

Room for Print in 2021?

**How Print Rooms have adapted to
provide new and critical services
during the COVID19 pandemic**

ROOM FOR PRINT IN 2021?

A study into how Print Rooms across Europe have quickly adapted to provide new, relevant and critical services during COVID19.

Includes recommendations on how traditional in-house print facilities can transform to provide valuable digital and communication services in 2021 and beyond.

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An independent report produced for Ricoh
by **Aspire Customer Communications Services**
and **The Digital Print Expert**



Kaspar Roos, Founder and CEO, Aspire

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Kaspar is a leading expert, consultant and recognised thought leader in the Customer Communications Management (CCM) industry. He is the founder and CEO of Aspire, a boutique consulting firm specialising in the CCM and Digital Customer Experience (DCX) industries. Kaspar has more than 15 years of experience in the CCM space and is a regular speaker at industry conferences and events. Aspire provides strategic consultancy services to technology vendors, services providers, enterprises, and investment firms.

Prior to establishing Aspire, Kaspar was responsible for running InfoTrends' global production workflow and customer communications advisory service. Here he provided market research, insights and strategic consulting services that helped technology vendors and service providers understand the shifts in the customer communications and workflow markets.

Kaspar received a Masters of Science (MSC) degree in Industrial Engineering and Management from the University of Twente (Netherlands), with specialisations in information systems and business-to-business marketing.



Ralf Schlözer, The Digital Print Expert

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Ralf has over 30 years of experience in the Graphic Arts and Graphic System Manufacturing industries. He is a freelance consultant and technology analyst for the printing industry with a special focus on digital print. He is a regular contributor to Inkjet Insight and editor of the European section at WhatTheyThink.com. He provides insights on technologies, applications, business models and market development. He is also an expert on market sizing and statistical sources around the printing industry.

In previous positions at KPI/InfoTrends as Director of the On Demand Printing and Publishing Consulting Service, he was responsible for all service related publications, consulting and research in production print hardware on a global basis. Previous to this he spent five years in the R&D and Digital Printing Business groups of MAN Roland in product planning.

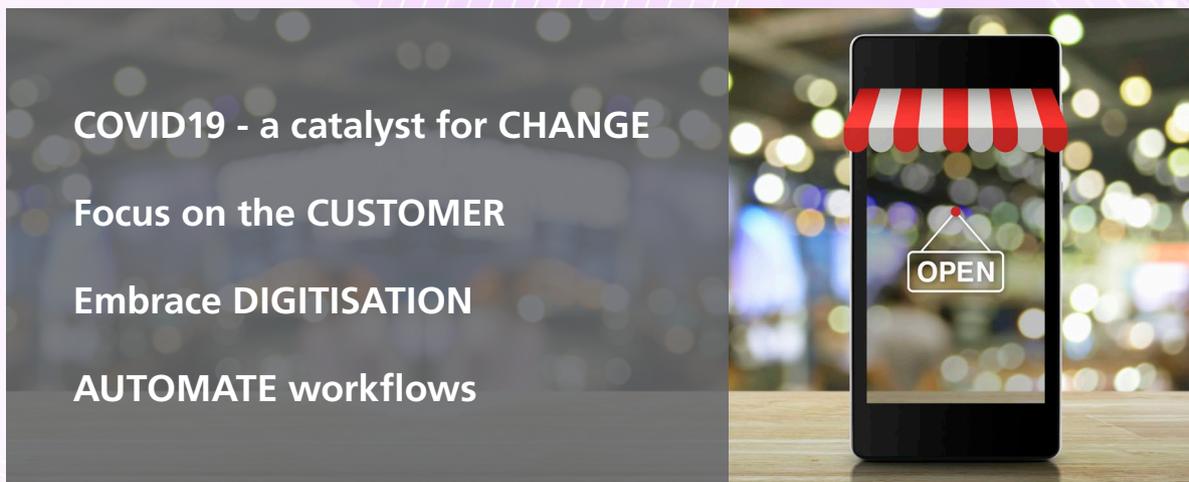
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INTRODUCTION

Communication plays a vital role in our society and economy. Many organisations traditionally have departments dedicated to print and increasingly for digital forms of communication. These departments provide their organisations with services they could not function without.

Changes are inevitable, especially in the fast-lived world of communication and from the impact on many markets during the COVID19 pandemic. Therefore, it is important to find the recipes to take past success into the future: not just from industry experts, but from site managers who experience these changes hands on.

