



Print Management for organisations

A brief overview

Introduction

Print Management is a term that may be foreign to many organisations but as the realisation for savings and streamlining business it is fast becoming a necessity to remain competitive. A Print Manager can also help reduce your CO2 footprint and is considered essential for any 'green' business.

Print Management in its essence is the procurement process for purchasing printing services not handled by in-house printing machines such as desktop laser printers and photocopiers. It involves funneling all outsourced print requirements through a single, specialised department or contracted 3rd party Print Manager.

Standard Practice

The standard practice, which has often grown organically within organisations over a number of years, is to allow each department to procure their own material as needed. For example, the administration department or one of the executive assistants (EA's) would organise letterheads, invoicing paper, envelopes, the marketing team would do any advertising material, booklets, newsletters etc. Printers used can sometimes be the same print company used by the organization for years or someone knows or someone used in their other job. All sounds easy and uncomplicated but the reality can be poor quality work at a higher than required price.

What are some of the issues from not applying good print management techniques?

- cost wastage due to doubling up when different departments order the same product
- receiving poor pricing due to not leveraging full buying power of the company
- inconsistent printing results due to using different suppliers
- different paper stocks being used, diluting your company brand
- no redundancy if supplier cannot meet deadline or have equipment failure
- difficulty in summarising total spend on print throughout the organisation
- biased purchasing practices.

A lack of understanding of the printing process or the capability of various printers possibly combined with a poor past experience can lead many staff to continue using their existing suppliers regardless of cost just to avoid any potential problems with swapping suppliers. Worse still, relying on an internet search, asking someone internal 'do you know a good printer' to find the next supplier or even going down to the local corner printer can exacerbate these issues.

What is a Print Manager?

As defined earlier, Print Management is the process of obtaining print services which are not able to be done on in-house print machines. Many people going to the market to buy print services do not have the skills or knowledge of the print process to be in a position to correctly specify their requirements – meaning the printer must interpret their specifications as best they can. Others may use a third party advertising or marketing agency for design and creative work whilst also allowing them to place the work with printers. The former situation leads to end jobs not meeting expectations and high cost. The latter may deliver to the client's expectations of quality but at a high cost as advertising agencies place a large premium on print services.

A number of organisations are now appointing in-house individuals or departments to take overall control of the company print requirements. This allows for consolidation of work to save duplication, ensuring the correct scheduling to meet priorities and, subject to the expertise of the individual, a degree of better control over quality and price. The alternative is to contract with a third party Print Manager to take over the management of the companies entire print requirements. The Print Manager then can act as a conduit and coordinator between client, design/creative, print and warehousing and distribution when required.

Services provided by a Print Manager

Not all Print Managers are equipped to provide all services. A Print Manager should be able to provide the following services as part of their core offering:

- Graphic design
- Print sourcing
- Warehousing
- Distribution services
- Consultancy
- Comprehensive reporting

Additional Services provided can include

- On line ordering of repeat print jobs such as stationery, business cards etc.
- Sourcing of copy-writing, photography, illustration services
- Embedded account manager(s) or full PMU (Print Management Unit) on site with your business.

Understanding the Print Management Process

Unlike standard procurement process, buying print is done in what initially seems to be a counter productive manner. Generally, each printing job, no matter how large or small is tendered to the specific group of suppliers that possess the relevant equipment to process the particular job.

This initially appears not to leverage any group buying power, but if using a 3rd party experienced print manager, their large volume of work encourages suppliers to constantly lower prices.

This tendering can be done as a traditional reverse auction or as a blind reverse auction. As a rule, the blind auction yields an average of 4% lower cost and is generally the preferred method. To encourage competitive pricing, losing suppliers are informed of the auction result to allow them to refine their pricing for future jobs. This method ensures the lowest market price is always being paid at all times.

