

In-Depth Analysis Leads College to Informed Decision on Print Management Pathway



Situation

A prestigious liberal arts college with several thousand students, based in the Northeast, spends about \$1.2 million annually on print. This is provided by the college's internal print shop as well as outside sources. The Admissions and Development departments are the largest consumers of print, responsible for about 75% of the commercial print purchased by the college. The brochures, catalogs and direct mailings they develop are outside the scope of in-house capabilities; however, they are also the biggest customers of the print shop. Faculty use the print shop for course guides, handouts and stationery.

In addition, walk-up multifunctional devices (MFDs) and inkjet printers are located throughout the campus. There are also six pay-per-use copiers around the campus for student use. These volumes are not included in the \$1.2 million print spend.

The print shop, used by 600 faculty and staff, is located in the basement of an older administration building on the edge of campus, not necessarily convenient to their offices. Staffed by three full-time employees and a part-time manager, the print shop provides copy services,

forms, mailing services and offset printing.

The 4,000 square foot facility has aging high-capacity black and white equipment and two offset presses, one of which is 35 years old. The meandering layout and narrow corridors make it difficult and time consuming for staff to store and retrieve consumables, resulting in duplicative inventories of some items. The lack of modern HVAC systems makes ventilation inadequate and the work environment challenging year-round.

In order to maintain the print shop's current state, the college was faced with spending \$500,000 on new equipment leases and hiring a new manager to replace one who was retiring. Instead, the college seized the opportunity to reassess its process for sourcing and distributing print. A new procurement executive with experience in print sourcing is leading the charge to bring professional print management to the institution.

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Solution

As an initial step, Curtis 1000 was engaged to conduct a print audit to help discover the best options for the school. The study's scope included documenting copy center processes, identifying costs (i.e., maintenance, consumables, click charges, wages and benefits), and recommending ways to streamline the process of procuring print.

Curtis 1000's analysis showed that the print shop was operating at only 8% utilization. Furthermore, the center was recovering only 47% of its costs through user chargebacks. When compared to outside resources, the college was paying as much for the print shop, which produced about 25% of its print volume, as it was for all externally produced print, which comprised about 75% of the total volume.

Curtis 1000 conducted interviews with multiple stakeholders as part of the analysis. In the course of its research, these gaps were discovered:

- No formal policy for sourcing print projects (e.g., bidding job to certain number of suppliers)
- No consistent process for job submission to print shop
- No assessment of quantity needed for optimal production methods
- No job to monitor specifications or quantities requested to gauge appropriateness of sourcing (jobs are insourced if majority of features requested can be met, even if some may need to be sent outside for finishing)
- No standards for item numbering
- Turn times were not routinely quoted (3-4 day turn times were typical; rush orders were accommodated)
- Limited design skills to modify or correct artwork delivered for production
- No repository of past artwork (10 years of production data had recently been lost)
- No routine reporting on quality standards, errors or waste

The print shop is not the only place where the college struggled. It has 60 multifunction devices and desktop units, independently managed by IT, that are capable of producing 75.2 million impressions. But utilization is alarmingly low, about 10%.

Such issues are not uncommon when there is no process owner for print management. Through the assessment, Curtis 1000 identified some quick steps the school can take to improve transparency and accountability.

- Establish a category for printed products on the college's chart of accounts.
- Request that Accounting create a report or query that will roll up all expenditures campus-wide.
- Appoint a Print Process Owner whose role is to manage the costs associated with all printed products on campus, including consumables.
- Set written guidelines for various types of print production and the use of different equipment networks.
- Ensure the Print Process Owner is always in the conversation for large jobs.
- Retain an independent consultant to review desktop printer utilization.

By putting clear policies and procedures in place, the college will save hundreds of thousands of dollars annually while providing good customer service to end users.

To address the core problem of under utilization of the print shop, four options were outlined and evaluated:

1. Retain Copy Center, but cease offset print production. This would incur an annual expense of \$479,507.
2. Retain Copy Center, but cease offset and DocuTech production, for annual expense of \$434,234.
3. Expand capabilities of Copy Center, lease new high-end digital devices and mailing equipment and sell excess capacity to the public. The annual expense would be \$1.275 million, and this option would require two shifts and a more expensive skill set for press operators.

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4. Close Copy Center and produce all of its print volume externally, for an annual expense of \$259,162.

Armed with real data, the college made a decision that met the needs of all parties for both cost savings and convenience. It has decided to retain the print shop's color digital device and a reduced staff, but cease offset and DocuTech production. This will save \$159,000 annually while continuing to provide faculty and staff with a flexible resource on campus.

In addition, the school will be installing an online ordering system for all types of print as well as promotional products. Previously, there was no e-commerce portal for printed products, other than office supplies. The college today has little visibility to the amount spent on promotional marketing to promote its identity. Going forward, the online store will help consolidate purchases and provide end users with an easy way to find the frequently ordered mugs, pens and apparel they need.

This online store will also allow end users to upload graphic arts files from their desktop to send to the print shop for output or external production, saving them a walk across campus.

Larger commercial print projects and ad hoc branded merchandise buys will eventually be sourced through Curtis 1000's technology platform that supports competitive bidding through an approved supplier network. This will relieve the burden on the college's graphic designer who today is tasked with buying print in addition to her core duties.

In the future, the college will be using its professional print management partner to help improve the return on its investment in direct mail through better measurement and response tracking. There are also opportunities to boost ROI through enhanced targeting and mailing list acquisition.

Outcomes

By adopting best practices in print procurement, the college is making real progress toward improving service and savings.

The benefits they will gain include:

- Dramatic reduction in per-impression print costs
- Avoidance of \$500,000 capital investment
- Auditable processes for procurement of print and promotional products.