



The Best People - Fast

Second Quarter Industry Insight Survey

Welcome and Thank You, the last few years have taken a serious toll on many industries and companies. It is nice to see things start to improve over wider segments of the economy. So, congratulations, we have all made it this far. The good news is there will be less competition for a while; the negative news is economists keep saying things maybe up and down.

Just as we wrote this, we received a staffing industry survey result that is included at the end of this survey. We included it to highlight that other industries are starting to hire and lay off less. We wanted to compare this survey's results regarding hiring with all industries' results. We found the hiring trends to be remarkably similar. It is extremely positive that both surveys are seeing hopeful signs.

With all the doom and gloom we have been hearing for so long, I want to be clear that we feel positive about the future and the changes. Whilst we are closely aligned with printing, marketing and design we also staff many other industries and are related to a job board. Printing may of had some down sales years but that pales in comparison to many industries for example the car makers, job boards or the staffing industry to point out a few. It is real and true- Things are getting better! They are also changing but that is a good thing as well.

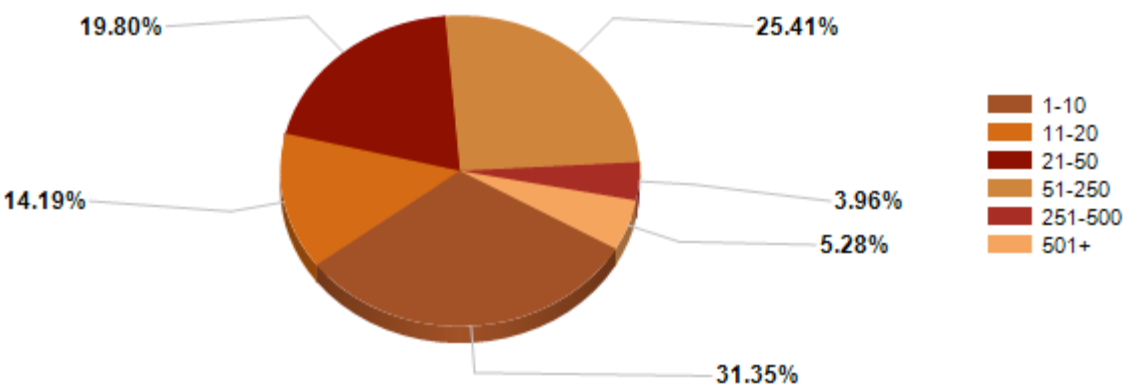
For example, we have changed the format of our survey to be we hope clearer, more informative, less pompous and more positive. We hope you agree-

Please feel free to drop us an email with you thoughts, concerns and questions

Dave Regan
CFO Semper

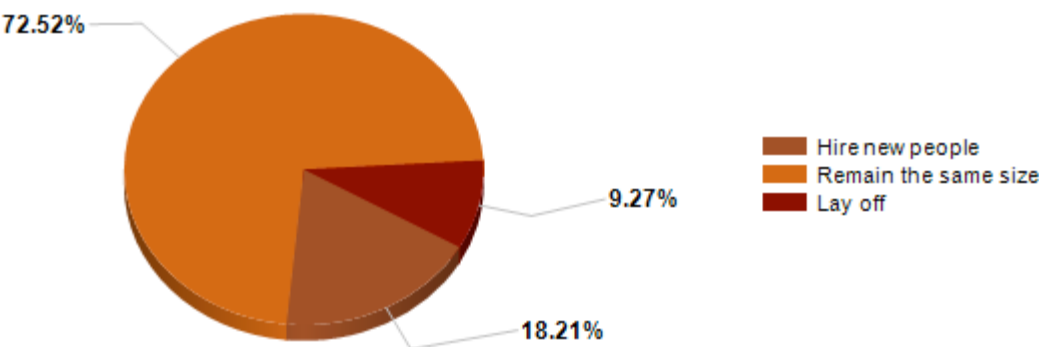
always@semperllc.com

How many employees do you have within your organization?



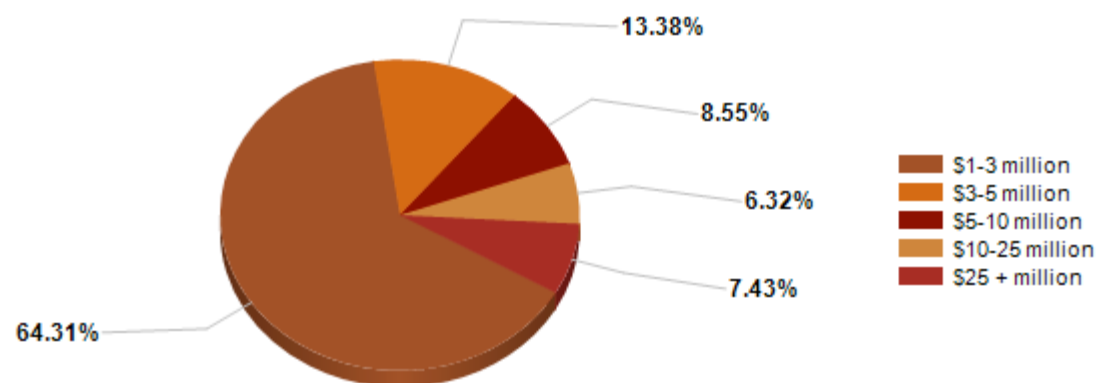
The vast majority of shops in the industry as still mom and pops (which is usually a healthy growth sign) but we know this sector has been heavily hit by the current recession. It is nice to see they predictably are the largest segment of respondents.

Is your company planning to:



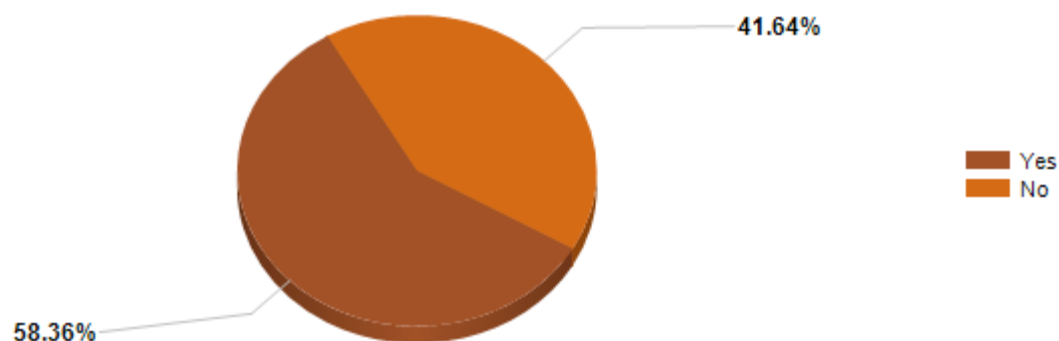
This is another positive with a significant decrease in companies staying the same and not planning to lay off. However, the plan to hire % needs to start improving before we can really feel more comfortable the turnaround will last. We are wondering how Obama's HIRE ACT will have an impact on the next survey and the new hire %.

What was your company's estimated revenue 1st Quarter 2010?



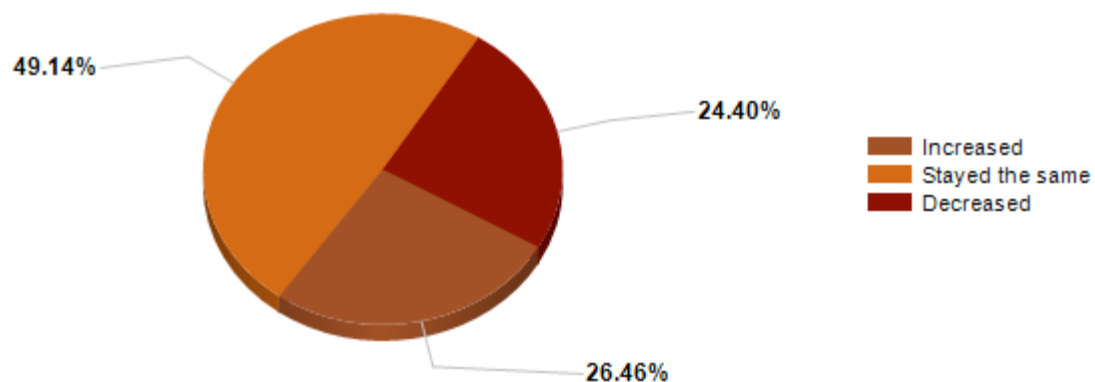
This area has seen a fair amount of change over the last years with the largest % being in the 1-3 Million range but with all of the recent consolidations, we are beginning to see some increases in the top two tiers. Our new survey technology will afford us some interesting views in this area over time.

Did your company have a profitable 1st quarter 2010?



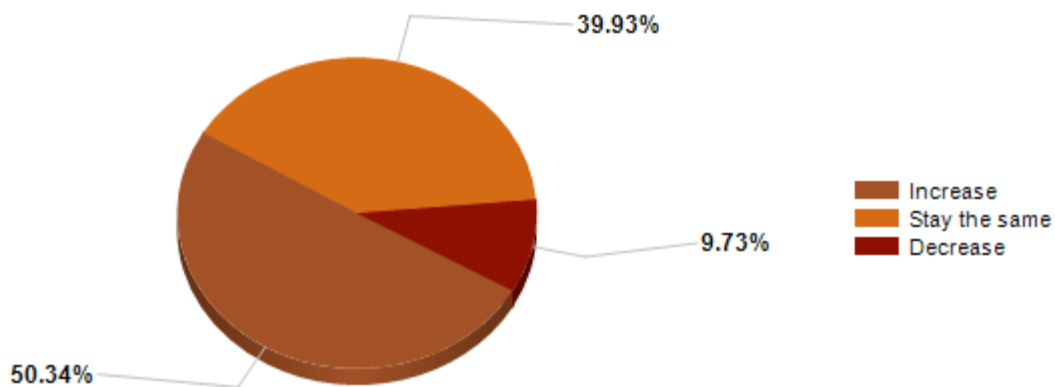
This is a big shift in the positive direction with one of the highest % changes we have seen in some time. If we get enough feed back here maybe we could add some more detail to this question by finding % of improvement by company. The new survey technology will allow us to combine Revenue, employee count and increase in revenue percentage for some interesting insights.

How have sales changed in the last 2 weeks?



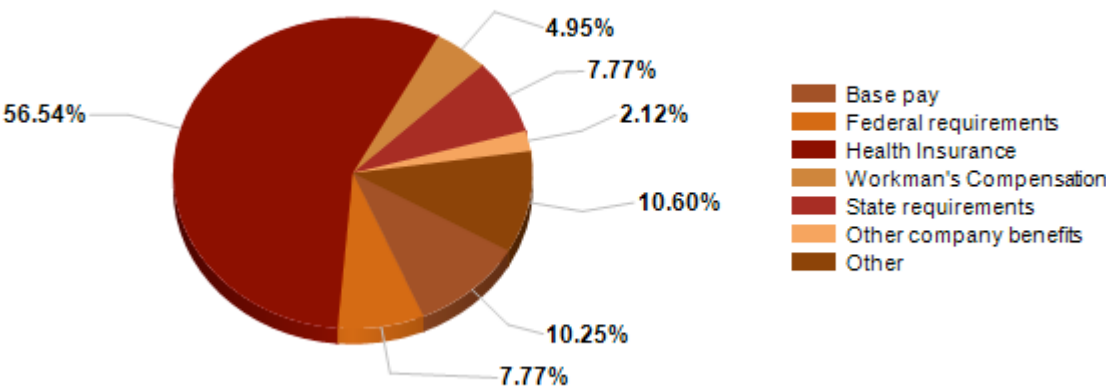
This is always an interesting question. It would seem the response again points to an increase in line within the economy. I bet a lot of folks are starting to dust off sections of the plant that had not seen heavy use in a few years and doing so gratefully! I look forward to seeing the increased column hit above 50% for a few surveys in a row.

How do you expect sales to change during the 2nd quarter of 2010?



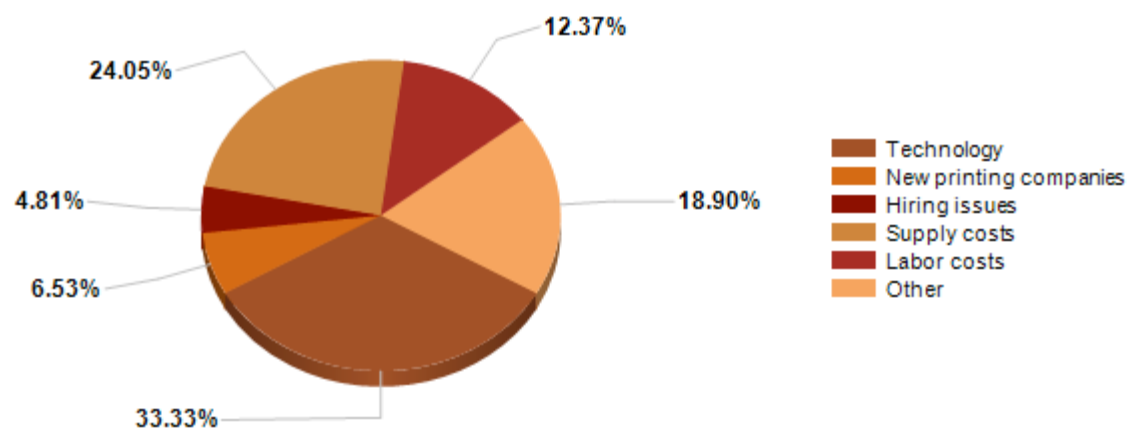
It would appear many of you feel like I do - wanting to see 50% increases for a few quarters. 50.3% predict another strong revenue quarter ahead! With the increase coming from a decent decrease in companies reporting sales slowing. It would appear the orders books are getting fuller!

Regarding labor costs, what component of the costs has been increasing the fastest last quarter?



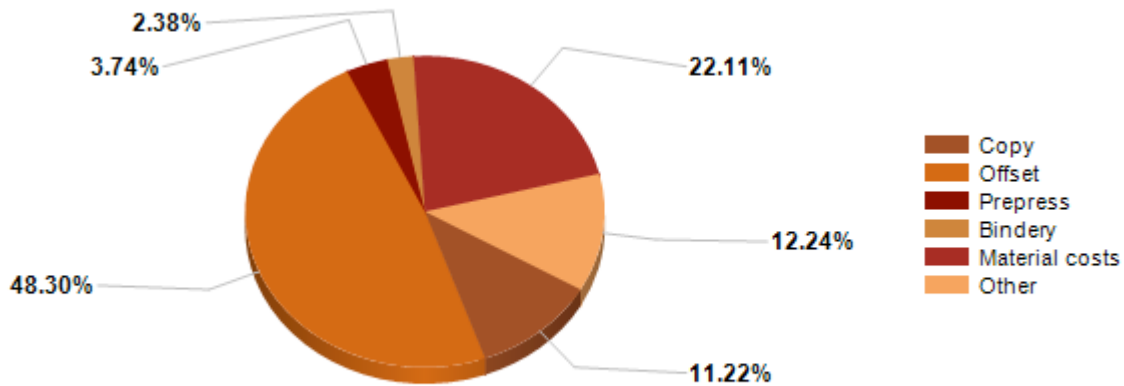
Now that the healthcare bill has passed into law, we see a slight fall off of concern with this rising expense. Even so, a whopping 63% feel this is the cost increasing the most with base pay a distant 2nd at 11.8%. We suspect the federal requirements section to show a significant decrease in concern now that the Hire Act has reduced new Hire FICA payments for employers!

What do you consider to be your greatest competitive threat?



Technology wins with 41.3% of the vote and supply costs gaining ground increasing to 29.4%. Technology: Should we fear it or embrace it? Is the concern that printing is going away (the mantra of a thinking website we all know) or is it decentralizing and shifting to smaller runs but larger world wide penetration? I think some research is needed in this area.

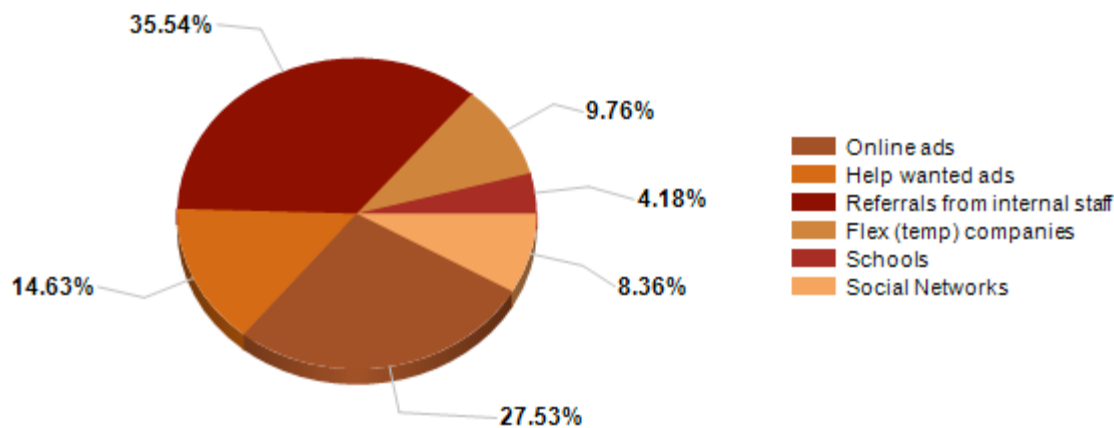
In what business segment do you find the most pricing pressure from your clients?



Interesting to see that offset printing is again the area with the most concern price wise but it dropped from 64.2% to 55.5% with Material costs increased from 15% to 25%. I wonder if the response of pricing pressure is coming from the reduction in demand due to the recession, increased competition (but the threat question indicates technology not other printers as the biggest threat) or because of the perceived fundamental change in how people are receiving their information?

In the past, when computers first came on the scene forms printing was the industries' response to the threat. How will this industry respond to the new dynamic? What new and exciting move will we make to capture our share of the competitive landscape?

What is your primary source for finding skilled, full time workers?

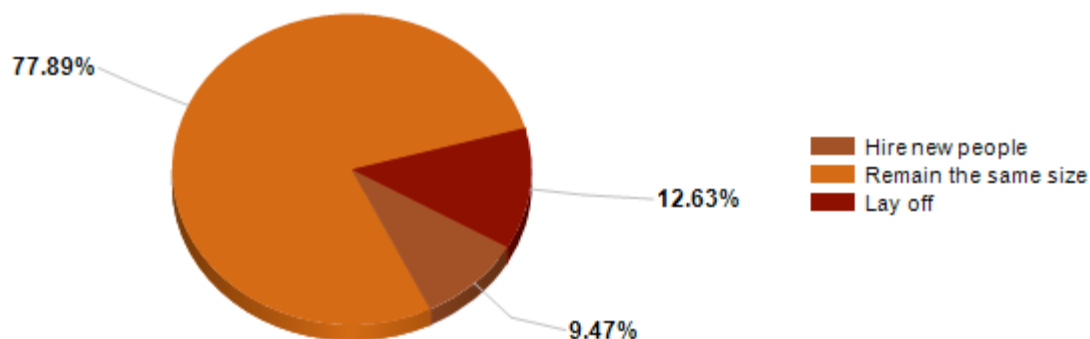


Several years ago when we asked this question, Help Wanted Ads was second behind referrals from internal staff. From our latest survey, it is clear that the shift from Help Wanted to Online ads has really been significant. We predict the referrals from internal staff and Social networks answers will have as significant a shift as Help wanted to online ads.

