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World Class Solutions

Changing Trends - The Challenge for Transformation and the Solutions

CHALLENGES FOR THE PRINTING INDUSTRY that impact on `all` businesses globally

THE ROAD AHEAD - CREATE THE OPPORTUNITY

Economic Outlook



The present position is in an unprecedented move five central banks, including the Bank of England, (UK rate at present 0.5%) announced a raft of measures to improve liquidity conditions in interbank money markets. The global position is bank rules are to tighten up rapidly to safe guard the future.

Separately, the US Federal Reserve have `slashed` interest rates to 0%, with its biggest cuts in over 100 years to combat the continuous recession. The Fed, the US central bank, is `trying` to keep the US economy from slumping into a deeper recession (without `quantitative easing` there would be a depression) and US and European stocks took heart from the move. But still the share market rapidly responded globally. The share market and banking arena globally is in turmoil! Plus, many banks globally are still in serious trouble with governments still bailing them out with tax payers money. Where will it all end?

It is also indicative of the elevated risks facing the world economy in the future. Global or should I say Asia growth remains robust and oil and commodity prices will rise to high levels (yes they will rise again)! With output gaps shrinking or closed, inflation is `real` so start planning for the future. Plus, when will commodity prices stop rising? Yes, they will continue to rise in the future, rapidly!

In particular, labour and housing markets are still in free fall against the 2007 employment and prices. In time, there will be rising rates which will `impact` on consumer spending globally.

Due to the slow down this will lead to slower growth `globally` in the next 10 years. When the economic slowdown really starts, inflation is likely to run out of control. Also, we need to keep a close eye on energy costs that are controlled by a `few` countries for the rest of the world. UK organisations pay 400% more for electricity than in France, why?

Following a slowdown in UK growth, consumer spending, retail sales and the housing market have all generally weaken and the future 10 years will be a very interesting period!

With global growth expected to slow in 2011, growth in the UK will slow also. GDP in 2011 is forecasted at only 1% (do we believe this?). We expect that the slowdown in global growth will help to keep UK inflation under control and that the BoE rate throughout 2010 will be static! Watch inflation take off when the BoE rate rises several times from 2011 for a considerable period!

The main industrial sectors to continue in decline through 2011 is the manufacturing market in the developed countries especially the Print/Media sectors with mass redundancies.

Stop me if this sounds familiar: new leads, new ideas, new technology, value-added customer services, diversification, marketing and management. That`s right. those are items that will take you and your company to the next level of profitability and market share in 2011. Savvy business leaders with an eye on growth - that`s you - already know that. More importantly, the question is how you get there!

Take this step to invest in the future of your business, your employees and yourself. It`s a certain opportunity to prosper, which is one road sign that should be hard to miss if you invest now.

View the website www.cavendish-mr.org.uk to provide the solutions for your success in 2011 and beyond. Also, visit the testimonials page to read what others believe, on how we have helped them in their life of success. The publications `Formula for Success`, `Create Your Own Success Story`, `Accelerate with Impact`, `Quantum Leap to Success` and `Riders of the Storm` are a must for your future success.

CHALLENGES FOR THE PRINTING INDUSTRY



Proactive maintenance of an existing customer base to improve your `bottom-line`. This is the future strategy for all to be successful in a global trading environment. Read on and find out how you will be successful by taking on board the facts that you need to master for 2011 and beyond.

Marketing to existing customers and prospects, with the goal of retaining their business while stimulating the marketers` sales. Also, the important of the retention of employees in this task.

Building and Communicating Value will be the single most valuable investment your organisation makes on the road to delivering sustainable shareholder value.

The creation of shareholder value is the primary objective of any organisation, be it a plc or privately funded company - and research indicates that the pressure senior managers already face to deliver value will intensify significantly into the future with a global economy.

Request your complimentary report on `**From Strategy into Shareholder Value - A Value Creation Approach - Building and Communicating Shareholder Value`**

email: colin@cavendish-mr.org.uk

Today, it is vital that all senior management builds and delivers superior long-term value to meet and exceed the expectations of all its organisations shareholders.

Discover how this report will enable your organisation to deliver superior long-term value to its shareholders and encompass the retention of its employees and customers.

Open your mind up to the `Challenges` we face in a global trading environment to be successful.

Executive Summary



While customer retention and its goals have not changed, the entire customer retention business is busy reinventing itself from what it was just a few short years ago. Whether new technologies drove new thinking or vice versa, it's hard to say. But, one thing is for sure, what retention is - is really different. New reporting and tracking methods reveal how customers interact with content, not just, where they go and what they open. Smaller, but highly qualified audience segments based on customer intelligence are replacing broad, shallow pools derived solely from basic demographic information. Moreover, customers are no longer sitting back and waiting for the next brand experience - they are finally having some say in developing it.

