
Leveraging Affordable New Technology to Boost Efficiency and Profits

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Introduction

Each year at GRAPH EXPO/PRINT, the largest graphic arts trade show in North America, the Must See ‘ems panel of experts identifies the technological keys to success for printing businesses in the current environment. For the past several years, print-oriented management information systems (MIS) have headed the list as the most important technology that Print Service Providers must have in order to succeed.

However, in 2009, the panel identified three technologies that were tied for first place:

- Information Technology expertise
- Web-to-Print
- MIS

This sends a very strong message to print service providers that an integrated and automated process for estimating, order input and management of the process through shipping and settlement is critical in today’s fast-paced and rapidly changing business environment. With an integrated Web-to-Print/MIS solution and access to IT expertise, Print Service Providers can be more agile, taking work that may not have been possible to profitably produce in the past. This approach removes cost (including labor) and time from the process, and enables the profitable production of an increasing number of smaller jobs with tight cycle times.

This White Paper discusses how printing organizations can leverage today’s technology infrastructure to affordably address all three of these critical areas by implementing a single solution, improving productivity and throughput, and attaining business growth without the need to add additional human resources.

This position will be validated by stories from three very different printing businesses who have leveraged a single solution, PressWise—a hosted blend of Web-to-Print, MIS and workflow automation—to meet or exceed their business goals while positioning themselves for growth with a flexible, scalable solution designed to meet their needs today and into the future:

- Progressive Solutions, an example of a B2C implementation that manages a large number of smaller customers with PressWise, enabling them to achieve higher margins than are practical with larger accounts and delivering a disproportionate benefit to the bottom line as a result of administrative efficiencies.

- ChromaGraphics, a general commercial printer with a hybrid digital/offset production base. PressWise enabled ChromaGraphics to secure a special fulfillment contract with a major client, profitably fulfilling business card orders to 60,000 shoppers in just a few weeks, with over 7,500 orders coming in on the peak day. This is an excellent example of the value of structuring a print operation to efficiently handle small orders, even if they come through large customers.

- DPI, which provides storefront technology or integrates other storefront technologies to drive print-on-demand on digital presses for point of sale, direct mail, marketing collateral and other short-run work. PressWise has become the backbone of the company’s IT infrastructure, enabling DPI to increase its throughput by 40% without adding additional resources.
Effectively Managing Order Entry

One of the most costly and restrictive bottlenecks in many printing organizations today is the order entry process.

Conventional order entry for many firms was originally designed to handle large, complex, customized print jobs that often required multiple touches on the part of both the customer and printer. A sales representative or CSR might consult with the customer on job specifications; an estimator provides a quote; and the production planner decides how and when the job can be produced. There may be negotiations back and forth over price and schedule, but the resulting work may be worth all of the effort, with administrative costs representing a reasonable percentage of the selling price.

Unfortunately, those larger jobs are now fewer and farther between, and printers pursuing them face strong competition. Even if the job is secured, margins may be slim due to the heavy administrative burden and a price-sensitive market. A growing number of print jobs, however, are small, counted in the tens or hundreds of dollars rather than the thousands or tens of thousands of the past. These smaller jobs simply cannot afford heavy administrative overheads and their order entry and production must be automated to ensure profitability. Without a proper infrastructure to handle a larger number of these smaller jobs, printers simply walk away from them, or perhaps produce them at a loss to retain a valued customer.

In addition, many printing firms lack the management systems to evaluate profitability on a job-by-job or customer-by-customer basis in real time, often waiting days after the end of the month for consolidated financial results that reflect profit or loss for that month—but possibly not providing enough detail to assess each job or customer individually, and certainly not offering access to the real-time business information that allows print owners and managers to make critical and timely business decisions necessary to ensure their continued viability.

Add to that the growing desire on the part of buyers of print to use the Internet to compare prices and capabilities, select print service providers, and submit jobs without the constraints of working during normal business hours or adjusting across time zones.

While there will likely always be complex, custom print jobs that require human intervention across all or most of these processes, Print Service Providers must find a more effective way to handle the growing number of smaller jobs, making them more efficient for buyer and printer alike. Not only will this allow them to gain new customers, it will also allow them to produce a wider range of work for existing customers, making them a more valuable one-stop solution and making it harder for competitors to gain a foothold.

