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The Business of Green Media: It's Not Just About Print

By John Parsons

By now, readers of THE SEYBOLD REPORT are familiar with the challenges of sustainable communication and with some of the “green technologies” and standards that will potentially affect publishing. In fact, sustainability has become the new marketing buzzword for printers and their suppliers and customers. With all the heightened interest, however, come two undesirable side effects: heightened anxiety by business owners unfamiliar with the concept and a deluge of marketing hype from vendors looking to cash in on environmentalism. Both trends are aggravated by the relative lack of hard data, and the embryonic state of measurement and control tools.

SustainCommWorld (SCW, www.sustaincomworld.com), a recently created event company, is attempting to fill the knowledge gap with its first symposium, “The Business of Green Media,” held at the California Polytechnic campus on Jan. 24. Led by Don Carli of the Institute for Sustainable Communication (ISC, www.sustaincom.org) and CEO Lisa Wellman, SCW is planning its major conference for Oct. 1-2, in Boston. If the CalPoly preview is any indication, the fall event should be a success, eclipsing more traditional graphic arts, printing and publishing shows that have added sustainability as an afterthought.

Dr. Harvey Levenson, director of the CalPoly’s Graphic Communication Institute (GRCI), facilitated the event. Indeed, GRCI connections were much in evidence throughout the day, including a final keynote by a former CalPoly student the Hon. Robert Tapella, CEO of the U.S. Government Printing Office. The six panel discussions focused mainly on business case issues for printers and print buyers, highlighting the fact that environmentally responsible media is no longer solely a matter of conscience, but an economic necessity.

The speakers addressed some well-known topics, including print lifecycle analysis, governmental regulations and waste/recycling, as well as VOC and other emissions issues. Not all the focus was on paper-based publishing, however. In his

opening keynote, Carli pointed out that electrons (i.e., online media) are not free any more than atoms (paper and ink) are free. He reported that initial estimates, based on average power consumption, coal-based sources of power and other factors, indicate that one second of connect time to a typical Web site produces approximately 20mg of carbon. Extrapolating this to a Web publication with millions of users, the environmental impact of online media is far greater than is commonly believed. In addition, Carli pointed out that the e-waste

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issue (unsafe disposal of obsolete hardware) has become an environmental crisis in Third World countries and is the fastest growing part of the U.S. waste stream.

Although the panels consisted mostly of business owners, vendors were also given an opportunity to address the conference. Kodak, HP, Xerox and Océ highlighted their existing and planned sustainability products and practices, as did paper manufacturers Sappi and Mohawk. (Like many paper companies, both of these have increased their green message, as typified by Mohawk’s Web site, www.mohawkpaper.com, which features wind power offsets, emissions reduction, promotion of FSC fiber and an interactive environmental calculator.) Other paper companies have indicated an interest in sponsoring the main October event — as has the paper and wood products think tank RISI (the parent company of THE SEYBOLD REPORT).

A number of printers also took sponsorship roles, highlighting the fact that sustainability is decidedly “in.” These included RR Donnelley, Quebecor World, Cenveo Anderson, Cenveo Color Graphics and

a Berkeley-based Web-to-print company, GreenerPrinter.com. Not sponsoring but certainly active in panel discussions were California environmental pioneer Alonzo Printing and New Jersey-based EarthColor, which will print the entirely eco-friendly event poster by artist Peter Max.

Panel Discussions

All of the moderated sessions were under a “PowerPoint-free” constraint, which allowed a more relaxed, free-flowing style. The first session focused on the overall business case for sustainable media. All agreed that a green message opens the doors to new print customers, especially from environmentally aware customers, and more business, but cautioned that each service provider had to answer a whole new set of performance questions. Jim Duffy of Alonzo Printing discussed the new issues coming from potential customers during the RFP process, including sources of energy, resource procurement and waste handling. Printers must rely on their supply chains for such information, which is often incomplete and not easily summarized. Customers want green, it was noted, but they don’t always know exactly what that means. David Podmayersky of EarthColor also made a strong case for increased shareholder value in a printing company that takes a leadership role on sustainability issues. EarthColor has pioneered new methods of VOC reduction (via a biological “digestive” process) and renewable energy usage which, according to Podmayersky, have enhanced the financial bottom line.

