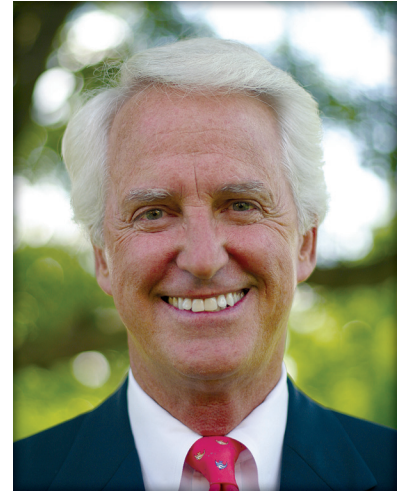


INEVITABLE CHANGE BRINGS OPPORTUNITY

by Jeff Long

Gail Nickel-Kailing, a nationally recognized consultant with Seattle-based Business Strategies Etc., presented a study entitled “The New Business of Distributing Print” to DMIA’s Board of Directors in January. The association’s Print Education and Research Foundation (PERF) funded the study specifically to determine where our industry is headed. DMIA Members received the report, courtesy of PERF and paper supplier Appleton. I want to summarize some of the study’s key observations.



The printing industry is undergoing major structural change. It’s redefining the way people communicate. New technologies and markets are developing, and we find ourselves in a state of transition, not decline. Three emerging global trends will influence our growth and the way we do business in the future:

1. **The economy.** While demand continues to strengthen in most industries, there’s a growing concern about rising material prices and the cost of energy. The overall economic outlook shows a strong U.S. economy, which means an increase in capital spending and a higher level of sales. Both job income and growth appear solid.
2. **Security.** Almost 10 million Americans experienced identity theft last year. Global trade in illegal goods has increased to more than \$600 billion a year. Since 9/11, our nation has developed a growing sense of insecurity about physical safety and counterfeiting measures. Personal data such as social security numbers and bank account and credit card numbers are valuable to those who steal them.
3. **Changing demographics.** The aging of the American population means that more of its disposable income will be spent maintaining and improving health and quality of life. Health management and recreation will produce a wider variety of activities. Increasing ethnic diversity will expand market choices with a wider selection of brands and offerings. It will cause a shift in the way we target communications and how we advertise. We already see new business services emerging and new markets developing around safety, security and privacy.

Among distributors, the trend we see is that they no longer sell only business forms. Distributors aren’t order takers, but problem solvers. They sell promotional products, direct mail and commercial printing. New technology is replacing traditionally printed materials; we see advances in programmable ink billboards, smart signs and RFID tags.

“Pure” distributors and manufacturers are disappearing. “New” ones must be more efficient in reaching end users and will offer products directly or focus on becoming solution providers to chosen sales channels.

A win/win situation is when distributors become the “sourcing agent,” and the manufacturer, who has little or no sales force, becomes the “channel provider” through the distributor. The distributor, as they say, has his “feet on the street.”

As new markets and technologies develop, we will see all parts of our industry redefined. We’re on the edge of major, systematic change, and with this change comes opportunity. Look at the trends, identify the sources of print demand, be optimistic and prepare yourselves for an exciting future.

Jeff Long is director of manufacturer Graphic Dimensions Inc., based in Atlanta, and president of DMIA.