University of London

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Establishing the benchmark for learning
Outsourcing with an in-house unit

Universities are chock full of paper. Libraries overflow with books, while the sheer quantity of students' photocopiers and computer printouts is nothing short of backbreaking.

But academic institutions also have major requirements for high-quality colour and high-volume black and white printing. Course materials and prospectuses make for hefty print demands.

As a result, many universities run in-house print rooms, but these often occupy hugely valuable property and as universities come under increasing financial pressure due to the growth of competition in the higher education sector, cost-cutting measures have led to the closure of many such plants in favour of an outsourced solution.

A Litho - Digital Mix
This is exactly what happened at the University of London, which until 2002 ran a 600m2 print room with a raft of SRA3 litho and Heidelberg digital kit in Senate House, its headquarters in the heart London's Bloomsbury area.

Monochrome A4 materials, including application forms, exam papers, prospectuses and course notes, made up the bulk of the facility's print runs – as they still do. Postcards, leaflets and other marketing materials are also key products. Paginations can vary from 20pp up to 400pp, with run lengths going from a few hundred to tens of thousands.

John Healy, the Print Contract Manager at the university, says that the reassessment of the facility, which began at the end of 2001, came as part of a standard review as part of the institutions' funding process. He explains, "the equipment was up to seven years old, so it was coming to the end of its life. The university felt that to re-invest was spending a lot of money on a non-core operation".

Time to Review
Specialist print consultancy Wyse Solutions were brought in to assess the future of the department, which employed 20 staff was running two Ryobi SRA3 single colour perfectors and a Shinohara SRA3 two-colour perfector. It had also made a partial

migration to digital print with a Heidelberg Digimaster monochrome press. Finishing was also handled in-house.

One particular incentive to find an alternative to in-house printing was the cost of employing staff. Healy estimates that cutting numbers to the current three staff in the print department saved it more than £250,000 each year, on its break-even turnover of around £1.3m.

In addition, the ebb and flow of the academic year meant that the print facility was being used inefficiently. "We have a time when it is very busy, prior to exams and over the summer, but the first three months of the calendar year are dead by comparison.

The Plan
Action was taken during the summer of 2002. First any kit of value was sold off, with the sale raising around £50,000. The redundancy process began, and Healy, who had experience in print and graphic design, and had been running a design and marketing communications business for the previous six

years, was hired to run the department in May 2003.

Meanwhile, long-term contracts were established with two London-based print suppliers, CGI Europe in Docklands and CLOC (formerly London offset Colour) in Tottenham. Fixed-price three-year arrangements with both began on 1st August 2003, although Healy says that both had been supplying the department on a trial basis since the previous October.

Beyond the end of the initial contact period, two one-year renewals are possible. "I don't have any reason to think we'd change the contracts" says Healy. "Effectively that means that there's a five year programme in place to ensure the stability of the print unit.

The In-house Perspective

While most jobs are now sent out to the two companies, Healy still runs a small production operation in a far smaller office in Senate House. Two 105ppm single colour printer/copiers and a small range of finishing kit are used for security printing work such as exam papers and fast turnaround jobs. "During the summer months both machines are hammering away all day", he says.

A PrintCost MIS system has also been put in place, allowing the print unit to give online quotes for jobs. By the end of 2003, Healy hopes that users will be able to submit simple jobs online and check production stage progress online. "For users, it's really no different now than before. If you want something printed, you just pick up the phone to someone in a different company rather than your own".

He adds that communication the changes to an in-plant's users is hugely important. "At first, people seemed to think we weren't printing anything any more.

The Result

Overall, Healy believes that the move has been beneficial and not simply from the point of view of cost. "Timetables have shortened considerably, both with the work put out to the printers and with what we do here. There's a reduction in how long we are notified of a job before it needs to be ready, and people are testing this out.

And even better, where the print unit were previously losing money, Healy reports that it is now making a "very tiny" profit.

This article first appeared in Print Buyer October 2005.

The document and print consultancy people

Before

• Headcount of 20 staff

• Inefficient use of capacity during slow periods, particularly January – March

• Facility using 600m2 of central London floorspace

• Print unit making a loss

• Litho presses unsuitable for short-run single colour work

• Some digital capacity

• Capital expenditure on new presses not justified

• Activity was non-core to the University

After

• MIS system put in place

• Print unit making a small profit

• Work mostly outsourced to two London firms

• Quick turnaround, security and short-run jobs produced in-house

• Former print room now an exam hall

• Fixed pricing with suppliers until 2008

• Headcount reduced to three

For more information on how Wyse can help your organisation achieve greater efficiencies contact Alex Scott or Andy Saunders on (01494) 764933