Simply put, the goal structure is as shown below:

- Distinctive Capability - The clutch of skills or competencies that distinguishes the company from the competition and will enable it to seize the opportunities that arise in the future - whatever they may be.
- Market/Product - The focus of application for the company's skills and competencies.
- Identify - Communicating a clear, positive perception and image of the company to each of the audiences who are important to its future wellbeing.
- People - Organising the skills and competencies of the company to meet the needs of the customers both now and in the future.
- Profit/Performance - Defining the results expected.

! - Customising the strategy to meet the special needs of an organisation. Yes, Strategy Planning comes first; we need to know the `full` ingredients to be successful.

The current state of the Printing and Graphics Arts industry has been variously described as stagnant, revolutionary and on the brink, set against the vendor hype associated with all things Digital. In the middle of all this, the bedrock of the industry, Commercial Printers, are fighting to survive. So what is happening to this vital sector across Europe, USA and the developed world? Will the predicted fall in revenues from traditional offset happen, and if so how quickly? The change will be rapid! In many cases, Commercial Printers are finding the pace of change in technology far too rapid and cannot cope with the uncertain business conditions facing the industry. Also, many Commercial Printers have no succession planning and are `life style` companies and the true worth of the company is not at the same value as the owner.

It is the general consensus that the USA and European Print Industries are experiencing pressing times, but this is a challenge and such despondency should be looked at with a fresh and open view at the changing global market.

We should look at the growth of print markets around the world - from China`s ride along the Domination Highway to the more emerging markets of Eastern Europe. We need to open up our minds to the opportunity in the world - while growing markets are usually seen as a threat, we need a much needed `kick-in-the-backside` and motivation for the West's metamorphosis from a manufacturing industry to a service industry. Just look at the impact of the Print Management Services companies have made over the last 40 years in the UK and for the last 80 years in the USA!

Despite all the doom and gloom and despondency that Printers are complaining about, the market is an opportunity and challenging. We are in `business`, so act and perform as business people do!

Printing is a by product/service of the business, so business methods are the most important - what is required are skilled and experience people in all areas of `the business`. Plus, business models to help the business perform to global standards.

Visit www.cavendish-mr.org.uk for comprehensive details on business, educational models, publications, guides, research reports and many more services to help you be successful.

The price pressure from `cheap` manufacturers in developing countries, which has seen the migration of USA manufacturing to Latin America and the UK`s to Poland, Czech Republic and others, is having a positive effect on the industry. With European Union grants to these developing countries in Europe will put extreme pressure on the other established countries within EU.

China Isn't The Only Emerging Print Market

China's not the only emerging market; emerging Europe is still a place of significant growth. In a five-year period to 2008 printing employment in the Czech Republic grew 5%, Spain's grew 12%, and Hungary's grew 84%. This was all at a time when the developed economies of Europe's printing employment were either stagnant or declining.

Economic freedom is not turned on like a spigot; it takes time for economies to grow and to benefit from new capital investment. The Eastern European economies have shown steady progress, with some impressive growth rates, while still behind the other mainland economies in terms of incomes and per capita GDP. In practical terms, Spain and Portugal can be considered emerging economies as well.

Growth can be found in many places. Ireland's rise as a notable economy has caused its printing shipments to double in the same time period with help from the EU. Trade agreements account for a great deal of this growth, but modern communications technologies further erode the natural barriers to trade and widen opportunities for buyers and sellers to meet. Constantly improving logistics play a major role as well.

It's essential to realise that just because print may not be growing in the developed European countries does not mean it is not growing elsewhere. `Business people` go where the opportunities lead them, to give them a `bottom-line` return on their investments. The realisation that there is now an interconnected world print economy rather than a collection of discrete print economies is hard for many to get used to... but it's critical that global thinking become second nature to all managers.

Companies in the developed countries are asking themselves - `what can I do to stop my customers leaving?` You can help your company by being `service driven` in the first place; add value to what you produce. It is these added services that are changing the industry. Plus, implementation of business models to raise the `bottom-line` and training people of `all` ages in `all` sectors of the company!

Please request a complimentary copy of the powerful presentation paper and slides from Colin Thompson on a major subject:

` Turning Customer Value into Competitive Advantage ` .

Between 2000 and 2007, the industry went through rapid growth from conventional ink-on-paper to include graphic design, data handling, web services, subscription management, enveloping and wrapping, mailing, distribution, warehousing and fulfilment. But, what will the next ten years bring?

Also, the worlds growing reception of Digital and wide-format print processes, which now make up 10.3% of the market. Digital is not just for high tech people anymore - it`s part of the printers` armoury, if not, being successful in the future will be very difficult for Commercial Printers. The in-depth report on `**It`s a Digital Future`** produced on a CD - is a comprehensive view of over 720 pages, including graphs, diagrams, charts, suppliers and customers interviews on the Digital Print World. To obtain comprehensive details visit www.cavendish-mr.org.uk

Latin America and emerging Asian countries have just bypassed traditional print and gone straight to Digital printing. China has gone absolutely mad on wide-format. Digital is growing, but would not take over from conventional methods in the short to medium term.