A typical concern of this method is varying quality from using multiple suppliers. This is addressed by two methods;

a) accreditation process

All suppliers within a Print Manager's supplier pool have undergone a rigorous accreditation process which ensures that they not only comply with all legal requirements but also sets standards for equipment and QC processes.

b) company colour 'finger print'

At the beginning of a contract. A Print Manager should establish a colour 'finger print' for the organisation. This is then sent to all suppliers within the pool ensuring all printed matter matches the established standard.

Why multiple suppliers need to be used

A common misconception is that print suppliers can produce all types of printing. This is far from correct. Printing equipment is highly specialised and many pieces of equipment cannot be tasked with multiple styles of jobs. There is no company within Australia that can perform all printing operations in-house.

It is a well-known practice of the traditional print shop that the majority of their work can be outsourced without the end customer being aware.

This leads to poor quality control and additional expense and inefficiency.

Experienced Print Managers are intrinsically familiar with the various capabilities of equipment and what type of equipment each supplier uses.

Is a Print Manager appropriate for your business?

A print manager can generally be of benefit to any organisation that spends more than \$10,000 per year on printing. However the larger the print spend the larger the savings with organisations spending over \$100,000 seeing significant savings.

Historically, an efficient print manager can save a company between 30-50% assuming no formal print tendering process is in place. From experience, we see a sharp initial drop in expenditure followed by a constant improvement in savings up until the 12 month point (see figure 1). Maximum savings are not realised immediately because time must be taken to consolidate types of paper used and to fully understand the clients business and purchasing frequency.

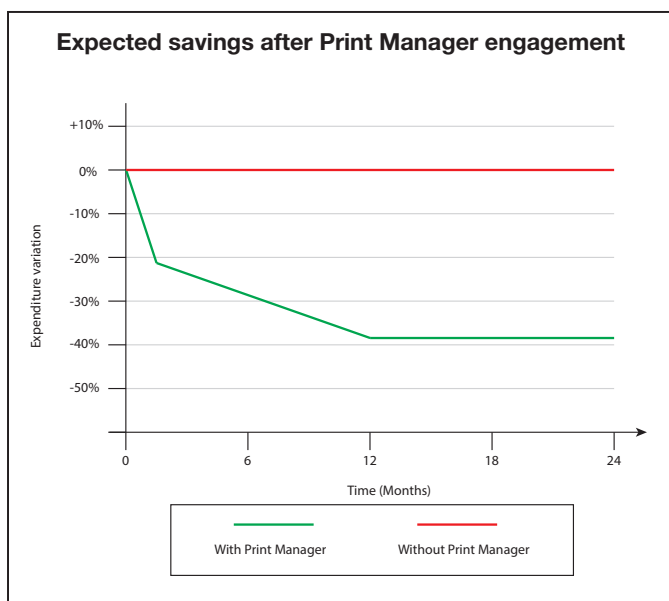


Figure 1: Expected savings over time

Remuneration model

Traditionally, the cost of using a 3rd party Print Manager can be addressed in 2 methods depending on the organisations preference.

Method 1: Markup percentage

An agreed percentage is applied to the cost of print jobs. Usually in the range of 10% - 20%.

Advantages:

'Only pay for what you use' model

Disadvantages:

Cost of engagement varies from month to month making budgeting more difficult

Method 2: Monthly flat fee

An agreed flat monthly fee is paid to the Print Manager regardless of the amount of work processed.

Advantages:

A flat fee facilitates more accurate budgeting and forecasting

Outsourced work is done 'at cost'

Disadvantages:

Same cost regardless of utilisation

Synergy Solutions

Synergy Print Solutions is a company that specialises in providing an end-to-end Print Management Solution. Our aim is to provide a total design, print sourcing, mailing, warehousing and delivery solution for our clients.

As integrated communication specialists, Synergy is a leader in the development and delivery of print management programs. We do more than manage print. We deliver a fully integrated solution to manage all components of the print and logistics supply chain with a focus on returning immediate significant cost savings and ongoing long term innovation and value for money.

Author

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