Digital Technology Trends
by Howie Fenton, GATF

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⏵ Fortune magazines Most Admired Companies

Last month, Fortune magazine published its 20th-anniversary Most Admired Companies list for 2002, which ranks U.S. companies on innovation, employee talent, use of corporate assets, social responsibility, management quality, financial soundness, long-term investment value, and quality of products and services. Taking the top six spots within the printing industry category were: R.R. Donnelley & Sons Company; Banta Corporation; Deluxe Corporation; Mail-Well, Inc.; Wallace Computer Services, Inc.; and Standard Register Company.

This link directs you a news update from Graphic Arts Monthly
http://www.gammag.com/NewsBriefs/index(3_13_02).html#2

⏵ Xeikon Acquired

At the On Demand Day presentation at Seybold last month, Bob Barbara from Xeikon announced that Belgian digital press manufacturer Xeikon was in due diligence and negotiations with 3 companies.

Last week, Xeikon announced that they reached an agreement with Punch International for an undisclosed sum. Founded in 1982, Punch International produces and assembles components, subsystems and finished products for "Original Equipment Manufacturers", for the consumer and the professional electronics industry. Customers include Philips, LG.Philips Displays, Sony, Panasonic, Gemstar and Agfa-Gevaert.

According to the press release, Punch will take over all color assets of Xeikon NV, including the toner factory in Heultje, Belgium and its production facility for digital color printing systems in Mortsel, Belgium. Punch will not take over shareholding in the Nipson division, which in April 1999 acquired an 80% equity interest in digital black-and-white printing systems. In addition, it is unclear what will happen with Xeikon America or subsidiaries in Germany, Japan, and the United Kingdom, all of which did not did not file for creditor protection

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Punch was believed to be the preferred buyer because Punch would most likely preserve jobs at Xeikon's headquarters in Mortsel. Punch, which will retain the Xeikon brand name and 235 former Xeikon employees. Former Xeikon research and development director Jan Van Daele will take over the group's management team, made up mainly of former Xeikon executives. The division will be integrated into Punch's Professional Electronics business unit. Punch's graphics division, Strobbe Graphics, is the world leader in Computer-to-Plate machines for the newspaper industry and manufactures the Polaris system for Agfa-Gevaert.

http://www.punchinternational.com/

http://www.xeikon.com/ComWebsite/servlet/be.xeikon.visual.news.NewsDetailsServlet?type=hot&news_id=17839&language=E

⏩ Adast files for bankruptcy

Presstek, Inc. (Hudson, NH) announced that its Czech Republic-based manufacturing Adast of the Czech Republic, has filed a bankruptcy petition with its creditors. Presstek sells a B3-format, direct-imaging sheetfed press manufactured by Adast on Presstek's behalf.

Adast manufactures a B3-format 507C DI model press which is resold by Xerox Corp. (Rochester, NY) as the DocuColor 400DI; Presstek corporate communications manager Jane Miller, however, was not able to confirm if this is the model also sold by Presstek. Adast is reportedly continuing to operate and has indicated that its management is in negotiations to obtain interim financing.

Presstek president and CEO Robert Hallman comments, "The Adast bankruptcy is not expected to materially impact Presstek's 2002 operating plan as we anticipated only minimal revenues from this B3-size sheetfed-press product line in the current fiscal year."

Hallman adds that Presstek has an adequate supply of Adast presses and spare parts to meet customer needs in the near term. It is also working with Adast to continue receiving open orders and is exploring alternative manufacturing sources, including its other manufacturing partners.

http://industryclick.com/magnewsarticle.asp?newsarticleid=295938&magazineid=22&SiteID=22

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▸▸ New IEEE wireless spec

The Standards Board of the Institute of Electrical and Electronics Engineers Standards Association (IEEE-SA) has approved IEEE 802.15.1, a standard for wireless personal area networking (WPAN). The new standard is adapted from portions of the Bluetooth wireless specification.

Bluetooth is a short-range personal wireless networking scheme first proposed by Ericsson engineers in 1998 for laptops, desktop computers, printers, PDAs, cell phones, and other data appliances. An industry consortium known as the Bluetooth SIG, whose members include Ericsson, Nokia, Intel, IBM, Microsoft, Toshiba, 3Com and Motorola, coordinates the specification for the technology. Bluetooth enables the creation of wireless networks which can communicate bi-directionally (2 ways) and link up to eight devices (line-of-sight is not necessary) and transmit data and voice packets.

The new IEEE standard is fully compatible with Bluetooth 1.1. The IEEE said the new standard opens the door to greater use of Bluetooth technology. At Macworld Expo in Tokyo, Japan last month, Apple announced forthcoming support for Bluetooth in Mac OS X. The company also announced the Bluetooth USB Adapter, which enables USB-equipped Macs to transfer data to and from Bluetooth-equipped devices.

http://www.internetnews.com/dev-news/article/0,,10_996171,00.html

▸▸ Dot-bomb's decreased last month

The dot-com job death march thinned out last month, recording the lowest number of casualties in nearly two years. Some 670 dot-com jobs were eliminated in February, nearly 63 percent fewer than the previous month's 1,802 and well below the April 2001 peak of 17,554, said a report by outplacement firm Challenger, Grey and Christmas.

