

*The Value of
Your
InPlant Printing
Operation*

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Sales Statistics

- **Internal Sales**
 - Production (owners manuals, hang tags, instruction sheets)
 - Marketing materials (brochures, catalogs, point of purchase, sell sheets)
 - Corporate materials (letterhead, envelopes, company forms)
- **Outside Sales**
 - Manufacturing Companies, Advertising Agencies, Financial Institutions, Software Companies, Mail Order Catalogs
 - Initiated in 1995
 - **Benefits:**
 - Utilization of resources
 - Justification of operation
 - Staff development

Resources

- **Number of Employees**
 - Administration/Sales
 - Pre-Press
 - Press
 - Bindery/Shipping
- **Total Owned Assets**
- **Leased Equipment -**
 - Technology Related –
Copiers, Digital Press, Large Format Printer
 - Large Investments - not related to manufacture of engines
Ryobi 754 23x29 4-Color with Coater
- **Administrative Software**
 - PSI Print Management System

Equipment

- **Prepress**
 - **Desktop Publishing System (Mac and Windows)**
Adobe Creative Suite 3.0/4.0 (Indesign, Illustrator, Photoshop, Acrobat), MS Office, Pitstop, Quark, MBC3 Barcodes, Quicksilver, Adobe GoLive
 - **Imposition & Trapping Software (Rampage, Creo Preps, Impostrip/Hot Folders)**
 - **GMG Colorproof Software**
 - **Scanner (Microtek)**
 - **Digital Camera (Canon)**
 - **Computer-to-Plate System (Agfa Acento)**
 - **VDP Software (Fusion Pro)**
 - **PURL Software (Mindfire)**

Equipment

- **Digital Press**
 - **Large Format Encad Novajet Digital Printer**
 - **Epson Stylus Pro 9800 (proofing)**
 - **Rimage CD Duplicator with Full-Color Printing**
 - **Thermal Transfer Printer**
 - **#1 Docutech 6155 with Bookletmaker**
 - **#2 Docutech 6155 with Bookletmaker**
 - **Oce 6250 with Bookletmaker**
 - **Xerox Docucolor 250 Color Copier**
 - **Kodak Nexpress S2500**
 - **Ricoh C900 (4 Color / Print on Synthetics)**
 - **Ricoh C906EX (Perfect Binding)**

Equipment

- **Offset Press**
 - One Color AB Dick
 - Two Color Ryobi 3302
 - Didde Webcom 700 17-1/2" nonheatset web
 - 4 Color 23x29 Ryobi 754 4-Color with Coater
- **Bindery**
 - Computerized Polar and Challenge Cutters
 - Conflex and Beseler Shrinkwrap Equipment
 - MBO Folder
 - Graphic Whizard – Number, Score, Perf
 - Drilling
 - Paper & Plastic Banding Equipment
 - Horizon Paper Counter
 - Universal Punch System
 - Morgana Digifold
 - Duplo Perfect Binder
 - Plastic Engraving
 - 10-Station Duplo Collator
 - Osako Collator

Financial Summary

- **Profitability - 11.5%**
- **Income per Employee - \$34,065**
- **Sales per Employee - \$296,249**

Why to Consider or Not Consider Outsourcing

- **Print Cost**
- **Profitability**
- **Efficiency**
- **Equipment Utilization**
- **Capital Expenditure**
- **Risk of Obsolescence**
- **Turnaround Time**
- **Customer Satisfaction**
- **Convenience**
- **Security**
- **Perceived Value**

Key Criteria

- **Cost**
 - **Cost Structure of an Inplant is Lower Based on Less Overhead (HR, Security, Accts. Payable/Receivable)**
 - **Equipment Purchased for Specific Purposes and Volume (high utilization) Will Result in Lower Hourly Rates**
 - **Know Your Budgeted Hourly Costs, Impression Costs**
 - **No Rush Fees**
 - **Tax Benefits**
- **Quality**
 - **Internal Quality System - Checks and Balances - Administrative and Production Areas**
 - **ISO Certification**
 - **G7 Master Printer Certification**
 - **Closed Loop Proof/Press Data**
 - **Training Requirements for Employees**

Key Criteria

- **Customer Service**
 - **Meet Deadlines**
 - **Flexibility**
 - **Efficient Processing of Projects**
 - **Review of All Materials for Accuracy and Meeting Corporate Identity Standards**
 - **Do Whatever it Takes to Satisfy Customer Needs Even if it Falls Outside of Standard Print Production**
- **Equipment**
 - **Stay on the Leading Edge (Not the Bleeding Edge)**
 - **Positive ROI for All Equipment**
- **Location**
 - **Convenient for Customers to Contact, Visit and Process Projects**

