Summary

This case study is a UK based utility company with marketing communications print expenditure in the region of £3.5m, which spans a diverse range of printed products.

As a consumer focused organisation, there is an increasing trend towards more purchases of short run jobs as a result of greater customer segmentation. There is a corresponding increase in administration.

The integration of multiple print purchasing departments and processes as a result of the acquisition of two additional energy companies by Utility Company within a 12 month period required a radical approach to realise the synergy benefits available in terms of print procurement. The challenge for Utility Company was to absorb the additional activity generated whilst limiting staff numbers to the existing Utility Company print services team and at the same time leverage the opportunities presented by an increase in volumes.

To achieve its aims, Utility Company identified the 'Intelleprint' system as a potential solution, and it is estimated that this new print management system has saved at least 20% per annum.

The Current Service

Having identified Intelleprint, a print procurement workflow tool, as a potential solution, Utility Company engaged consultants to review their print procurement processes and use Intelleprint to automate them. As Utility Company had a centralised Marketing Communications process through which all marketing print was channelled, it was essential to fully understand how the purchasing of print was currently performed and to establish the most appropriate process workflow improvements.

Utility Company's business needs and audit processes needed to be fully satisfied. Any new systems needed to be capable of evolving at the rate of change of the business and fit into other strategic initiatives and the IT infrastructure. Clear business benefits and a strong business case needed to show the advantages that could be gained by Utility Company before Intelleprint was implemented. Strong support from potential users would be essential. As one of the aims was to reduce the administrative overhead needed to manage the print process Intelleprint needed to be developed so that it could be used by all members of staff that were not print specialists.

Implementation of Intelleprint gave Utility Company knowledge based print procurement system, tuned to its needs and built to apply the rules and skill that normally only print industry experts would apply to make the best buying decisions. The system has allowed Utility Company to streamline processes and free up the reduced number of print specialists to provide better support to the marketing teams.

Utility Company had a clear vision of its requirements from the outset and this was the key to establishing a complete digital workflow that simplified the processes of both Utility Company and their suppliers. It provides an integrated and modular tool that can evolve with advances in the print industry and changes in Utility Company's needs.

To support the Intelleprint based process Utility Company has developed additional features such as colour benchmarking that ensures quality and consistency across all printed products and removed the need for print passes to be carried out for each job.

Intelleprint combines a knowledge database, digital workflow and an advanced integrated e-auction tool with decision support and management information.

First Stage Benefits

Intelleprint provided a stable framework supporting the integration of the three separate energy company's buying needs under the one process.

Intelleprint streamlined the request for quotation and purchasing process, saving time and money.

It cuts out approximately.25-30% of the procurement time getting out to market.

For internal reporting Utility Company benchmarks against average price of all bids received. Using this standard Utility Company estimates that it has reduced its marketing print spend by 20%. Utility Company's annual spend for marketing print ranges from £2.5m to £3.5m.

It enabled Marketing Communications Executives to be directly involved in the design specification ensuring more detailed information was available early into the supply chain.

The knowledge based application built up data that can be rapidly retrieved for re-use. The system incorporates a database of all print jobs initiated.

Marketing staff with little print knowledge can input specifications through a simple specification builder that turns captured information into a detailed specification.

Budget prices for the print elements of campaigns can be obtained within minutes by using Intelleprint's print pricer. This removes the need to waste printers' time in providing quotes that will never be realised and thus allows the printer to pass on the logistical time saved in estimate production on to the client.

Intelleprint's access to the internet gives Utility Company the scope to hold either open or closed e auctions and a streamlined process for getting quotes that are presented in price order. E auctions have become the preferred method of obtaining print quotes for larger jobs. All Utility Company's approved suppliers have secure access to the auction site. They can see all bids in real time and all have equal opportunity to quote for all available work. All the information to provide a detailed quote is provided. With this transparency, Utility Company is encouraging pricing for contribution rather than margin.

To ensure quality and consistency a Utility Company colour management benchmark has been developed and implemented with all suppliers.

The Utility Company team believe that Intelleprint doesn't replace experts but frees them to share their expertise in the areas where that is needed and adds greatest value. It removes time consuming administrative processes and enhancing transparency and control.

Identification of main suppliers and the ability to increase the number of companies quoting with no administration overhead. Because of the strategy of creating the conditions for encouraging pricing for contribution, more suppliers are needed to ensure a better chance for exploiting spare capacity.

The Journey to the Current Service

Utility Company has always sourced its requirements from a panel of approved printers. The original process was to send out a completed Request for Quotation to those approved printers that had best fit for the required product. This was done manually using a mix of email and fax communication, using templates that were cut and pasted with common and changeable detail. The process required the involvement of print experts throughout. The information received was then collated, put into a spreadsheet and evaluated by the print services team. This was a very time consuming process and prone to error due to the level of manual intervention. Each supplier provided their quotes in their own format. This often led to misunderstandings.

For the successful quote the job details were placed on a "Please Proceed" form that included artwork formats, shipping destinations, full manufacturing specifications and supplier details. It was not unusual for changes to be required even after the order process was underway or had been placed which made order and delivery reconciliation a real headache.

It was clear that these processes could not reliably support an operation where the volume of individual print jobs was increasing and lead times were often very tight.

Utility Company had 3 options:

1. significantly increase staff numbers

2. outsource to print management company

3. find technology based solution

Increasing staff numbers was ruled out on the basis that it increased costs and did not improve the reliability of management information. It was also felt that with its level of spend Utility Company had

sufficient impact to be able to buy print at prices comparable with those offered by print management companies. It was believed that a technology based solution provided Utility Company with the best option.

Positive Messages from the Case Study

- No additional staff required for a significantly increased throughput.

- A simplified quality process to send out requests for quotation to all suppliers.

- Wider range of potential suppliers.

- Transparent, accurate and reliable management information.

- Speed of implementation and realisation of all benefits including a Return On Investment within seven months.

- Reduction in print costs by 20%.

- Less time spent on administration of each job.

Some Issues

Intelleprint is at its first stage development. Other modules are being developed to deliver what will eventually be a complete Marketing Communications process workflow and digital library. From the front end workflow for campaign and creative management, through to content and proofing management and print purchasing.

Acknowledgement

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