A Litho press with care and attention will last 50 years plus. Handed on to second and then third - world countries, it will generate cash. Digital is not a total replacement for traditional print. Just like Television is not a replacement for radio and email is not a replacement for the telephone.

There are `hybrid` presses; screen mixed with ink-jet, digital capabilities on the conventional press. But, `offset` print processes have reached their peak, whereby Digital, including wide-format ink-jet, more than doubled in use from 2000-2009 to take 7% of the global market and is predicted to do the same again by the end of 2011. It is a Digital World, look around you and you will see it in many forms! Yes, open your eyes to the future requirements of your customers.

The news is that regardless of the printing methods, the industry does not appear to be descending on the slippery path, but rather facing a mid-life crisis of which you must handle to be successful in the future. By the end of year 2010 the market could be worth £390billion plus!

China will be a major player and is expected to grow by 11.6% and India to grow by 8.2%, helping Asia to over-take Western Europe, with a value probably in the region of £114billion plus. This being almost a third of the total global market in five years time. The massive growth of China`s print industry has inspired many Western organisations to invest `big time` in the future of China and the financial rewards for the future. There are two in-depth reports available from Colin Thompson, compiled from his visit to China:

`The Current Status and Perspective of the China Printing Industry`

`The Printing Industry of China and Asian Printing`

The above reports are included in the comprehensive research report;

`The European Printing Industry and the Impact of China on the World`

(see below for details)

The Print Industry is re-inventing itself all the time, and as long as you get pressure from the customers, it will continue to do so.

" It`s not the strongest species that survive, nor the most intelligent, but the ones most responsive to change" by Charles Darwin

Now read on about the `Challenges for the Printing Industry` .

THE CHALLENGES FOR THE PRINTING INDUSTRY

The biggest challenge facing the printing industry has become what almost seems like a "war on print" by those who produce and disseminate content. The advertising and marketing industry enthuses about online and even newer media 24/7-and has even taken to referring to print as "offline media." What the industry needs is not only to fight back and remind people of the effectiveness of print, but also to come to the same conclusion as its most successful customers: `that print walks hand-in-hand with other media` .

News Highlights from around the world...

-- Despite gloomy economic reports, Printing surveys have found that business conditions for printing remained healthy with well managed companies, if not spectacular, in 2009.The industry expect business to continue to be generally stable through 2010 IN MANY COUNTRIES with Digital capabilities, but, will it be?

-- In Spring 2009, in the USA and Europe, 68% of printers cited "competition" as a major business challenge, a reaction to what is thought to be too little work flowing into too many organisations;

Challenges and Opportunities for the Printing Industry in the next 12 Months and Beyond

It's no secret that many firms in the industry have been struggling, and demographic data show a great deal of turmoil that continues relatively unabated. Yet, there remain very successful businesses in the industry. Cultural changes in the way people access media are having profound effects on the demand for print, particularly among advertisers, marketers, and publishers—all of whom are, not coincidentally, printers' biggest customers. How has the explosion of new media affected the print markets? What can the industry do to effectively cope with these trends? And what will 2011 bring?

In 2010, digital printing; personalised, customised, variable-data, and other targeted printing applications; "Web-to-print" applications and use; wide-format printing; and interest in and implementation of production workflow solutions are progressing rapidly. But, do not forget business models, which will increase the `bottom-line`! Plus, experienced and skilled people of `any` age are a major asset.

2010 has seen marketers and advertisers steadily distancing themselves from print, and yet, given the effectiveness of print, they do so at their peril. Regardless, "cursing the darkness" won't help; printers need to develop a cogent strategy for responding to this trend. What the industry needs is an emphasis on seeking out new business models, niches, and applications for print. This is 180 degrees from how the industry tends to operate; but the need to do so has never been greater and will only become more profound in the year(s) ahead. Research and plan ahead, do not put your head in the sand.

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The biggest challenges facing those who produce and distribute content are not necessarily production or workflow issues, but rather involve navigating the seas of new and newer media. The key is to `strategise` successfully and understand how each medium—whether it's old media like print, new media like the Internet, or newer media like podcasting and mobile media—fits into a given marketing or advertising campaign. For publishers, the situation is even more crucial, as they need to understand and adapt to changes in the ways that people obtain content.

The past two years have seen a resurgence of business for these markets, and at the same time a veritable explosion of new ways to disseminate content. Cultural changes in the way people access media are having profound effects on traditional advertising and publishing models. Easy-to-use desktop publishing software has made it easy for business and individuals to do their own graphic design work. How have these societal and technological changes affected the creative markets—and what will 2010 and the future bring?

