS The mailing community is disappointed that the **Governors of the U.S. Postal Service** failed to provide relief for millions of commercial mailers who will be affected by large increases in postage costs. The Governors decided June 19 not to implement a temporary change to **Standard Mail Regular and Nonprofit Flat prices** recommended in the latest **Postal Regulatory Commission's** decision on reconsideration. On March 19, the Governors asked the PRC to reconsider some of the prices the PRC originally recommended Feb. 26 and implemented May 14 due to concerns that the increases may impose an unnecessary degree of "rate shock" on the catalog industry and small businesses particularly. The recommended increase for some catalog mailers is as much as 40% (GCW, 6/4/07). The PRC's "Second Opinion and Recommended Decision on Reconsideration," issued May 25, established a transitional temporary rate reduction of 3 cents for all Standard Mail Regular flats and 2 cents for Standard Regular nonprofit flats, but the Governors rejected it. "We are extremely disappointed and frustrated...the Governors have made a 'do-nothing' decision that offers no help at all for their mailing customers," said **Jerry Cerasale**, the **Direct Marketing Association's** Senior VP for Government Affairs. He said a "ripple effect" is already being felt by flat-shaped mailers and downstream companies that provide mailing services and supplies. More: www.usps.com/ratecase. In other postal news, the PRC approved June 14 the **U.S. Postal Service's** request for another **one-year extension** to test the market desirability of **repositionable ("sticky") notes**. The notes allow mailers of First-Class Mail, Periodicals and Standard Mail to affix a Post-it-type note to the outside of a mail piece for a fee, in addition to postage for the host piece. Fees, which are based on a "value pricing" concept, are one-half cent for First Class and 1.5 cents for Standard Mail and Periodicals.

REPORT: PRINTED ELECTRONICS PRIMED FOR GROWTH The growing number of new plants designed to produce **printed electronics products** such as displays, backplanes and radio frequency identification (RFID) tags will "provide a huge boost for firms supplying related printing equipment," according to a new report from industry analyst firm **NanoMarkets**, Glen Allen, VA. Between 2007 and 2013, more than 15,000 printers will be shipped for printed electronics applications, and those machines will boost the market from near negligibility today to almost \$40 billion by 2013, according to "**Printed Electronics: A Manufacturing Technology Analysis and Capacity Forecast.**" Report: www.nanomarkets.net. Other key findings: 1) As demand for printed electronics grows, there will be a switch to high-volume traditional printing methods such as flexography, offset and gravure. By 2013, almost 75% of printing machines supplied for factories making printed electronics products will fall into this category. 2) Screenprinting, the primary technique used for printed electronics today, will lose market share as the industry moves from "thick film" to "thin film" technology. By 2013, screenprinting will account for only 18% of electronics printers shipped, compared with 30% today. Printers seeking more knowledge about printed electronics can attend the fourth annual **Printed Electronics USA** conference and expo, to be held Nov. 12-15 in San Francisco. The world's largest event on the technology will include more than 500 delegates, 100 speakers and 50 exhibitors. It also will include a tour of **Fujifilm Dimatix'** manufacturing facility, which produces RFID antennas, smart tags, wearable electronics and more. Details: www.idtechex.com.

IN MEMORIAM

Harold E. Kraft, 75, Founder of forms and labels manufacturer **Ward/Kraft Inc.**, Fort Scott, KS, died June 5 of ALS.

AWARDS

Jeffrey Hayzlett, Chief Marketing Officer and VP of **Kodak's Graphic Communications Group**, received **Frost & Sullivan's 2007 Lifetime Achievement Award**.

Keith Wyche, President, North American Operations at **Pitney Bowes Management Services**, is one of *Diversity MBA Magazine's* "Top 50 under 50" African-American MBA corporate executives.

MERGERS/DIVESTITURES

Adhesive label maker **Avery Dennison Corp.**, Pasadena, CA, completed its \$1.34 billion acquisition of **Paxar Corp.**, White Plains, NY.

New Zealand billionaire **Graeme Hart**, who recently bought the **Evergreen Packaging** unit of **International Paper**, will pay \$338 million for drink carton maker **Blue Ridge Paper Products Inc.**, Canton, NC.

Cincinnati-based label printer **Multi-Color Corp.** will sell its **Quick Pak** packaging services division to logistics firm **NFI Industries Inc.**, Vineland, NJ.

Database provider **infoUSA**, Omaha, NE, acquired on-demand printer and mailer **ExpressCopy.com**, Portland, OR.

Vincent Graphics & Supply, Tyler, TX, bought local firm **Digital Printing, Imaging and Design**.

Sacramento, CA, printing firms **Signature Reprographics** and **Digital Ink** merged.

Memphis, TN-based **DocuMart**, a regional licensee of the national DocuMart franchise, merged with local firm **Crum Printing Center**.

Sunshine Custom Publishing Inc., Scottsdale, AZ, merged with **True North Custom Publishing LLC**, Chattanooga, TN.

