

CELL MANUFACTURING ECONOMICS PRESENTATION SCRIPT

Didde roll-to-sheet miniweb press economics offer superior profitability over sheetfed manufacturing methods.

Production Concept:

This production is conceived as the combination of a “live” and “video” presentation to local printing house craftsmen’s groups. The “live” portion is to be performed by a Didde representative, using a flip chart. The “video” is to be a professional, three-segment presentation, designed to inform and educate “sheetfed” printers about the superior economics of their converting to “cell manufacturing” with a Didde roll-to-sheet printing and finishing system.

The objective is to reveal the low profitability of sheetfed printing, versus the much-higher profitability of going “cell manufacturing” with a Didde system. The rep opens the presentation and sets the stage. He then initiates segment one of the video. After that, he leads a free-flowing brief Q & A and discussion of what was covered. Then, he starts segment two. That is also followed by a brief Q & A and discussion. Finally, he starts segment three. The summary Q & A discussion that follows also wraps-up the meeting. In all, the presentation and discussions occupy an hour. By the end, the printer attendees are fully ready for substantive one-on-one meetings with the Didde rep, which he can schedule, on-the-spot.

The video production is to be fast-paced, with compelling visuals and music, so that it can also be used in other sales presentation applications.

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Live Introduction by Didde Representative:

Rep walks to center; stands beside flipchart and introduces self.

Visual on Rep's flip chart:

Cell Manufacturing Technology

Didde (logo)

(Didde Rep speaks)

GOOD EVENING AND WELCOME. MY NAME IS [NAME] AND I'M WITH DIDDE WEB PRESS, INC., DIDDE IS THE SPONSOR OF TONIGHT'S PROGRAM AND AMERICA'S LEADING MANUFACTURER OF NARROW WEB PRESS SYSTEMS.

WE HAVE AN INFORMATION-PACKED PRESENTATION FOR YOU ON CELL MANUFACTURING TECHNOLOGY. (NO, IT'S NOT ABOUT TELEPHONES.) BUT IT WILL SHOW YOU HOW AMERICAN MANUFACTURING IS GETTING A "WAKE-UP CALL" ABOUT BECOMING MORE PRODUCTIVE AND COMPETITIVE. NEXT, WE'LL SEE HOW CELL MANUFACTURING TECHNOLOGY IS DRAMATICALLY REDUCING COSTS IN OTHER INDUSTRIES. AND FINALLY, WHAT CELL TECHNOLOGY MEANS TO PRINTERS LIKE US. OUR PROGRAM WILL BE PRESENTED IN THREE, SHORT VIDEO SEGMENTS. I'LL SUM-UP AFTER EACH; THEN, AT THE END, WE'LL HAVE TIME FOR QUESTIONS. I THINK YOU'LL BE INTERESTED IN WHAT YOU HEAR AND KNOW YOU'LL BE GLAD YOU CAME.

He moves to sideline and activates Video.

NOW, LET'S GET UNDERWAY.

(Rep introduction ends)

(VIDEO ROLLING) Video Module 1

(Brief title opening) **Cell Manufacturing Technology**

Part One

Didde (logo)

(Dissolve to interior: executive business office. Slowly dolly-in on Narrator, who is standing in front of desk, carefully studying a business magazine. He is a “Gregory Peck” type: sincere, authoritative and articulate, with an inflective style that can make the smallest detail seem important. He will appear on-screen **(O/S)** part-time throughout; otherwise, as voice-over **(V/O)**. Not visible on screen now, but just a few steps away is a flipchart, identical to the one used by the rep during the introduction. He looks up, places the magazine on desk and directs full attention to audience.)