We spoke to several in-house printing sites to gain more insights into the trends shaping communication and how to stay successful. Analysing the interviews and other sources of information we found four major areas in-house printing facilities should be focussing on:



The role of print and electronic documents is changing, but their significance remains. It is important to make the right decisions to prepare for the future. This insight report aims at giving you food for thought and practical advice to support your organisation in this changing communication landscape.

COVID19 - A CATALYST FOR CHANGE

The COVID19 pandemic struck the global economy without any warning. With businesses closing down or forcing their staff to work from home, the impact on in-house print facilities was tangible. The good news is that print operations are mostly seen as part of an organisation's mission-critical infrastructure. However, with digital transformation sweeping through the market, in-house print managers will need to accelerate change.

We interviewed several in-house print sites to understand the impact of the pandemic on their operations. All of the sites we spoke with reported that they kept operating during the Covid crisis, even under lockdown conditions. We do not think this has been an exception.

CRDs recounted that they had to adhere to stricter health and safety measures and had staff working from home where possible, but print production continued. The simple reason behind this is: In-house print sites are mission critical. They keep on supplying their organisations with documents and services the main organisation could not function without.



Real-life examples

A Dutch in-house site in the automotive industry reported that when the outbreak happened, management requested an overview of mission critical processes to determine if staff could work from home. It was determined that they had mission critical functions including the production of manuals, spare keys, and production labels, and had to keep operating as much as possible.

Another site serving a local council in Germany stated that the site was immediately seen as mission critical and kept operating during the pandemic. The site was flexible enough to cater for new documents or mailings to support internal and external communication during the pandemic. As the site focusses on short turnaround and flexibility it was able to handle the sudden spike in activities very quickly.

The print manager of a U.K.-based university print room mentioned that they had to rush through workflow modernisation, including putting an online ordering system in place that would allow students and staff to order documents remotely.



We were flexible enough to cater for new documents to support internal and external communication during the crisis. As we focus on short turnaround and flexibility, we were able to handle the sudden spike in activities on short turnaround.



Fabian Novak, Head of in-house Printing,
Council of Reutlingen, Germany

The importance of in-house print production

Three factors stood out for sites at the height of the crisis:

Relevance

Flexibility

Reliability

Their **relevance** was vital to keep in-house print sites open, even during lockdown. Organisations realised that critical documents – printed or electronic – provided by the print facilities were necessary to keep operating.



Perhaps more than ever **flexibility** was a crucial virtue. With many staff working from home and strict health and safety measures on site, the plants kept producing. New products were added with extremely short notice, such as customer information, notifications to staff, and Covid related signage, labels and posters.

A key to success for organisations was the **reliability** of the in-house print and document sites. Mission critical documents continued to be produced, while new applications were taken on as needed. Organisations were sure to get the full support and full attention of their dedicated print room even under difficult working conditions.

For example, the DZ Bank in Germany benefited from the introduction of a hybrid mailing solution. Staff are now able to upload customer letters to a centralised portal for approval, print and distribution. The digital workflow ensured business continuity by allowing bank employees to work from home and still distribute printed financial correspondence without compromising security. Additionally, the solution cuts costs through centralised print and postal discounts and is fully GDPR compliant.



Even when the pandemic is brought under control, there will be long term effects of the Coronavirus pandemic:

- **Organisations will take greater care in how they source print products to safeguard their operations.**
- **Organisations want to store less and instead rely on immediate reprints - accordingly, print runs get shorter and production will move to digital print.**
- **Online ordering, tracking and automation is becoming increasingly important as staff and internal customers are working more from home.**
- **The range of print products requested will increase.**

Recommendations:

1. Investments in online ordering, digital document processing, and centralised, digital mail (hybrid mail) processing are crucial for in-house print rooms to remain profitable and relevant in the aftermath of this pandemic.
2. Workflow automation is essential as runs will get shorter and operations need to work with fewer staff.
3. Ensure you remain relevant by providing efficient and flexible service operations, underpinned by modern digital print equipment and workflow solutions.

FOCUS ON THE CUSTOMER

There is a distinctive difference between in-house sites and commercial printers. In-house sites have a fixed range of customers, that are obliged to use their services, however they usually cannot acquire external customers. This offers opportunities as well as challenges. In any case it means that in-house print sites should have a strong focus on their existing customers. Satisfied customers are a guarantee for an expanded use of the services and the best argument against outsourcing.

Users cherish the value of a well-run, on-premise printing site in organisations since it provides immediacy and user focus. The added benefit of an in-house site is the detailed operating knowledge of an organisation, including confidentiality issues.