Perhaps the most enlightening portion of the business case panel was the segment by founder of Affordable Internet Services Online (AISO), Phil Nail. AISO’s claim to fame is that it uses 100% solar power for its Web hosting services and other operations. Traditional IT, Nail explained, is a source of very high hidden environmental costs. The situation is beginning to change, however, as energy costs are increasingly being charged back to corporate IT departments. AISO’s efforts could be a model for other IT and Web hosting groups looking to decrease their impact on the environment. These include selecting efficient components and displays, consolidating server functions on fewer devices and better desktop management, including the increased use of “thin clients.”

Print buyers and supply chain managers also factor heavily in the sustainability

discussion. One panel featured a diverse cross-section of supply management professionals, many of whom described an emerging “scorecard” approach to evaluating sustainability claims. A merit/demerit process could include many factors, including the sources and efficient use of power, fiber and other resource procurement, plant emissions and waste handling. As advertisers and publishers take a similar approach to print (and Internet service) procurement, the economic pressure will outweigh that of governmental regulation.

Another panel, “As California Goes, So Goes the Nation on Climate Change and Air Quality,” addressed that very issue. California’s stringent air quality regulations, considered a bellwether in the auto industry, might also induce other states and countries to follow suit. The specter of driving print business to less-restrictive states and countries was discussed, but panelists stressed that national and world opinion on climate issues would not make that situation permanent. They also expressed confidence that sound environmental practices did present business opportunity as well as the risk of price/cost pressure. During a vendor presentation, the changing nature of business response to regulation was brought out: In the 1960s and 1970s, emphasis was on compliance and enforcement. In the 1980s, non-regulated risk management was the order of

the day. In the 1990s, businesses and regulators began to focus on unaccounted-for costs. Today, governmental regulation still plays a significant role, but is often overshadowed by investor pressure.

Finally, a panel addressed the growing phenomenon of “green marketing” and certifications. Chain-of-custody fiber source certifications such as the Forestry Stewardship Council (FSC, www.fsc.org) are increasingly well known, but the issues of sustainability are too complex for a single “magic bullet” certification. Gary Jones, environmental, health and safety director for PIA/GATF, pointed out that customers’ requests for “a green printer in my area” could not be reliably answered, spurring the organization to launch a nationwide research and certification effort. Scot Case of **Terrachoice** and Linda Chiperfield of **Green Seal** argued that the current, marketing-driven panaceas are counterproductive. (Case and Chiperfield will report on the implications for print publishers in an upcoming Report.)

Our Take

The one-day CalPoly event set the stage for SustainCommWorld in Boston. The policy issues will only increase in importance to information publishers and their partners, and the technology to manage these factors is certain to get more interesting. Those who missed the overture would be well advised to attend the main concert. **TSR**

Yahoo Rebuffs Microsoft – For Now – and Makes an Acquisition

By Molly Joss

It took Yahoo Inc.’s board of directors a little more than a week to rebuff Microsoft’s Feb. 1 offer to buy the company for \$31 a share, a deal worth approximately \$44.6 billion. However, the board did not slam the door shut on the offer completely, leading most industry observers and analysts to conclude that Yahoo would like to see Microsoft improve the per-share offer by at least a few dollars and possibly as much as \$10 a share. “After careful evaluation, the board believes that Microsoft’s proposal substantially undervalues Yahoo, including our global brand, large worldwide

audience, significant recent investments in advertising platforms and future growth prospects, free cash flow and earnings potential, as well as our substantial unconsolidated investments.”

Microsoft responded the same day with a press release that said, in part, that the company feels “it is unfortunate that Yahoo has not embraced our full and fair proposal to combine our companies.” At press time, Microsoft had not increased its per-share offer and said it might pursue other means of acquiring the company, including approaching shareholders directly.