



PressWise[®]

More Jobs. Less Work.

The ROI of Print Workflow Automation

by Cary Sherburne

MORE JOBS.LESS WORK: THE ROI OF PRINT WORKFLOW AUTOMATION

Introduction

Shorter runs, faster turn times, and a growing number of smaller jobs place pressure on conventional printing workflows in today's fast-paced and highly competitive world.

For more than a decade, both suppliers to the printing industry and print service providers have been working to streamline their workflows to more efficiently handle these new demands, keeping costs in line, touches at a minimum, and profit margins up.

Initial efforts revolved around buying or creating point solutions that addressed individual business problems or opportunities, such as web storefronts, or mailing software. But as the recession hit, it became clear that assembling a collection of individual point solutions, was not enough to ensure future success. A broader view of the business needed to be taken.

In assembling a series of point solutions - sometimes integrated, sometimes not - a print service provider might choose a web-to-print storefront from one supplier, a print workflow from another, and opt to keep a homegrown Excel-based estimating system in place.

Clearly, this approach delivers value over a completely manual process. But as business and production software has become more sophisticated and cloud computing¹ has become more reliable and accessible, now is an ideal time to re-evaluate workflow structure to ensure that it is delivering maximum productivity and minimum cost using the most up-to-date technology.

This White Paper presents several examples of very different print service providers who have re-engineered their workflows to leverage cloud computing and remove as many touches from the work process as possible. Their executives have generously shared real results that demonstrate how transitioning to a fully integrated, software-as-a-service (SaaS) order-to-invoice workflow can deliver fast ROI and ongoing improvements in both productivity and margins.

These case studies also demonstrate that workflow is not one-size-fits-all, and a modular approach that allows users to implement those portions of the solution that make the most sense for them is also an important aspect of today's modern workflow solutions.

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¹ According to Wikipedia, cloud computing is location-independent computing, whereby shared servers provide resources, software, and data to computers and other devices on demand, as with the electricity grid.

CASE STUDY: SMALL COMMERCIAL PRINTER

DIRECT RESPONSE IMAGING - AN MIS FOCUS

Background

Direct Response Imaging (DRI) is a 7-year-old digital printing company with less than 10 employees. The firm owns two Kodak NexPress digital presses, has a full bindery, and uses Four51 as its web-to-print solution. They had been looking for a print MIS system to replace their manual estimating-to-invoice process, but had serious reservations about each of the systems they looked at, for one reason or another.



The Results

According to **Ian Flynn, President of DRI:**

*“PressWise was the only solution we investigated that was able to overcome our reservations, and we installed it in August of 2010. Key factors in our decision process included **price, features, the fact that PressWise operates as a SaaS model, and also the frequent and very responsive updates SmartSoft deploys, with new features being added all the time.**”*



Prior to implementing PressWise, Flynn reports that using Excel as the firm’s **estimating tool was completely manual and very tedious:**

“Most orders come to us via email, on disk or by messenger. Each order would take us about an hour of administrative time to create the estimate and job ticket, get the job into production and get it shipped. That adds up when you consider the approximately 225 orders per month we process. These days, our average order size is \$500, so the cost of manual order processing rapidly eats into margins.”

Now, about 90% of orders received are handled through PressWise. Once a job is received, an estimate is created in PressWise, which officially originates the job. From there they link the art to it and the job proceeds through the system with minimal interaction needed.

“Each job now consumes an average of 20 minutes of administrative labor...resulting in an annual savings of about \$45,000”

*“Each job now consumes an average of 20 minutes of administrative labor. **This results in an annual savings of about \$45,000.** While we do still use a paper job ticket, we could—and likely will—eliminate that, resulting in even more savings.”*

Flynn is quick to point out that implementing a new MIS system is not trivial, but selecting the right one can have an **immediate and game-changing effect on ROI.**

“I spent a good amount of time getting the system set up and populated,” he says. “If you factor in that cost, and the time spent learning a new system, some of which was undertaken by employees on their own time, we invested about \$6,000 worth of time, plus the \$5,000 PressWise set-up fee. However, because PressWise is offered as Software as a Service, we avoided the \$25,000 to \$50,000 or more to purchase licensed software and also eliminated the need to add an additional server on site.”



Flynn believes PressWise paid for itself in about three months, and continues to deliver savings and productivity improvements beyond that point. This calculation takes into consideration administrative time savings only. **It does not factor in the many additional time-saving features related to automatic imposition and web site templates.** Factoring in those savings presents an even rosier ROI picture.

“Without these improvements,” he adds, “our ability to meet customer demands profitably would have been seriously hampered.”

Even more importantly for Flynn and DRI, the **PressWise implementation has structured the business for scalability.**

“I am now in a good position to drive more work through the shop as business rebounds without adding extra people. Had we not made this investment, it would have become increasingly difficult to remain profitable, even with a rebound in business volume.”