Montreal-based **Transcontinental Media** acquired six magazines from print media group **Les Editions Ma Maison Itée**.

Niche Media Holdings, **Green-spun Media Group** and **Ocean Drive Media Group** merged, forming **Niche Media**, New York City.

TECHNOLOGY FUELING GROWTH AT CONSOLIDATED GRAPHICS After leaving a business meeting with a prospect, a client of **Consolidated Graphics Inc.** can use his or her PDA to place an order for a personalized direct mail piece for that contact. The piece can be channeled to the company's closest digital printing location and placed in the mail within 24 hours. It's an example of how the commercial printer—perhaps best known for its aggressive mergers and acquisition strategy—is pushing the limits on the digital side of direct mail and printing, and developing ways to provide more personalized content on demand. Consolidated believes it's positioned to help many marketers—even the 2008 presidential candidates—grab people's attention in a unique way because of its infrastructure. The firm now owns 50 companies nationwide with digital presses (67 total), and many are located near bulk-mailing facilities. As a result, it can push out digital campaigns from a centralized database and send the information to the closest printer, enabling marketers to get products into mailboxes faster and less expensively, or the printer best suited for the job's technical requirements. In the past 30 months, Consolidated has acquired 12 printing businesses. In the most recent fiscal year, its sales topped the billion-dollar mark for the first time, growing 14% to \$1.01 billion.

VISTAPRINT ENTERS MARKETING SERVICES BUSINESS Two months after launching **VistaPrint Business Solutions**, a Web-based service that coordinates the print buying of branded corporate marketing materials, Hamilton, Bermuda-based **VistaPrint Ltd.** entered the marketing services business with two new offerings: **VistaPrint Mailing Services** and **VistaPrint Creative Services**. Both signal the firm's desire to move beyond its automated self-service, template-based, Web-to-print business model. Mailing Services enables customers who design and mail postcards through VistaPrint to upload or purchase direct mail lists and also use the online print juggernaut for personalization services (typically on preprinted offset shells). Customers can design, print and mail 50 postcards via bulk mail for \$74. (Typically, the **U.S. Postal Service** requires a minimum of 300 pieces for bulk rates.) Once the mailing list has been finalized and the postcards have been designed and printed, VistaPrint addresses them and arranges for them to be mailed. Creative Services allows customers to hire VistaPrint to design and write personalized brochures, postcards and fliers within a four-day turnaround. Prices start at \$29.99. The company, which operates print plants in Windsor, ON, Canada and Belgium, saw revenues rise 67% last quarter to \$69 million. More: www.vistaprint.com.

CONRAD BLACK CASE GOES TO JURY The jury at **Conrad Black's** 15-week fraud trial began poring over more than three months of testimony to weigh whether to put the dethroned press baron behind bars or set him free. Black, 62, could spend the next two decades in prison if the largely blue-collar jury decides he's guilty of plundering more than \$60 million from investors in his Chicago newspaper empire formerly known as **Hollinger International**, parent of the *Chicago Sun-Times*. With three other defendants to consider besides Black, plus mountains of complex evidence, legal experts said they would be surprised if the jury's deliberations wrap up in less than a week or two. Controversial fees paid to the Hollinger executives from newspaper sales are at the heart of the case. The outcome may hinge on the testimony of **F. David Radler**, Black's long-time partner and the No. 2 executive at Hollinger who has pleaded guilty to the alleged scheme. Radler, who expects to get a relatively lenient 29-month sentence in return for his cooperation, said during eight days of testimony in May that Black approved millions of dollars in payments to himself and others from the sale of community newspapers owned by Hollinger.

WSJ INDEPENDENCE A FACTOR IN DOW JONES DEAL **Dow Jones & Co.** and **News Corp.** agreed broadly on measures to protect the editorial independence of *The Wall Street Journal*, should it be purchased by **Rupert Murdoch's** media conglomerate, clearing a major hurdle in the way of the proposed \$5 billion deal, according to published reports. Details of the agreement remained unclear, and any sale must be approved by the full membership of Dow Jones' controlling shareholders, the **Bancroft family**, which initially rejected Murdoch's approach. The family, which includes about three dozen adults in various parts of the country and controls 64% of Dow Jones' shareholder value, has since softened its opposition, according to reports. Dow Jones' board recently took over the discussions with News Corp. from the Bancrofts. The talks had been in slow gear for several weeks as the family worked on proposals for editorial safeguards.