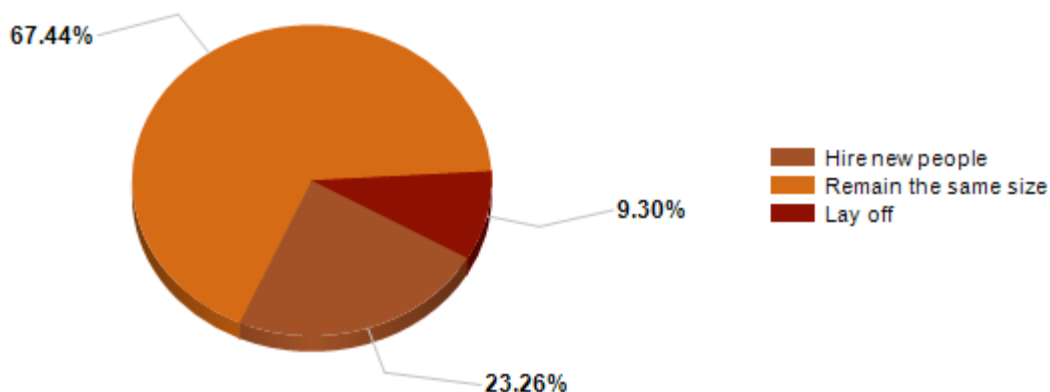
Between the first and second quarter surveys, we notice some variations between the answers, which could indicate an further increase in economic growth. The flex labor answer showed a marked increase from 8.5% to 9.8% with companies trying before buying and hedging their bets on whether the uptick will have legs.

Nice to see schools show a dramatic improvement, but as the graduation season gets closer that would make sense.

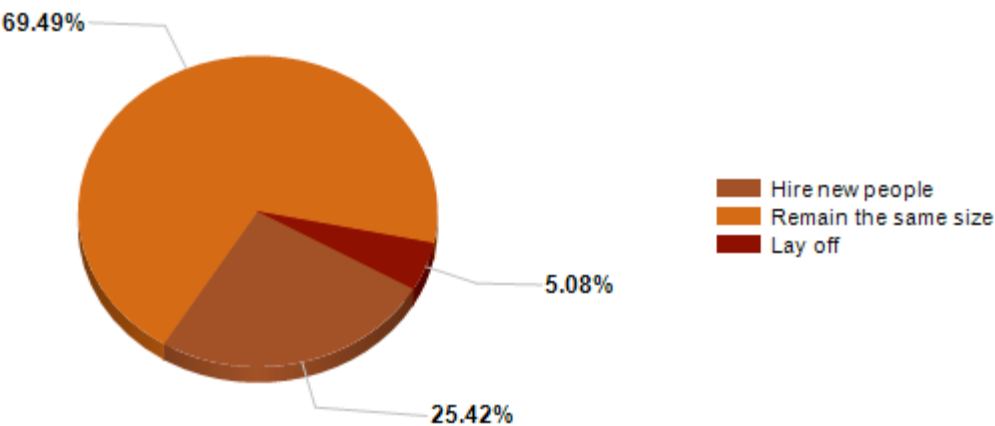
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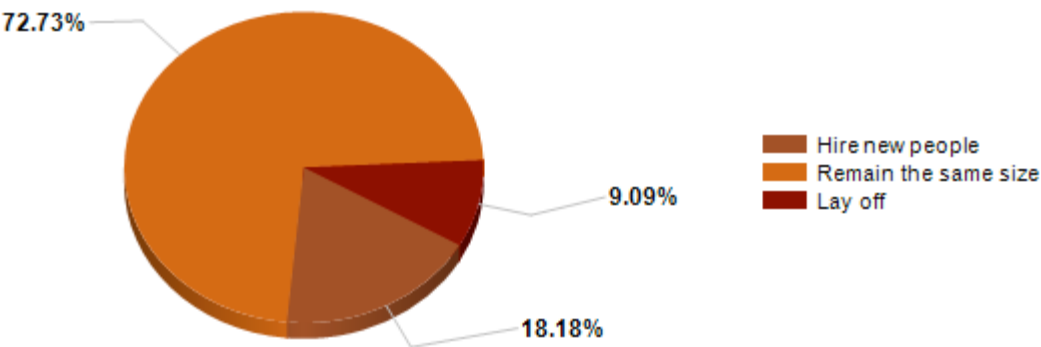
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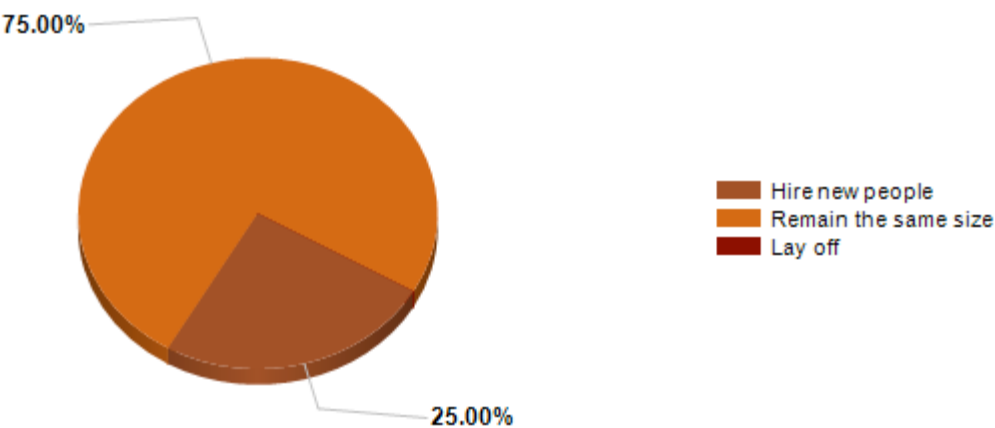
Companies with 21-50 employees are planning to:



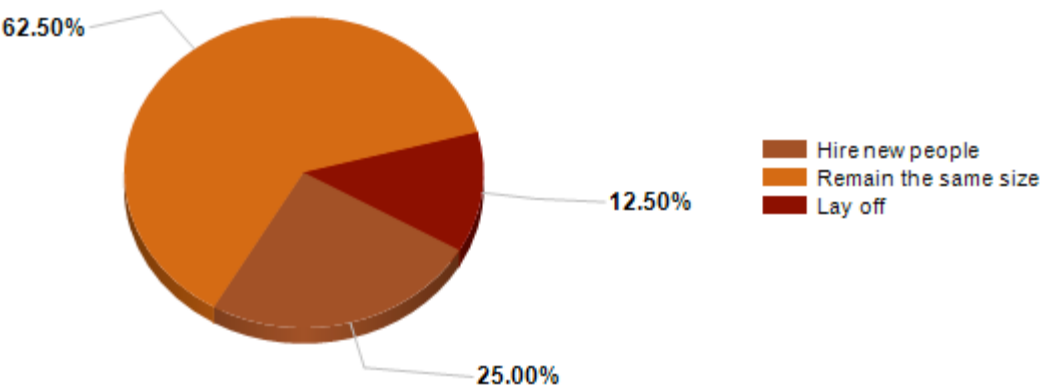
Companies with 51-250 employees are planning to:



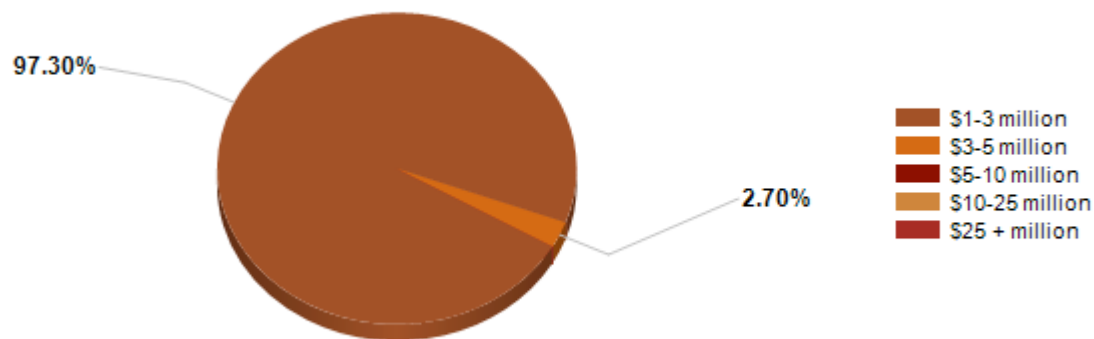
Companies with 251-500 employees are planning to:



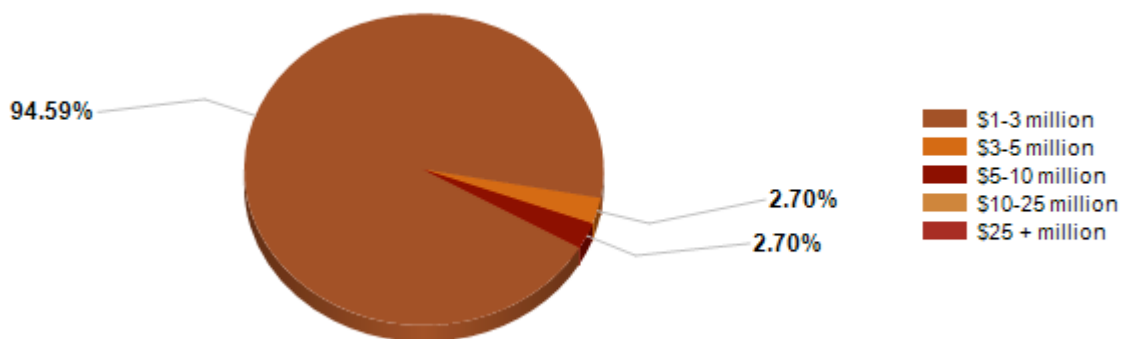
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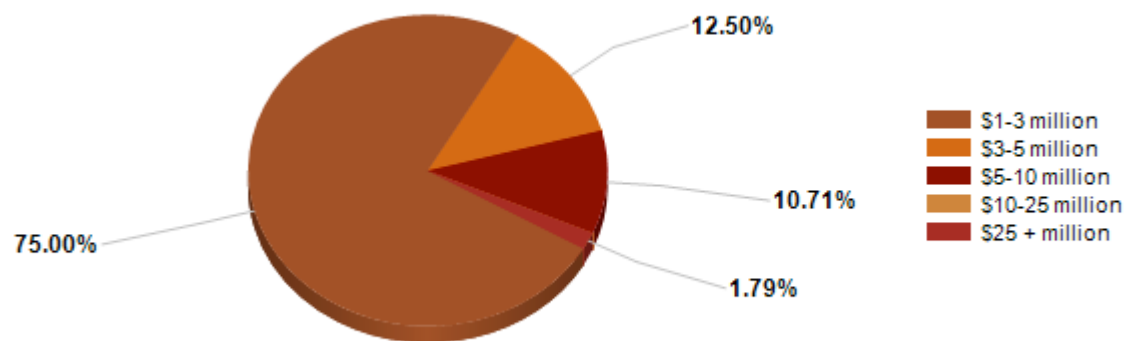
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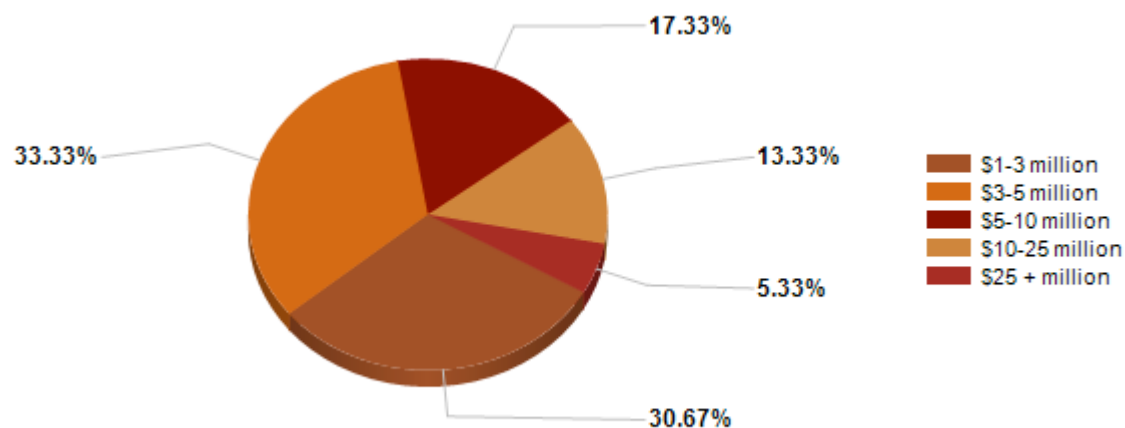
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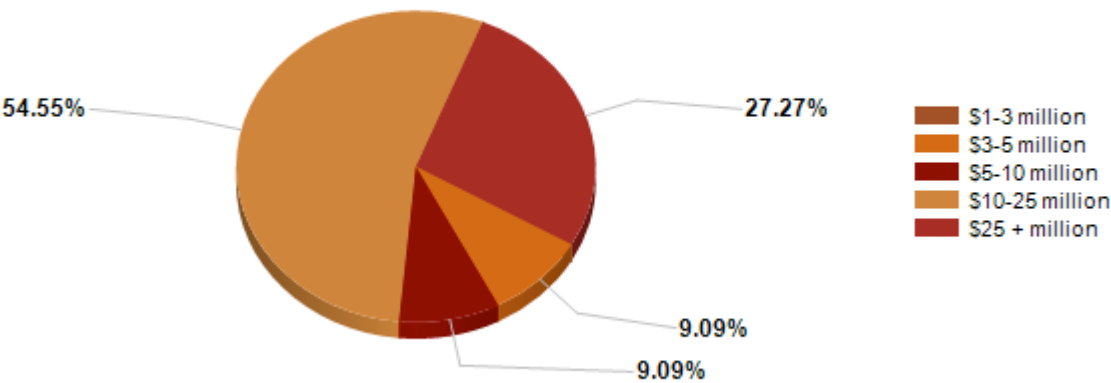
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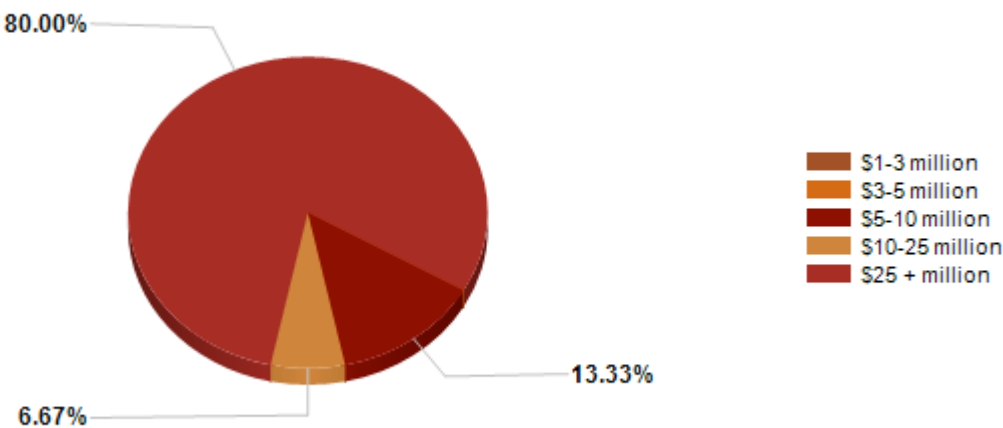
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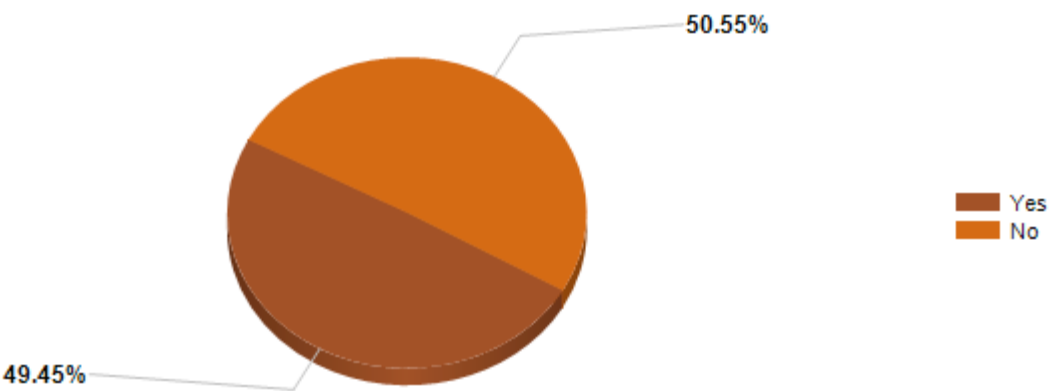
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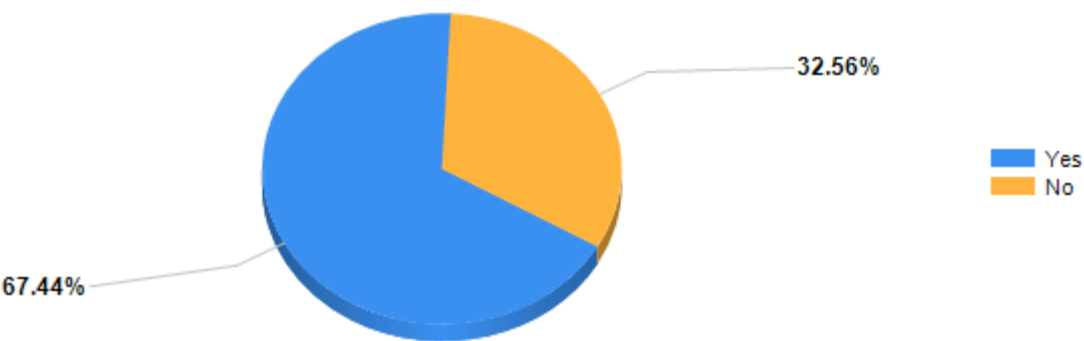
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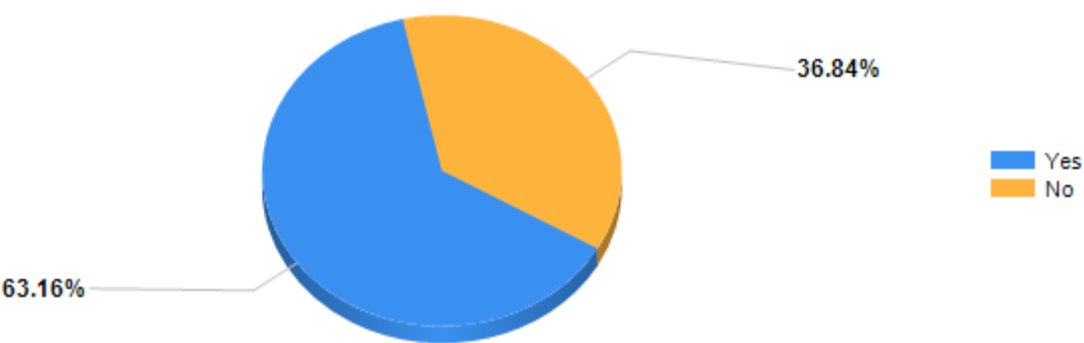
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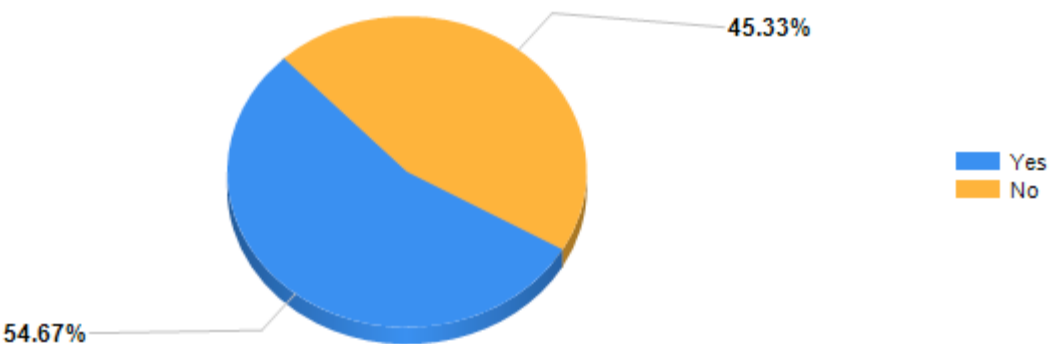
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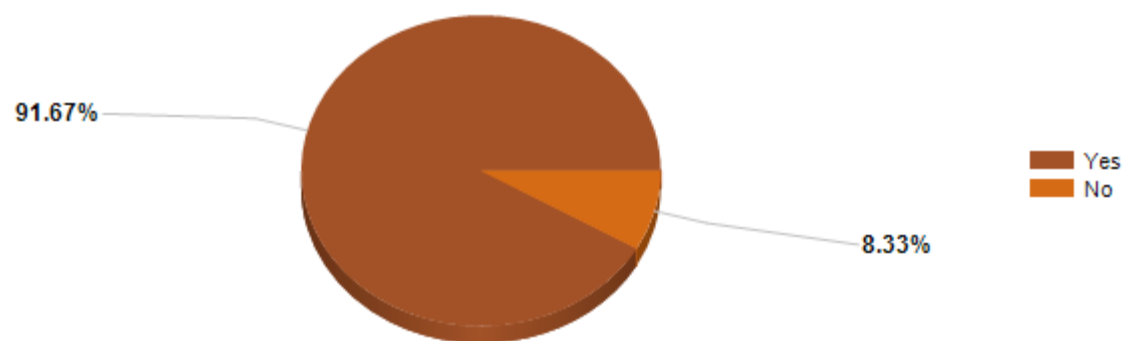
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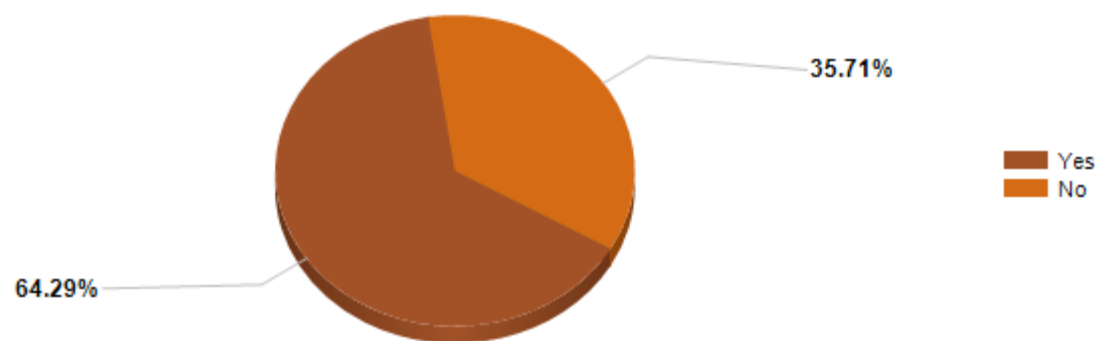
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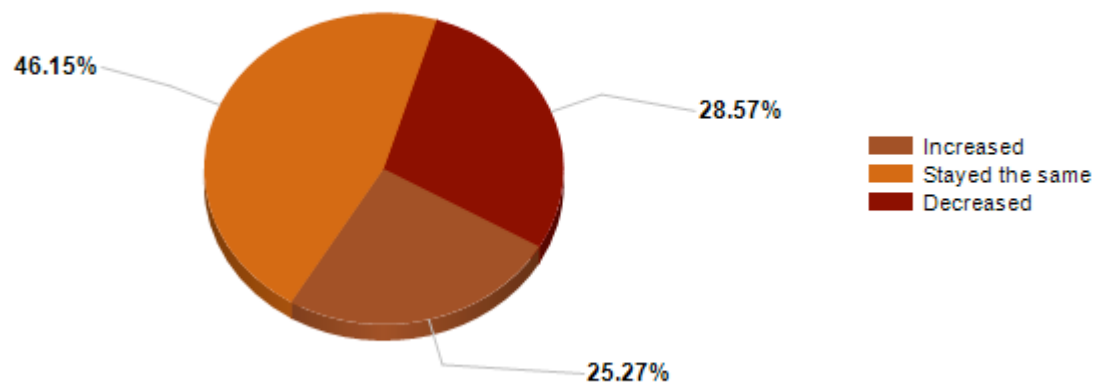
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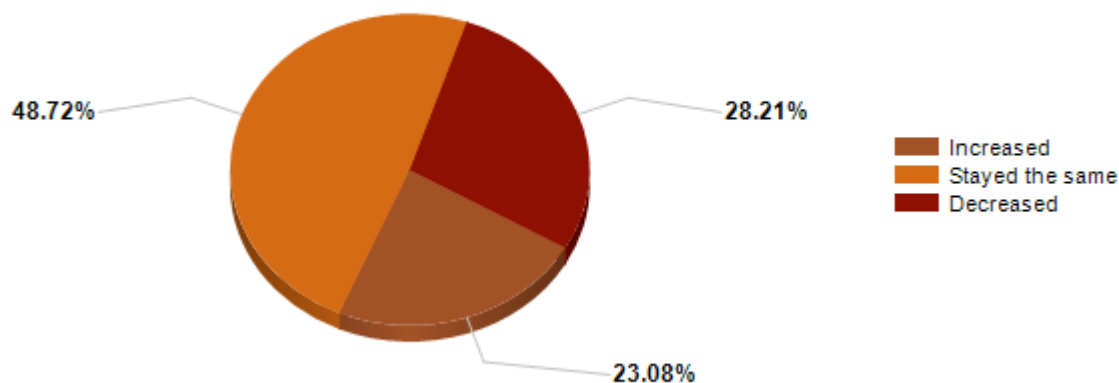
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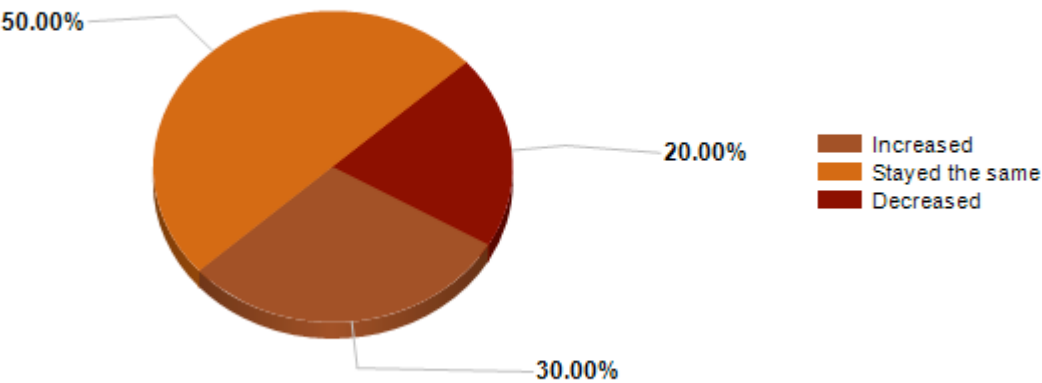
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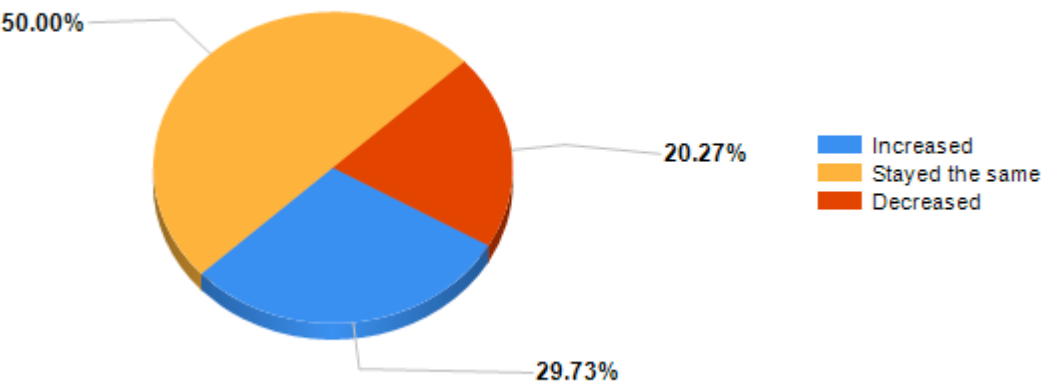
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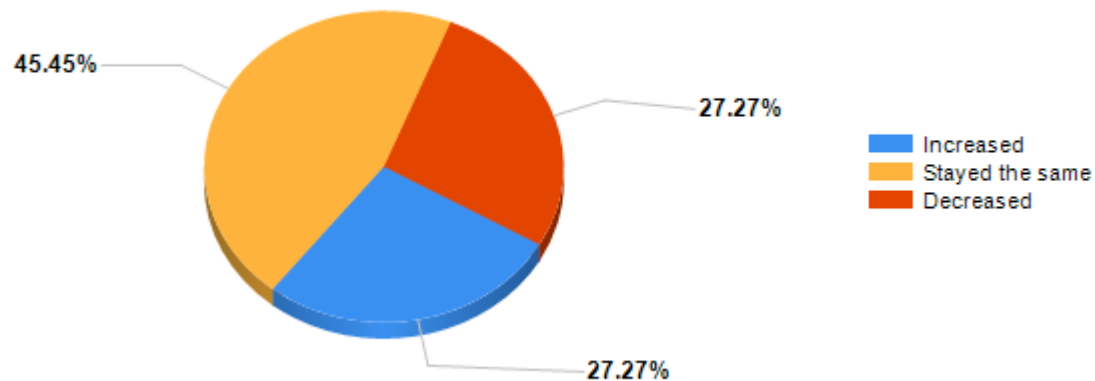
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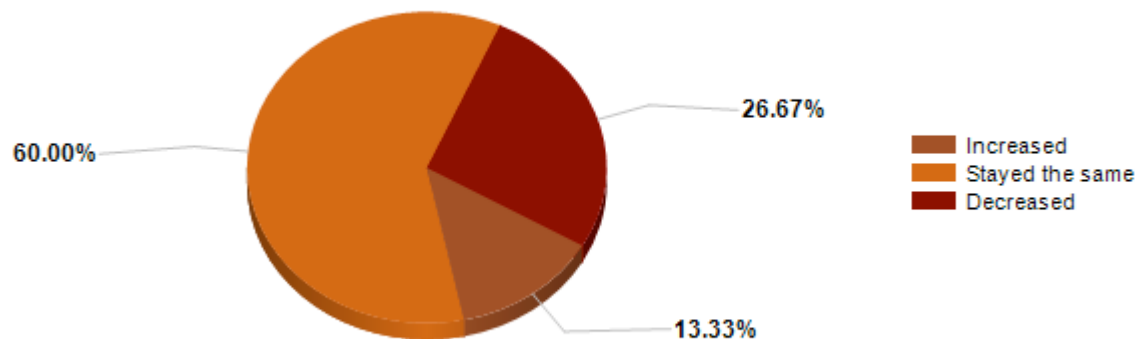
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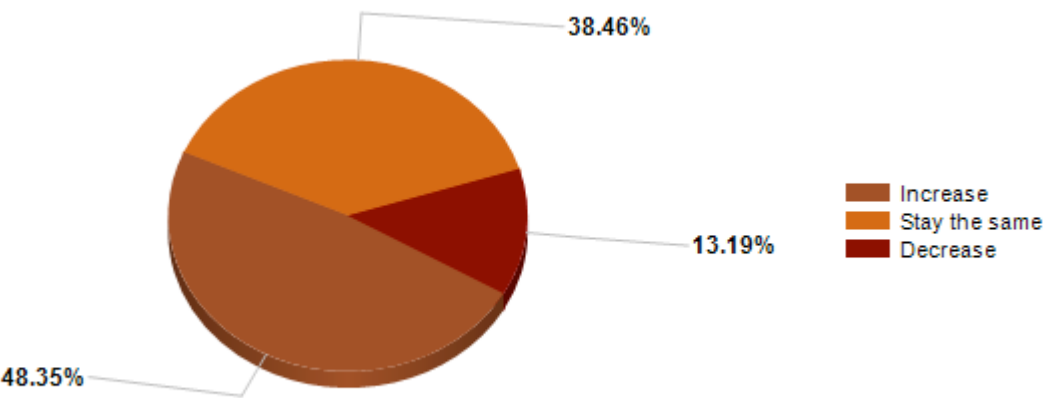
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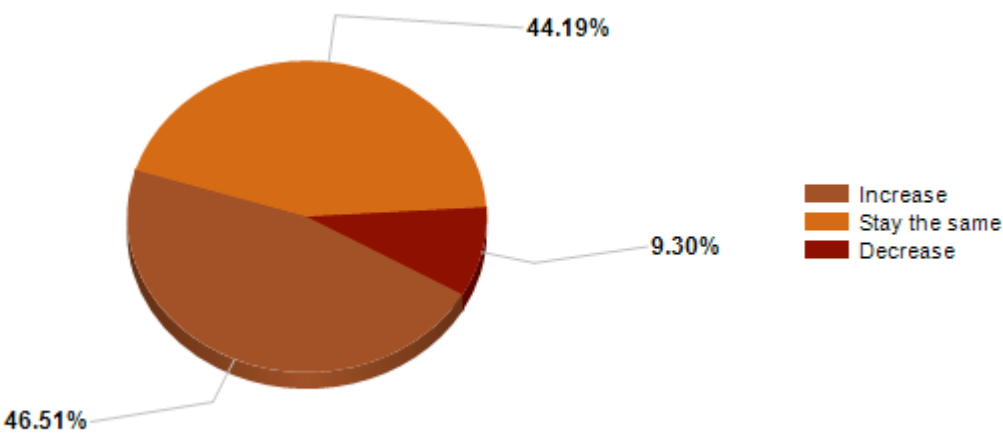
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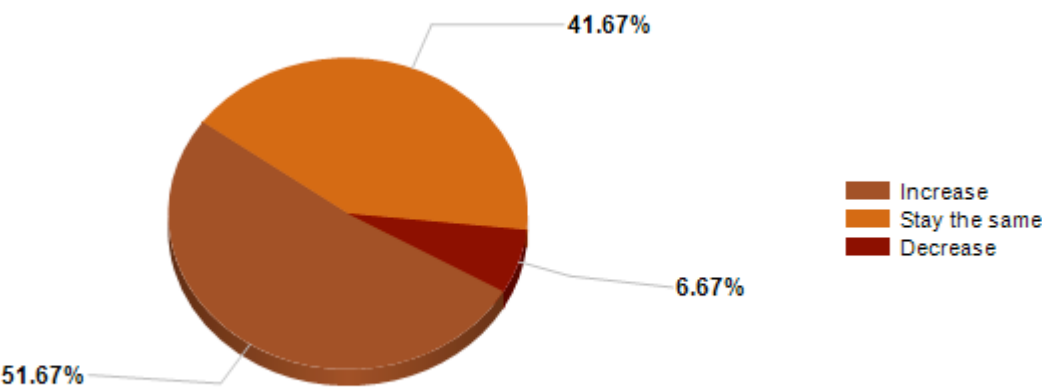
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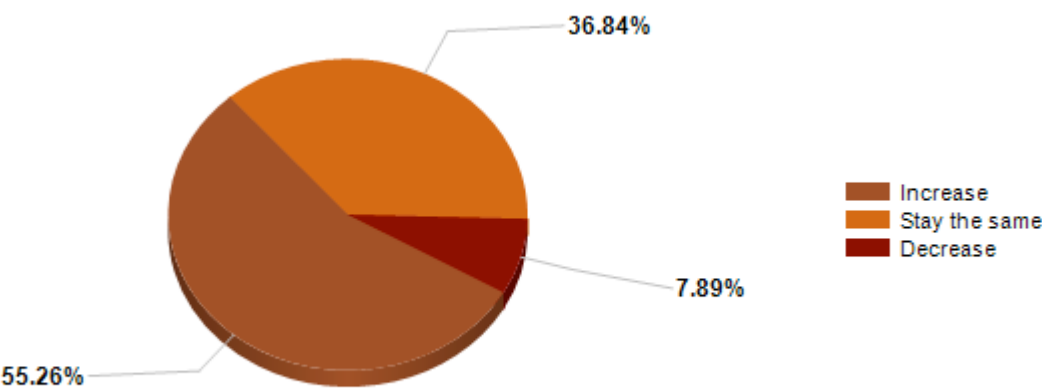
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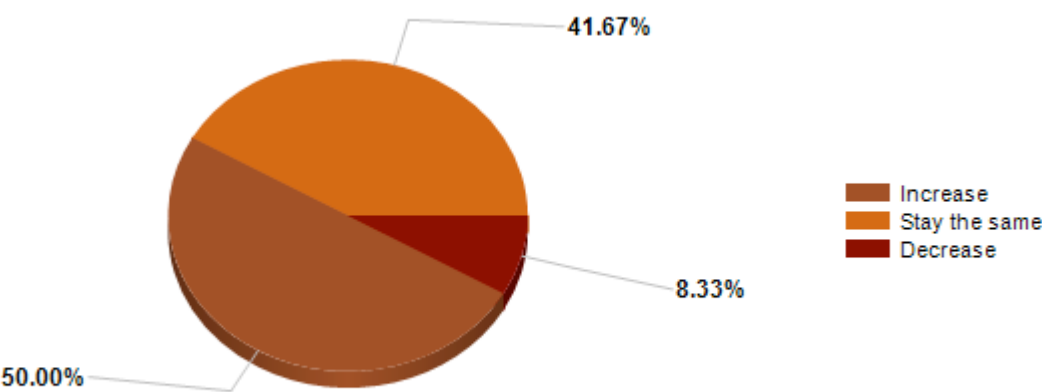
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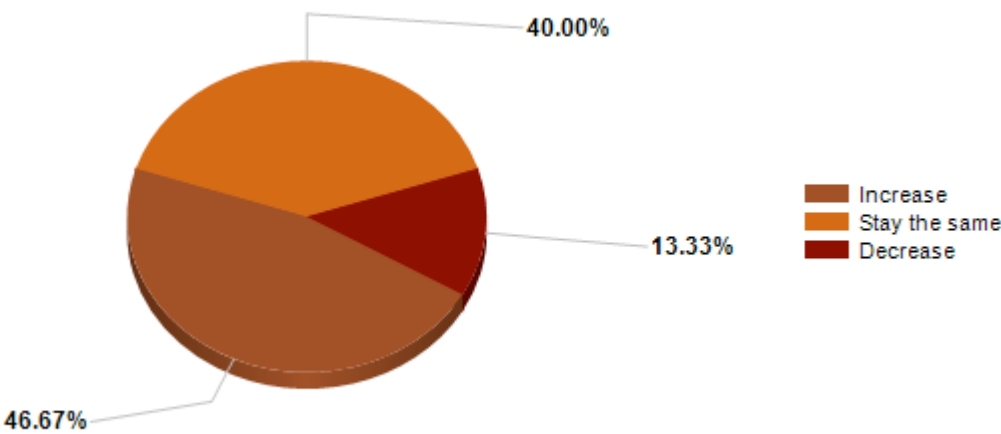
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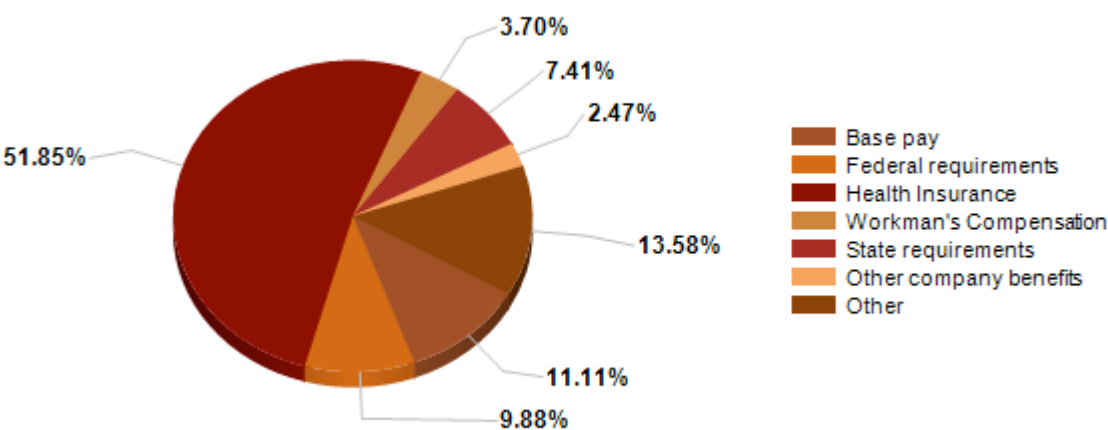
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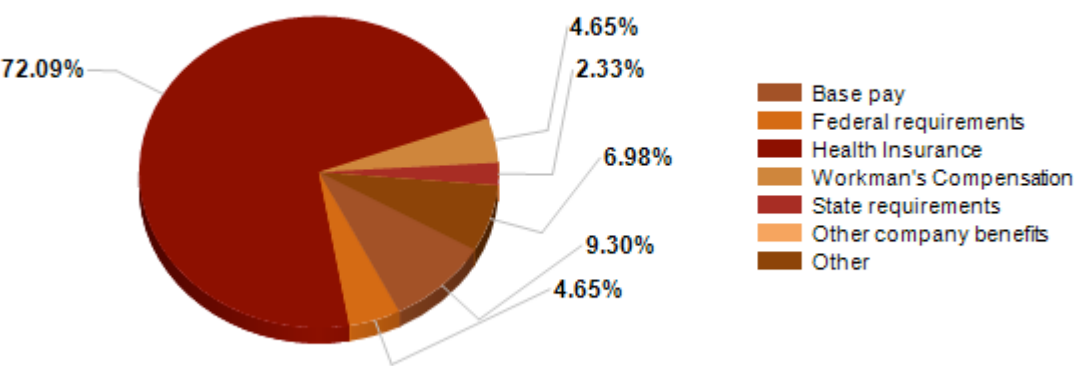
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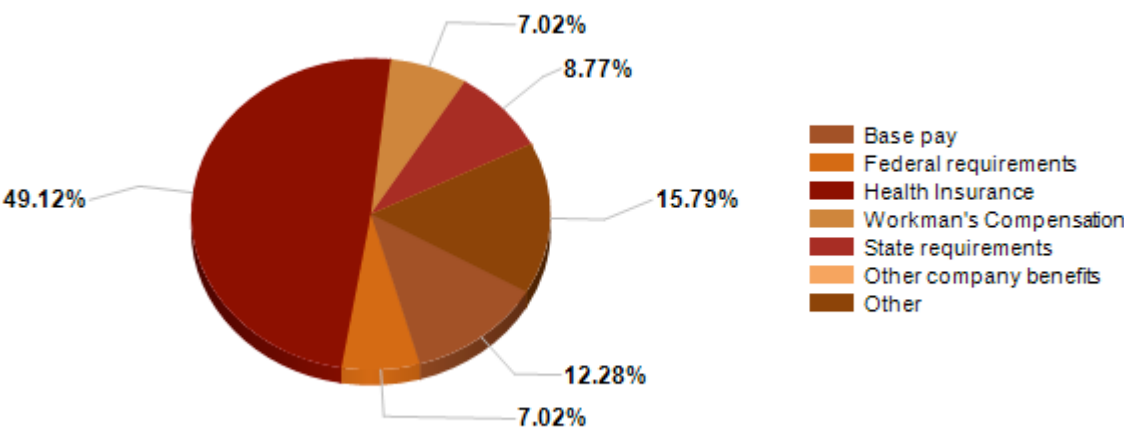
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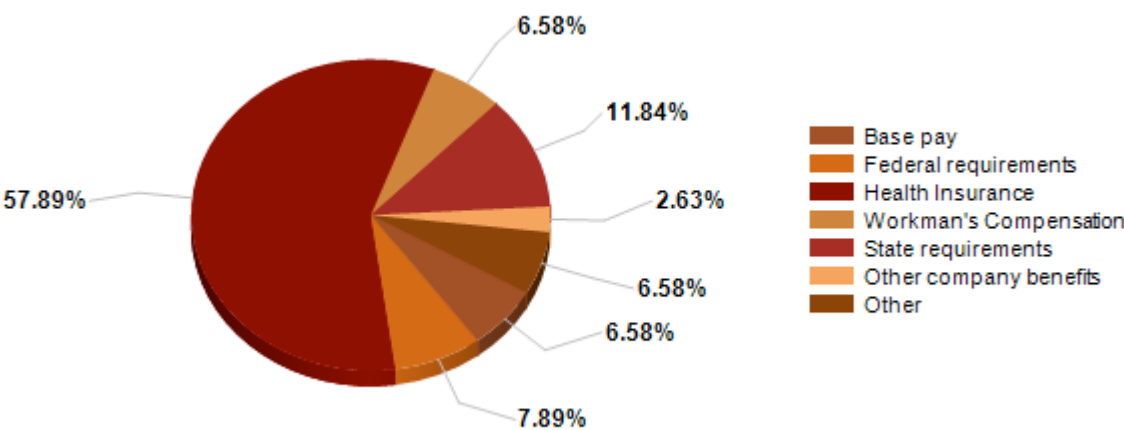
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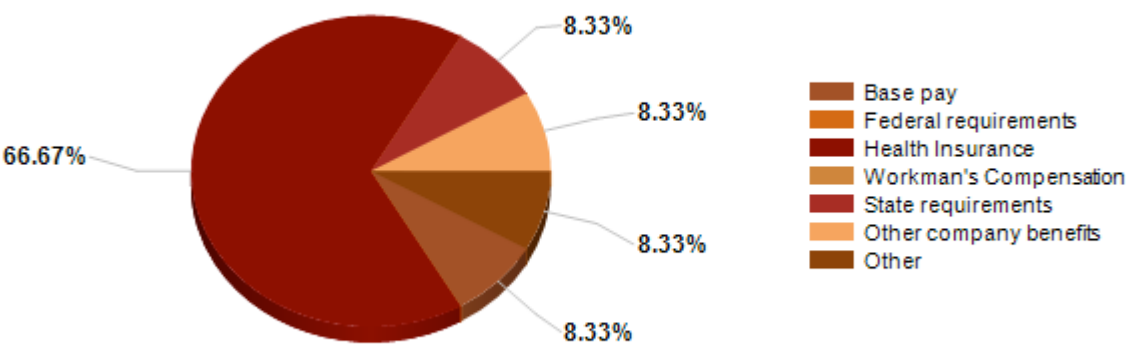
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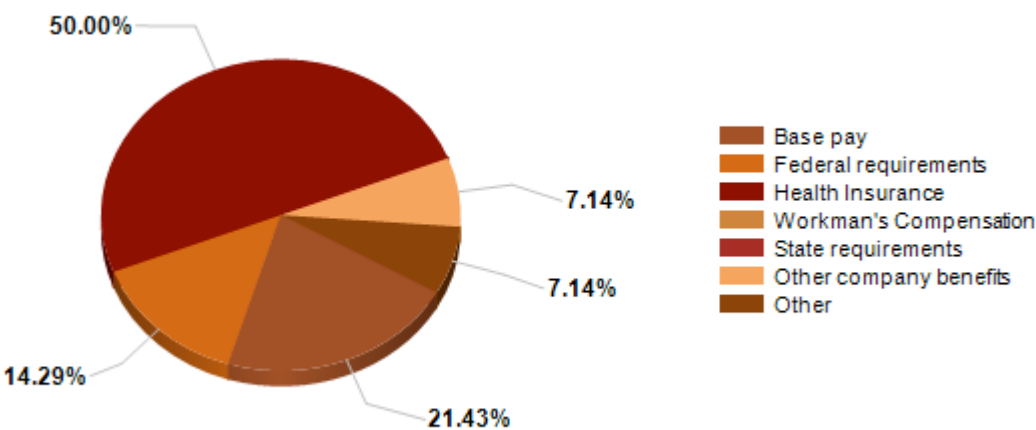
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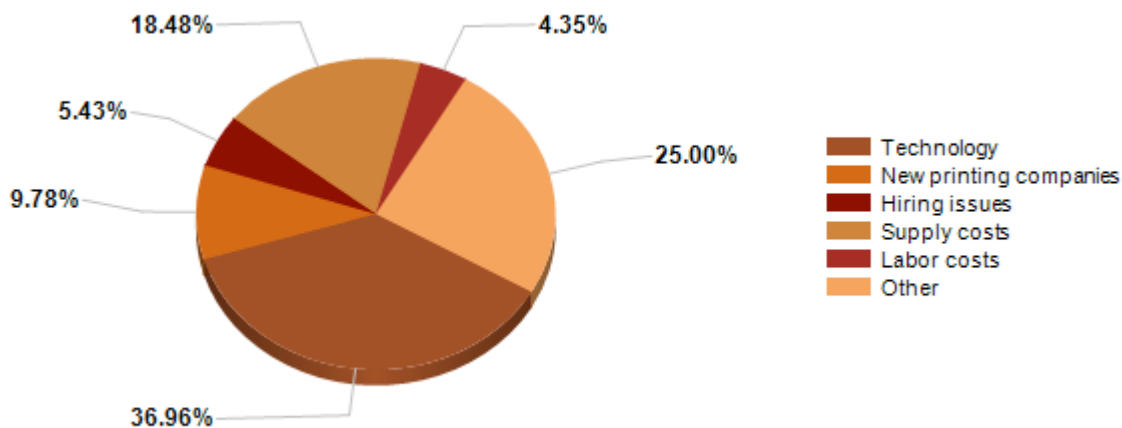
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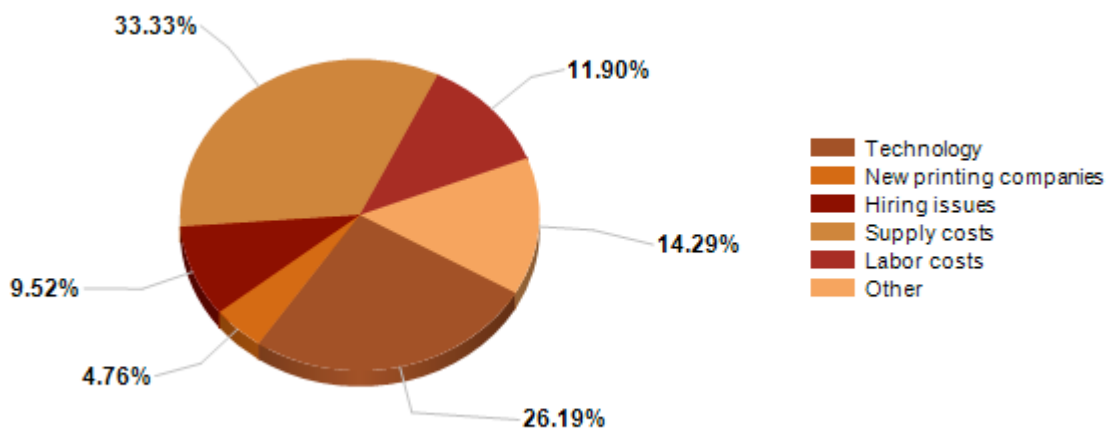
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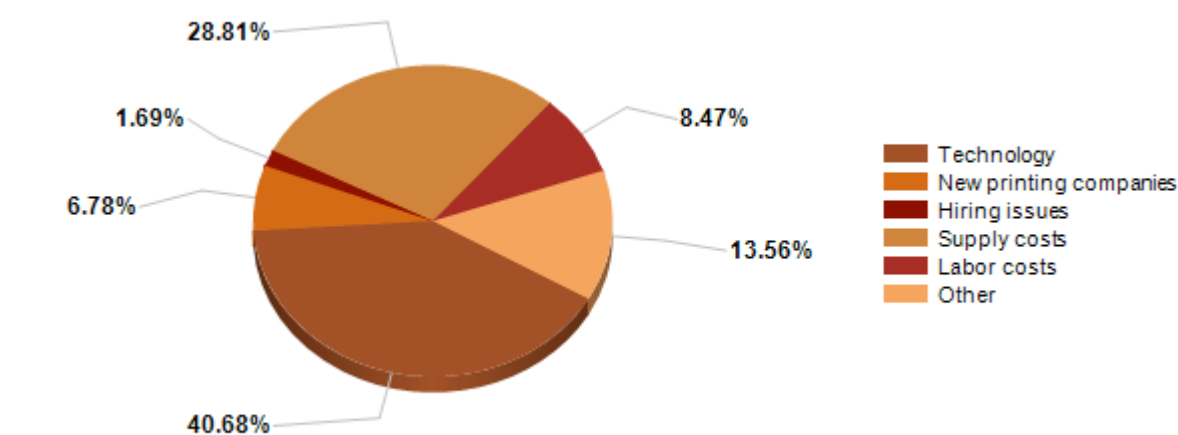
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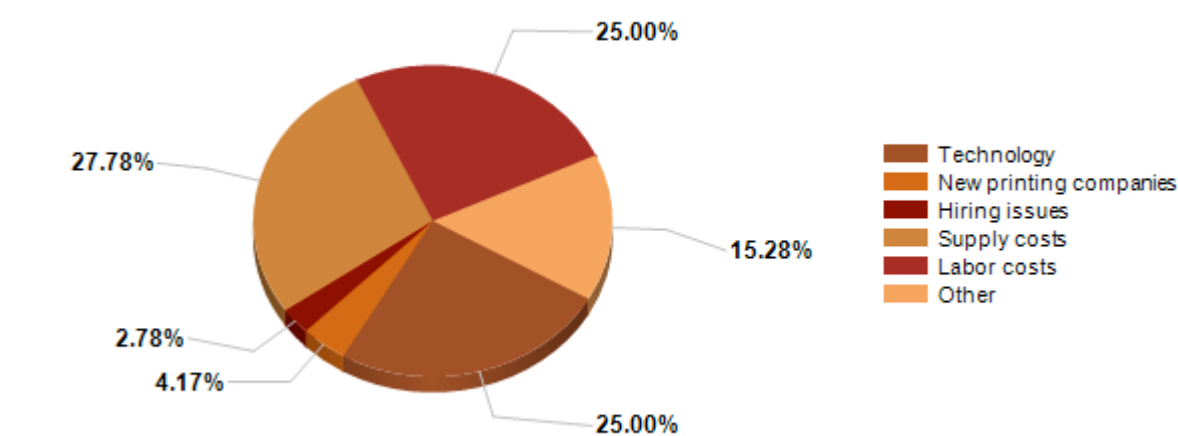
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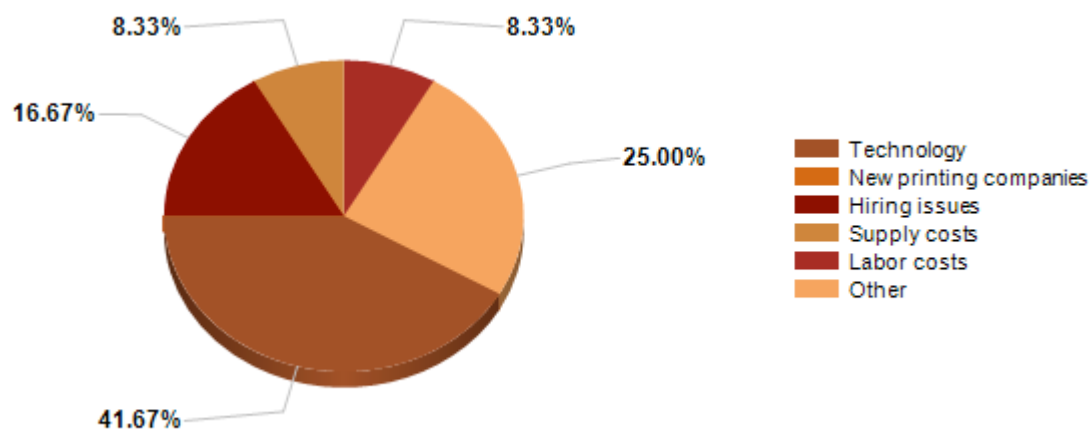
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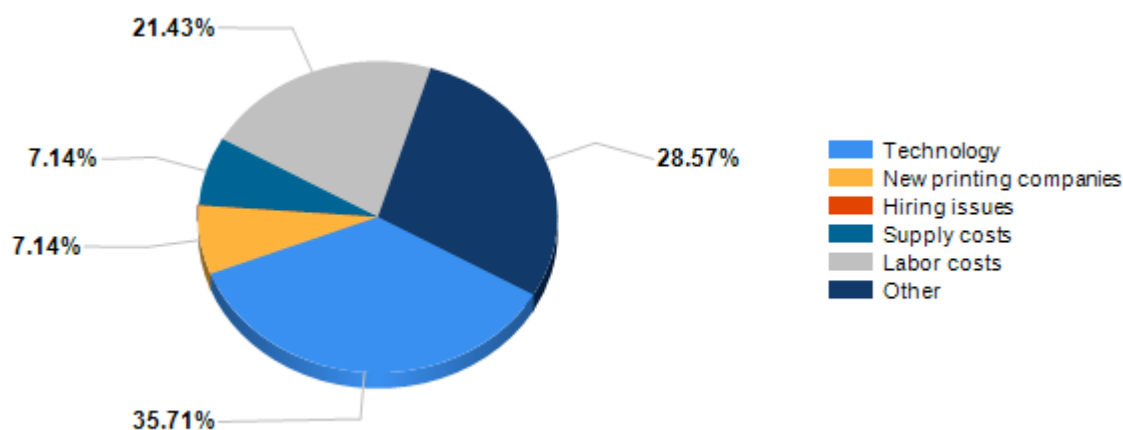
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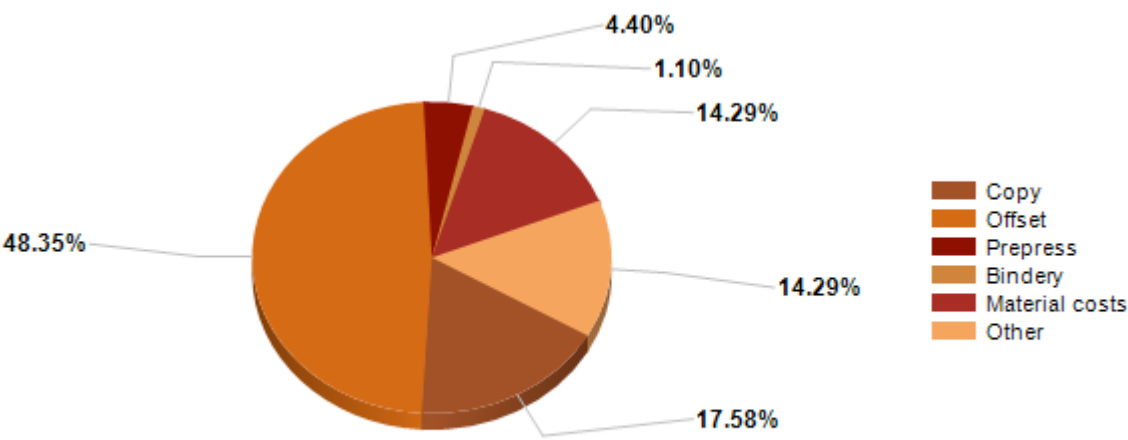
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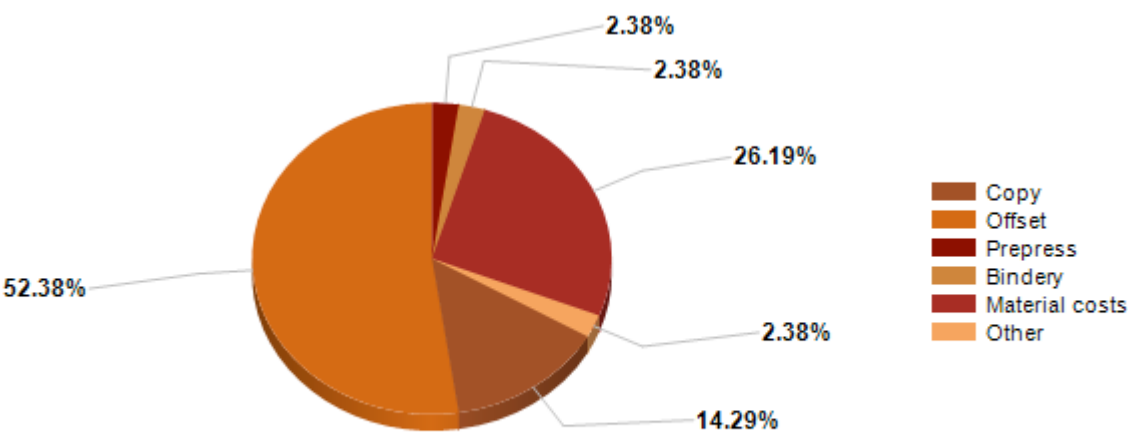
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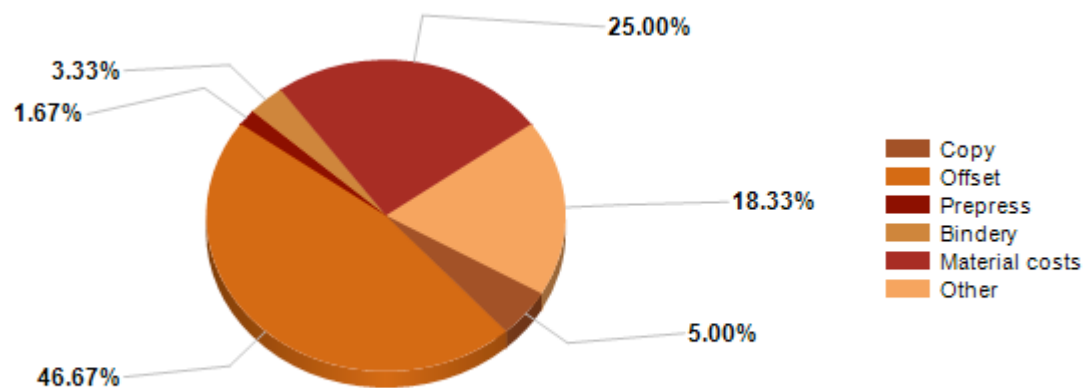
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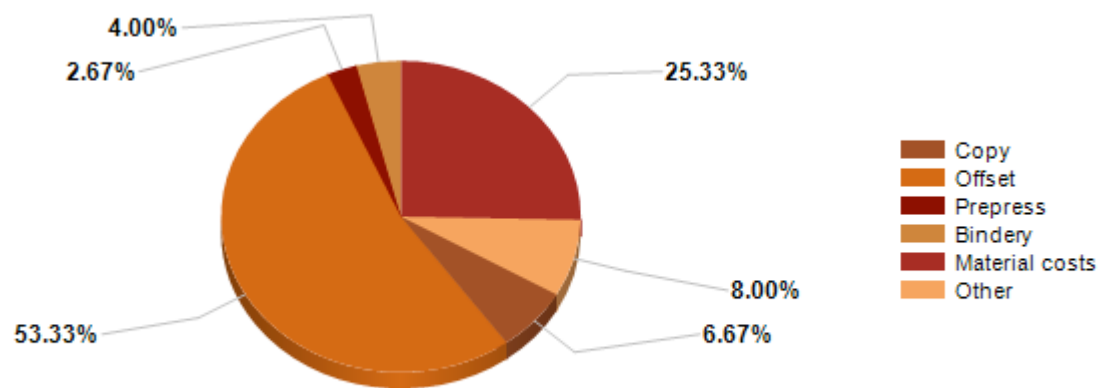
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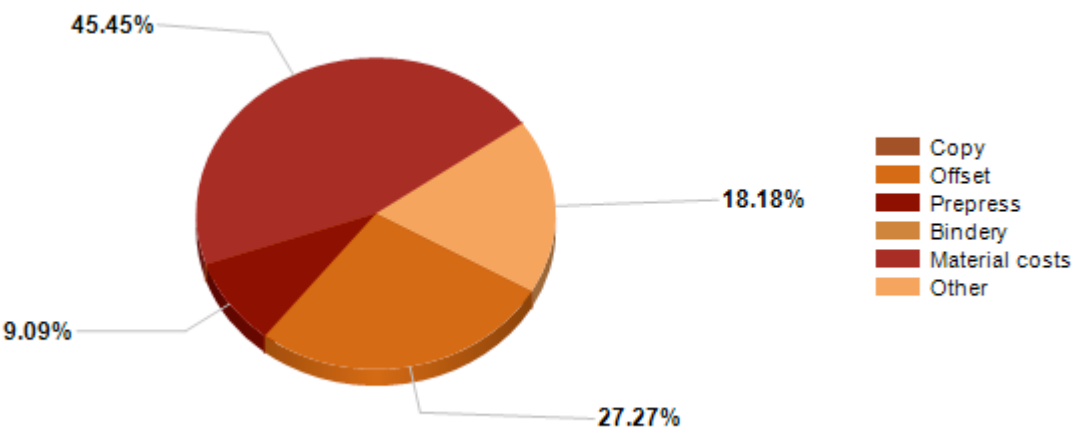
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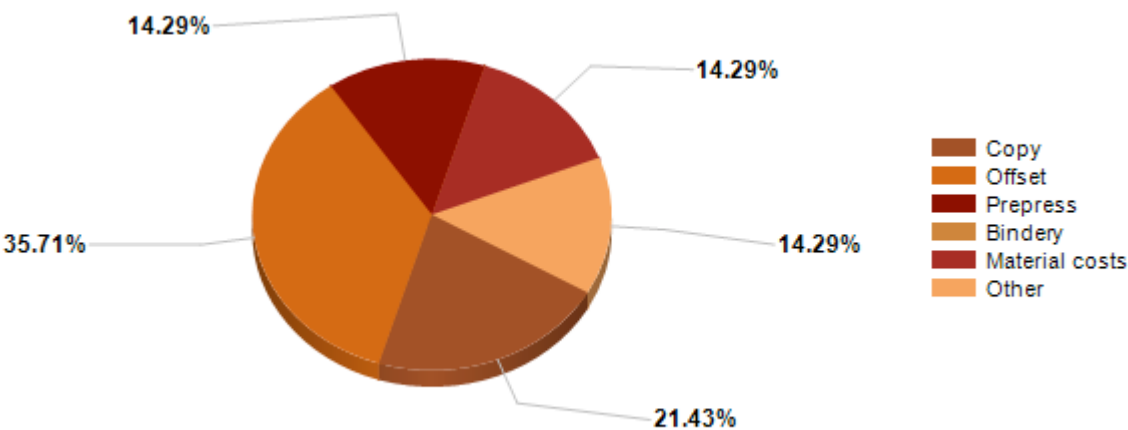
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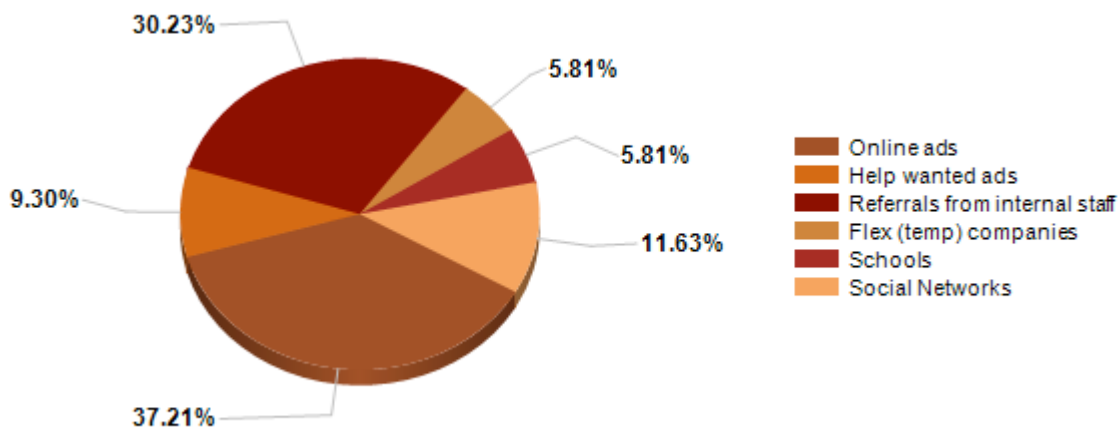
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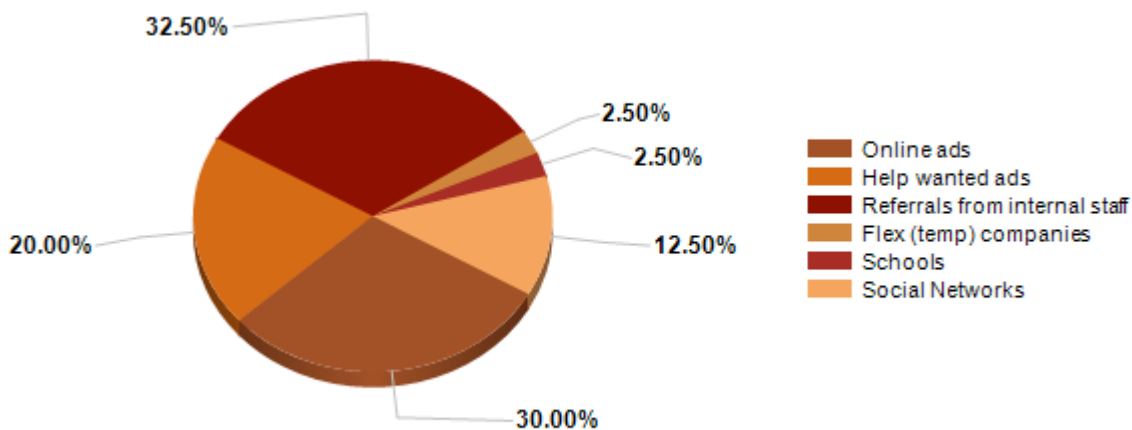
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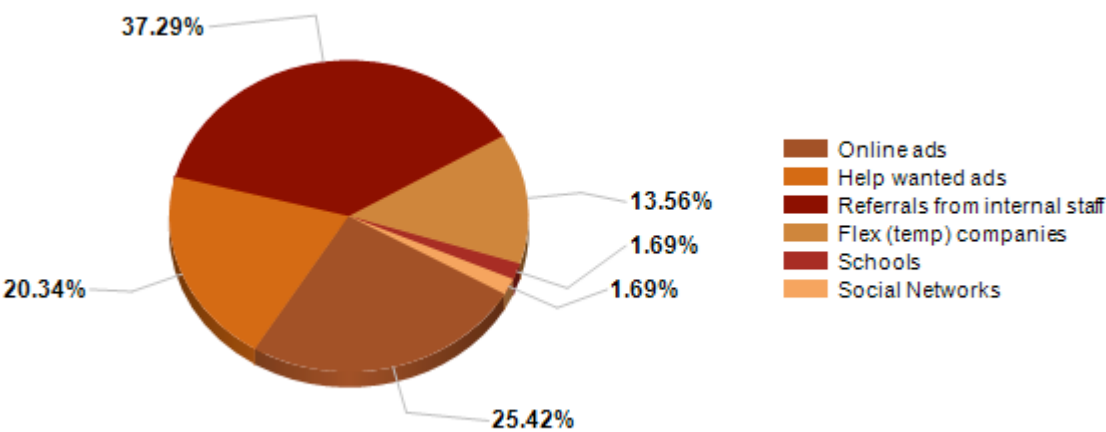
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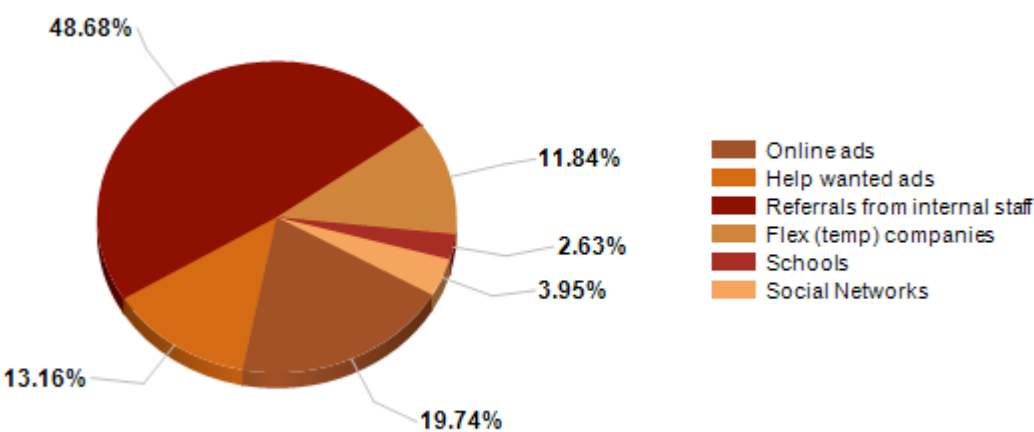
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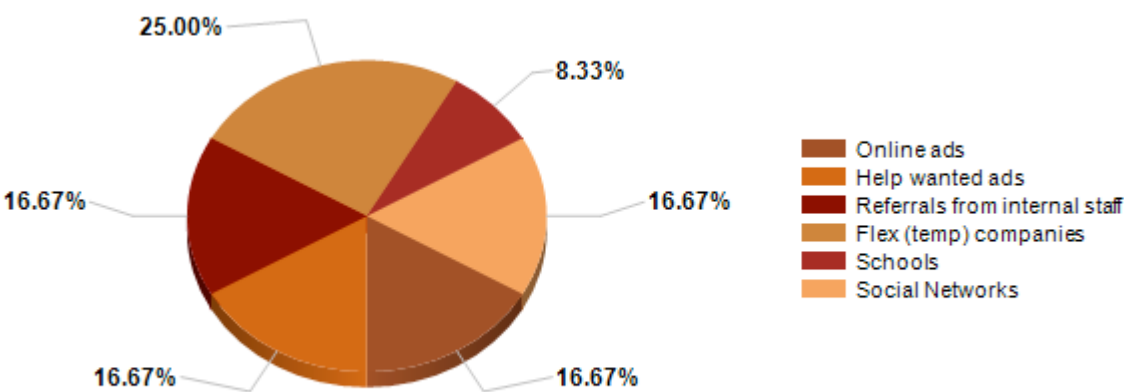
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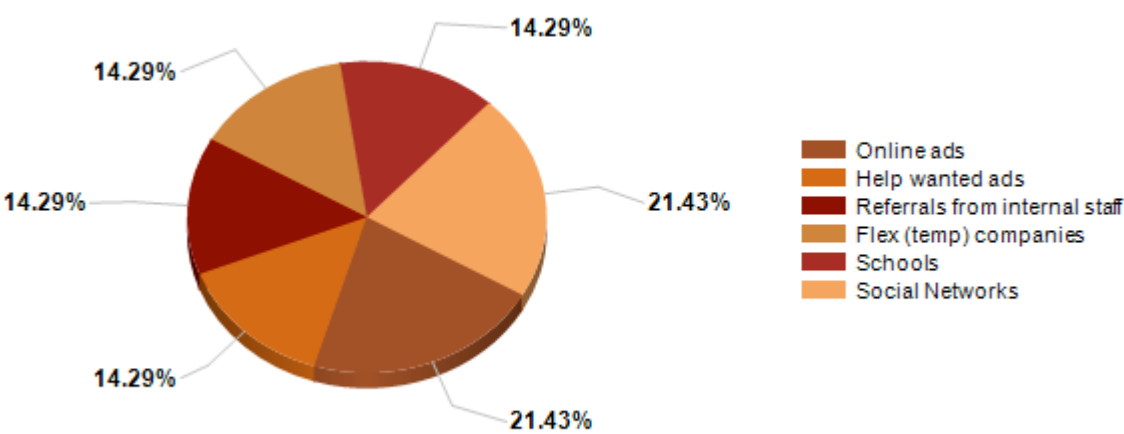
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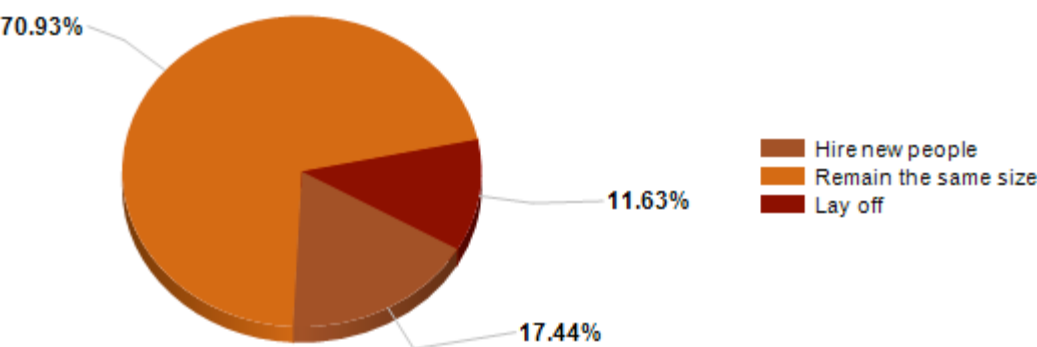
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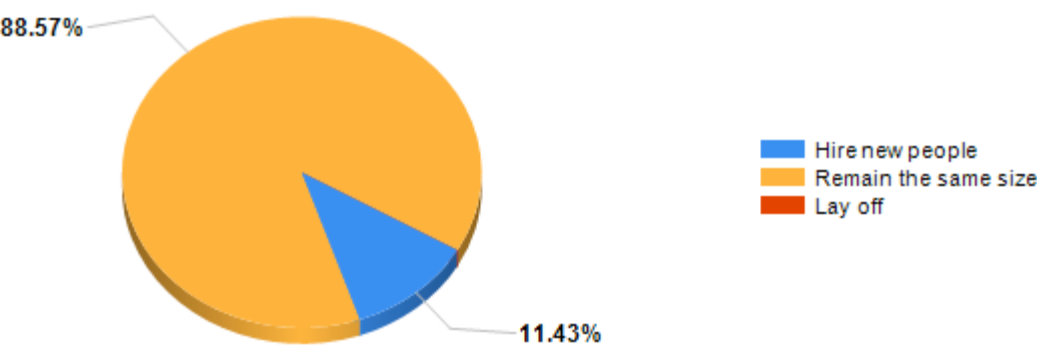
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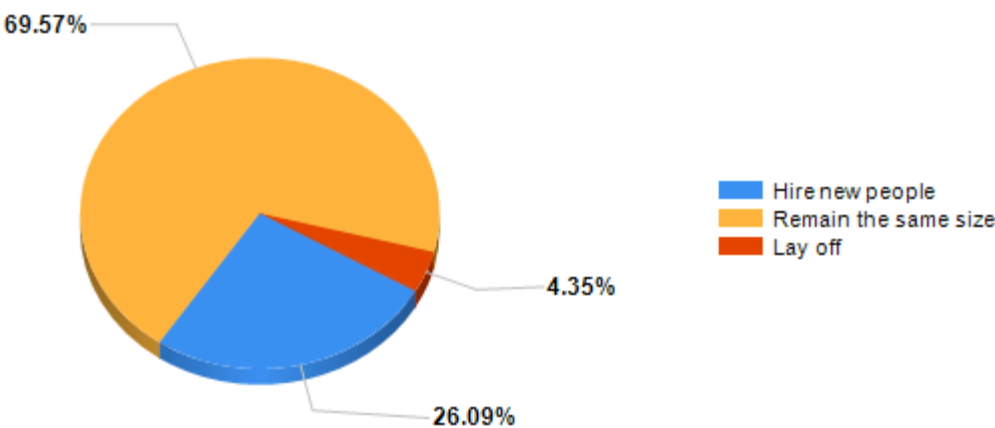
Are companies with \$1-3 million in revenue planning to:



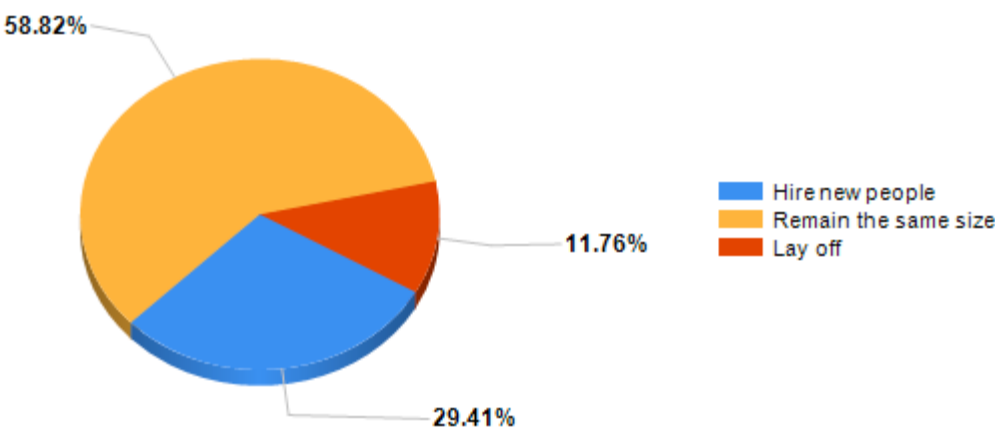
Are companies with \$3-5 million in revenue planning to:



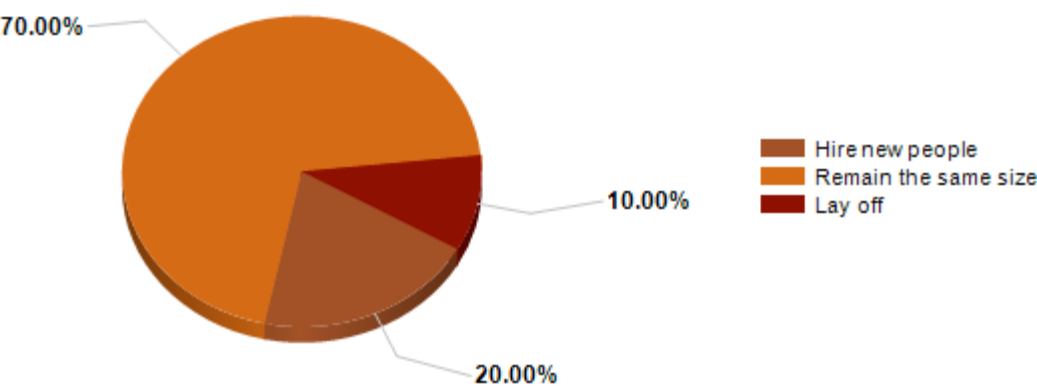
Are companies with \$5-10 million in revenue planning to:



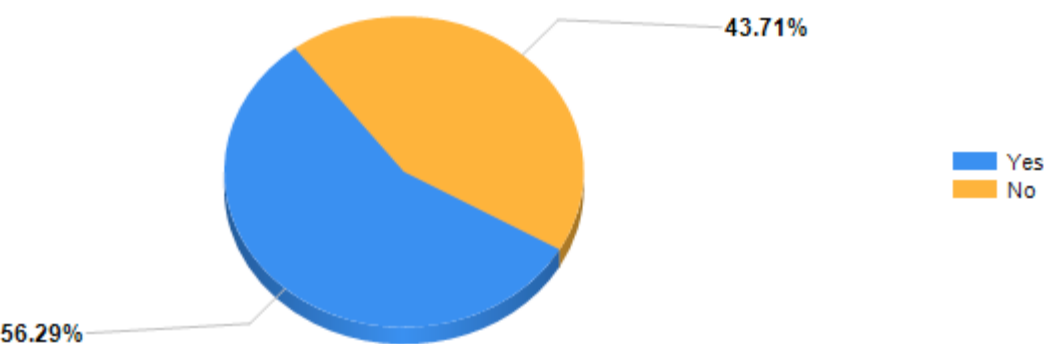
Are companies with \$10-25 million in revenue planning to:



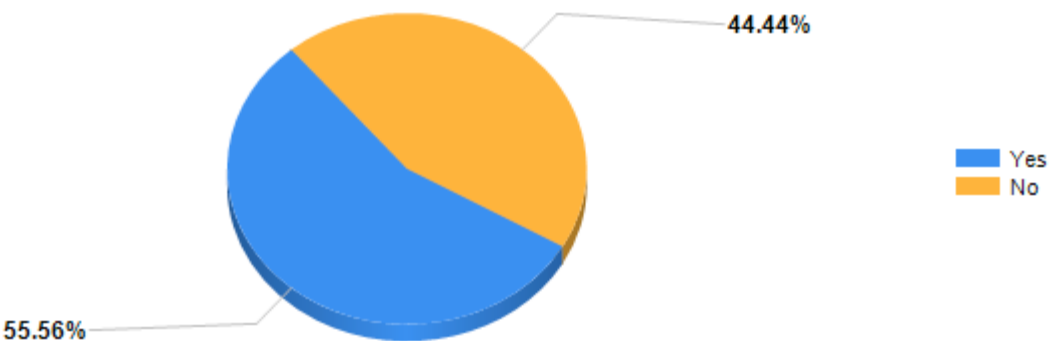
Are companies with \$25 + million in revenue planning to:



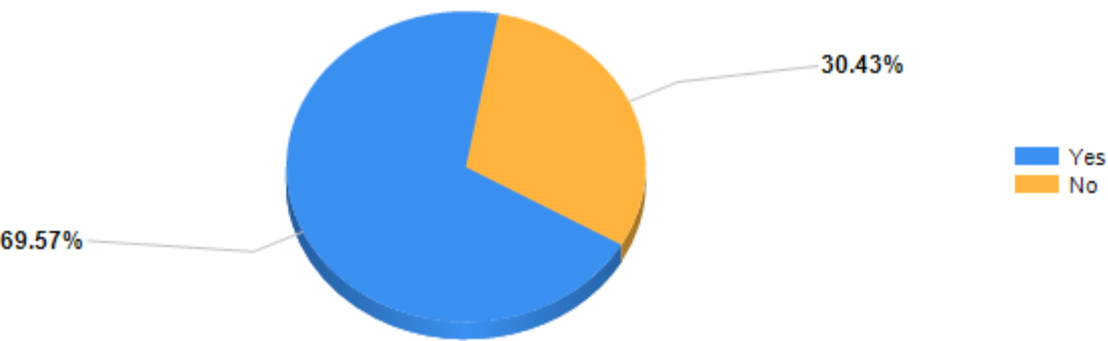
Did companies with \$1-3 million in revenue have a profitable 1st quarter 2010?



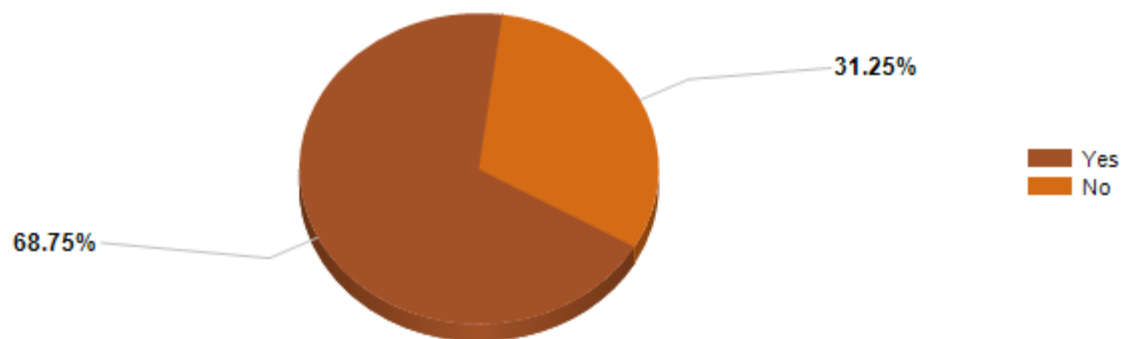
Did companies with \$3-5 million in revenue have a profitable 1st quarter 2010?



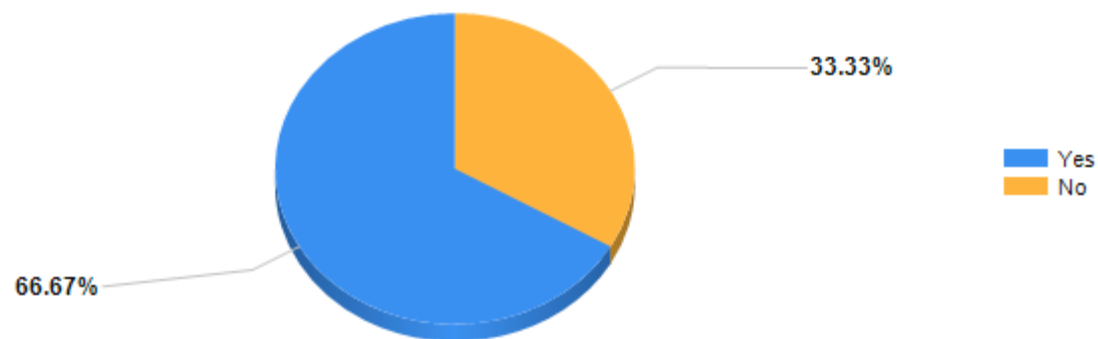
Did companies with \$5-10 million in revenue have a profitable 1st quarter 2010?



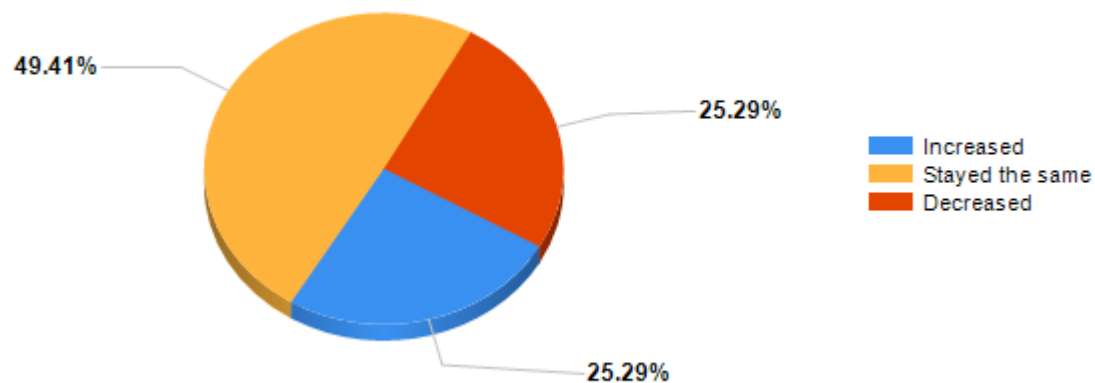
Did companies with \$10-25 million in revenue have a profitable 1st quarter 2010?



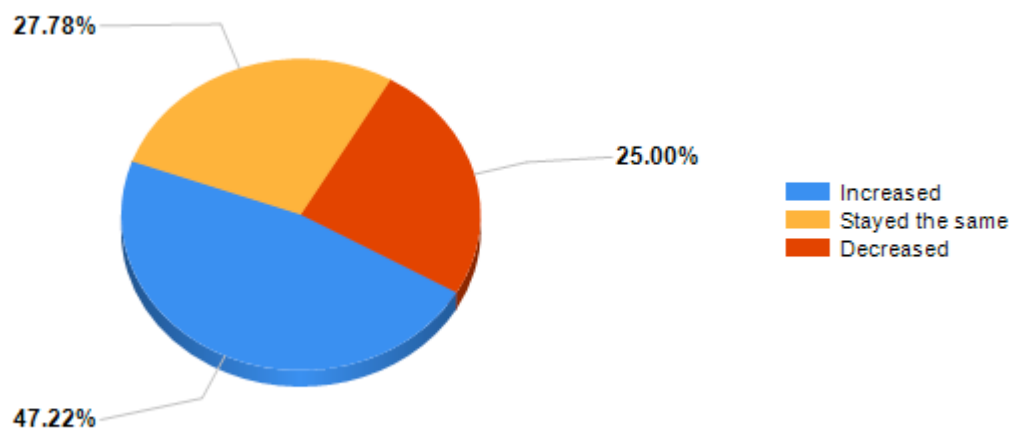
Did companies with \$25+ million in revenue have a profitable 1st quarter 2010?



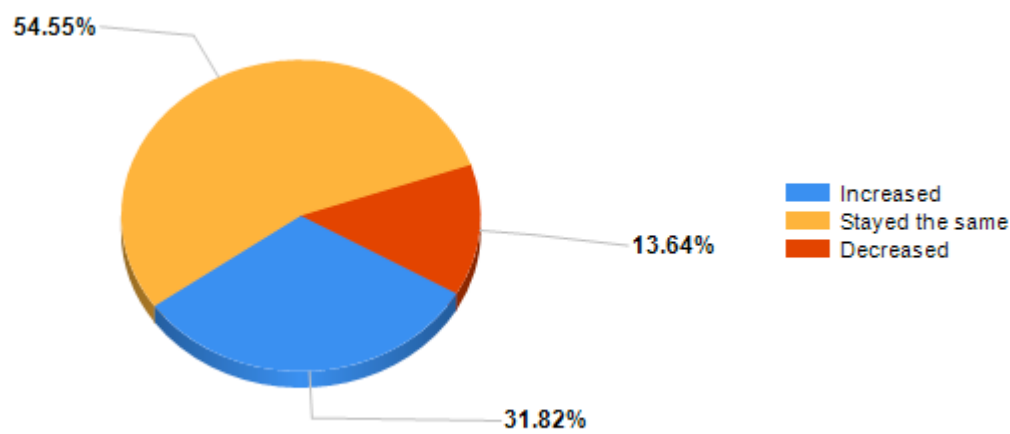
How have sales changed in the last 2 weeks for companies with \$1-3 million in revenue?