Moving forward, Flynn expects to **add more customers to the PressWise web-to-print module.**

“We already have customers up and running, and that is improving productivity even more, by allowing full integration between the customer interface and our production and accounting systems.”

CASE STUDY: COMMERCIAL PRINTER

PULP: PRESSWISE ENABLES NEW REVENUE STREAMS

Background

PULP was born out of the determination of the 40-year-old B&B Printers, a \$6 million general commercial printer owned by the Blankenbeckler family, to reinvent itself to meet the needs of a dramatically changing marketplace.

In late 2007, before the economic downturn hit hard, the company realized that the market for pure print was changing, and they decided to transform their business, incorporating more digital and marketing technologies into the mix. The firm worked with an ad agency to rebrand the company, starting with a clean sheet of paper, and renamed it PULP.



The Results

In early 2010, the firm, who had been working with a consultant to assist in the transition, reevaluated its progress. According to Robert Carrier, who heads up Sales and Innovation for the company:

"Many of our customers didn't understand what we were trying to sell, and some were even so confused that they told us not to come back. We needed to develop a street-level view rather than a 30,000-foot-view, to make our value proposition crystal clear."

PULP developed a set of tools to educate its sales people, converted those tools to customer education tools, attached a sales process to it, and was on its way to effectively selling intelligent print, web-to-print, cross-media and other highly profitable marketing services.

"By the end of 2010, we were closing six-figure deals using these tools, with shorter sales cycles than we had envisioned. In fact, this package was so successful that we have productized it and sell it to other printers through a sister business, The Street Level Agency."



In 2007, B&B Printers was a 100% Heidelberg 40" shop.

"All we did was 40" high quality color," Carrier adds. "We still have two 40" 5-color presses, and I can tell you that they are the last offset presses we will ever buy. We have added a digital press to the mix, chosen because of the quality it delivers and our agency clientele, and we are generating \$2 to \$3 per sheet from the press."

"With PressWise, we are truly able to handle small jobs with two or three touches, and it has been a real blessing to our company."

But along with the exciting transition came a few challenges. Carrier explains that by their very nature, digital jobs must run through the system faster, and are often relatively small orders. Although PULP had a conventional offset MIS solution in place, it was never intended to process \$37 business card orders. He adds,

"We planned on doing big things with this press, but with the economy turning tail and our sales shrinking, we needed to take any kind of work we could get. The problem lay not in being able to produce the jobs, but being able to produce them profitably. We needed to automate the process. That's where PressWise comes in."



Carrier points out that in a typical offset workflow, a job consists of 10, 12 or 14 steps from order to delivery, whereas **PressWise enabled them to get that down to three of four steps.**

“One of the most important aspects is the ability to effectively estimate. Ten steps for a \$30 job will cost us more than the job produces. With PressWise, we are truly able to handle small jobs with two or three touches, and it has been a real blessing to our company.”

PULP is currently using the PressWise web-to-print and estimating modules with the company’s two largest customers being 100% digital web-to-print customers.

“This is a dramatic change for us,” Carrier says. “We have tens of thousands of jobs running through our workflow that are shipped and auto-billed, and I don’t even know about them until I look at the reports.”

Carrier is also proud of the fact that **100% of the firm’s sales force is involved in the new sales process.**

“They understand the technology well enough to talk about it and recognize opportunities,” he says. “They are happy, because they see commissions as a result of their work in uncovering the opportunities. And the client is happy because they are getting better results than they did in the past.”

Carrier cites one large customer, one of the largest employers in Tennessee, located near PULP’s headquarters.

“Before we added PressWise and digital printing,” he says, “we were one of a half dozen printers that bid every job, for orders of 3,000 to 5,000—the typical process for marketing communications collateral. Thirty-five to 40 marketing employees would go to printing services when they needed a new piece, printing services would get bids, choose a printer and manage the process, with printed product being delivered in seven to ten days or more. With PressWise in place, I was able to approach them with a better way.”

PULP was able to **produce orders in smaller quantities with faster delivery times.** In addition, PULP offered the ability to customize materials so they were more targeted and relevant. Although unit prices were higher, Carrier and his team educated the customer about the value of print on demand, and as a result gained all of their business in a three- to four-month sales cycle.

Within the first year, **PULP had saved the customer half of its printing budget, producing three or four times as many pieces than were produced before, with a guaranteed turn time of three days.** Carrier says:

“We are doing \$200 to \$300 thousand annually with this client, and we have never run a single hardcopy proof. They use PressWise Estimator to enter the job, they okay a PDF proof that is automatically generated, and we produce the job.”

