



SPRING 2007

schmidt scene

News and events for friends of Schmidt.

Postal Rate Increase

Schmidt is ready to help.

Connecting with Customers

Spring Open House a success.

Meet the Family

An introduction to Print Craft.

Greetings

from Schmidt

Welcome to the spring addition of the [Schmidt Scene](#). The first quarter reflected several positive steps for our company and customers. We made new or renewed investments in our quality and customer service. These investments are already showing very positive results and much promise throughout the organization.

Our investments began immediately in January with the addition of a new Customer Support Manager, Annette Powell. Her enthusiasm, focus and skill as a strong leader are positively infectious at Schmidt. The investment of her time will further refine and develop the talented team of Account Managers coordinating all of the day-to-day exchanges with our customers. Annette and her team are well prepared to assist our customers in successfully completing their integrated marketing campaigns.

Additionally, we increased our investment in color-management and the pre-production process. New proofing machines have led to a more productive and streamlined process, reduced cycle and increased levels of quality. These ongoing investments enable Schmidt to match customer expectations with the marketing pieces we print. Combined with our online proofing solution, the new process is now turning better quality proofs faster than ever before.

One final personal note. This will be my last article for our newsletter as I am leaving Schmidt. While I am saddened to leave a wonderful company and terrific employees, I look forward to making family a greater priority in my life. I leave you with good wishes and a company, in Schmidt, firmly committed to making you and your teams successful.



Thank you,

Curtis Mohr - *President of Schmidt*



Inside

Postal Rate Increase

May 14th is here and Schmidt is ready to help.

Customer Open House

Customers from around the country attend.

Cup of Joe

Looking for a good book? Check out Joe's thoughts on [Made to Stick](#).

Meet the Family

An introduction to Schmidt's sister company Print Craft.

Faces of Schmidt

Meet the people who keep the presses rolling and ideas flowing.



working TOGETHER

Postal Rate Increase Is Upon Us

The migration from a weight-based to a shape-based rate environment is making the May 14th and July 15th (for periodicals) postal rate increases the most complex postal changes ever.

Fortunately, the USPS Board of Governors listened to the mailing community and requested reconsideration of the Postal Rate Commission's (PRC) rate recommendations for Standard Mail flats (catalogs), the Non-Machinable Surcharge for First-Class Mail letters and the Priority Mail Flat-Rate Box.

While these rate categories are under consideration, rates will change to the recommended rates on May 14th, but could change again based on the PRC's decision. Schmidt will keep you informed of the changes.

In a nutshell, to experience the best postal rates, make sure the USPS can process your mail as efficiently as possible by doing the following:

Design flats (catalogs and clear poly wrapped card decks) to be AFSM 100 compatible. While this machine is highly efficient, it lacks flexibility. In the past, mail that was too large or small, too thick or thin and too rigid or flexible for the AFSM 100 would run on the UFSM 1000. These pieces will now be considered not flat-machinable (NFM) or as parcels. Check with your Schmidt Sales Consultant for ideas to comply with these new physical specifications for flats.

Use delivery point barcodes on all cards or letters and ensure they meet placement, size and legibility standards in order to receive automation rates.

Approved barcodes are currently being used on everything that is ink-jet addressed at Schmidt.

Ensure pieces are Coding Accuracy Support System (CASS) certified and comply with the Postal Service's Delivery Point Validation System (DPV). These systems verify addresses are located within the stated ZIP+4 zone and actually exist. Pieces with an address that can't be validated will no longer qualify for automation discounts. Request CASS and DPV certification from your list broker or Schmidt.

Consider having Schmidt drop your mail at bulk mail centers (BMC) or section center facilities (SCF). Some customers find that it is more cost effective to have Schmidt arrange transportation to these postal facilities. This service is available to all customers and may offer some relief from the new rates. Your Schmidt Sales Consultant is happy to do a comparison for the specifics of your mail list.

Schmidt Responds

Schmidt's Director of Business Development, Jeff Winter, and List Processing Manager, Scott Noska, have been actively involved in educating the Schmidt team on rate developments. Jeff has also been contacting legislators and postal authorities to voice Schmidt's concern over the affect the rate change will have on the industry, Schmidt's customers and resulting effect on Schmidt.

