

PREPARING YOUR BUSINESS FOR THE OPPORTUNITIES OF HIGH-SPEED DIGITAL PRINTING

EXECUTIVE WHITE PAPER



The print industry is going through a period of extraordinary change—new technologies, new capabilities, new opportunities. High-speed digital inkjet printing is a game changer, but it is also a transformative decision that should be carefully planned for, because its effects will have impact throughout the business and organization.

High-speed digital inkjet presses: quality, productivity, flexibility

The latest generation of high-speed inkjet printers delivers a level of throughput and quality that was inconceivable only a few years ago. The **Kodak Prosper** Press, for example, will deliver up to 120 million pages a month with offset-class quality and flexibility that enables high-volume personalized and variable printing, and other new service offerings.

Preparing for the scope of change

Many organizations either underestimate the business-wide breadth of the changes required, or they take a "wait and see" approach. This attitude represents a significant risk in the current environment. Companies need to quickly capitalize on their new offerings, and there is little room for error when going to market. Today's economy requires a rapid return from investment—especially from one on the scale of a high-speed digital press.

Developing a business-wide strategy

Before choosing to enter the high-speed inkjet arena, print providers generally have an understanding of the opportunities that they want to pursue. They know their markets and they have a general growth path in mind—perhaps in short-run book printing, publication printing, personalized direct mail, commercial print or another specialty. They know that high-speed digital inkjet is an enabler, and they understand that installing one will require changes in the pressroom.

The most successful adopters of high-speed inkjet technologies are those who foresee market trends, and who develop a business strategy to lead their market. The successful adopters plan and prepare for changes to the entire enterprise, from workflow and operations, to marketing and sales.

Those who struggle are those who have not planned for the business impacts and lack the resources and time to identify and plan for the much-needed changes to their business model. It would be recommended that they assess their go-to-market plans, production processes and resources to better capitalize on the emerging opportunities that high-speed inkjet can deliver.

The statistics are sobering: according to a 2010 study by I.T. Strategies, high-speed inkjet press purchasers find their average print volume is 45% of what had been intended.

Example 1: direct mail printing

For the direct mail business, a high-speed inkjet press may represent a many-times increase in data-driven print communications. If a printer expects to boost their variable print volumes significantly, they need realistic plans for growing orders and handling the volume.

Does the print provider have the in-house talent to manage the database and data analysis? Is the sales staff trained with the market knowledge to attract the right customers? Is the workflow integrated



with high-volume, database-driven VDP software? Is the workflow fully automated—right through to the inline finishing equipment?

Example 2: book publishing

The book publishing market is in the midst of changes of a scale that has never been seen. For this market, high-speed inkjet provides radical and innovative solutions.

As publishers are demanding smaller run lengths, high-speed inkjet allows the economical printing of short-run titles, self-published books, inventory replenishment and customized publications.



Optimize the workflow to maximize productivity

Print providers who are considering a high-speed digital press should begin with an evaluation of their current prepress workflow and print-floor processes. Workflow and practices that are adequate today may not be in a high-speed world. Consider the productivity of the **Prosper** Press:

- 100,000 variable postcards in less than 30 minutes
- 1,000 6 x 9" books, of 320 pages each, in under 1 hour
- 250.000 variable letters in less than 3 hours

Every aspect of a workflow, from job creation and submission to shipping, has to keep up. To maintain productivity, consider integrating and automating the prepress workflow from online order entry through the MIS to prepress and output. Any human touch point should be evaluated to see whether it could be removed.

For personalized print, a print provider should evaluate the state of their software tools for variable data programming and composition. In a high-speed color world, VDP file handling may require a new workflow and processes. If not optimized, it can be a bottleneck that inhibits productivity and reduces profitability.

"One of our biggest challenges is adapting and retrofitting our current skill set and infrastructure to meet the changing technology and market demands."