PULP has been able to replicate this process with multiline, multi-lot car dealerships and a couple of international organizations that supply business cards and stationery to their membership. Today, **40% of PULP’s revenue comes from its digital operation, and Carrier expects that to continue to grow.** The company is clearly benefiting from the new digital automated workflow, measuring its success by monitoring its value-added margins. Carrier says,

“None of this would have been possible without PressWise. With offset, we are lucky to maintain 50%, but with digital, we are at 80%. We are also awaiting a new release of PressWise that will allow us to manage our offset business using the same interface, and at that time, our conventional MIS, which is a five-figure expense, will be discontinued. At that point, we will have one focused point of management, from estimate through billing. PressWise and the team at SmartSoft has been the catalyst for revolutionizing our business. We are entering the second decade of the century on a stronger footing than ever, and our future is extremely bright.”

CASE STUDY: COMMERCIAL PRINTER

DPI: PRESSWISE AUTOMATION ENABLES PROCESSING OF THOUSANDS OF ORDERS PER DAY

Background

DPI, Inc. is a technology-driven print communications company, based in Kennesaw, Georgia, whose core business is integrating storefront technologies for their clients and then fulfilling the orders that flow through those storefronts. One of the first HP Indigo printing sites in the U.S., launching digital services in 1993, DPI is an innovator in digital color printing.



An early adopter of the PressWise technology, DPI chose PressWise because of its ability to automate workflow as jobs come in from various storefront platforms, each with their own set of customized storefronts, and funneling all of these orders through a single point of entry.

The Results

According to Susan Moore, co-founder and President of DPI:

“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 spent a good part of 2010 leveraging PressWise’s open architecture to integrate its operation with a wide range of storefronts, some owned and hosted by customers and others created by DPI.

“Our task in 2011 is to begin to use PressWise to handle ad hoc orders as well,” Moore says, “so that **all work comes in through the same workflow**. Following that, and as the MIS portion of the PressWise solution gets more robust, we will migrate from our legacy MIS and use PressWise for that purpose as well.”



“This is the way businesses in our industry need to run. And it is the only way to do business for the long term.”

For DPI, prior to implementing PressWise, a typical order consumed as much as three hours of cumulative administrative time. Using an average hourly burdened rate in the neighborhood of \$35 per hour, their average cost per order was approximately \$105. Moore says:

“In order to scale our business, we needed to eliminate as many touches as possible and streamline that workflow. With orders ranging from \$5 to several thousand dollars, an average administrative cost of \$105 per order was clearly not sustainable.”

Today, **all orders flow through PressWise, and using its automation features, are queued directly into production.**

“This could be something as simple as an order for business cards,” Moore



says, “or a complex sales kit that includes promotional items. There is no way we could handle 3,000 to 4,000 orders per day without this automation. You could throw people at it, but you could never afford to do it that way. Nor could you promise **next day delivery, which we are able to do in most cases now.**”

Moore points out that calculating the cost of manually producing thousands of orders per day would generate a huge cost number.

“But it would really be meaningless,” she says, “because **you can’t manage that type of volume using a manual process.** Suffice it to say that as a result of implementing PressWise, and the expansion plans we have for the future as its capabilities continue to grow, we now have a fully automated production flow, a scalable business model, and we are well on our way to fully implementing Lean Manufacturing. **This is the way businesses in our industry need to run. And it is the only way to do business for the long term.**”

SUMMARY

MORE JOBS.LESS WORK – CAN YOU AFFORD TO WAIT?

These real-life stories illustrate the impact an automated and integrated workflow can have on a printing business. These very different companies have all benefited from taking an innovative approach to their business, removing time, cost and touches from the process; developing a closer, more lucrative and loyal relationship with customers; and making their operations as productive and cost-efficient as possible.

They have also had the vision to step back and analyze their work process, from customer engagement through invoicing, to identify bottlenecks, automate repetitive processes and eliminate unnecessary touches. Their experience proves that these actions can be taken with a relatively limited investment and an extremely fast return on that investment. As a result their businesses are healthy; they are attracting new customers, and they are excited about the future.

They are bringing in more jobs and doing less work in a scalable business model that meets the market realities of today. With scalability comes flexibility, which in turn allows them to handle a greater variety of jobs, and by offering web-to-print services they are making it easier for their customers to place reorders, which facilitates customer loyalty. What's more, each of these companies is working closely with SmartSoft and other suppliers to continue the innovation and seek out new business opportunities.

According to Dr. Joe Webb, Director of WhatTheyThink's Economics & Research Center, the past two years have been harsh for the printing industry, with a reduction of more than 80,000 employees and an estimated net loss of more than 4,000 establishments. DRI, ImageRepro, PULP and DPI are not among these unfortunate statistics due to the steps they have taken to modernize and automate their businesses.

Where does your business stand, and what will you do to ensure a progressive, positive and profitable future?

As the economy begins its slow recovery, keep in mind that our industry will never return to "business as usual." Keeping up with today's market realities is a necessary survival factor. But even more importantly, as our examples demonstrate, by ensuring optimum workflow automation, your business becomes scalable, more responsive to customer needs, and positions you for growth when others are struggling to survive.

Now is the time to revisit your business and production infrastructure.

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 and available on Amazon. In addition to 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 writing by-lined editorial for private clients.

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