From reports business conditions for design firms were strong in 2007/08, although they were slightly below what they had been a year earlier—although they expect business to continue to be strong through 2011. From worldwide surveys the following information was made available;

In Summer 2010, 40% of publishers said that e-mail promotions and e-newsletters would become more important for them in the next 12 months, while 30% said Web advertising will.

In Summer 2010, 55% of graphic designers cited "customers doing their own desktop publishing work" as a business challenge.

In Summer 2010, 35% of design and production firms expected business in the next 12 months to be "excellent, better than the last 12 months," up from the 33% who said this six months earlier.

In Summer 2010, 74% of publishers cited "printing costs" as a business challenge, the highest this challenge has ever charted in 10 years.

In Summer 2010, 58% of Web design and production firms cited "database development projects" as a sales opportunity, the highest this opportunity has charted in six years.

In Spring 2010, 29% of printers cited "design/creative capabilities" as a sales opportunity; an all-time high and a sign that print customers may be increasingly competing with their printers.

In Summer 2010, 45% of design and production firms said that "jobs designed for colour digital printing" were increasing, while 30% said that "jobs designed for traditional offset printing" were decreasing.

The Printing Industry is a major communications tool and is viewed as a `bellwether` of trends in the economy as a whole. This has always been the case from writing on stone up to the present day technology. There will always be history, change and the future.

The key issues continue to hamper the Print Manufacturing organisations that do not change in this global trading environment. These organisations need to wake up to the reality of life, listen to experienced/skilled successful people who can help, take on board business models to help them operate more efficiently and manage the management of change. To be successful in this global trading environment you need all these business tools to survive, so they need to take them on board and find success or not survive!

Take on board the benefits from a Non-Executive Director who will add value through independence and experience to raise your `bottom-line`. Yes, this is a must if you wish success in the future.

The Print Industry is undergoing fundamental changes in every aspect of both Technology and Strategy. Also, the current economic climate and the vast range and speed of new technology development ensure the future will be a challenging time.

The UK Printing Industry for example is the 5th largest of the manufacturing Industries, but it is among the least well documented. It is an industry, which serves all sectors of the economy including public authorities, financial services, publishers, and distribution services and manufacturing industries. Its customers range from major institutions to the smallest business. The Main land European Print Industry organisations follow similar trends.

Its structure reflects the diversity of its products and very fragmented nature of its market with less than 20 printing companies employing more than 500 people and only around 550 employing between 50 and 499 people. These companies tend to specialise in a narrow range of products in national and international markets. There is a vast army of small firms, which usually are general printers catering for a local market. The number of organisations in the sector has declined `rapidly` in the past few years. According to VAT registration data there are currently almost 17,500 print businesses, a fall of over 6% from 2002. Nevertheless, this still represents more than a tenth of all manufacturing organisations, reflecting the fact that most printing organisations are very small businesses. Also, it means there are many more print businesses that are under the VAT threshold and many who do not class themselves as `print businesses`, but do print! The number of print businesses could be as many as 30,000 plus in the UK! In the whole of Europe there could be 180,000 companies that can be classed as Printers!

The five largest countries in Europe (UK, Germany, France, Spain and Italy) account for more than 77% of all print in Europe. When collecting statistical data, it becomes evident that Europe is not a single country, but an amalgamation of national industries that can serve a common market. The European Print Industry consists mainly of small enterprises, as 85% of them employ fewer than 20 persons.

In many of the statistical sources, printing is not classified as a separate industry, so that information about it is scattered among sources often related to industries of which it forms only a part. The reason to try and `hide` information on the printing industry is due to `very low` profit margins, many loss making organisations and `life-style` firms! , high capital expenditure, deterioration in general state of trade and high impact of technology from non-print manufacturers, which now form a part of supplying customer needs.

It is difficult to measure the size of the printing industry with great accuracy, largely because of the overlap with publishing, packaging and Print Management Service providers. Also, the change of industrial classification by some printers to move into other classified areas so they do not register as `print` organisations. The printing industry contributes only 1% of the UK`s total GDP and represents around 3% of manufacturing turnover. Printing provides employment for about 170,000 people in a market that has annual sales of around £14 billion. But, do we believe the statistics recorded in the world to be correct?

Despite moves towards consolidation during the 1990`s, printing is still one of the most highly fragmented manufacturing activities. Over 60% of printing businesses report an annual turnover of less than £250,000 (compared to 55% for manufacturing as a whole), and four fifths of printing organisations employ fewer than ten people. Many printing organisations are single-outlet enterprises operating from workshop units or, to a lesser extent, high street print shops (there are thousands of these operations). A fifth of printers, moreover, achieve annual sales of less than £50,000.

On the other hand, large organisations dominate the sector for the printing of newspapers, magazines and security products. Among the major organisations are, RRD, De La Rue, Chesapeake Holdings, Clondalkin Group, St. Ives and a few others.

