



WINTER 2008

# **schmidt scene**

News and events for friends of Schmidt.

**Investing to Deliver Results for You.**

New Press on tap for '08.

**The Tale of the  
Print Approval Form**

**Meet the Family**

An introduction to Original Smith Printing.

# Greetings

## and welcome to our winter issue of Schmidt Scene!

If we view 2008 as a road trip, then we are a couple of hours into our journey and the road signs are warning us of challenges ahead. They point to a possible recession, more cost increases and uncertainties around an election year. It's too late to turn back, so let's grab the next rest stop and double check our map to see if we need to make any adjustments to still reach our destination on time.

Our map tells me that we must **Exceed our Customers Expectations**, or in other words, provide a hassle-free experience that delivers a quality product on time. The map says the next segment involves an **Employee-Powered Company** and we do that by inspiring and supporting employee engagement in all areas of our organization. Next, we must **Meet our Goals Everyday** by creating an awareness of high expectations and accountability in all that we do. Finally, we **Create a Gravitational Pull towards Schmidt** by honoring the commitments we have to our stakeholders.

Our map looks solid and I am confident that following these directions will allow us to fulfill our vision of Providing Print Solutions that Deliver for you no matter how rocky the road.

We are here to serve you on your journey in 2008!

Safe Travels,



Joe Ferguson - *President of Schmidt*



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# print solutions THAT DELIVER

## Investing to Deliver Results for You

As we enter 2008, Schmidt continues to aggressively invest in equipment, technology and people in order to serve our customers' needs and offer new solutions that deliver results.

### Investments Include New press

We are pleased to announce that we will begin the installation of a 38" Goss M-500 Web-offset press in August. This press will deliver print quality equal to our 26" Heidelberg, but at rates of 40,000 23" x 38" cutoffs per hour, enabling us to accommodate our customers' growing heat-set capacity requirements.

The Goss press has the same platform as our Heidelberg since Goss acquired Heidelberg's web press line of business. The Goss press will be a 4-unit perfecting press with the ability to add a fifth unit at a later time. We will keep you up-to-date throughout the year as we prepare for our "new arrival".

Another investment being made in our pressroom is the addition of another UV coating unit to one of our existing presses. The demand for UV coating has increased dramatically as more of Schmidt's customers are targeting consumers with high-quality marketing pieces.

Other investments budgeted for 2008 include upgrades in our finishing department to help improve productivity, computer hardware and software upgrades to keep our systems optimal and the replacement of two forklifts.

### 2007 Investments Paying Off

Schmidt made considerable investments in our collating department in 2007, which has tripled our capacity for bleed card packs and resulted in significant growth for that line of business!

Another investment Schmidt is committed to making on a continual basis is in our people. In 2007, Schmidt employees completed 12,328 combined hours of training. The largest number of training hours (9,914) completed was through our Print Production Program.

In 2006, Schmidt received a grant through the Minnesota Job Skills Partnership that enabled us to partner with The Dunwoody Institute to develop a comprehensive training program for our pressroom and finishing employees. The curriculum was completed in 2007 and employees began completing modules within the program.



Each module includes classroom and on-the-job training. Employees must then demonstrate the skills learned on a consistent basis for a given period of time before being certified for that particular job function.

The goal of the Print Production Program is twofold. First, to strengthen our bench of current employees and ensure everyone receives the same consistent training opportunities. Second, Schmidt wanted to create our own technical school of sorts so that we could hire people without printing experience and train them on our equipment and to our standards.

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Schmidt also made a significant investment by creating an extensive training program for emerging leaders. The program is a comprehensive twelve-month leadership development program designed to strengthen leadership skills, build a network of supporting leaders and foster a sense of community within the key leadership group at Schmidt.

The first graduating class gained knowledge through learning opportunities, hands-on project management experiences,

participation in business management meetings and exposure to key business leaders at Schmidt and the Taylor organization. Another group has been assembled to begin in early 2008.

Schmidt is dedicated to responding to your needs by continuing to invest in equipment, technology and our people. Please share your needs and desires with your Schmidt Sales Consultant or Account Manager so we can continue to deliver results for you.

## New Postal Prices Coming May 12

On May 12th, the United States Postal Service (USPS) will adjust prices for the following mailing services: First-Class, Standard, Periodicals, Package Services and Special Services. This is the first rate change since implementation of The Postal Accountability and Enhancement Act.

By law, these prices can increase on average no more than the rate of inflation as measured by the Consumer Price Index. The USPS will adjust mailing service prices each May and plans to provide 90 days' notice of the new prices to help mailers prepare for the change.

The average increase by class of mail for 2008 is at or below the rate of inflation as measured by the Consumer Price Index. For instance, the single-piece First-Class first ounce rate will rise to \$0.42 for letters, \$0.27 for post cards, \$0.83 for flats and \$1.17 for parcels. Customers can continue to use the Forever Stamps purchased for \$.41, even after the price change.