This is where Web-to-Print solutions come into the picture. Using an online storefront or customized web portal, customers can easily submit jobs, gain real-time pricing, view proofs, create variations on established templates or choose printed and non-printed items from an online store catalog. Once approved by the customer, these jobs are automatically entered into the printer’s job stream, often prepaid by credit card, and allow expensive human resources to handle work on an exception-only basis, intervening only when a problem occurs.

Luckily, there is a wide variety of storefront offerings for printers to choose from. This is the good news. The bad news is that storefronts are not “one size fits all.” All too often, a print service provider will implement an expensive storefront solution at the behest of one or two key customers, expecting to add more customers over time to offset the cost of the solution and improve operational efficiency on a grander scale. This vision may never be realized due to the length of time it takes to establish an individualized or customized storefront and the amount of work that must run through that
storefront to justify that effort.

On the other hand, a very simple, entry-level storefront might be able to efficiently handle small customer orders but might be inadequate for larger, more complex needs. This leaves the print service provider to make tough decisions that often result in selecting one storefront that meets the needs of a small number of large customers, choosing one that meets the needs of a large number of smaller customers, or maintaining multiple, independent platforms that create a new bottleneck as jobs from multiple sources enter the production stream.

Mark Sarpa of Progressive Solutions in Santa Clara, California, turned to PressWise for his answer. He says:

“About 75% of our business today consists of work such as fine stationery, Christmas cards, wedding invitations, etc. In this part of our business, we have many clients. Some are big, but most are tiny. Although smaller clients can be easier to land, the administrative overhead involved with manual estimating and order entry can place a strain on profits.”

Sarpa saw a demonstration of PressWise’s storefront and realized that it would solve a huge problem for him. He adds:

“I was looking for a simpler storefront that I could use with these smaller clients. I needed to be able to customize and launch these individual storefronts quickly. While these smaller customers may only order $200 to $500 per month, if you have lots of them and can handle the orders efficiently, they add up.”

Sarpa points out that by managing these customers with PressWise, he is able to achieve higher margins than are practical with larger accounts while still serving the needs of this growing percentage of his business, which now adds a disproportionate benefit to his bottom line as a result of the administrative efficiencies introduced with PressWise.

Progressive Solutions has implemented multiple storefront platforms, including PressWise. Sarpa explains:

“For larger corporate clients, the investment in time and resources to set up a robust storefront makes sense, and we do take advantage of those opportunities. But I needed something simple that would allow me to set up a new customer in a couple of hours or less. PressWise met that need. It worked well through our peak holiday season and has allowed me to not only serve that segment effectively and profitably, but to target those types of customers for future growth.”

Sarpa explains that many of these small orders might consist of five, ten or twenty cards, with 80% of the orders shipping next day.

“We see a lot of growth potential in that segment,” he says, “since landing a large corporate customer is increasingly difficult these days. For smaller customers, the product we produce for them is critical to their business or personal needs, they are willing to pay a little more per item because they want it to be perfect, and they won’t have 25 other printers chasing them down for this work. PressWise makes it a win/win situation for us and for our customers.”
Automating the Production Process

Eric Janssen, President of ChromaGraphics and Reach360 located in Sonoma County, California, has taken a different approach to his business which consists of a hybrid production base of digital and offset presses.

“Our print volume is mostly point of sale, heavily leveraged in the wine industry because of our location,” he says. “We do everything from labels and bottle neckers to header cards and other point of sale materials that can help a retail outlet call attention to wine products placed throughout their stores.”

Janssen explains that once digital presses were added to the offset operation, his crew needed to develop workaround after workaround to get projects on press while still being competitive and not wasting time.

“We have been using PressWise for about a year and a half now,” he says. “It is a super-quick, super-easy way of automatically getting jobs to a central location where they can be printed and shipped.”

While some customers with graphics skills are using the PressWise storefront, others have ChromaGraphics administer it for them.

“But our real push,” Janssen adds, “is to increase the automation and link to third party storefronts where we don’t have Administration touching every job. PressWise is our entry point regardless of the source of the job and it allows us to see and manage the back end across our production platform in two facilities without requiring a paper flow. This ensures that everyone is on target as far as queuing up jobs and organizing the work in the way it makes the most sense, without having to do frequent paper change-outs.”