In contrast to other manufacturing industries, printing organisations are geographically spread right across the country. There is little or no training for succession planning in the people arena, therefore the rapid change is to Digital printing with keyboard skills against craft skills. The traditional printing industry is killing itself by no training/use of business models and lack of experienced and skilled people and therefore can only cast blame on the lack of management strategy to see the future. The needs are continuous training programmes for all employees and effective business models plus the passion to be successful.

Key Issues;

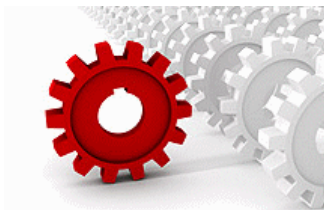


When the business case comes under review, the credibility question comes with it.

- Overall market conditions continue to be VERY tough. The corporate market in particular has suffered from the decline in company profitability, lower levels of merger and acquisition activity and from the continuing downturn in manufacturing within Europe.
- Customers are continuing to be ever more demanding in terms of customer service and printers who follow a pure `manufacturing` business model will struggle to sustain adequate profitability. In most cases increased losses are at a level, which will not be accepted by lenders/stakeholders. Prospects are brighter for those organisations, which see themselves as a `wider communications chain` and can offer customers an enhanced range of value-added services. The offerings by `Print Management Service` organisations are very appealing to large/medium/ and even SME`s due to a total package of customer service driven activities.

- The outlook remains very mixed, with the prospect of no growth in the manufacturing recovery together with growing pressure on household spending. The impact on household spending totally affects the Print and Communication Industry together with shorter print runs and a rapid move to Digital operations and Print Management Service companies.
- For a high value-added business the print industry exhibits relatively very low profit margins and in many cases heavy losses. This largely reflects intense global competition in a very highly fragmented industry, which restricts the ability of organisations to raise prices. Therefore, print organisations should look very closely at improvements in operational processes. There are experienced/skilled people available with vast knowledge of managing successful organisations, who have developed business models especially for the print/communications industry. Use them and you will be successful in this global trading environment. Visit the knowledge pool at www.cavendish-mr.org.uk for comprehensive information.
- Mergers and acquisitions have occurred among large organisations (Equipment Manufacturers /Print Manufacturers /Print Management Service Organisations) with only a few SME`s being acquired by other businesses to try and stay profitable. Pressure on margins and the need for constant investment in new equipment and R & D will drive further consolidation within the industry.
- The growth of electronic media represents a threat to print products, but some sectors are more at risk than others are.

THE DYNAMICS OF THE INDUSTRY



The printing industry encompasses a `wide` range of activities and products. It includes printers who receive most of their work in the form of individual jobs (job shop mentality) to produce printed matter.

The Customers

By far the largest single market is the production of `advertising literature` (including brochures, direct mail and commercial catalogues) which at present accounts for 50% + total sales (but this sector is in decline except for). Digital Display Printing is a major growth area in the future to traditional media printed products, whether home produced or imported.

Output of Printed Products

The direct mail market has been among the most successful sectors in recent years, having grown by more than 150% over the past 12 years. But, lower company profitability and confidence has hit spending on advertising and promotions, the largest single source of printing industry revenue. Also, there has been a rapid rise in Digital Display Printing in POP/POS and large personal wrap's on buildings.

Official statistics from the Office for National Statistics in Europe show that sales of advertising literature fell in 2001, the first time in six year and continues to fall year-on-year from 2001 up to 2010 rapidly, and will continue to fall.

Spending on books, newspapers, magazines and stationery has been one of the 'weakest' areas of household expenditure in recent years and will continue to decline. Within this, the strongest subsection has been books, although the pattern of growth tends to be somewhat erratic. Newspapers and periodicals have generally exhibited slower growth and indeed spending in this segment has declined in each of the past four years and is still predicted to decline further.

In addition, to no growth of consumer spending, printers in the magazine sector have had to contend with the effects of a complete slump in advertising. Advertising expenditure in business magazines, for instance, was down by 45%. This has often resulted in a reduction in the number of pages printed. Meanwhile leading publishers have sought to rationalise the number of print manufacturers that they work with! This will mean, cost cutting - which will push print manufacturers further into decline? This of course is a great opening for foreign print organisations from China and others to step in with even more economical prices! There will be many more acquisitions to try and keep the margin up, but the trend is still 'over capacity' with 'ridiculous' prices!

Possible Prospects for the Print Industry

In an industry plagued by over capacity and chronically thin margins and in most cases heavy losses, it is inevitable that some printers will continue to struggle. Print organisations should look close to home at their operation processes to cut costs, by using business models to help them raise the 'bottom-line'. Plus, take on board experienced/skilled people in 'management of change' to introduce best practise.

Consolidation will continue to take place among SME's as it has become clear that a certain critical mass is sometimes necessary for survival. But only if the SME's wake up to the 'true' value of their organisations. The consolidation of the large corporations will also continue on a global scale.