(Dissolve to visuals):

Visuals: Camera zooms and pans, first on several general business magazines and articles about the business subjects he mentions; second, it pans on a sequence of printing industry magazine covers and headlines of similar articles addressing printers. Slides / photos may also be used, as necessary. The aim is to show that rapid changes in the general business environment have spilled over into the printing business. To underscore the voice-over, dissolve to an ever-changing, colorful word-montage, in which we see different color/different-size business “hot-button” words and phrases panning-by in all directions (up, down, left, right), such as *downsizing, restructuring, TQM, re-engineering, just-in-time, productivity, customer service & satisfaction, cost controls, profitability, competitive-ness, new technology, manufacturing, marketing earnings, cut costs, boost profits.*) Aim is to show a bewildering swirl of “choices and concepts” in motion around business people these days. Which mix can lead them to *success?*)

(MUSIC)

(FADE MUSIC BEHIND NARRATOR)

(VIDEO NARRATOR, ON-SCREEN; MUSIC OUT)

(O/C): HELLO. THANKS FOR BEING HERE TONIGHT. THIS IS MORE THAN JUST A GATHERING OF PEOPLE WHO SHARE AN INTEREST IN PRINTING. ALL OF US ARE “IN BUSINESS.” AND, LIKE MOST BUSINESS PEOPLE IN THESE TURBULENT TIMES, WE’RE SEEKING THE PATH TO SUCCESS. THESE DAYS, IT HASN’T BEEN EASY TO FIND... HAS IT?

(V/O): SINCE THE NEW CENTURY BEGAN, TIDAL WAVES OF CHANGE HAVE SWEEPED BOTH THROUGH OUR ECONOMY AND THROUGH OTHERS AROUND THE WORLD. JUST LOOK AT ANY MAP AND YOU CAN SEE WHAT’S HAPPENED IN A FEW SHORT YEARS. LITTLE REMAINS THE SAME. THOSE TITANIC SHIFTS HAVE PACED OTHERS IN THE BUSINESS ENVIRONMENT. SUDDENLY, COMPETITION IS GLOBAL AND VERY INTENSE. CUSTOMERS WANT TOP QUALITY AT THE VERY LOWEST PRICE. MEANWHILE, OUR PRINT-BUYING CUSTOMERS ARE MERGING, DOWNSIZING AND CONSOLIDATING. THAT LEAVES FEWER BUYERS. ONCE-GREAT COMPANIES HAVE SHRUNK IN SIZE. OTHERS HAVE SIMPLY DISAPPEARED.

WAVE AFTER WAVE OF ARTICLES IN LEADING BUSINESS PUBLICATIONS TELL US HOW RAPIDLY THE ECONOMY IS CHANGING...HOW COMMITTED AMERICAN BUSINESS IS TO TACKLING ITS COST AND PRODUCTIVITY PROBLEMS. SCARCELY A DAY GOES BY WITHOUT STARTLING CHANGES. THE SURGING NEW FORCES AFFECTING OUR CUSTOMERS HAVE SPILLED-OVER INTO OUR INDUSTRY. PRINTERS ARE SCRAMBLING TO BECOME MORE COMPETITIVE...TO CUT COSTS... YET, BOOST QUALITY AND SERVICE.

(Dissolve to Narrator)

(O/C): UNFORTUNATELY, MOST OF US ARE ALSO FINDING THAT OLDER METHODS OF BECOMING MORE EFFICIENT AND MORE PRODUCTIVE WERE REALLY MEANT FOR YESTERDAY'S MARKET. THEY DON'T SOLVE TODAY'S PROBLEMS. PRINTING RUNS ARE SMALLER, WITH MORE PRICE COMPETITION THAN EVER. CUSTOMERS WANT DELIVERY "YESTERDAY. " PLAINLY, SOME SHOPS WON'T MAKE IT, WILL THEY?

(Narrator commences slow walk to flip chart and camera pans, then dollies in to him beside flip chart, which is open to following page):

(Cut to chart)

Visual: Flipchart page:

Critical Processes for Business Success:

- * **Manufacturing**
- * **Marketing**

(V/O): OUR BUSINESS SUCCESS DEPENDS GREATLY ON HOW WELL WE PERFORM TWO, CRITICAL PROCESSES. FIRST, HOW DO WE MANUFACTURE THE GOODS WE SELL? WHAT METHODS DO WE USE? ARE THEY

(He turns page)

Visual: Flipchart page:

PRINTING IS MANUFACTURING

(He turns page)

Visual: Flipchart page:

COST: wholesale we 'pay' to create a work

PRICE: retail our client pays for the work

(He turns page)

Visual: Flipchart page:

Marketing:

- * **makes us 'different' ... 'better'**
- * **brings in the business**
- * **justifies our price**

(He turns page)

Visual: Flipchart page:

Retail (Price)
- Wholesale (Cost)
Profit (The future of your business)

WE SELL? WHAT METHODS DO WE USE? ARE THEY UP-TO-DATE?