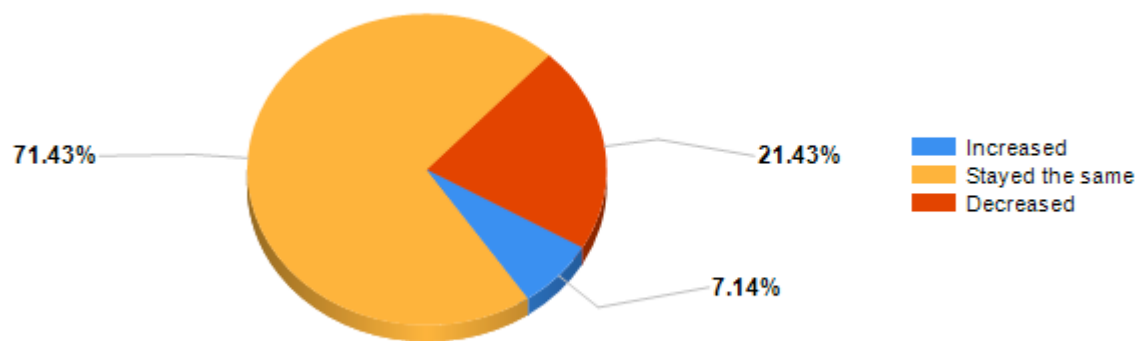
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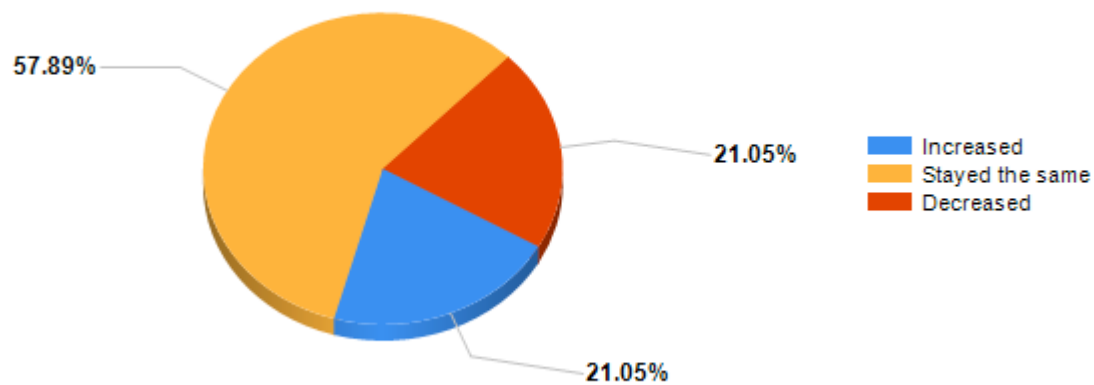
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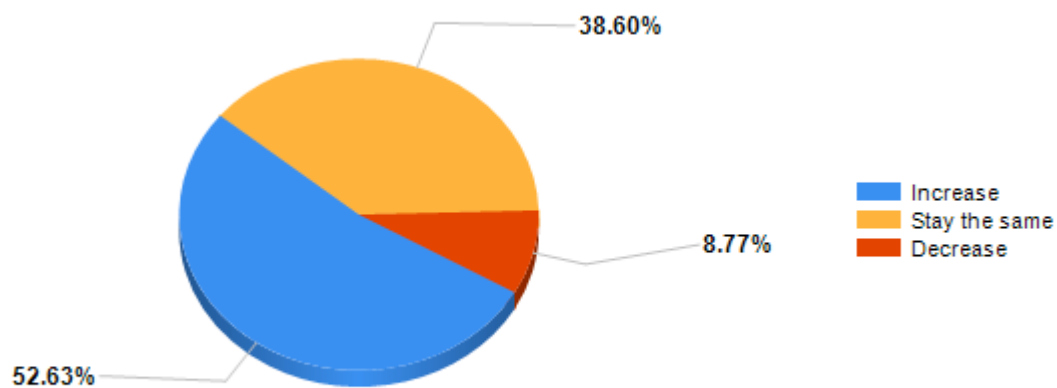
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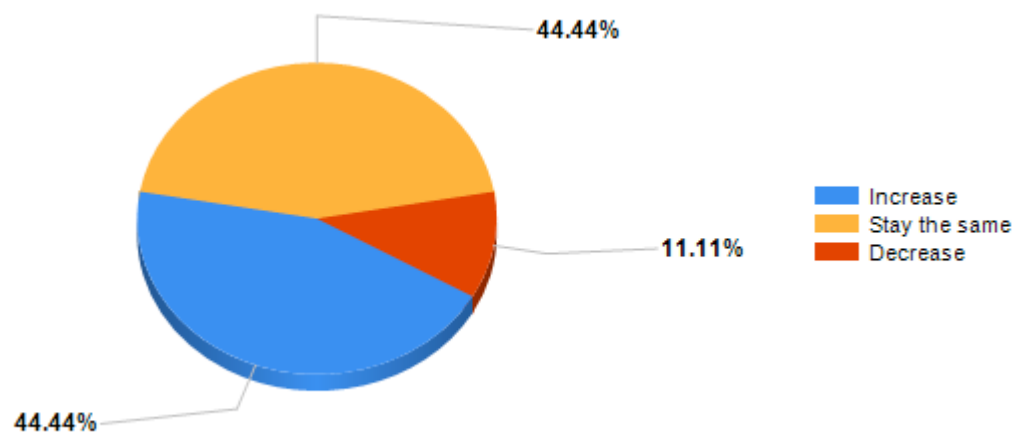
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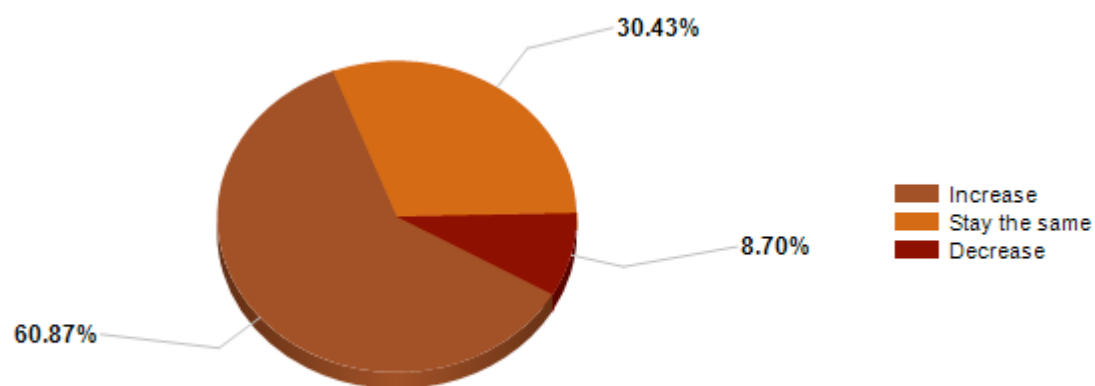
How do companies with \$1-3 million in revenue expect sales to change during the 2nd quarter of 2010?



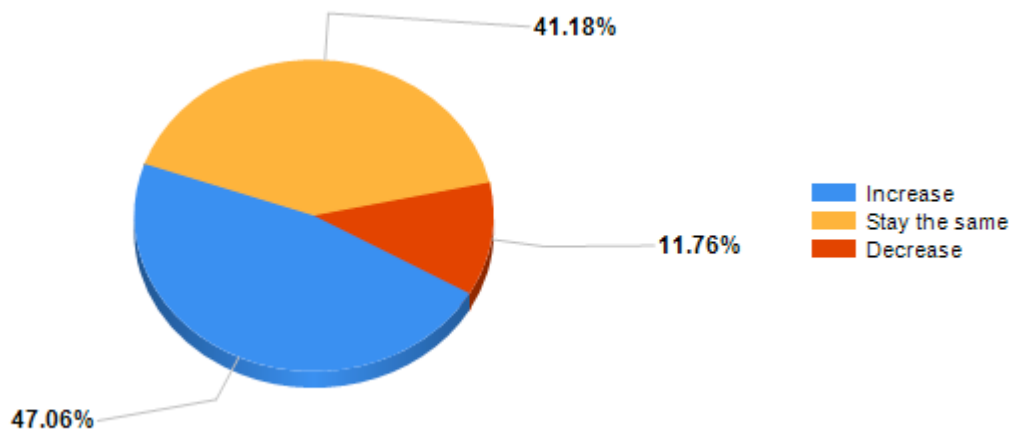
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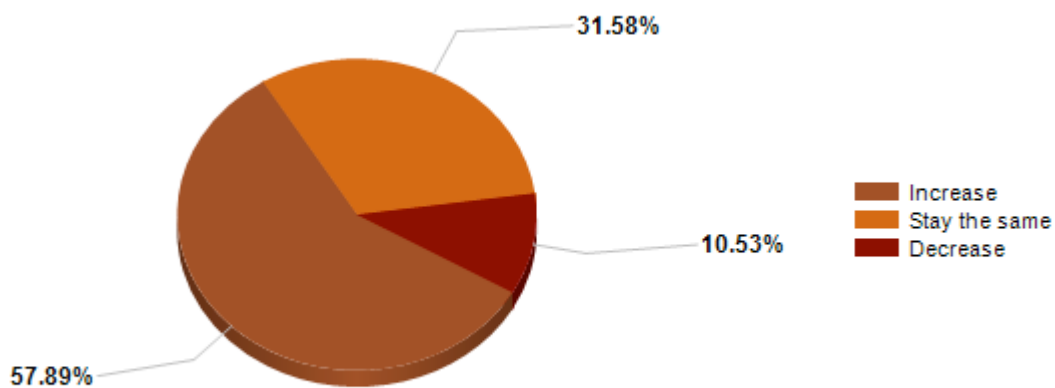
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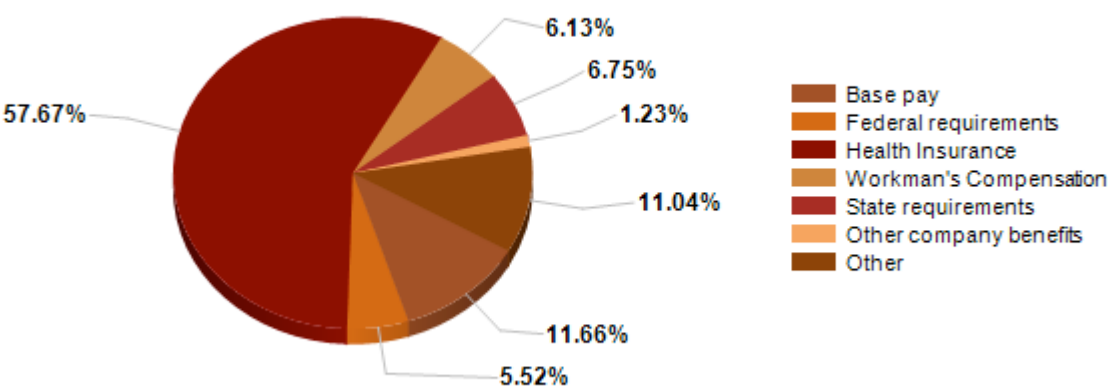
How do companies with \$10-25 million in revenue expect sales to change during the 2nd quarter of 2010?



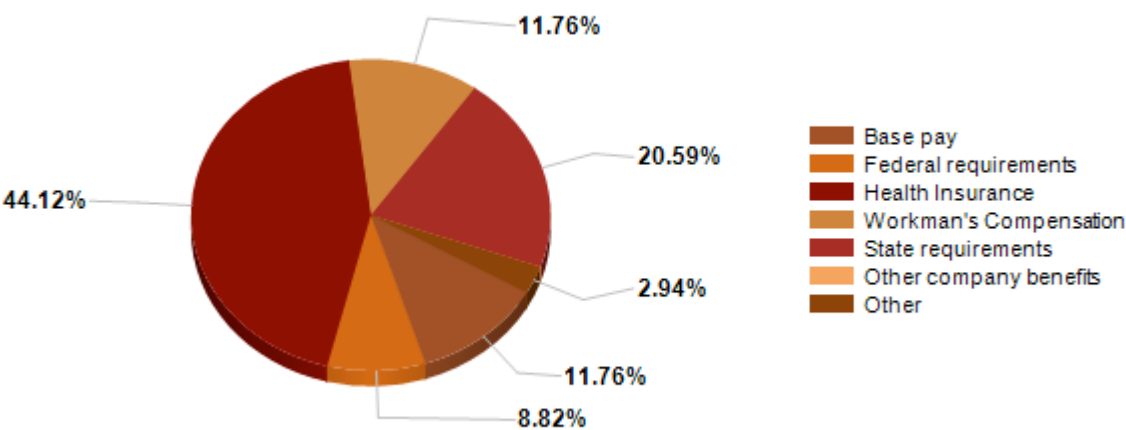
How do companies with \$25 + million in revenue expect sales to change during the 2nd quarter of 2010?



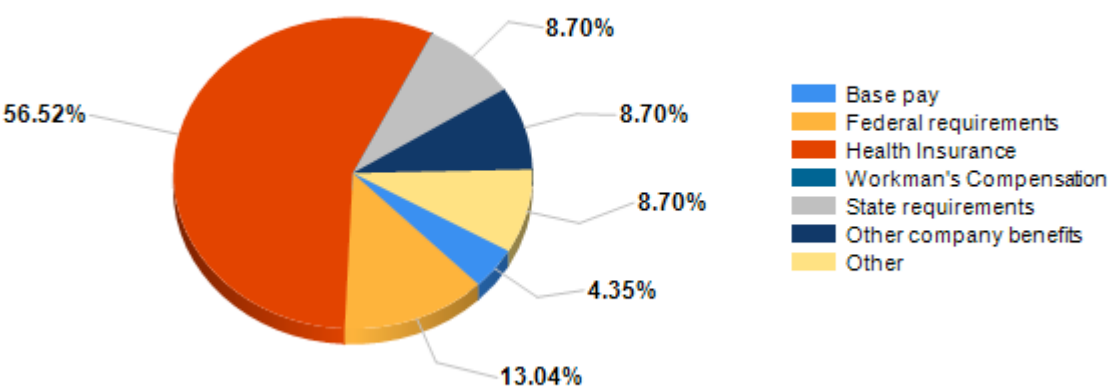
What component of labor costs has been increasing the fastest last quarter for companies with revenue of \$1-3 million?



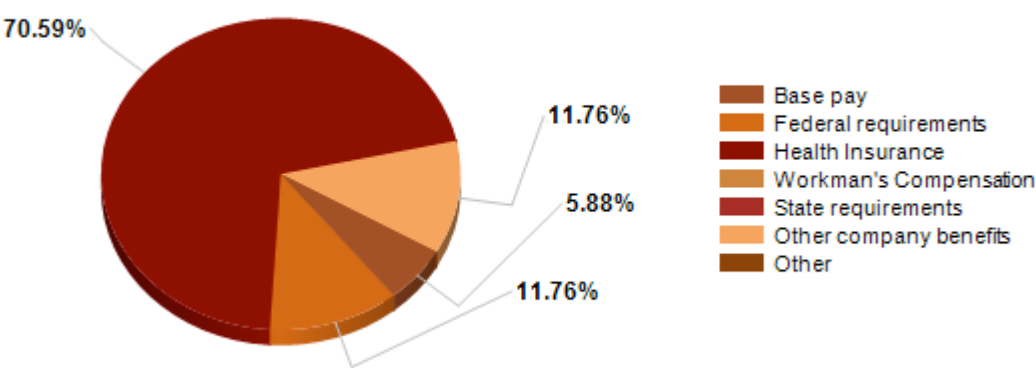
What component of labor costs has been increasing the fastest last quarter for companies with revenue of \$3-5 million?



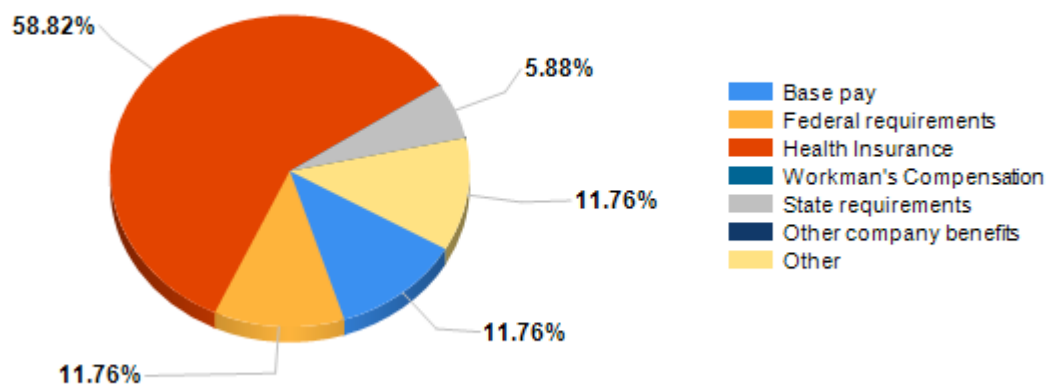
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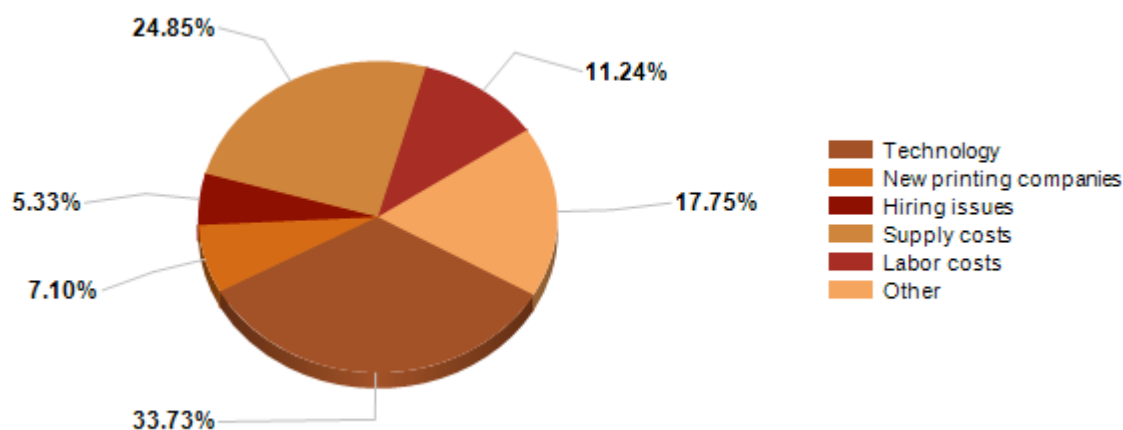
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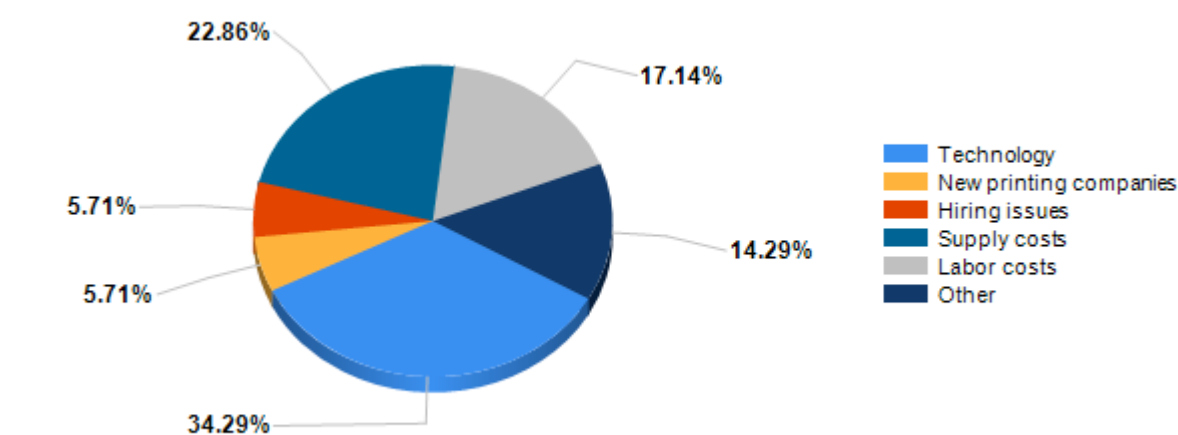
What component of labor costs has been increasing the fastest last quarter for companies with revenue of \$25+ million?



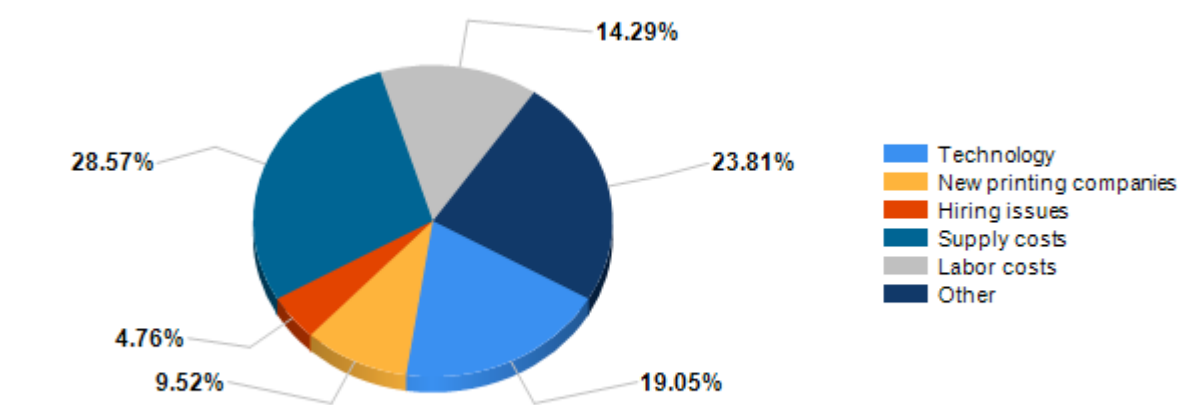
What do companies with \$1-3 million in revenue consider to be their greatest competitive threat?