Key Criteria

- **Workflow Efficiency**
 - Print Management Software
 - PDF Workflow
 - JDF
 - Web to Print Ordering System
 - Cross Training for All Functions
- **Competition**
 - Understand Who They Are
 - Who They Contact within Organization
 - Know Your Market's Pricing
- **Financial Contribution**
 - Know Your Cost Savings
 - Provide Information on Sales & Profitability
- **Corporate Directives/Policies**
 - Sustainability / Recycling
 - FSC / SFI Certification

Key Criteria

- **Integration**
 - **Get Involved within Company to Build Relationships, Offer Insight into Projects and Gain Knowledge of Changes Within Organization**
 - Copiers
 - Office Supplies
 - Mailings
 - Production Planning
 - Marketing Program Development
 - Translations
 - Purchasing of Other Printed Materials
 - CDs and Microfiche
 - Website Files
 - Inventory Analysis
 - Part Initiation and Set-Up
 - Special Projects (Rebates, Kitting, etc.)
 - Software Licensing
 - Partner with External Suppliers that are used for Advertising, Packaging and Other Areas of the Company
 - Committee Member - Pricing, New Product Integration, Corporate Brand Identification, Digital Asset Management

Keep Management Informed

- **Demonstrate and Communicate the Value of Your Operation**
- **Include the following in department reports –**
 - **Productivity**
 - **Impressions**
 - **Sales**
 - **Expenses**
 - **Income**
 - **Comparison to Budget**
 - **Savings Compared to Commercial Print Companies**
 - **Projects**
 - **Customer Satisfaction**
 - **Quality Standards**
 - **Certification Information**
 - **Process Improvements**
 - **Future Plans (Software, Equipment, Processes)**

Assessing the Value of Your InPlant

- **Know your Cost Structure**
 - Budgeted Hourly Rates
 - Costs per Impression
 - Sales
 - Sales per Employee Average for Industry is \$146,960
- **Know your Profitability Based on P&L**
 - Industry Average for Profit Leaders is 9.4%
- **Know Your Organizations Needs / Market Your InPlant**
 - Meet with Dept. Heads
 - Survey Customers
 - Hold an Open House

Assessing the Value of Your InPlant

- **Cost Savings**
- **Income**
- **Financial Contribution**

**With All Department Costs included in your P&L,
With Sales of \$9,479,975 and a
Net Income of \$1,090,082 –**

What is the value of your operation to your organization?

Assessing the Value of Your InPlant

Your Income plus Your Cost Savings!!

\$1,090,082

\$1,421,976 (15% Cost Savings on \$9,479,975 Sales)

\$2,512,058

**** This is how much it would cost your organization to purchase printed materials produced by the InPlant from an external print company.**

Benefits of Internal Service

- **Cost - Should Be in Range from 15-50% Less**
(Commercial Printers have Profit Built into their Pricing, Tax Savings and Inplant Equipment is Purchased for Specific Products and Volumes, Providing an Efficient/Streamlined Lower Cost Workflow)
- **Cost Savings Directly Contribute to the Bottom Line Financials of Parent Organization**
- **Cost Savings from Purchasing Leverage Results in Lower Cost for All Printed Materials as well as Office Supplies, Paper, Binders, etc.**
- **Quality / Understand and have Resources to Meet Corporate Identity Guidelines**
- **Customer Service – Vested interested in the Success of the Organization – Offer Cost Saving Strategies for Projects, etc.**
- **Location - Accessibility Provides Convenience and Responsiveness with No Delays in Initiating Production**
- **Value Added Services - Print Sourcing, Proofreading, Monitor Corporate Branding and Identity, etc.**
- **Business Knowledge - Know the Product, Culture, Relationships**
- **Confidentiality**
- **Trust**

When Faced with an Outsourcing Threat

- **Inplant Management - It is Critical to:**
 - **Avoid Being Defensive**
 - **Provide All Data Required in Professional Format and in Timeframes Required**
 - **Meet Upper Management's Options Head On and Stay Optimistic Through Process**
 - **Stay Focused on the Business - Don't Let Change Affect How You Do Day-to-Day Business**
 - **Keep Confidential from Employees to Avoid Mass Panic**
 - **Demonstrate your Financial Contribution**
 - **Cost Savings**
 - **Financial Contribution**

Final Comments

- **Be Proud of Your Operation**
- **A Well-Run Operation IS Less Expensive Than Purchasing from a Commercial Print Company**
- **Just Because They are Evaluating Your Operation, Doesn't Mean that You are Not a Valued Service to Your Organization – It is Their Job**
- **Prove to Them That You ARE a Well-Run Operation that Provides a Financial Contribution to Your Organization**
- **And, Remember – It Doesn't End Here – There Will Be More Evaluations in the Future**