On May 2nd four representatives from Schmidt participated in an "Ask

the Expert" event held by the Twin Cities Postal Customer Council of Minnesota. Attendees got an overview of the changes and then took part in break out sessions that were hosted by an expert from the USPS and the mailing industry. A work-shop-style setting followed a brief presentation for each class of mail. Samples and specific questions were then discussed.

Need a little help?

Your Schmidt Sales Consultant or Account Manager can help you determine the correct postal rates for your specific marketing pieces. They can also help you figure out ways to optimize the discounts available on any future projects produced at Schmidt.

Links Relating to Rate Case:

The DMA

<http://the-dma.org/postal/>

The USPS

<http://www.usps.com/ratecase/>

Postal Regulatory Commission

<http://www.prc.gov/main.asp>

For additional help, contact your local Postal Customer Council (PCC). The PCC is a network of business mailers and representatives from the USPS who gather regularly. They work to continually improve communications between the Postal Service and its customers by promoting an effective networking platform. To locate a PCC near you visit <http://www.usps.com/nationalpcc>.



customer VISIT

The Spring 2007 Customer Open House held April 9th and 10th was a great success.

Customers flew in from around the country on Monday, April 9th and enjoyed a VIP behind-the-scenes look at the Target Center in Minneapolis and courtside chat with a Timberwolves coach during pre-game warm-ups. Although the Wolves lost to the Toronto Raptors, everyone enjoyed a relaxing evening in the Taylor Suite complete with a visit from Glen Taylor (owner of the Timberwolves and Taylor Corporation, Schmidt's parent company) and Krunch (the Wolves' mascot).

The next morning, participants enjoyed a hearty Minnesota breakfast while being prepped for the day's tour of Schmidt's facility in Byron.



Krunch visits the suite along with two members of the Wolves' dance line.

In small groups, open house attendees were given a tour of key areas such as customer service, production control, job planning, prepress, pressroom, finishing and shipping. Participants enjoyed learning about Schmidt's capabilities and meeting the Schmidt team members that make it all happen. Ken Armstrong from Print Media Network commented on the cleanliness of Schmidt's facility and how friendly and helpful everyone is.

Jeff LaGosh, VP of Sales & Marketing said, "The key reasons we've started hosting open houses is to give customers the opportunity to see firsthand the changes that have taken place at Schmidt and learn more about the capabilities we have beyond our traditional products." He went on to say, "Our team is excited to show case their departments and meet customers



Preproduction Manager, Julie Andrist, explains Schmidt's computer-to-plate process with two visitors.

face-to-face in order to better understand their business needs."

The day ended with a session of questions and answers following lunch at Somerby Golf Club in Byron. Participants were then transported back to the Minneapolis/St. Paul International Airport for their homeward departures.



Pressroom Manager, Nancy Mitchell, shares pressroom procedures with one group.

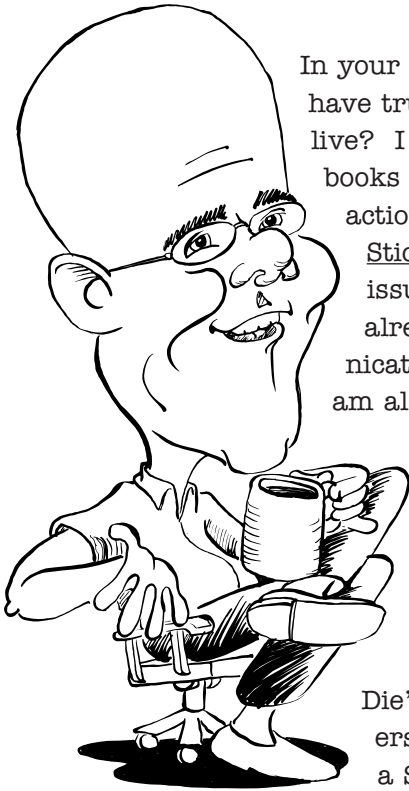


Question and Answer session by Jeff LaGosh, VP of Sales & Marketing.

Schmidt is planning another customer open house for early October. If you are interested in participating, contact your Schmidt Sales Consultant or Account Manager.



“Cup of Joe”



In your lifetime, how many books have truly changed the way you live? I can think of about five books that have impacted my actions in this way. Made to Stick is my book review this issue and I am certain it has already changed my communication style for the better. I am also convinced that I will return to it every time I am presented with an opportunity to share an idea or communicate a message. The book's tag line is, “Why Some Ideas Survive and Others Die”. It is written by brothers Chip and Dan Heath – a Stanford business school professor and education entrepreneur respectively.