Pressure on margins, the need for capital investment and the desire to build market share will continue to drive further acquisition activity. Continuing rationalisation either through mergers or plant closures, while painful to some in the short-term, may provide a firmer financial footing for the industry if some 'below-cost' organisations are squeezed out!

There is no doubt that the growth of electronic media, including the Internet, is the single most important threat to the printing industry. Some parts of the print industry are less immediately threatened by these developments. Direct Mail of a specialist nature and Transactional Billing for example, are expected to see further growth over the next few years, while most manufactured products will still require packaging.

Elsewhere, however, publishers will be looking to use other media, as well as print, to distribute their content. Likewise, major organisations are seeking to communicate with shareholders and the public by electronic means. Printing of newspapers, magazines, and business communications will therefore be more vulnerable to the threat posed by new media. Plus, shorter runs and Digital processes will dominate.

It is not all doom and gloom. Printing is just one part of a complex communications process and print organisations may be able to undertake other activities and capture some of the value associated with other parts of the process. The development of variable data printing, where print jobs are linked to information held on databases, may afford opportunities for printers to become involved in managing data on behalf of customers. This is potentially highly profitable work, although it requires frequent contact with clients to keep the content up-to-date. It also requires in-house staff with appropriate database management expertise.

Customers are becoming even more demanding in terms of customer service. The traditional 'two-week' turnaround is largely a thing of the past and speed of response, from initial estimates to final delivery, is essential. Success in such a market requires more than just the latest equipment - also demands a 'skilled and flexible' workforce.

Conclusion



Print along with spoken language and electronic media is one of the key historical shifts in communication.

The Internet and interactive multimedia are providing ways of employing the printed word that add new possibilities to prints role in culture. The printed word is now used for real-time social interaction and for individualised navigation through interactive documents. It is difficult to gauge the social and cultural impact of new media without historical distance but these innovations will most likely prove to signal major transformation in the use, influence and character of human communication.

We live in a world of `High Technology`, a world that places great emphasis on `effective management`; a world where communication is one of the most talked about business subjects.

What's Changed? Is the speed of change!

The last 20 years have seen more significant changes in the development of print processes than ever before.

The World is Digital, The pace of Change is Quicker

Globalisation of Digital printing is hard to ignore, and will certainly take a larger proportion of the world printing work currently led by offset litho, flexography and screen printing. Digital printing is fast becoming a popular choice for convenience, speed and cost. Also, linked to convenience, speed and cost is the change to short-run, on-demand digital colour printing, which is going at a fierce pace. The market valuation is always hard to prove. The speed of change depends on cost, speed and convenience.

The Business Outlook-Take Advantage of Technology

Today's technology opens new doors to increased productivity and effectiveness in producing digital print. The latest software and document production technologies can dramatically increase the functionality and value of digitally printed documents.

High-level platform integration lets organisations merge data from multiple sources and create communications with increased value.

Automated process controls systems, featuring the latest logic and coding technologies, ensure data and document integrity for each communication. Automatic process checks and balances at every stage of production can help eliminate communication error made by humans.

Digital colour document readability and eye appeal. As new colour and digital technologies become easier and more economical to integrate into the high-volume communication manufacturing and distribution environment, they will be key to the communication process.

The future is variable-data imaging, which is the unique capability of digital printers. The growth of database-driven marketing and in particular database-driven web sites is leading to precise targeting of the marketing message to individuals.

As time goes by the e-commerce and email explosion will effect printing, but by how much and in what time frame, depends on technology, cost and human acceptance. But the investment priorities are in both categories as company's gamble with their future. `Think before you leap` .

Acquisitions and mergers will be gathering momentum in the future, not just printing companies, but industry in general on a global scale. Organic growth is very difficult, the way to survive and hold up the profit margin is to acquire companies and companies with synergies as well as partnerships (alliances) with other companies to offer the `total solution` .

The Print Management Service - A global communications solution for printing and distribution of information

The Print Management Service has been described as resembling the relationship between conductor and orchestra, both sides working together for a common goal, with the supplier delivering the product in perfect harmony. For today's most successful companies, these principles underpin their whole corporate philosophy.

Today's users need to create printed documents faster and change them more often, multi-purpose usage has made many documents more complex. Quality linked with flexibility and customisation has become important factors.

The Bottom line-Bringing value to the Customer

The biggest factor in winning or losing the business is the customer's perception of the value you provide. This requires analysis, education for the customer and communication of the benefits of digital `on demand` printing solution. You need to show the customer that you have the best, total solution and provide the level of support required achieving cost savings and improving operational efficiency.

In most cases you will not be the lowest price per unit alternative, but will need to demonstrate that you provide the `greatest value` for the customer price pound/Euro/etc.

In today's business world, it is not about selling products; it is providing the `customer with solutions` .

