

WhatTheyThink?

Every Print Job Doesn't Deserve an Estimate

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Published: October 20, 2014

Efficiency requires the segmentation of your workflow into at least three different workflows: self-service, light-service, and full-service. Each workflow applies the appropriate amount of labor and technology to deliver on the promise to the customer in the most efficient manner possible.

I like the phrase “from order entry to invoice” because it very succinctly describes the route an order travels through your print business, from beginning to end. The question for every print business is this: is your workflow a local train with lots of labor stops, or is it an express train that is automated by technology?

Efficiency is the name of the game, and a printer's most expensive cost of supporting the “from order entry to invoice” workflow is people. When workflows are facilitated by applying more and more labor to them, you are going down a path toward low profits, high costs, and increasingly error prone processes. The business of print cannot be about a single workflow anymore. We have to examine our customers and our jobs and ensure that they fall into one of at least three distinct workflows, each of which requires just enough labor to effectively deliver on the customer promise.

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Your people that are working every day in your business (drinking from the fire hose) often have a hard time seeing patterns because their perspective is too focused on the individual job. When I worked in a high volume retail digital printing operation, it was so easy to fall back on the excuse for no automation/processes – every job is different, how can we automate? To answer that question, I painfully collected job information over a six month period off of paper job tickets. What I found was that every job was different, from a content perspective, but from a print manufacturing perspective, there were distinct patterns and more similarities than differences. When you have the benefit of a big picture perspective, you can see at least three different workflows that virtually every printer should support:

- 1. Self-Service Workflow**
- 2. Light-Service Workflow**
- 3. Full-Service Workflow**

Many printers use one workflow for all orders, typically applying a full-service workflow to every single job. This wastes a tremendous amount of labor, takes a lot of time, and limits your ability to scale because all you can do to accommodate growth is add more people. This makes you less competitive because your costs are higher, your turnaround times are longer, and your labor intensive processes are more prone to error, relying as they do on many single points of failure in the form of humans trying to keep all the balls in the air at once. Full-Service Workflows are dominated by people. On the other end of the spectrum, self-service workflows are dominated by technology enabled processes and the ability to put the customer in control of when, where and how they want to interact with you.

Self-Service Workflow

The Self-Service Workflow enables your customer to be an active participant in your workflow. Many look at this and errantly think this means you're putting the customer to work by making them enter their orders themselves. When customers have to interact with you for order entry, are you forcing them into an inefficient manual interaction (e-mail, phone, face to face) where they have to rely on your availability. Customers want the option to do things for themselves and find out answers quickly without leaving voice mails, waiting for e-mail responses, or waiting for your sales representative to visit them. The customer's time is the most precious resource they have. Not offering them a self-service option disrespects your customer's time. You have to face up to the fact that your customers do not want to talk to you for every transaction. Studies have shown that "manual procurement" in the form of paper-based purchase orders and invoices cost companies as much as \$75 per transaction.

The following diagram highlights the common "labor stops" for a self-service workflow.

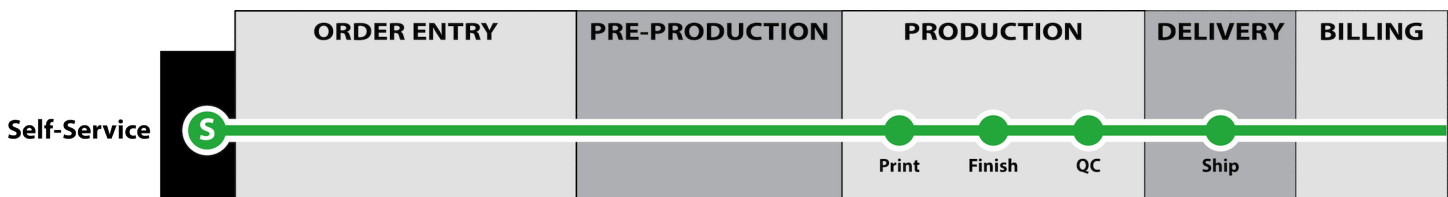


Figure 1. Self-Service Workflow.

The Self-Service Workflow is defined by what is not there; there are no labor stops in order entry, pre-production, and billing. The only labor applied to these orders is production and delivery labor, and this should be limited to physically loading paper, completing finishing tasks, and shipping the final product.

Light-Service Workflow

A Light-Service Workflow removes some, but not all, local stops. This is an order that isn't easy enough to put through the self-service workflow but still doesn't warrant a full-service workflow. The important step that is removed in the Light-Service Workflow is the full estimate. This job is standard enough to be priced via a price list, and this means the sales person or customer service representative can get pricing back to the customer very quickly and the job skips the estimating process.

The following diagram highlights the common "labor stops" for a Light-Service Workflow.

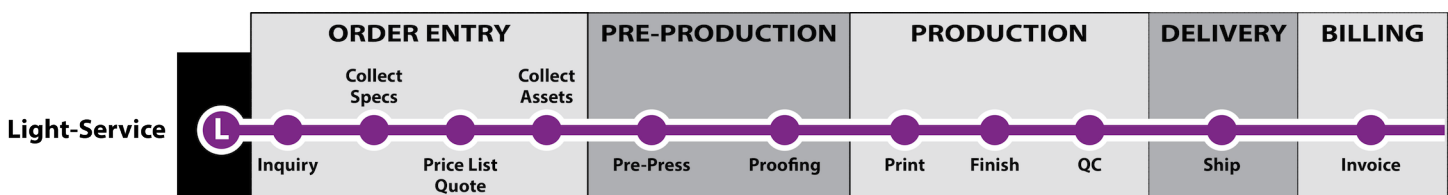


Figure 2. Light-Service Workflow.