Jac Garner, President & CEO, Webcrafters

Prepare staff for a new way of doing business

Purchasing a high-speed inkjet press establishes a new vision for a company, and management should take a leadership position in conveying the vision and bringing about the operational and staffing changes that may be required. Some areas to consider:

- Change management sessions: engage staff in company-wide meetings and information sessions to prepare for upcoming changes
- Sales and marketing training and education in new markets and offerings
- Enterprise-wide planning for the changeover
- Skill evaluation and development
- Retooling of processes, workflows and workforce

Upgrade marketing and sales to create new revenue streams

To drive revenue, a company's sales and marketing strategies must be clear, measurable and well defined.

Develop new business

A company must have a go-to-market plan. What will be the targeted applications and market segments? How much business will come from existing clients, and how much will require new client development? How much business will be driven through online sales? Will new online storefront software be required?

Support existing customers and markets

In a company's drive for growth, they should not neglect their existing customer base. A concerted sales and education effort should be made to prepare customers for the new capabilities and capacity. Overall, existing customers should be educated about the potential of the new service offerings to improve their return on marketing investment or supply chain effectiveness.

For a successful transition, seek out expertise

Most print providers don't have the resources or objectivity to do a thorough business analysis and company-wide reconfiguration. Therefore, it is important to consider engaging a knowledgeable consulting service. Outside experts can provide a more independent analysis and propose strategies for accelerating the return on investment.

Kodak's philosophy is to assess a business in three phases, and provide a comprehensive diagnostic of a company's readiness to maximize the short and long-term opportunities presented by a high-speed digital press.

Strategy Validation

- Analyze goals and expectations
- Review plan
- Align strategy

Key Success Factors and Priorities

- Identify areas requiring focus
- Identify opportunities and gaps
- Prioritize success factors

Actions Required to Drive Success

- Recommend path forward
- Create roadmap of key success factors

Transition analysis should a) validate the planned business strategies, b) identify the factors for success, and c) recommend the required actions.

The transition analysis should examine the readiness of the print provider's business and markets, as well as technical capacity.

- A business-side analysis should provide a detailed digital press readiness assessment, including a business growth implementation plan that recommends print service offerings and provides marketing guidance, as well as staffing and management advice.
- A technical assessment should provide detailed requirements and estimated costing for any required additions to workflow, automation and integration that will optimize productivity and enhance your solution capabilities.
- An enterprise-wide deployment plan should then be developed to identify the organizational impact and changes required throughout the business with tasks, timelines and ownership clearly outlined.

Summary

To minimize risk and maximize return on investment, businesses acquiring a high-speed digital press should consider engaging in a thorough diagnostic evaluation of their workflow technologies, staffing and business practices.

This diagnosis is best performed prior to deployment, to prepare business and marketing strategies, engage staff, and educate customers prior to the enterprise-wide changes that will occur.

Organizations that have gone through such a diagnostic exercise have proven its value in preparing their business and infrastructure, managing the associated risks and helping to accelerate returns from this significant investment.

Diagnose your readiness for high-speed digital: ask yourself these questions

- Where do you see your business in three years? In five years? What are you doing to realize this vision?
- What print applications are you targeting, e.g. books, publications, direct marketing, commercial print?
- What existing work could be done more efficiently on high-speed digital? Can you quantify the volume and value of these applications? What are the implications for your current print platforms?
- What will your market offerings be? How and to whom will you be selling them?
- Who are the decision makers who purchase these new applications? Are they your contacts today? Are you prepared for conversations with them?
- What is your strategy to take these new offerings to market?
- How will it impact your current workflow? Can it be further optimized? Are there opportunities for automation or integration with other systems, like your MIS, an offset workflow, etc?
- Have you benchmarked your workflow and services vs. other organizations?
- Are your people trained and deployed appropriately to serve the new business?
- How will the new press and its workflow be installed and deployed for minimum business interruption?
- What are the risks and do you have a mitigation plan?

For more information about solutions from Kodak:

Visit www.kodak.com/go/marketmover

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