This is the way to develop long-term relationships and retain customers for life - this is why the `Print Management Service` is the way forward. Also, over the past sixty years the Print Management Service organisations have gained over 50% of the print available globally and now look at the rest of Asia for growth.

Future Directions



Digital printing systems vendors will continue to push speed and increase resolutions of their machines as well as introduce new colour systems.

Paper documents will become more `intelligent` through the creation of efficient coding systems.

The ability to view, archive, search. retrieve, distribute electronically in any format, and print any document, at any time, and from any platform will be key in the future.

Organisations will be successful, if they have the `right` people with the passion, experience/skills together with the business models to forge the way ahead in the world of change. Take on board business guides and business models to achieve an increase in sales, gross and net margins and the retention of people. Training is the most important tool to success!

Over- capacity

As a result of the fragmented nature of the printing sector in Europe and the world, the industry has been affected by surplus capacity. This excess capacity has increased year-on-year, despite continued retrenchment of employment, closures and failures among small, medium and large sized companies in the UK, Europe and the USA. Also, the starting up of new print manufacturers in China, the Middle East and the `new` European countries. The investments in the `new print manufacturers` are exceptional high, due to low `overheads` and a higher return in a global trading environment.

Training is the most important tool that foreign countries have invested into with unique guides; business models and taking on board experienced/skilled people that Europe have abandoned!

It is currently believed that over capacity in the Europe printing industry runs at approximately 40% +, affecting every sector. The effect of this over capacity has been substantial pressure on margins, forcing companies to look for alternative ways to increase profits, through moving into different or niche sectors or looking for these new sectors by mergers with other synergy companies.

Again, this has led printers to strive for efficiency through cutting costs, resulting in redundancies and cuts in other business activities. But, utilisation of both expensive equipment and people are the major criteria.

Economy

The economy is an extremely important factor for the printing industry in a number of ways.

- Economic conditions have a significant impact on investment.
- Affects not only expenditure on advertising but on all printed material.
- Levels of disposable income have impact on commercial printing.
- Small changes in the economy have a significant effect.
- Rising costs erode margins.
- Strength of Sterling and other European Currencies!?
- Weak Euro in 2011!

Rising Costs

- Rising raw material costs.
- Paper mills facing `untenable pressure`.
- Increased customer requirements.
- A move from paper to printing on synthetic substrates.

plus

- Rapid rises in energy costs, 35%+.

New Technology

The development of new technology is one of the most important issues impacting on the printing industry. Indeed, this is a worldwide issue.

New developments in improving productivity and efficiency as well as enabling printers to create new products for the customer have enabled many companies to forge ahead of their competitors.

- Digital printing is the most important development since Litho. Digital presses have been available since 1993, so the technology is no longer in its infancy. The Digital market is expanding rapidly as more companies are seeing the advantages of Digital in terms of increased productivity and lower costs. Digital is taking market share from conventional printing by cost savings being a major key factor.

- The development of waterless printing has also been important, but not as important as Digital in terms of reducing cost.
- Another impact on saving costs is single fluid ink.
- Other developments designed to increase productivity and cost effectiveness include the creation of new types of paper such as mico-flute. 30% lighter than litho-laminated.
- The development of more print portals has enabled printers to bid for jobs on-line and allowed print buyers to deal direct via their web-sites worldwide. This has increased productivity and efficiency in terms of time management.

The Environment

Key factors to impact on the printing industry.

- Legislation-European Directive on Packaging Waste/Waste Strategy.
- The Climate Charge Levy-energy tax on business.
- Energy and fuel costs will increase by more than 35%+ annually.
- ISO 14001 certification benefits-lower costs by using less energy and economic incentives such as taxes, charges and trade permits.

The future is about offering `solutions` to customers by operating a Print and Workflow Solutions Programme and methodically looking at how you manage your business with the `right` people and business models. Also, keeping a close eye on the speed of change, that will affect your business. Training, business models, business guides, and experienced/skilled people of any age that are available to help your business challenge the global impact are the most important investment for your success.

Be positive, have passion to be successful and have a `strategy` for this rapid changing world.

NEWS WIRE - New report from Cavendish now completed: `Every` Printing company in the world will benefit from this comprehensive information and help them to be successful, now and in the future.

`The European Printing Industry and the Impact of China on the World`



Now and the Potential Future

Methodology

The report is based on a combination of primary and secondary research. Original Cavendish data has been incorporated with information from trade sources, printing federations and EU Statistics.

Now and the Potential Future

This report analyses the prevailing economic environment, the current state of the printing industry and details the major forces the industry will have to contend with in the future. The report also takes a close-up look at the industry results on such hot industry topics as workflow automation, digital and variable-data printing, wide-format printing and more. Plus, the countries statistics that impact the printing industry.