The book makes use of the term “stickiness” which was first coined in Malcolm Gladwell's 2002 book The Tipping Point. Gladwell's focus was about what makes certain trends “tip”. Made to Stick could very well be a follow up to The Tipping Point in that it validates the research shared by Gladwell and better yet, provides the framework needed to make you and your ideas “sticky”.

The book uses the acronym SUCCES to spell out the six principles we should filter our ideas through before sharing them with our team, company or the world. The six principles are - Simple, Unexpected, Concrete, Credible, Emotional and Story. A good example of the use of these principles is demonstrated by running John F. Kennedy's directive to put a man on the moon through the SUCCES filter.

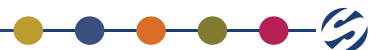
- Simple –** A single clear mission
- Unexpected –** A Man on the moon, it seemed like science fiction at the time.
- Concrete –** Success was defined so clearly – you can't quibble about Man, Moon or Decade.
- Credible –** He was the President of the United States.
- Emotional –** It appealed to the aspirations and pioneering instincts of our entire nation.
- Story –** An astronaut overcomes great obstacles to achieve an amazing goal.

The book expands on what they call “The Curse of Knowledge”. This has to do with the impact our knowledge has on limiting our ability to communicate our ideas in synch with SUCCES. It seems that after we learn new knowledge we lack the ability to recall what it was like before we possessed the knowledge and we are very poor at following the acronym above. What if JFK would have said – Our mission is to become the international leader in the space industry, using our capacity for technological innovation to build a bridge to humanity's future – I suspect we would have clearly missed the mark.

The book uses several more examples to help you comprehend each principle and how it can be applied to your communications. My biggest takeaway from this book has to do with the difference between “data sharing” and effective communication. It was an eye opener for me to understand that before you can share your story, you may need to open up a gap with the receiver so they are able to understand your message and, more importantly, remember it. Think of this the next time you are sitting through a two hour PowerPoint “data sharing” presentation. Did the presenter help open a knowledge gap within you that will allow you to remember the message tomorrow, next week, or even longer?

This book is definitely one of my favorite reads and I am certain I will call on it many times in the future. Perhaps it could have simply been titled – Communication 101.

Enjoy and let me know what you think at jdferguson@schmidt.com.





meet the FAMILY

Print Craft

As promised in the Winter 2007 issue of the Schmidt Scene, this section is dedicated to introducing you to Schmidt's sister companies within the Taylor Corporation family of companies. The spotlight for this issue is on Print Craft.

Located in New Brighton, Minnesota (just north of Minneapolis), Print Craft is one of the 25 largest commercial printers in Minnesota serving many ad agencies and fortune 500 companies headquartered in the Minneapolis/St. Paul metro area. If you have received a media kit, bound proposal or the 2007 Schmidt calendar, then you are familiar with some of their work as they print much of Schmidt's marketing materials.

About Print Craft

Established in 1963, Print Craft prides itself as an award winning high-end commercial sheet-fed printer producing a wide range of products for major retailers, national brands and professional sports teams. Their awards include two Printing Impressions National Gold Ink Awards as well as several "Best in Category" awards in 2005 from the Printing Industry of Minnesota.

Operating in a 56,700 square foot facility, Print Craft is staffed seven days a week in all production departments. This

provides them the necessary flexibility to meet their clients' needs. The 148 employees on staff average 15 years of experience in the printing industry.

You can check out a listing of their equipment on their website at www.printcraft.com

Their Mission

Print Craft is an employee-driven and client-focused organization with a passion to provide unsurpassed client satisfaction. We will partner with local and national clients to develop customized solutions to manage, produce and distribute printed communications. The resulting sustainable profit growth will provide security and opportunity for our employees.

The Clients They Serve

In addition to printing for advertising agencies, Print Craft produces products for unique niches including gift card carriers for Target, Best Buy, Macy's and the GAP, video game boxes for Atari and Encore as well as game programs and marketing material for Minnesota's Timberwolves (NBA), Vikings (NFL),



Twins (MLB), Wild (NHL), Lynx (WNBA) and Swarm (NLL). They are also a major producer of CD sleeves, CD holders and DVD wraps for the blossoming music industry in the Twin Cities.

Print Craft also serves publishers through the brand Rapid Reprints. This line of business serves mainly magazine publishers by printing reprints of articles from their magazines.