Today, ChromaGraphics is using PressWise for digital work only. “But we are working on transitioning offset work to this system as well, so that it is truly a single point of entry for everything that comes through the shop.”

Inherent in the PressWise system is the ability to process a range of jobs from simple business cards to work that requires more complex finishing. Printers can choose how much complexity to expose to customers based upon individual needs and skill levels. PressWise renders fully press-ready PDFs in the background as well as rendering PDFs for display for proofing and other purposes.

Printers can implement an unlimited number of catalogs, categories and items, processing unlimited transactions with no incremental fees.

The PressWise back end is easy to integrate, with solid application programming interfaces (APIs). This allows ChromaGraphics to push work in from third-party storefronts without having to touch the jobs because the storefronts are providing enough job information, with the PDF and the coding for job specifications all bundled into a package that slides right into the system. One example cited by Janssen is a card company that allows customers to create cards online: “The source storefront provides the proofs and collects payment,” he explains. “We are the manufacturer and not involved in the transaction. We simply manufacture and ship the product, invoicing that client all at once for a week’s worth of jobs. They price it on their web site according to agreed-upon manufacturing costs, and integration with FedEx or UPS through PressWise allows shipping costs to be incorporated into the payment process at point of sale. We have also integrated
PressWise with our accounting system on the back end to make settling of accounts with our clients more accurate and efficient.”

Using the PressWise dashboard, ChromaGraphics is also able to very quickly group like jobs, determine the amount of production time required to complete them, and plan for the next group of jobs.

“Our goal is to be able to see everything from that one front end,” Janssen says. “We can accept the file, print it, cut, fold, ship and invoice with very little human intervention.”

Before integrating PressWise, Janssen’s company was handling about 50 jobs per week, some digital and some offset.

“Now, between the two locations,” he says, “we probably handle 500 jobs per week with the same general staffing level.”

Janssen points out that in the last year, the average price per digital job has come down.

“Before we were cherry-picking wonderful sized jobs,” he says. “But you don’t have the $2,500 digital jobs you used to have. Now it can more commonly be $25. With PressWise, we are able to push those through without skipping a beat, which is really important to our ability to grow profitably.”

Janssen comments that his PressWise implementation on the digital side of the business has opened his eyes to new ways of producing offset work. “With our offset work,” he says, “we had been doing things a certain way, but PressWise has helped us learn how to do that work more effectively, improving our throughput on the offset side as well.”

A New Approach to Management Information Solutions for Print

“Our core business is integrating storefronts,” says Susan Moore of DPI in Atlanta. “We provide storefront technology or integrate other storefront technologies to drive print-on-demand on digital presses for point of sale, direct mail, marketing collateral and other short-run work. Because our core business is integrating online tools, we fit the tools to the client or integrate with tools they might already have, matching the solution to the customer.”

DPI’s primary reason for making PressWise the backbone of its IT infrastructure was to automate workflow as jobs come in from various storefront platforms, each with several different customized storefronts, funneling work through a single point of entry. This configuration provides DPI with a number of MIS capabilities, including automatic settling of merchant accounts, job and shipping tracking information, and automated label printing for shipping.

“It has enabled us to greatly reduce the touch points,” Moore adds, “with orders in by noon and being shipped the same day. You can’t do that if you have humans touching an order. Files are auto-imposed, sent to the press, printed, bound, shipped and settled with no CSR or prepress intervention. This allows us to process more orders per day, which is what we are after. We have increased our throughput by 40% without increasing resources, and that is a huge deal for us.”

In addition, Moore reports that PressWise has reduced the number of physical job dockets the firm must deal with by 50% and eliminated a billing backlog by allowing the company to bill the day the order was shipped.

“We achieved a positive ROI with PressWise within months,” adds Moore. “There are not many investments these days that can deliver that type of ROI.”
PressWise also offers flexibility in estimating with its integrated estimating system under the hood. Users can load in pricing or let the estimating engine figure it out, making product setup incredibly fast and eliminating the need to build out individual products with pricing and shipping calculations. This can include built-in discounting systems for trade customers or other users where standard pricing may not apply. Anonymous shopping carts can also be set up, linked to any catalog, allowing user accounts to be set up at checkout, an important capability for businesses such as those run by Sarpa and Moore.