Challenger said 144,912 jobs have been cut since the firm began tabulating dot-com employment statistics in December 1999, noting that most of the reductions - 93,447 - were made between November 2000 and June of last year. But, while the decline suggests the battered Internet sector may be on the rise, there are no signs that dot-com firms will shift into hiring mode anytime soon.

http://www.washtech.com/news/software/15478-1.html

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⮞ GAM ID's 5 five key print-purchasing industries

A recent article in Graphic Arts monthly identified five key print-purchasing industries based on reports on major trends and growth performance. These five industries include: auto industry, business services (accounting, legal, management consulting, and public relations services), restaurant industry, retail sales, and financial services (banking, insurance, and securities).

Cited as one source was the following data on US Ad Spending from Competitive Media Reporting, a Taylor Nelson Sofres Company.

Industry Grouping	Ad Spending* 2001 January through October
Automotive, Auto Accessories & Equipment	$8.6 billion
Retail	7.0 billion
Media and Advertising	4.8 billion
Medicines and Proprietary Remedies	4.0 billion
Financial	3.8 billion
Automotive Dealers and Services	3.3 billion
Miscellaneous Services and Amusements	3.1 billion
Public Transportation, Hotels, and Resort	3.1 billion
Telecommunications	3.0 billion
Restaurants	2.9 billion
Direct Response Companies	2.7 billion
Computers, Software, and Internet	2.2 billion
Insurance and Real Estate	2.0 billion
Department Stores	2.0 billion
Beverages	1.3 billion
Government, Politics, and Organizations	1.3 billion
Cosmetics and Beauty Aids	1.2 billion
Dairy, Produce, Meat, and Bakery Goods	1.2 billion
Prepared Foods	1.1 billion
Personal Hygiene and Health	971 million

http://www.gammag.com/Current/index2(3_21_02).html#1

⮞ 1/4 of US workers telecommute

A recent report published by market research firm Cahners In-Stat Group reported that about 24% of the US workforce or approximately 30 million workers, telecommutes from home every week. Nearly 70% of those who telecommute have access to the Internet. The report predicts that this number will grow to nearly 40 million workers, or 28 percent, by 2004.

http://maccentral.macworld.com/news/0203/01.telecommute.php

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⇥ Effects of Postal rate increase

Battered by declining business in a slow economy, the post office lost $1.68 billion last year and was anticipating a $1.35 billion loss this year after freezing new construction and cutting 12,000 jobs. As a result the post office requested rate increases and the independent Postal Rate Commission recently approved an unprecedented agreement on postage prices, reached by the post office and nearly all of the businesses and organizations that normally fight rate increases.

The approval means a first-class stamp will rise 3 cents to 37 cents, there will be a 2-cent boost in post cards to 23 cents, and most other mail charges will also rise. Generally commercial printers that offer fulfillment services pass the increases to customers. Unfortunately catalogers and magazine publishers typically do not.

- ❖ First-class mail, 1st ounce: 37 cents, up 3 cents.
- ❖ First-class mail, each additional ounce: 23 cents, unchanged.
- ❖ Post card: 23 cents, up 2 cents.
- ❖ Priority mail, 1 pound: $3.85, up 35 cents.
- ❖ Express Mail, 8 ounces: $13.65, up $1.20.
- ❖ Parcel post (varies), typical 2 pound: $4.14, up 69 cents.
- ❖ Certified mail: $2.30, up 10 cents.
- ❖ Signed return receipt: $1.75, up 25 cents.
- ❖ Money order up to $500: 90 cents, unchanged.
- ❖ Bulk rate bank statement, 3 ounces: 83 cents, up 3 cents.
- ❖ Presorted utility bill: 27.8 cents, up 2.3 cents.
- ❖ Weekly news magazine, presorted, 5.8 ounces: 17.5 cents, up 1 cent.
- ❖ Household magazine, presorted, 13.8 ounces: 27.4 cents, up 1.5 cents.
- ❖ National newspaper, presorted, 10 ounces: 30.3 cents, up 2.6 cents.

http://www.usps.com/ratecase/
http://www.usatoday.com/news/nation/2002/03/22/postal-rates.htm

Catalogers

This increase will be especially difficult for catalogers who depend on fixed postal delivery services. With the rates increasing mailing costs from 7%-10%, the problem becomes how to cut costs.

Class	% Increase
Regular basic	6.8%
Regular 3/5-digit	8.3%
Regular automation 3-digit barcoded	9.2%
Regular automation 5-digit barcoded	9.2%
Enhanced carrier route basic	9.0%
Enhanced carrier route high density	8.3%

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How will catalogers cope? According to a recent article by Paul Miller in Catalog Age (Cutting Back for the Rate Hike) catalogers won't be passing the increased costs on to their customers. Unlike parcel shipping rate hikes, which a number of catalogers typically pass on to their customers, mailers contacted said they would not make customers absorb higher catalog mailing costs.