AFTER ALL, PRINTING IS MANUFACTURING. WE CONVERT RAW MATERIALS INTO FINISHED GOODS USING SKILLS, PROCESSES AND MACHINES.

PEOPLE AND TECHNOLOGY PLAY A BIG ROLE, DETERMINING THE QUALITY AND A MAJOR SHARE OF OUR EXPENSE IN CREATING A FINISHED WORK FOR A CUSTOMER. THINK OF THIS AS THE 'WHOLESALE COST' WE SUSTAIN TO MAKE A JOB OUR CUSTOMER WILL 'BUY' AT RETAIL.

THE SECOND CRITICAL PROCESS IS OUR APPROACH TO MARKETING. THIS IS THE PROCESS THAT WORKS TO BRING US CLOSER TO OUR CUSTOMERS. IT'S EVERYTHING WE DO TO ATTRACT, HOLD AND HAVE OUR CUSTOMERS THINK OF US AS 'DIFFERENT' ... 'BETTER' THAN OUR COMPETITORS. MARKETING, THEN, IS WHAT BRINGS IN THE BUSINESS AND JUSTIFIES OUR 'RETAIL' PRICE FOR THE QUALITY GOODS WE MANUFACTURE.

SO, THE SUCCESS OF EVERY MANUFACTURING BUSINESS LIKE OURS CAN BE SUMMED-UP LIKE THIS. WE SUBTRACT OUR COST OF MANUFACTURING AND MARKETING, FROM OUR RETAIL PRICE. THE DIFFERENCE IS OUR PROFIT. BUT

(Cut to Narrator)

(He turns page)

(Cut to new flip chart page)

Visual: Flipchart page:

WHAT'S BEING PRINTED TODAY?

Chiefly, Small-Format Work:

- * **8-1/2-by-11**
- * **11-by-17**
- * **multiples up to 19 x 25**

(He turns page)

Visual: Flipchart page:

Buyer sees no difference in:

- * **size**
- * **quality**
- * **service**

Buyer concludes:

- * **it's a "commodity"**
- * **only price matters**

THERE'S ANOTHER, BETTER WAY TO LOOK AT THIS NUMBER -- THINK OF IT AS YOUR FUTURE.

(O/C): WHILE, IN PART, PROFITS ARE A REWARD FOR YOUR ENTREPRENEURIAL EFFORTS, THEY ARE ALSO THE KEY SOURCE OF NEEDED REINVESTMENT CAPITAL FOR YOUR BUSINESS. PROFITS BUY THE NEW EQUIPMENT AND TECHNOLOGY THAT WILL KEEP YOU COMPETITIVE AND GROWING. TAKE AWAY PROFIT AND YOU HAVE A BUSINESS WITH NO SUCCESS--AND, NO FUTURE.

(V/O): I'M SURE WE CAN ALL AGREE THAT A LARGE PART OF THE PRINTING MARKET REVOLVES AROUND THE 8-1/2-BY-11-INCH PAGE AND MULTIPLES OF ITS SIZE, UP TO 19-BY-25. LONG AGO, PRINT BUYERS SETTLED ON THE 8-1/2-BY-11 PAGE FORMAT TO CONTROL COSTS AND GAIN EFFICIENCY IN FILE SPACE, EVEN IF AT SOME EXPENSE IN CREATIVITY. THAT EARLY SMALL-FORMAT CHOICE MEANT PRINTERS COMPETED MORE ON THEIR 'SERVICE' AND 'QUALITY.' BUT, OVER THE YEARS, PRINT QUALITY HAS EVOLVED. AND SERVICE HAS RISEN TO A POINT WHERE MOST PRINT BUYERS NOW SEE LITTLE OR NO DIFFERENCE BETWEEN WHAT IS OFFERED BY MANY SMALL-FORMAT PRINTERS THEY USE. SO, TO PRINT BUYERS, SMALL-FORMAT PRINTING HAS

(He turns page)

Visual: Flipchart page:

Few things are lower than a “commodity” price.