Below is a summary of the Standard Mail rate changes that will impact many of Schmidt's customers:

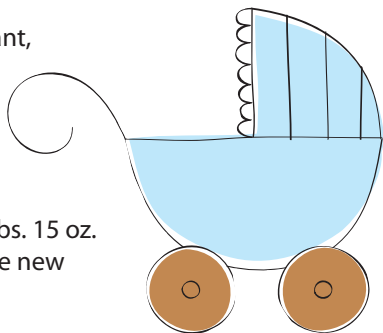
- The minimum automated per-piece rate for letters will be \$0.225 and \$0.339 for flats.
- Automation Letters weighing 3.3 ounces or less are increasing between 1.98% and 4.19%.
- Enhanced Carrier Route Letters weighing 3.3 ounces or less are increasing between of 1.13% and 4.35%.
- Enhanced Carrier Route Flats weighing 3.3 ounces or less are increasing between 2.14% and 3.25%.
- Automation Flats weighing 3.3 ounces or less are increasing between 1.19% and 3.07%.

See [www.usps.com/prices](http://www.usps.com/prices) for all mailing services prices, links to downloadable pricing files and additional information. The USPS will announce new prices for shipping services (Express Mail, Priority Mail, Parcel Select and International Mail) in March.

## *this & that*

*tidbits about Schmidt employees.*

Sales and Marketing Assistant, Nicole Danielson and her husband, Andy, became the proud new parents of a son, Brennan Andrew, born on December 30th, 2007. Brennan weighed 8 lbs. 15 oz. and was 20 inches long. The new family is doing great!



For the 14th consecutive year, Schmidt employees raised money and purchased toys for the local Marine Corps' annual Toys for Tots toy drive. Employees raised \$3,071 through a Christmas tree raffle, a silent auction for used Mac and PC computers and cash donations.



## *Congratulations!*

Shipping clerk, Jolene Flicker celebrated 30 years with Schmidt in January. Jolene started her career in the finishing department but has spent the majority of it in the shipping department where she has proven to be one of Schmidt's greatest assets.



Schmidt's employees continue to live out the Schmidt value of Community Involvement by raising \$20,000 for the United Way in 2007.



# proofing for QUALITY

## The Tale of the Proof Approval Form

In early 2007, Direct Marketer Dan tested a new spring offer with 20,000 customers. The test went so well that his marketing department decided to roll out the offer to all 2 million customers in 2008 and they were going to measure response by dividing the country into six regions and use separate codes for each region.

Now Dan is a very efficient print buyer. He keeps electronic copies of all his purchase orders and often copies orders forward to save time. Thus was the case with the 2008 spring order.

He was careful to update the dates and added the code information. He double-checked everything, unfortunately, not quite close enough. He saw the "2" in the quantity field and his eyes passed right over the zeros so he missed the quantity change before sending his order into Schmidt.

Schmidt Account Manager Amy received Dan's order and noticed that it was the same artwork and quantities as last year's order so she pulled forward the old job ticket, changed the dates and quickly processed the order.

The proof and proof approval form were then sent on to Dan for approval. Dan was carefully checking over every detail when he noticed the quantity was wrong. He quickly called Amy, who corrected the error and the mailing was a great success!

The moral of this story: We're all human and in the hustle and bustle of the printing world, mistakes can happen. However, having safety nets in place, like the proof approval form can help avoid typos or oversights before going into production.

Reviewing Schmidt's proof approval form is just as important as reviewing the proof of the printed piece. It is the final step in the order process and the final checkpoint to insure production receives accurate information in order to produce the job.

Not only is the proof approval form important for insuring a job is produced correctly, it is also critical to validate delivery information.

Once the proof approval form is signed and returned to Schmidt, the job is confirmed on the production schedule and placed in the line-up according to the ship date. This is why it is critical that the proof approval form be signed and returned to Schmidt within 48-hours. Delays in the return of the proof approval form can delay production.

If you have any suggestions on how we can improve this process, please feel free to share your thoughts with your Schmidt Sales Consultant or Account Manager. The process is in place for your best interest, please let us know if we can make it better for you and/or the people who use it on a regular basis from your organization.



# meet the FAMILY

## Original Smith Printing

Original Smith Printing (OSP) is a customer-focused, quality, full-service commercial printer serving customers nationwide with locations in Chicago and central Illinois. From prepress through bindery and fulfillment, their technology and decades of industry know-how ensure customers experience printing without the pressure. A key tool, ensuring OSP is always looking within for improvement is the ISO 9000 certification they gained in 1998.

### About OSP

OSP was established by Adel Hardman in 1929 and acquired by Taylor Corporation in 1987. Years of investments and growth have enabled them to begin a complete renovation that will expand their plant from 99,000 square feet to 145,000 in 2008. New presses are also in the plans to help make their capabilities even more diverse.