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Quality and flexibility are very important, but customer satisfaction needs to be the top priority.

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Fabian Novak, Head of in-house Printing,
Council of Reutlingen, Germany

An in-house site for a local council reported that the site can be flexible with working hours if documents (e.g. from a council meeting running late) need to be produced during non-standard working hours. This sets the site apart from those outside providers which cannot guarantee availability during the extra hours with an immediate turnaround.



Customer satisfaction is key

Fast turnaround is appreciated for other jobs as well, even those that usually do not require a fast delivery. The print site of a major insurer was able to cut down delivery times for business cards from two weeks with an outside supplier to one day by printing it internally. This capability is of great value to employees who run out of business cards. The site confirms that switching to digital print was the key for insourcing and faster turnaround, while also being efficient on short runs.



Our customers want and we offer top quality – but sometimes speed beats quality.



Roland Gies, Head of in-house Printing at a major insurance company, Germany

We have seen again and again that easy job ordering and submission is a major indicator of user happiness. Using in-house capabilities should rightfully be more convenient to the internal customer, rather than having to go through a painful procurement process for outside suppliers.

In-house sites noticeably increased in acceptance when improving the ordering process. This could mean that internal print sites may benefit from corporate single sign-on to enable print buyers to log on to their online ordering system without having to supply their corporate username and passwords again. They may also integrate accounting that reduces the need for the print buyer to carry out administrative tasks like expense submission.

Lastly, in-house print facilities can be integrated with desktop applications or office printers that route higher-volume or specialised print work to the print room. Particularly with hybrid mail, the practice of installing

a virtual print driver on a desktop that gives the user a “print to in-house print centre” option among their list of printers, has seen a surge of interest during the pandemic. It helps corporates to avoid purchasing printers for their remote staff while ensuring compliance and control on consumable spend.

An in-house site for a German local council reported a strong uptake in usage and appreciation after investing in a web-to-print solution recently, which was echoed by an in-house print centre at a UK university who also recently invested in a web-to-print solution.

The software allows users to discover all products and services the in-house site offers and track their budgets. Users appreciate the transparency it allows and the ease of use. The web-to-print solution provided a significant benefit during the lockdown when many customers were forced to work from home.

Successful in-house print sites also kept in mind that user expectations are shifting. Where once monochrome did suffice, full colour is expected now. Yet interest is already shifting to additional colours and value-added services.

Several sites looked at jobs that were given to outside providers and realised that with improved hardware (e.g. investing in the 5th colour capability of the Ricoh Pro C7200X), those can be insourced. These jobs served as a stepping stone for more print products, using additional colours, and creating more internal demand.



Look at the wider opportunities that exist within your company, and respond quickly to new opportunities.



Hans Mink, Head of the Corporate Print Room, automotive industry, The Netherlands

Many in-house print operations have been serving their company for many years, have built a trusted relationship thanks to the quality of their work, and have the added value of knowing and understanding the corporate brand identity and the subject matter. They operate as a final check on the quality not only of the print process, but also of the printed matter.

Sometimes, the value-add lies in the consultative approach based on the special experience and expertise of the in-house operation. Internal marketing will play a prominent role in educating users about the internal service capabilities, particularly as staff tend to change positions with increasing frequency.



Recommendations

There are a number of areas that in-house print sites should look at in order to improve their customer focus:

1. Fast turnaround – for a variety of jobs.
2. Commercial print quality is expected – although quality can be sacrificed for speed sometimes.
3. Confidentiality is important, for internal documents and customer communications (GDPR).
4. Web-to-print interfaces offering ease of use, transparency and self service for staff in home offices.
5. Logistics services for products add value and are becoming more important.
6. Solutions which enable users to track their jobs and budgets.
7. Focus on remaining ahead of the user demand curve: consider the applications that could be needed in the future.

EMBRACE DIGITISATION

The number of documents an organisation uses, shares and stores for internal and external stakeholders has increased dramatically and will continue to do so. The nature of documents is widespread from marketing, transactional, education, internal information sharing. So are the channels: from web pages, to mobile, to video, to PDFs and of course print. It is no surprise that few organisations have a stringent document strategy which is adhered to across all channels and purposes.

Also, it certainly requires an extensive project to initiate one.