We are proud to be associated with Print Craft and highly recommend them for your sheet-fed printing needs. To check out more about Print Craft, you can visit their website at www.printcraft.com or contact Cory Brouse at (651) 582-3823.





Message

from Jeff LaGosh

Thanks for taking the time to check out what's happening at Schmidt! This is our second of four issues of the Schmidt Scene planned for the year and hopefully you found the articles useful and informative.

It has been a very busy and eventful three months since our last issue was mailed in January. The postal rate case seems to be all but finalized. Not great news for most of you, but we are working hard to furnish alternative print and packaging solutions that will help minimize the impact on your bottom line. If you have questions regarding your specific mail project, I encourage you to contact your Schmidt Sales Consultant for money saving options.

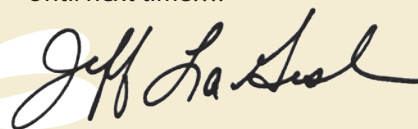
In April, we hosted an open house for seven of our customers. This was the first of two events planned for 2007. Our goal was to entertain and educate these clients about Schmidt's new capabilities. I believe we accomplished our goal, as evident by the pictures on page 4. I encourage you to consider taking part in our next event planned for this October. Be on the look out for details later this summer.

On the production front, we are currently in the process of installing another collating/packaging line and have placed an order for an additional line to be installed later this summer. This significant investment in technology and capacity puts us in a great position to respond to our customers and the market. With these additions, we have nearly doubled our collating/packaging capacity since our purchase of Scoville Press back in April of 2006.

On a personal note, we have been very fortunate to have experienced the leadership of Curtis Mohr for the past two and a half years. Our organization is stronger as a result of his guidance and contagious, positive energy. I will miss our daily conversations, but as a father of grown children, I understand his desire to spend more time with his family.



Thanks again for allowing Schmidt to be your business partner.
Until next time....



Jeff LaGosh - Vice President of Sales & Marketing

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faces of schmidt



Janice Lange
- Account Manager

"Jan" came to Schmidt in March of 2006 from Scoville Press with nearly 24 years of experience. She began her journey as a secretary then worked in accounts receivable and accounts payable. From there she moved to the sales department as an Administrative Assistant and then was an Account Manager for 10 years before coming to Schmidt.

In her role as an Account Manager at Schmidt, Jan's focus is on the cooperative direct mail line of business in the customer service department. She has played a key role in helping Schmidt retain nearly all of the accounts acquired last year.

When she's not working, Jan enjoys keeping busy with her three granddaughters and five grandsons. She tries to get to her cabin in Buffalo City, Wisconsin, on the weekends as much as possible and plans to move there as soon as she sells her house. Jan's greatest passion is riding her motorcycle, especially in Wisconsin.



Scott Noska
- List Processing Manager

Over the past twenty years, Scott has held various positions at Schmidt. "Back in the day," he operated cutters, folders and a multi-binder, however, the majority of his tenure has been working in the cooperative direct mail line of business. Scott has operated collating and inkjet equipment, was a clerk in the shipping department and was a Lead Supervisor in the mail center.

Currently, Scott is Schmidt's List Processing Manager. In this role, he manages mailing lists to ensure Schmidt's customers receive the best postage discounts. Scott is a valuable resource for everyone trying to understand the postal rate changes and how Schmidt can help with the transition.

During his leisure time, Scott enjoys hunting, reading, boating with his family which includes his wife Anita, who is a registered nurse, and their four children. Scott's oldest daughter, Vanessa, is 25, his twin daughters, Hilary and Glenna, are 15 and his son, Noah, is 13. He also likes to watch his children play sports.



Jenny Pratt-Kaufman
- Account Developer

Prior to joining the Schmidt sales team, Jenny worked at Scoville Press for 26 years. Her career in the cooperative direct mail industry began in production as a general bindery worker and progressed to a variety of additional roles in the manufacturing end of the business. She later applied her production experience in her role as an Account Manager/Planner and finally to the role she now holds at Schmidt, Account Developer.

For the past year, Jenny has ensured a smooth transition for accounts involved in the Scoville acquisition. Most of which are part of the cooperative direct mail or insert lines of Schmidt's business. She is looking forward to building more depth in her customer base as well as acquiring new customers.

When she's not hard at work, Jenny enjoys fishing, gardening, "puttering" in the yard, craft projects and helping her husband, Don, spoil their dog Kody.



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