All of these capabilities are incorporated in an intuitive user interface that an ordinary prepress worker or CSR can manage without a long learning curve. Orders can be moved through a manual or automated process, moving back and forth between the two at will as changing production conditions require. PressWise’s built-in messaging system captures all of the details of job history, making it easy to generate reports by job, customer or other criteria, enabling customer relationship management in real time. Looking ahead, DPI plans to take advantage of planned PressWise enhancements that will continue to improve throughput.

“It is important to do business with a company that can help you scale and grow. For example, later this year we will be implementing the next generation of PressWise automation and will increase our sophistication in handling direct mail through the system with tools provided by the PressWise parent company, Datatech SmartSoft (www.smartsoftusa.com), an expert in mailing systems and USPS regulations. We will also implement the PressWise estimating module as well.”

Moore points out that with PressWise, it is very easy to set up a new customer from a production standpoint:

“The harder work is integrating a new platform, and PressWise makes that easier as well,” she says. “The more platforms you integrate, the more you automate. And when you find new customers using one of the platforms you have already integrated, there is no duplication of effort.”

DPI’s Moore points out that her customers are trying to reduce their touch points yet deliver customized content in real time in a manner that makes sense for their businesses.

“You can’t do that with a static system,” she says. “One DPI customer is a franchisor with 350 stores across the country. They want business cards and other materials to all look the same, but be personalized for each location within brand guidelines. And they don’t want to be holding franchisee hands to get this done. They want to put more focus on marketing than on processing touch points for the field.”

In her sales efforts, Moore speaks to customers about implementing their marketing messages in the most cost effective way so that materials can be delivered quickly to the end source while giving customers flexibility yet not degrading brand integrity.

“That is really what we are talking about when we talk about using storefronts,” she explains. “For any company that has to market itself through a third party channel, this PressWise-enabled automated production process reduces touch points, speeds up operations, and makes available more content that is more relevant to the end user while maintaining brand integrity.”

By giving customers access to their own dashboard through PressWise, DPI and other users are able to provide 24/7 customer support and enable the self-service model that most customers are seeking in today’s market.
A Paradigm Shift for the Printing Industry

PressWise brings a new paradigm to the printing industry. Its hosted model reduces the need for investing in on-site IT resources. Its robust hosting center offers security and business continuity. And as a further assurance to customers that their data is secure and protected, each instance of PressWise is hosted on its own separate servers in a scalable model that makes it easy for companies to grow the number of transactions processed through the system.

In addition, by integrating online order entry (storefronts) with back-end workflow (production and business operations), PressWise makes it easier for printing operations to address the top three criteria identified as critical for business success by the 2009 Must See ’ems technology panel.

PressWise provides the IT expertise, web-to-print solution and MIS system all in one package from a single vendor. Plus, full integration with intelligent mailing systems and future developments to include real-time inventory support and premium automated preflighting make it easier for print service providers to offer the full range of services their clients are demanding today while managing their business through a single interface.

“PressWise truly brings a paradigm shift to the printing industry,” says ChromaGraphics’ Janssen, “regardless of whether you run an offset, digital or hybrid operation. It has absolutely been a game-changer for us, and has positioned us well to deal with whatever opportunities or challenges come our way in the future.”

About Cary Sherburne

Cary Sherburne is a well-known author, journalist and marketing consultant whose practice is focused on marketing communications strategies for the printing and publishing industries. She was recognized as a 2009 Woman of Distinction by Output Links and was awarded the 2009 Thomas McMillan Award for excellence in journalism. Sherburne has written six books, including Digital Paths to Profit, published by NAPL; and most recently, No-Nonsense Innovation: Practical Strategies for Success, written with Bill Lowe, the Father of the IBM PC which can be found on Amazon. In addition her role as Senior Editor and Director of Services at WhatTheyThink, the leading online news and analysis resource for the printing and publishing industry, Sherburne writes regularly for Printing Impressions and Printing News, as well as creating by-lined editorials for private clients.