SCUTTLEBUTT & OTHER SUNDRY STUFF

- ♦ **RR Donnelley & Sons Co.**'s ongoing effort to rebrand, unify and integrate its small and large acquisitions, including giants **Banta**, **Perry-Judd's** and **Moore Wallace**, will generate a **\$315 million charge** for the Chicago-based printer. Moore Wallace, Moore Canada, Moore Response Marketing, Moore (in Latin America), OfficeTiger and the company's network of North American commercial printing facilities have all been renamed as RR Donnelley.
- ♦ **Joseph P. Truncale**, President and CEO of the **National Association for Print Leadership**, and **Steve Johnson**, President and CEO of the **National Association of Quick Printers**, sent a letter to **Adobe Systems Inc.** CEO **Bruce Chizen**, expressing their concern over a recently announced agreement between Adobe and **FedEx Kinko's** in which the newest versions of Adobe Reader and Adobe Acrobat software feature an embedded connection to FedEx Kinko's PrintOnline application. More: www.fedexkinkos.com. "By aligning with only one provider...Adobe has, in our view, provided an unfair competitive advantage to FedEx Kinko's," the letter says. Chizen responded promptly, expressing his intention to meet soon to address the concerns of NAPL, NAQP and printing company executives who support their views. More: www.napl.org.
- ♦ **xpedx**, a Loveland, OH-based subsidiary of **International Paper** and a paper supplier to a majority of U.S. commercial printers, announced plans for a new Canadian national headquarters in Brampton, Ontario (near Toronto), a 150,000-sq.-ft. distribution center and two new **xpedx Paper & Graphics** stores serving the Toronto area. Company officials expect to open additional facilities across Canada in 2008. More: www.xpedx.com.
- ♦ **Wired magazine** partnered with **Xerox** to produce **personalized covers** for its July issue. The monthly magazine's April issue urged subscribers to log on to Wired.com to upload photographs of themselves. More: www.xerox.com.
- ♦ The market for **bind-in/blow-in direct marketing** totaled 2.5 billion opportunities in Q1, up 20% from the same period last year, according to the recently released "MarketTrends Report for Insert Media Bind-in/Blow-in Programs" from direct marketing services provider **ParadyszMatera**, New York. More: www.paradyszmaterra.com.
- ♦ Some 1.2 million **People magazine** subscribers received emails June 25, pointing them to the publication's first-ever "**digimag**," a 30-page soundtracked, video-packed e-magazine called **Unilever**. Unlike some other magazines that are digitally re-produced, there's no software to install, there's a different soundtrack for every page, ads are interactive far beyond clickable URLs and all content is original. More: <http://summer.people.com>.
- ♦ **FedEx Kinko's Q4 revenues dropped 2%** from a decline in copy sales, as the company continues to open new locations and add services. The unit was the only FedEx division to record a sales decline. Quarterly revenues for FedEx Kinko's were \$532 million, while operating income increased 28% to \$23 million. More: www.fedexkinkos.com.
- ♦ Attendees at the **2007 Printers & Suppliers Executive Conference** (July 22-24 in Madison, WI), organized by the **Document Management Industries Association**, will take a plant tour of printer **Suttle-Straus**. More: www.dmia.org.
- ♦ An apparent mechanical failure caused a **three-alarm fire June 23 at the Richmond Times-Dispatch** that damaged one of three printing presses at the 470,000-sq.ft. plant. No one was injured in the blaze, which burned for more than two hours. An early estimate of damage to the plant and equipment was \$10 million. Neighboring papers helped print the Sunday issue.
- ♦ **Print Industries Market Information and Research Organization (PRIMIR)** is running an **anonymous survey** of graphic arts industry opinion leaders about trends, markets and applications for sheetfed presses and related products. More: www.nimahunter.com/sheetfedsurvey3.
- ♦ The **Federal Trade Commission** mailed reimbursement claim forms to more than 2,400 consumers who may have been victims of **identity theft** because of alleged security lapses at data broker **ChoicePoint Inc.**, Alpharetta, GA. In December 2006, the FTC mailed claim forms to 1,400 consumers who were identified with the assistance of law enforcement, with instructions on how to file a claim. In 2005, ChoicePoint announced it had sold information about many consumers to people who turned out to be identity thieves. More: www.ftc.gov/choicepoint.
- ♦ **USA Today** will launch Oct. 12 a **glossy lifestyle magazine** as a monthly companion to its 2-million-circulation newspaper, targeting the upscale interests of its weekday-only readership. **The Wall Street Journal** is considering a similar plan.
- ♦ **Printing Industries of America/Graphic Arts Technical Foundation (PIA/GATF)** is seeking to honor an outstanding woman from the graphic communications industry. Nominations for the **Naomi Berber Memorial Award** are due July 20. More: www.gain.net/eweb/upload/Berber.pdf.
- ♦ **MActac**, a supplier of pressure sensitive materials, partnered with **Portraits of Hope** to wrap as many as 13,000 New York City taxi cabs with MActac **IMAGin B-Free vinyl**, which will be painted by children across the country. The program, "**Garden in Transit**," is designed to help children overcome difficult circumstances and build self-esteem through public artistic expression. More: www.mactac.com.
- ♦ **Pantone** is running its **Pantone Color Kill Contest**, where participants can submit **YouTube.com** videos showing the destruction of an outdated **Pantone Formula Guide**. Submission deadline is Nov. 30. Qualified entries are eligible for a 35% discount on a new set of guides. Enter: www.pantone.com/colorkill.

"A great mind is one that can forget or look beyond itself." (William Hazlitt)