(He turns page)

Visual: Flipchart page says:

SUPPLY: about 50,000 sheetfed printers.
DEMAND: smaller customer base, shorter runs.

(He turns page)

Visual: Flipchart page says:

Marketing Problem:
BUYER sets price in small-format 8-1/2 x 11-based market because printers’ products are perceived as a commodity.

BECOME A COMMODITY, JUST LIKE POTATOES, APPLES OR LUMBER. AND, IN ANY COMMODITY MARKET, THE ONLY WAY SUPPLIERS CAN COMPETE IS BY DRIVING DOWN THE PRICE. THIS SAYS IT ALL: “FEW THINGS ARE LOWER THAN A COMMODITY PRICE.” YOU KNOW IT. PERHAPS YOU DEAL WITH IT EVERY DAY. COMMODITY PRICING IS WHAT HAPPENS TO OUR BUSINESS WHEN THESE TWO ECONOMIC DETERMINANTS GET OUT OF BALANCE. PRINTING’S ‘SUPPLY SIDE’ IS HIGHEST IN SMALL-FORMAT SHEETFED PRESSES. IT HAS CREATED A NAGGING CAPACITY PROBLEM. ALL THOSE IDENTICAL PRESSES OUT THERE JUST CAN’T PRODUCE ‘SERVICE AND QUALITY’ THAT IN ANY WAY ‘DIFFERENT’ OR DISCERNIBLY ‘BETTER.’ AND, WE KNOW THAT MERGERS AND ACQUISITIONS ARE SHRINKING THE ‘DEMAND SIDE.’ SO, IS IT ANY WONDER THAT MORE AND MORE ‘COMMODITY PRINTING’ IS BEING BOUGHT STRICTLY ON PRICE?”

(V/O): REMEMBER -- THIS MARKETING PROBLEM HAS COME ABOUT BECAUSE TOO MANY SMALL-FORMAT PRINTERS ARE USING IDENTICAL MANUFACTURING METHODS TO PRINT ‘COMMODITY’ WORK. THEY CAN’T REDUCE THEIR COSTS. AND BUYERS ARE SETTING THEIR PRICE. IT’S NOT A PRETTY PICTURE.

(Cut to Narrator)

IT'S NOT A PRETTY PICTURE.

(O/C): AS IN ANY 'BUYER'S MARKET,' PRICES FOR SMALL-FORMAT COMMODITY PRINTING WILL EVENTUALLY BE DRIVEN SO LOW, THEY WILL DROP TO THE COST OF MANUFACTURING, WHERE THE PROFIT... AND FUTURE... ARE BOTH ZERO.

IF YOU WERE IN THEIR SHOES, SUPPOSE YOU COULD *REDUCE* YOUR MANUFACTURING COST BY UPDATING YOUR MANUFACTURING METHOD? THEN, YOUR LOWER COSTS WOULD LET YOU PRICE BELOW YOUR COMPETITORS -- AND STILL MAKE A PROFIT. YOU WOULD GAIN A SUBSTANTIAL COMPETITIVE ADVANTAGE, MEET CUSTOMER NEEDS AND BE THOUGHT OF BY PRINT BUYERS AS VERY 'DIFFERENT' FROM OTHER PRINTERS, WOULDN'T YOU?.

LOWERING COSTS IS THE CENTRAL IDEA OF CELL MANUFACTURING TECHNOLOGY. IN THE NEXT SEGMENT, WE'LL SEE HOW OTHER INDUSTRIES ARE SWITCHING TO CELL MANUFACTURING TECHNOLOGY AND ACHIEVING THESE DESIRABLE LOWER COSTS, COMPETITIVE ADVANTAGES AND GREATER PROFITABILITY. YOU'LL ALSO SEE WHAT THIS NEW METHOD HOLDS IN STORE FOR PRINT-BUSINESS-PEOPLE LIKE YOU.

(MUSIC UP)

Dissolve to):

SUMMARY

(Hold for 5 seconds)

(FADE MUSIC)

(Fade to black)

(SILENCE)

(REP SET VIDEO ON "PAUSE")

(End of Video Module 1)