Taking the full estimate out of the workflow decreases the time it takes to get the price to the customer, and this a primary factor in winning business. Being the first to quote greatly increases your chances of winning the deal. Using the estimating function only for orders that truly warrant a full estimate relieves estimating staff of traffic and allows them to spend more time on the jobs that count. Some printers are using technology that enables customers to secure their own quotes, including automated pricing from a price list and subsequent file upload. This approach removes additional labor stops.

Full-Service Workflow

The final workflow is the most typical in a print shop. The job flows through lots of people, using lots of labor. This workflow is appropriate for complex work or high-value work that warrants this kind of attention. This is an expensive workflow. I've heard estimates ranging from \$25 to \$50 every time labor "touches" a job based on fully loaded labor costs. If you have four touches on the order before it hits production, you could be \$100 to \$200 in the hole before you even start printing!

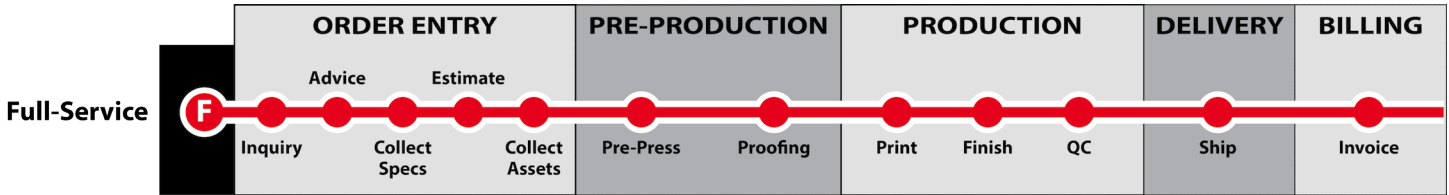


Figure 3. Full-Service Workflow

If each "labor stop" in your workflow costs you between \$25 and \$50, with the trend in the overall printing business leaning heavily toward smaller average order values, increased order volumes, and quicker turn times, you can start adding up the labor savings very quickly when you segment your work and apply technology in order to reduce the number of labor stops and associated costs. This is, of course, a simplified view of all of the details that have to happen to move a print order through the business process of print.

3 Print Workflows: Apply Just Enough Labor "stops"

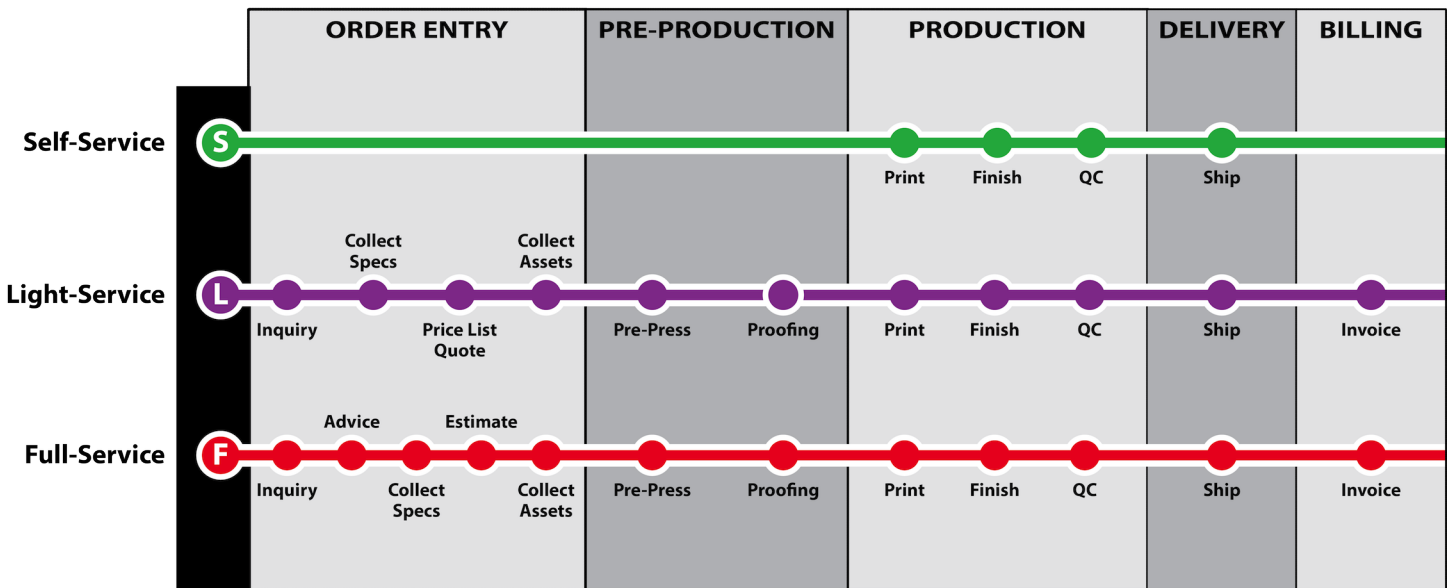


Figure 4. Comparing 3 Print Workflows.

With this in mind, software is a critical piece of your business strategy. In order to remain competitive, you must leverage technology where you once leveraged people. When you apply the most precious resource you have (your people's time), make sure it's on value-added services. Technology is so much better at repetitive administrative tasks. People are still absolutely a differentiator. But how you spend your people's time, where you apply it, and how that benefits the customer will be a key factor differentiating those who thrive from those who end up on the wrong side of the consolidation equation.

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