

WhatTheyThink?

Industry Veteran Joe Demharter Speaks About Current Role at Presstek

By Cary Sherburne

About nine months ago, industry veteran Joe Demharter joined Presstek as Vice President of Sales. WhatTheyThink spoke with Demharter to learn more about what compelled him to come out of retirement, as well as his views on the industry at large.

WTT: Joe, it has been about nine months since you joined Presstek. Can you provide us an update on Presstek's progress during this time?

JD: The big thing for Presstek was the introduction of the 75DI digital offset press in 2010. Here in North America, we launched the press at Graph Expo in October. So far we have announced three sales of the press, one to Advanced Digital Printing in New York, one to Quad/Graphics, one to Blue Cross Blue Shield of Tennessee. We are expecting to announce additional orders shortly. This product helps move Presstek up market, allowing us to enter new segments. It is a real game changer for us and I'm excited to be a part of it. Also the market has picked up since I joined. Last August, things were still difficult; it was difficult to get financing, among other things, as everyone reading this knows. I am optimistic that if things track the way they are going now, business will be good. We did have a better first quarter. It was the highest revenue of the past four quarters, and the sixth consecutive quarter of positive EBITDA. Our CTP open architecture plate sales, primarily Aeon and Aurora, were up 31%, and the overall activity level was up. Worldwide DI unit sales were better than expected; and media sales for the 52DI continue to grow. We still have a lot of work to do, but the direction seems to be going the right way.

WTT: What was the primary reason you chose to join Presstek?

JD: My decision has a great deal to do with the 75DI. My history with Presstek goes back to 1995. Pitman was the exclusive distributor for the media on the Presstek enabled Heidelberg QMDI in the United States. Also since very early on, Pitman distributed Presstek equipment and CTP plates. Through my Pitman positions over the years, I have had a close relationship with Presstek. I always respected the technology, and I felt there was something there that could make a printer more profitable and successful. Trends were moving toward shorter runs. A lot of printers were buying toner presses for variable data, but found that they were doing mostly static short run, and Presstek DI presses are the perfect solution for that. Even while I was having a good time during my short retirement, I was paying attention to what was going on in the industry, talking to owners of printing companies, and hearing from them that the direction in their businesses was to shorter runs. When I heard about the 75DI, I thought the platform was a game changer. I also have a great deal of respect for Jeff Jacobson. I like his style. He is a professional manager that I have a lot of confidence in.



WhatTheyThink?

WTT: The 29” format Presstek 75DI press was first shown in North America at Graph Expo this past year. What kind of feedback are you getting in the marketplace relative to this product?

JD: The feedback has been exceptional from people that have seen the 75DI press in action. When people see the 75DI operate, they get excited because they immediately see the fit. At Graph Expo 2010, owners of large companies were watching the 75DI demo and told me they can see where the product fits in their production platform. They see DI as the bridge between toner and conventional printing. It is the right solution to produce jobs that are too long to produce profitably on toner and too short to produce profitably with conventional presses. What is also interesting is that 75DI activity is leading to increased activity on our 52DI series. The challenge we have is that many larger shops may not be familiar with the benefits of today’s new DI technology; we need to get more market exposure at the top end of the market. We are making progress in this area, and as more installations take place it will get easier.

WTT: What about the CTP business?

JD: Our CTP progress has been good, and I still see a big opportunity here for Presstek. The “big three,” Kodak, Agfa and Fujifilm, are well entrenched in major accounts with long-term contracts and significant commitments on equipment. As these contracts expire, Presstek will have an opportunity to pick up business. We are being looked at right now as a viable alternative to the big three based on our expanded product portfolio and our ability to service customers.

WTT: Over the years, there have been different schools of thought about whether DI is a viable technology for the long-term. How do you explain its viability and position to a customer who perhaps already has both digital and offset, or has digital only and finds they need to get into offset?