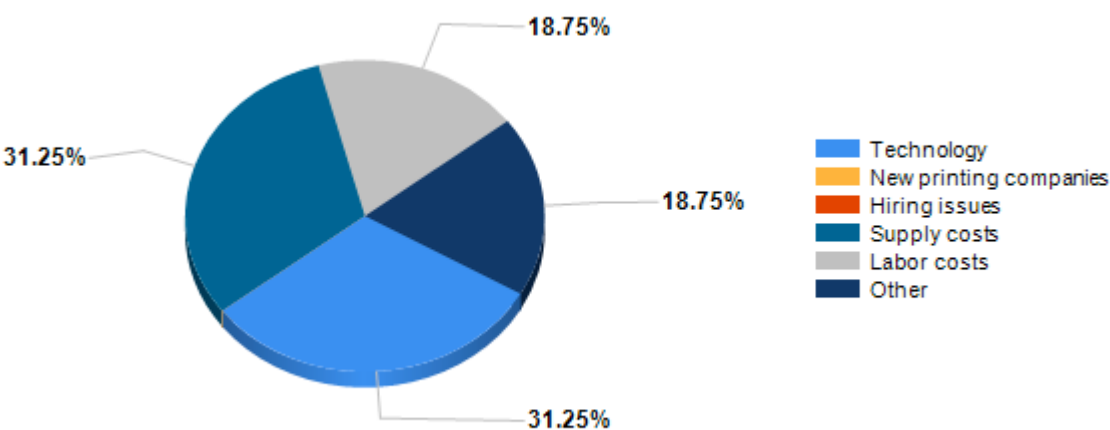
What do companies with \$3-5 million in revenue consider to be their greatest competitive threat?



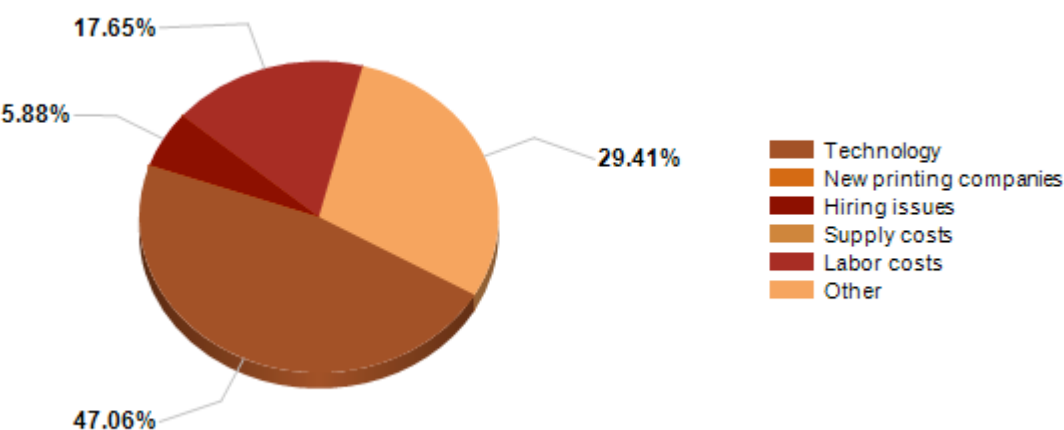
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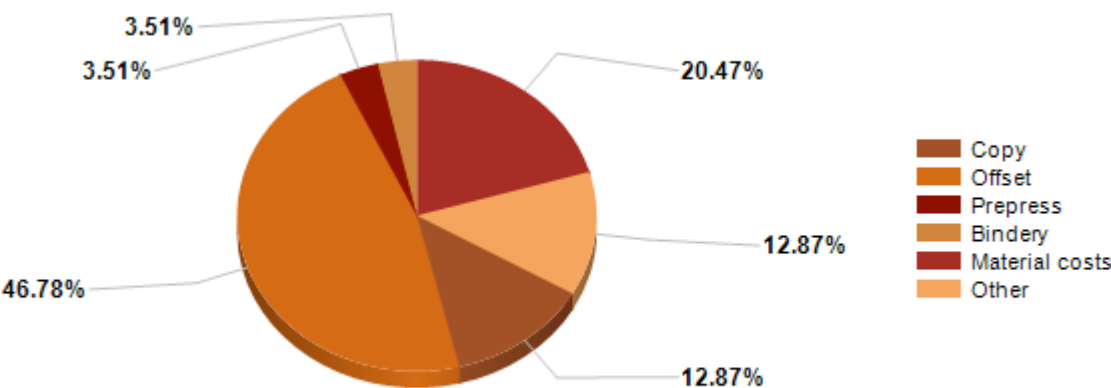
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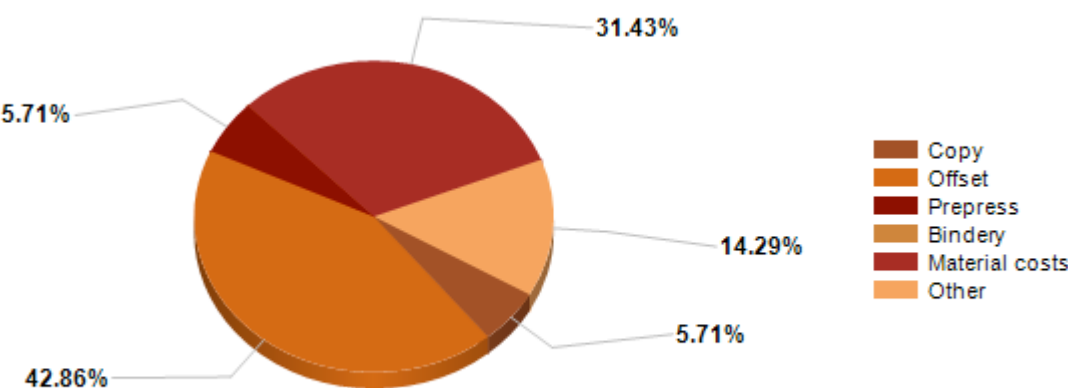
What do companies with \$25+ million in revenue consider to be their greatest competitive threat?



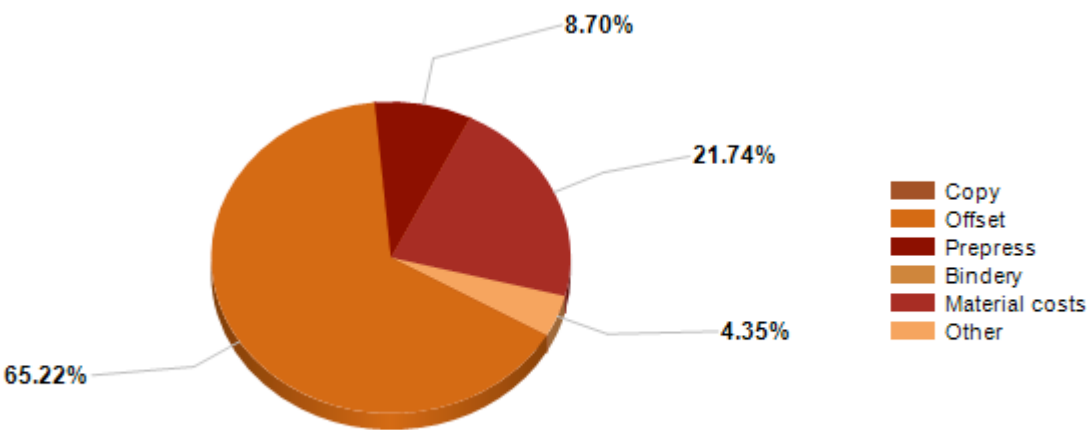
In what business segment do companies with \$1-3 million in revenue find the most pricing pressure from your clients?



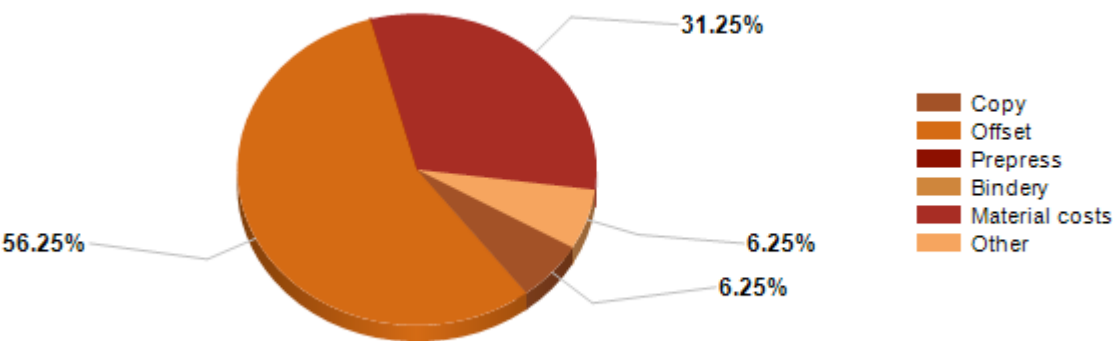
In what business segment do companies with \$3-5 million in revenue find the most pricing pressure from your clients?



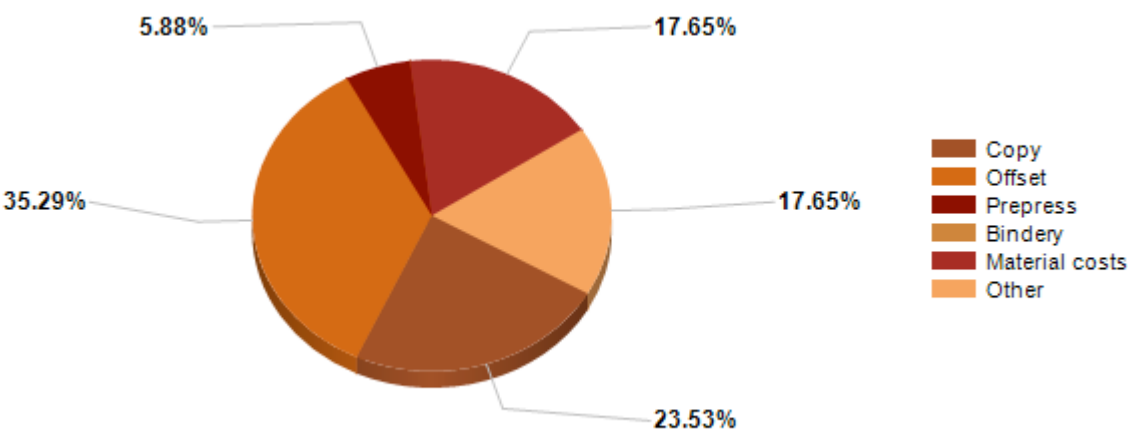
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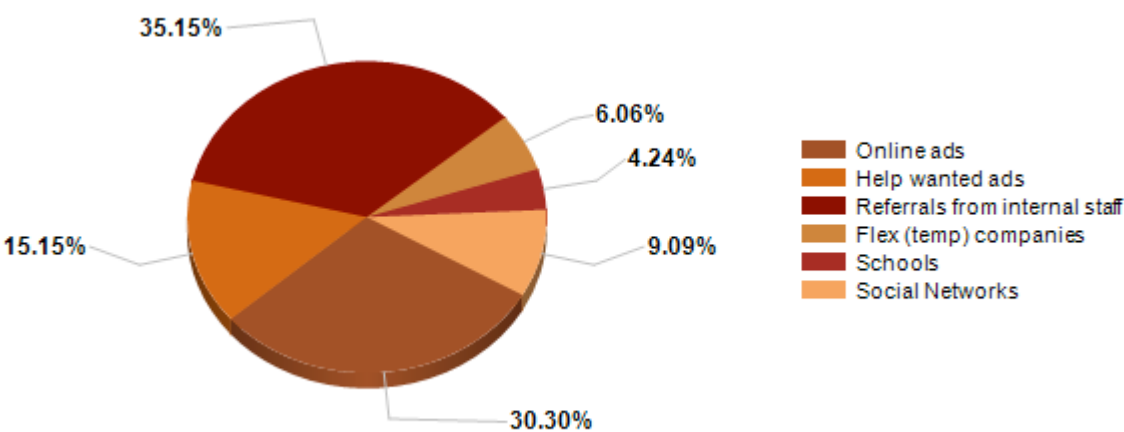
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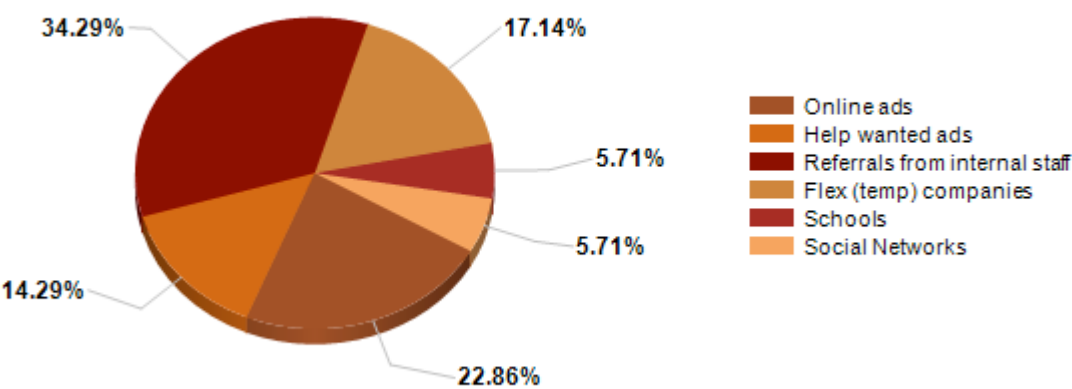
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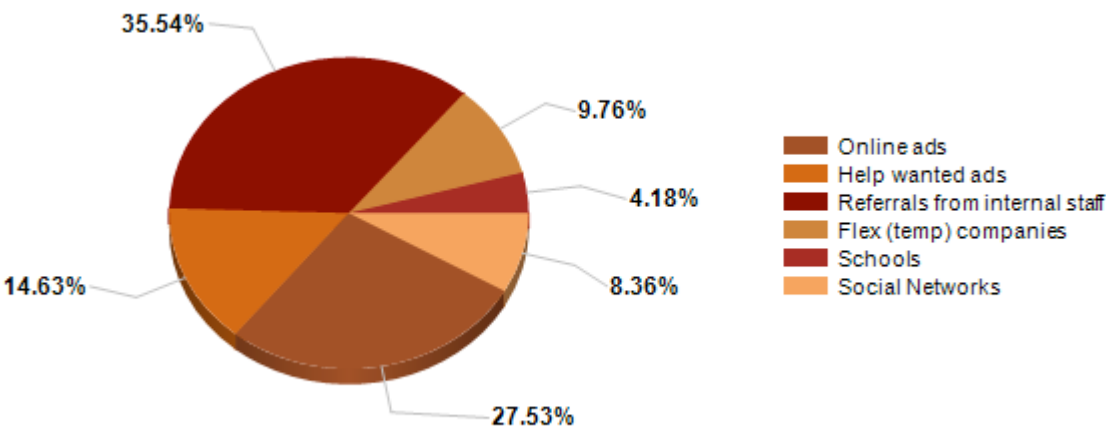
What is the primary source of companies with \$1-3 million employees for finding skilled, full time workers?



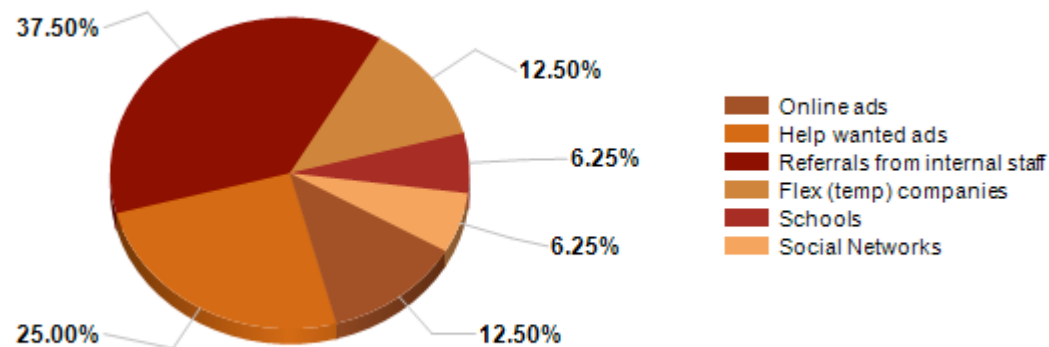
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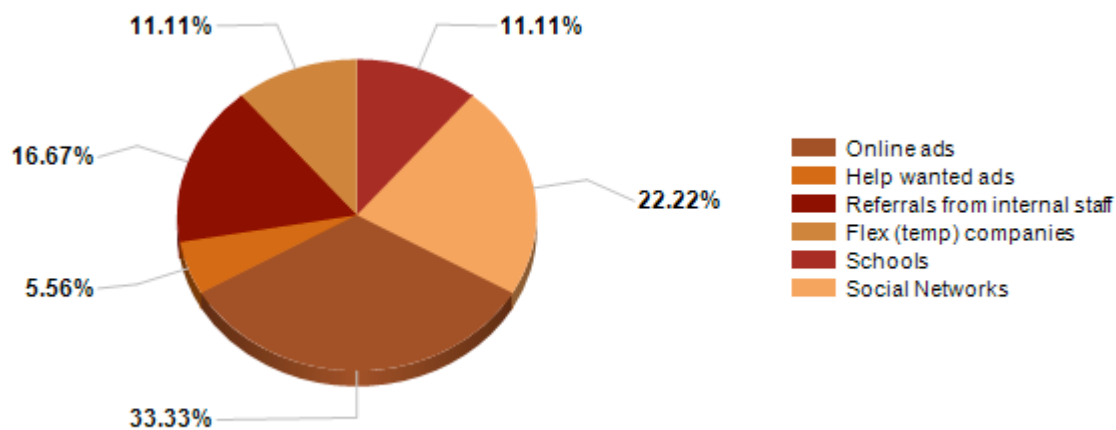
What is the primary source of companies with \$5-10 million employees for finding skilled, full time workers?



What is the primary source of companies with \$10-25 million employees for finding skilled, full time workers?



What is the primary source of companies with \$25+ million employees for finding skilled, full time workers?



Methodology

Semper International provides this survey based quarterly estimate of trends in the printing and graphics industries. To prevent bias the survey questions were designed by Semper corporate partner Cvent. Questions were design to be both qualitative and quantitative. To preserve confidentiality, individual company information is not part of the tabulation. Survey participants are more than 300 small, medium and large printing companies, both clients and prospects of Semper International. Participants provide data on revenue and hiring as well as estimated outlooks on future trends. Data was requested from a random sample. They were not screened.

“Economists: Economy, jobs picture are improving” *Staffing Industry Analysts* *Morth American Daily News* 26 Apr 2010

Business conditions improved and the jobs outlook is getting better over the next six months, according to the National Association for Business Economics' April industry survey released today.

The survey included responses from 68 NABE members, and was taken between March 25 and April 10. NABE is a professional association for business economists.

"NABE's April 2010 industry survey confirms that the U.S. recovery from the Great Recession continues, with business conditions improving," William Strauss, senior economist and economic adviser at the Federal Reserve Bank of Chicago and NABE board member, said in a press release. "After more than two years of job losses, job creation increased in the first quarter of 2010, suggesting a better outlook for hiring over the next six months."

The percentage of firms increasing payrolls rose to 22% in the April survey from 13% in the previous survey in January. The percentage of companies cutting jobs fell to 13% in the April survey from 28% in January.

However, 73% of respondents said the federal fiscal stimulus in February had had no impact on employment to date. In addition, 68% said recently enacted jobs legislation, won't have an impact on payrolls. One such piece of legislation was the HIRE Act, which provides an employer tax break for hiring workers who had been unemployed for at least 60 days.

The survey respondents predicted growth in real gross domestic product of 3.1% in 2010 compared to their previous forecast of 3.2%.