Nor are most catalogers reducing paper weight. Those interviewed said they had already cut paper weight to 32-lb. body paper and one said they had saved $20,000-$25,000 per mailing by dropping paper weight. Many of those interviewed discussed reducing their mailings either by reducing circulation strategy or reducing prospecting.

http://industryclick.com/magazinearticle.asp?magazinearticleid=143648&magazineid=153&mode=print

Catalogers seek alternatives

Others interviewed discussed alternative strategies. Associated Bag is turning to advertising alternatives, such as space ads in the Thomas Registry compilation of manufacturers and the Yellow Pages. Spring Valley, CA-based Chinaberry Book Service plans to selectronically bind its 136-page core Chinaberry catalog and its 56-page Chinaberry prospecting catalog. Selectronic binding allows the cataloger to load the different covers of both books simultaneously. This enables Chinaberry to produce and mail both editions at the same time and reduces its printing and binding costs 8%-10%.

Another article in Catalog Age by Mark Del Franco (Mailers Say, Webward Ho!) describes how some catalogers are looking at the web to help build there business and increase profits. Some are determined to use their print books to drive buyers to the Internet to make the purchase.

Online e-commerce can reduce transaction costs. In other words it costs less to process an order online as opposed to via a call center. Stephen Lett, president of Carmel, IN-based consultancy Lett Direct, is quoted, "When the customer places an order via the Internet, this cost virtually disappears, assuming that the cataloger's Website is fully integrated with its order processing system".

What's more, the Web enables catalogers to provide more detailed product descriptions — and, indeed, more product — than a print book can. This extra selling space combined with online customers' ability to return to the Website as often as they wish can lead to more frequent repeat purchases.

http://industryclick.com/magazinearticle.asp?magazinearticleid=143468&magazineid=153&mode=print

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Magazine Publishers

Nina Link the President & CEO of the Magazine Publishing Association has expressed concerns about the upcoming increases for magazine publishers. A press release on their home page says the following:

> We are disturbed by unconfirmed reports that the Postal Service is planning to announce yet another rate increase in the fall of 2002, which would go into effect early in 2003. This non-stop cycle of increases must end or all businesses that rely on the postal system will be in serious jeopardy. As the U.S. Senate Governmental Affairs Committee and U.S. General Accounting Office stated this week, the Postal Service's current business model is "unsustainable." We implore Congress and the Bush Administration to address this grave national public policy problem as soon as possible.

http://www.magazine.org/
http://www.gain.org/servlet/gateway/redirect.html?url=http://205.128.3.23/newslink.cfm?vendorid=211%26id=5845

⏵ Key applications, predicted for static black and white toner pages

On a recent assignment for a digital press manufacturer I was asked to make some crystal ball predictions about the key applications and growth in the toner based, black and white market for static (no personalization) applications. After some research I discovered 2 market research reports: one was done 2 years ago by CAPV and reported key applications as percentages, the other done last year by the DPC (White paper 7 2001 by Interquest) made predictions about growth. Although combining research done by two different market research companies is questionable – the results are consistent with other reports in our industry.

According to CAPV 2000	According DPC 7 2001 (Interquest)
21% books / course materials	Remain constant
15% financial / legal	Remain constant
13% business correspondence	Remain constant
13% technical documentation	Remain constant
11% direct mail	Significant increase
6% forms	Significant decrease
5% bills and statements	Remain constant

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📁📁 **In the Works** 📁📁

- ➢ **Blocking On-Line Ads**
- ➢ **Digital Printing – B/W & Variable Growth**
- ➢ **GATF's 12-Step Plan for Adopting a CTP Workflow**
- ➢ **Special Report ⊕ 180° shift in PDF creation strategy ⊕**
- ➢ **Debate: Remote Proofing**
- ➢ **Review Agfa CTP Webinars**
- ➢ **⟨⟩Point ⟨⟩Counterpoint – 🔊 Viability of DI Presses 🔊**

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� **Schedule**

Interested in a chat or a site visit - here is a travel schedule.

Date	City	Purpose
4/1-4/3	Knoxville, TN	CTP Assignment
4/11	Denver, CO	Digital Tech Update-PIA Mnt States
4/17-18	Phila, PA	GAA Presentations
4/23-26	Rochester, NY	Computer to Plate Workshop RIT
5/15-18	Dallas, TX	Southwest Graphics show
6/10	Hilton Head, NC	Practical & Profitable Digital Technologies – PIA South Annual Meeting

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⤻ **Any questions about the feasibility, implementation, management, or the productivity / quality issues of digital technologies – drop me a note: HowieAtPre@aol.com**

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To be added to the list simple email the address above and write "add to list" in the subject line

To be removed simple email the address above and write "remove from list" in the subject line

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