With 24/7 operations and an average of 500,000 impressions per day, heroic turnarounds are the specialty of their 210 employees. Customers are always welcome to visit for a press check, but OSP's dedication to quality ensures that they don't have to. OSP handles all the details – so their customers can focus on their next project.

### OSP's Strengths

With their full complement of presses (1 to 12-color, sheet fed and half web) and complete bindery, ideas are as vivid on paper as they are in the imagination.

OSP serves a diverse customer base, from retailers and sports teams to associations and large corporations. They produce a variety of products including calendars, intricate folders, CD sleeves, postcards, posters, sell sheets, greeting cards, conference books, a plethora of marketing material and much more. The type of work they perform is endless.



enjoy the process™

### Caring for Our Planet

OSP feels the health of our Earth is part of their personal responsibility. From the paper, inks and energy sources used, to their stringent recycling policies, they've taken major steps in reducing their footprint and want to help customers do the same.

OSP helps their customers make those choices easily and economically feasibly. Not only have they been FSC certified for two years, but even employ their own "Green Liaison" to help lead the way.

You can always rest assured that your best interest is the final factor whether OSP is meeting an impossible deadline or making good if a problem arises. OSP wants you to "enjoy the process" every time.

For more information about OSP check out their website at [www.originalsmith.com](http://www.originalsmith.com) or contact Angie Tiller at 309-834-2346.





# Message

## from Jeff LaGosh

Hello from frigid Byron, Minnesota! Thanks for checking out the winter edition of the Schmidt Scene. I trust you found the articles and information worthwhile.

In Joe's message he referenced the business objectives we have defined as our road map for 2008. At the top of the list is "Exceed our Customer's Expectations". As the leader of the Sales and Service teams in our organization, I'll expand on that objective even further.

We are committed to enhancing the customer experience in all areas of our organization. This means giving you more information - faster, reducing production cycle times, providing more on-line tools, and, in general, make doing business with us even easier than it is today. These are all initiatives that are underway at Schmidt as well as a major renovation to our website to make it more valuable to you.

I'm afraid the news on the paper front is not looking very positive. The market is poised to issue the second significant price increase in the past six months on offset stocks. Even though demand has not increased, the industry has taken substantial capacity off-line. We are working very hard with our suppliers to delay the announced increase as long as possible. I'll keep you posted on our progress.

On a more positive note, we have just placed an order for a new press as indicated in the lead article. The full size web is slated to be delivered late summer / early fall. This significant investment will help bolster our fleet and allow us to respond quicker to those large projects. More details will follow as we get closer to installation.

As a final note, I want to give an update to our customers who use paper wrapped packages. Initial testing using a new sealable paper substrate has been very positive including USPS approval. We will be running a live test job this month. If the test is a success, it will allow us to produce paper wrapped packages on all of our collating equipment. If you have any questions regarding the specifics of this product, I encourage you to contact your Sales Consultant.

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

Jeff LaGosh - Vice President of Sales & Marketing

## Contact Information

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**[www.schmidt.com](http://www.schmidt.com)**



**schmidt**

print solutions that deliver

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# faces of schmidt



**Scott Reese**  
- Account Coordinator

Scott joined the Schmidt family in August of 2000 in the Shipping Department. His time in shipping enabled him to gain great knowledge about Schmidt's processes and a valuable skill set. His hard work and determination to meet the needs of our customers made him a natural choice to fill the role of Account Coordinator in our customer service department in 2007.

When Scott isn't busy tending to Schmidt customer needs, he enjoys spending time with his wife Megan, his son Peyton (7), and his daughter Morgan (4). His other hobbies include attending local sporting events, researching history and golfing.

After serving his last mission in Baghdad, Scott was honorably discharged from the U.S. Army Reserve in March of 2006. He served the Army for ten years and earned a Bronze Star Medal for his hard work and dedication. We're proud to have him on our team!



**Sarah Lepler**  
- Sales Consultant

Sarah's career at Schmidt began ten years ago as an Account Manager where she built solid relationships with her customers and provided excellent customer service. In August of last year, Sarah moved into sales where she continues to provide superb customer service as a Sales Consultant.

Sarah partners with her customers to explore new print opportunities beyond what Schmidt currently provides and works to develop new business by opening new accounts.

When Sarah is not at work, she enjoys spending time with her friends and family, especially her daughter, Kaitlyn, who just turned three. She also enjoys traveling whenever she gets the chance.



**Jessica Larsen**  
- Account Manager

In June of 2006, Jessica started at Schmidt as an intern in the customer service department while she was on summer break from the University of Wisconsin - Stout. She interned again in the summer of 2007 and joined the Schmidt customer service team full-time as an Account Manager following graduation in December of 2007.

After her internship, Jessica knew that Schmidt was where she wanted to work because of the great people and how at home she felt. She has been a great addition to the customer service group!

Jessica enjoys fishing, cooking, traveling and spending time with her boyfriend, family and friends. She also enjoys playing with her one-year-old yellow lab, Jaeda.



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