JD: Every customer I ask about run lengths tells me they are getting shorter. DI presses are designed to print high quality fast turnaround short run color jobs, so in essence the market is coming to DI. If a customer has digital toner and offset, DI fits right in the middle. DI will complement both and will make a business more profitable. For example if a shop is producing runs in the 4,000 range on their offset presses, these runs can be moved to the DI where they will be produced quicker and more profitably. In doing this the conventional press can now run longer jobs and also operate more profitably. Both prepress and pressroom will be more efficient. If a customer has digital only and is looking to get into offset – that means they need longer runs, a stock that can’t be produced on toner, or a larger sheet size. A DI press is a good choice for this account because it utilizes their existing digital workflow, there is no need for a separate off line platemaking department, and because of the high level of automation on DI presses the transition is easy. We see many shops adding a DI to complement their digital toner devices; for example, they produce shells on the DI and add the personalization on the toner device. Do book covers on the DI and the book content on a toner device. So DI presses combine the ease of use of digital with the quality and versatility of offset to enable printers to compete more profitably and to do things they would never be able to do with toner or conventional presses.

WhatTheyThink?

WTT: How do you see production inkjet bearing on the future of the DI press?

JD: I see production inkjet having an effect on the larger volume longer run web printed jobs. The future to me would have a printer with a toner device for variable data, a DI press for short run offset, and high speed inkjet for long run work. That would be the digital shop of the future in my mind. Likely this is a future that won't come about for some time, but that is where it is heading.

WTT: Presstek has long been a proponent of environmentally friendly printing. Requirements on the part of print buyers for environmentally friendly printing seem to wax and wane. What are you seeing in the marketplace these days, especially as we ease into a recovery of sorts?

JD: Are printers concerned about the environment? Yes. In most cases, if you are dealing with top end corporations that have strong sustainability and green policies, they are driving that message down to the printers, so being environmentally responsible is a critical component of what printers should be doing. DI presses, with their chemistry-free plates and waterless printing process, provide that sustainable base for printing. Sometimes there is a perception that if something is environmentally friendly, there is a downgrade in quality or it costs more. That doesn't apply to Presstek DI presses, or to our chemistry-free CTP plates, for that matter. The other environmental benefit to consider is that with the fast automated makeready of a DI press, there is less paper waste, and on demand and just in time printing is easily supported.

WTT: If you could look in your crystal ball and predict what is in the future for offset printing, in light of declining print volumes, more production digital inkjet on the market, etc., what would that crystal ball tell you?

JD: Offset will be here for a long time. I don't see it going away. It is a huge market today and with technology that continues to improve. Presses and plates are getting better; a great deal of investment is going toward making them more efficient. Offset will adjust to market demands and will play a significant role for years to come. I think DI can actually dramatically increase the life of offset by taking those inefficient short runs off of the conventional presses, leaving them to do the longer run work they do best.

WTT: What do you think the future holds for CTP? Will it be around for a long time, or do you see another technology around the bend that might supersede it?

JD: This ties right back to offset. CTP will be here a long time as well. There is a large base of installed offset presses that requires plates that will not go away. There will be a replacement market, and advancements in chemistry-free, environmentally sustainable plate materials. CTP is not going away for a long time, either. Presstek will be selling plates for a long time.

WTT: What can we expect to see from Presstek as Graph Expo approaches?

JD: We are planning on showing a five color 75DI press as well our 52DI-AC and 34DI. You can also expect to see our wide array of CTP solutions on display.

WhatTheyThink?

WTT: If you could offer a printer one piece of advice – what would it be?

JD: The one thing I have seen that makes companies successful is their willingness to continue to invest in their businesses and in new technology. That is the secret of the companies that are still here and profitable today. They see a future for themselves. You cannot catch up with the rapid pace of technology change today if you fall behind. The best advice is to invest in your business. The second piece of advice is that you have to get out there and sell your capabilities. Your customers need to know what you are investing in, because you are investing in it for them.

WTT: Anything else you would like to share?

JD: Just that we are really looking forward to the WhatTheyThink Print CEO of the Year award dinner in September and are very proud to be sponsoring that event. It will be one of the highlights of Graph Expo for me this year. Also, I would like to invite everyone who is reading this to come see us at Graph Expo, or if they can't wait till then, give us a call.

Cary Sherburne is a well-known author, journalist and marketing consultant whose practice is focused on marketing communications strategies for the printing and publishing industries.