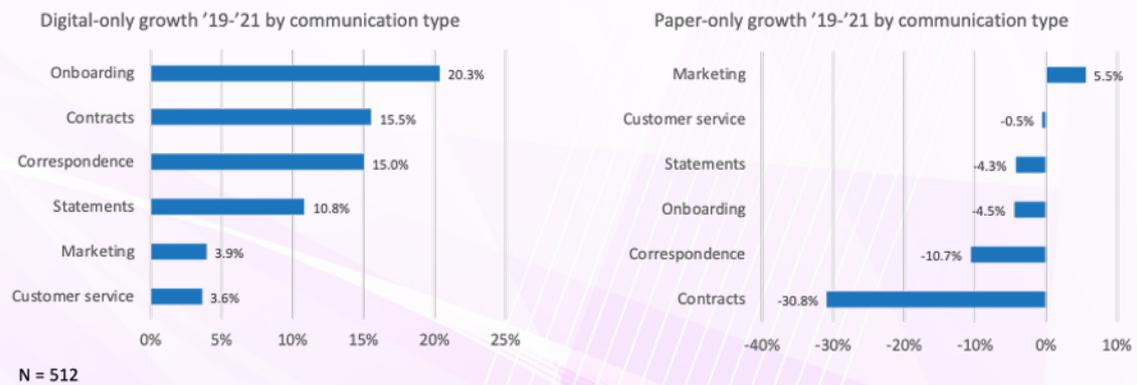


Managers responsible for document strategies anticipate not only a growth in digital documents, but also a shift in focus.

While transactional documents, especially contracts, are expected to move away from print towards digital versions, marketing documents are expected to grow more in print.

While the pandemic might have disrupted many plans and even led to increasing transactional print volumes, print room managers should prepare to adapt their print and digital document services.

Anticipated volume changes by channel and type of document



Source: Aspire, The State of CCM to CXM Transformation, 2019

Digital communication brings an increasing demand for new media campaigns, which require a new set of skills and distinctive technology. Data management and variable data document services, such as multichannel management, e-mail marketing, and web design, require a different skill set than the average in-house print operator possesses.

Even if an in-house print site is not driving digital campaigns, it pays to have close contact with the responsible people. An example of this is a manager of a print site at a manufacturing company who has forged relationships with the digital marketing team so that they are aware of what campaigns are being planned. Certain campaigns, such as new car introductions, may cause a spike in brochure printing and fulfilment.



Printed direct mail usage strongly correlates with digital maturity: the better a business can target and personalise the offering, the more effective direct mail as a channel becomes.



Kaspar Roos, Founder of Aspire

Another example of a fruitful cooperation is the German Barmenia insurance group. Printed mailings are still found to be most effective when offering new services. However, they are now augmented by individual QR codes, which lead customers and prospects to personalised web pages. Not only did conversion rates double, but the costs for processing the requests also dropped compared to return letters, fax or phone orders used previously.

While a digital document strategy is usually not driven by an in-house print site, it should be an important stakeholder when developing and implementing one. Often a key competence of an in-house site is design and layout of documents. This is necessary for both printed and digital documents. Some sites can contribute compliance and data protection knowledge as well.



Digital documents and print are not an “either or” decision as is frequently voiced. It is also not always a matter of e-documents completely substituting print, as in-house sites are being asked to handle e-documents in co-existence with print for the same communication for a variety of reasons. Many sites we spoke with confirm that demand for digital versions tends to increase but print volumes remain stable.

One of the value-adds that in-house print sites offer is the conversion of files for print and electronic distribution. Using PDF file formats brings significant advances in terms of further processing upstream (e.g., pre-press) and downstream (e.g., native PDF rendering), so many in-house print centres have strong competences in creating

PDF files. This can be expanded with expertise in further functionalities of PDFs, such as forms and calculations.



We see digitisation as a chance not a threat and use it to drive customer satisfaction.



Fabian Novak, Head of in-house Printing,
Council of Reutlingen, Germany

Recommendations:

1. Interface as seamlessly as possible into the print/e-document world. Knowledge of compliance, corporate document standards, document design, or archival strategies will be key assets in-house operations can lever.
2. Develop additional capabilities in variable data printing, cross-media campaign management and marketing automation to help your marketing colleagues become more effective with their programmes and command a larger share of the marketing budget for direct mail and marketing collateral spend.
3. Build relationships with other members of your organisation, particularly with stakeholders involved in digital transformation. Those projects typically transcend functional siloes and are managed by digital teams, such as those managing CRM or Customer Experience, who may not be familiar with your capabilities, offerings and value-add.

AUTOMATE WORKFLOWS

By definition, in-house printing sites are within an organisation whose main activity is anything but print or publishing. There is always a tendency to focus more on core competences and to outsource all non-core operations.