Business conditions for the printing industry have not stabilised in the past year and, have—dare we say it—deteriorated rapidly in some of the developed countries worldwide. But does more turmoil lie ahead? What trends are driving current business conditions? How will these trends play out in the next year and ten years time? What can—and what should—companies in the industry do to better cope, succeed, and thrive? This report is in the unique position of being able to draw not only on data on the markets that *produce* print, but also data on the markets that *buy* print. It's this '360-degree' view of the entire market for print media that gives its open picture.

Today, it is vital that all senior management builds and delivers superior long-term value to meet and exceed the expectations of all its organisations' shareholders.

Discover how this report will enable your organisation to deliver superior long-term value to its shareholders and encompass the retention of its employees and customers.

This report provides an overview of the printing industry in Europe and the Impact of China on the World.

The narrative and analysis covers trends in the printing industry and provides forecasts in these countries that impact the future. We also review some of the key issues facing the industry today which influence the future performance of companies within the industry.

The industry has changed rapidly over the last decade. This has been a response to new technologies, competition on a global scale, which has led to other media and demands from customers for lower costs, higher quality and more swift response. A key technical transition has been from analogue data processes towards 'digital workflows' in which content is received and processed in electronic form. The result from this action is extensive investment in information technology hardware and software and a growing need for people with IT skills within the industry.

The future is about technical and other changes that impact the industry, which needs transfer from craft skills to IT skilled personnel. This means the changing balance between physical craft skills into computer-based process control and graphic skills are the future needs to challenge the global competition.

Open your mind to the 'Challenges' we face in a global trading environment to be successful.

Incorporated in the Report

Over 115 pages of market data covering the following areas;

- `All` EU countries and comprehensive details on the five major printing countries in Europe
- The potential market size to 2010 worldwide
- EU Statistics and Cavendish views on the potential market
- A practical report using knowledge of the industry
- Key findings that will influence your decisions on future investments
- Introduction to the future success for your company
- Executive Summary
- The Current State of the Printing and Graphics Arts Industry and the future
- The Challenges for the Printing Industry to be successful
- European Key Information
- A Further View on the European Printing Industry and the challenges
- Country Statistics
- The China Syndrome and the Impact on the World

This report is the result of afresh in-depth analysis and evaluation of the state of the printing industry in Europe and the impact of China on the world and reveals how the landscape of this sector has been evolving dramatically over the last few years.

Printing continues to grow significantly year on year, fuelled primarily with China and the other Asia countries, enabled increasingly by the internet as well as a variety of other driving forces.

The report is very comprehensive with 115 pages, yet easy to navigate as carefully structured with detailed Table of Contents.

Dialogue Solutions

This is the future strategy for all to be successful in a global trading environment.

Open your mind to the 'Challenges' we face in a global trading environment to be successful.

- **Investment Price: £295, Euros 300, \$425**
- **Download today direct to your computer as a pdf**
- **Visit the order page on www.cavendish-mr.org.uk**

Availability..

`The European Printing Industry and the Impact of China on the World` is available for immediate purchase by visiting the secure Cavendish eStore online a to www.cavendish-mr.org.uk- customers can download this report in PDF Acrobat format immediately after purchase.

Also, the inspirational CD called **'It's a Digital Future` with over 720 pages of information for success in the digital economy.**

Please request your complimentary publication **`Winning the Game`** .This is a unique approach to organisational improvement. email:info@cavendish-mr.org.uk

Other complimentary reports as follows;

`Interactive Documents - Word Processing or Transactional Tools?`

`Transpromo!`

Plus, powerful publications to help you in your success for the future;

- **`Digital Printing Marketing`**
- **`Selling the Print Solution`**
- **`The Digital Print Sales System`**
- **`Strategic Leadership to Raise the Bar`**
- **`Reach Your Goals`**
- **`Create Your Own Success Story`**
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- Plus many more...

All these publications contain over 220 pages in each book with ground breaking information.



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About the Author Colin Thompson

Colin is a former successful Managing Director of Transactional/Print Manufacturing Plants, Print Management/Workflow Solutions companies and other organisations, former Group Chairman of the Academy for Chief Executives and Non-Executive Director, helping companies raise their `bottom-line` and `increase cash flow`. Plus, helping individuals to be successful in business and life in general. Author of several publications, research reports, guides, business and educational models on CD-ROM's/Software and over 400 articles published on business and educational subjects worldwide. International Speaker, Visiting University Professor.

About Cavendish...

Cavendish specialises in the assessment of trends and changes in graphic communications markets by providing timely and strategic information, hard-hitting market analysis and concise expert opinion. The reports have earned the reputation for containing the most reliable and timely industry intelligence in the graphic arts and communications marketplaces. Cavendish also produce many business models, guides, publications, articles, weekly bulletins and provides solutions for success with its services to businesses and the individual.



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TEAM

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prides itself on the team's excellent reputation, credibility and expertise.

www.cavendish-mr.org.uk

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