As companies are cutting costs, staffing is under special scrutiny. Staff costs have the highest ongoing contributions to the cost of running in-house print sites. Many businesses have very stringent headcount restrictions in place that supersede P&L control and cannot be easily lifted. While staffing levels have gone down, the complexity and variety of job types has increased—leaving the print room manager with the dilemma of having to do more and more complicated work. Yet sites are succeeding and proving to be an essential part of an organisation.



The secret of doing more with less is **technology, automation**, and business model **innovation**. Talking to the various sites, digital print in particular stood out as driving automation and productivity. The latest devices do not only offer higher productivity, they also satisfy the high quality levels required. An additional benefit has been inline finishing options, allowing the automation of labour intensive processes.

Process optimisation

The digital evolution does not stop at the press. There are plenty of processes necessary from file creation to distribution. Workflow software can add a lot in terms of scheduling, data preparation, tracking and versioning as well as automating administrative tasks. Digital tracking and the verification of jobs and prints increases security and compliance as well.



Do not get caught up in thinking 'just an in-house print shop'. Watch the quality and productivity - like a commercial printshop.



Roland Gies, Head of in-house Printing at a major insurance company, Germany

An education commission that supplies exam papers to schools, colleges and universities throughout the Middle East was looking for an automated production system that would allow it to produce high quality personalised exam papers on demand. Ricoh's solution, based on FusionPro and a fleet of Ricoh Pro™ C7200 colour production printers, allowed bringing print back in house - by realising significant production cost savings while improving document security dramatically.

Another example of doing more with less is the print room strategy of POCO, a major home furnishing retailer in Germany. The company had a full-time employee dedicated to the preparation of promotional price tags. Based on Ricoh's MarcomCentral platform and Ricoh's FusionPro workflow an automated end-to-end workflow for price tags was created. Not only does it save time and money, it also enables a wider variety of revenue generating promotional campaigns.

Now that the technology has made pre-press and the operation for digital printing easier, sites no longer have to rely heavily on the contribution of a trained graphic arts professional to achieve a result that fulfils the quality demands of more demanding users. Accordingly, sites can offer pre-press tasks that can facilitate more complex print jobs. It also eases the pressure on finding highly skilled personnel when hiring – as the whole graphic arts industry is suffering from a shortage of skilled personnel.

From a business model innovation perspective, a print site at a manufacturing company reports that volume growth is restricted by the number of staff that can operate the machines. Therefore, the sites can be selective and will not accept any work that puts high strain on finishing or manual operations - those jobs will be sent externally. Instead the site is building relationships with the right teams internally to educate them about the benefits that the inplant has over sourcing print externally and how to design print products accordingly.



Have the courage to change: Invest in technology, add more services, look at distribution (logistics, labelling, packaging)



Roland Gies, Head of in-house Printing at a major insurance company, Germany

The secret of doing more with less is to optimise the internal workflow without sacrificing flexibility for a streamlined but narrow-focussed product or service range.

Ricoh provides customisable workflow solutions and digital presses that offer high productivity while being versatile enough to produce a very wide range of applications. As a result, sites should be looking to consolidate with fewer but more flexible printers and digital presses to save on labour, while allowing for simple monochrome to high quality colour output.

Additional operational efficiency can be achieved through inline finishing and software components

such as production workflow, marketing and database management solutions and electronic job submission.



Recommendations:

1. Review your workflow and operations and look for ways to increase automation, for example by investing in new hardware and software, integrating/streamlining production processes.
2. Channel work that is not suitable for your setup to outside providers if it puts too much strain on your staff.
3. Business model innovation is important when headcount or spend restrictions limit your options for investments. Think creatively about what type of customers you serve and the type of work you can best produce.
4. Develop relationships with stakeholders across the organisation to understand how they see your operation and what you can do to become more valuable to them. Continued cost pressure to increase operational efficiency is likely to stay, but can best be countered by a vision of what value an efficiently run in-house print room brings to the overall business.

About Ricoh

Ricoh is empowering digital workplaces using innovative technologies and services enabling individuals to work smarter. For more than 80 years, Ricoh has been driving innovation and is a leading provider of document management solutions, IT services, communication services, commercial and industrial printing, digital cameras, and industrial systems.

Headquartered in Tokyo, Ricoh Group operates in approximately 200 countries and regions. In the financial year ended March 2020, Ricoh Group had worldwide sales of 19.06 billion USD.

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