

Corporate Print Services: The In-Plant Printing Opportunity

Executive Director:	Charles M. Corr, Group Director
Senior Advisors:	Charles A. Pesko, Managing Director Jeff Hayes, Group Director Holly Muscolino, Group Director
Contributors:	Cary Sherburne, Associate Consultant Trina Gupta, Research Analyst Holly Muscolino, Director
Creative Services:	Carrie Sylvester, Desktop Publisher
Editorial/Proofreading:	Donily Corr, Proofreader

This report is copyrighted by CAP Ventures, Inc. and is made available to a limited number of CAP Ventures clients subject to the following conditions:

- CAP Ventures retains all rights to this report in its entirety.
- Reproduction and/or disclosure in whole or in part to parties other than the CAP Ventures client to whom the document was originally sent is prohibited without the express written consent of CAP Ventures.
- This report should be treated as confidential and proprietary for internal use only.
- The information is believed to be accurate and reliable, but cannot be guaranteed to be correct or complete

CAP Ventures, Inc.
600 Cordwainer Drive
Norwell, MA 02061
(781) 871-9000

www.capv.com

Table of Contents

Table of Figures	3
Executive Summary	5
Best Practices.....	14
Best Practices for In-plant Providers.....	14
Best Practices for Paper Companies and Merchants	16
Best Practices for Equipment Manufacturers and Distributors	16
Introduction.....	18
Study Objectives.....	18
In-Plant Printing -- The CAP Ventures Definition	18
Why the In-Plant Market is so Critical.....	19
Research Methodology	19
Desk Research.....	19
Web-Based Surveys	20
In-Person Interviews	21
The In-Plant Print Opportunity	22
What Is an Establishment?	22
The In-Plant Print Shop -- Different Perspectives	22
Facilities Management.....	23
Total In-Plant Sites	24
Demographic Data	24
In-Plant Small Copy/Print Sites.....	29
Business Model.....	31
Equipment and Software Use.....	39
Offset Printing.....	49
Offset Plates	51
Digital Printing/Copying.....	52
Binding and Finishing Equipment.....	55
Services Offered.....	56
Variable Data Services.....	58
Electronic File Submission.....	59
Average Monthly Print Volumes	61
Investment Plans	68
Primary Investment Drivers	72
In-Plant Views.....	72
Implementation of Programs, Tools and Standards	77
Procurement of Print Outside.....	79
Price Elasticity	80
Spending on Equipment and Software	81
Insourcing.....	82
Facilities Management Sales Efforts.....	84
Paper Purchases.....	86
Brand Preference.....	88
Universal Copier/Printer	91
The Size of the In-plant Market	92
Appendix A.....	94
Appendix B.....	97

Table of Figures

Figure 1: Type of Printing Operation.....	24
Figure 2: Primary Business.....	25
Figure 3: Level of Responsibility for Purchase Decisions.....	26
Figure 4: Prevalence of Staffed Copy Center or In-Plant.....	26
Figure 5: Prevalence of In-Plants By Company Size and Annual Revenue.....	27
Figure 6: Annual Print Spending on Staffed Copy Centers or In-Plants.....	28
Figure 7: Internally Managed versus Outsourced to Facilities Management Provider.....	28
Figure 8: The Business Models.....	31
Figure 9: Number of Employees in Entire Company.....	32
Figure 10: Total Number of Employees at Location.....	33
Figure 11: Number of Employees Performing Copy/Print Work.....	34
Figure 12: Number of Additional Staffed Printing Operations.....	34
Figure 13: Outsourcing of Additional Staffed Printing Operations.....	35
Figure 14: Who Is Getting the FM Business?.....	36
Figure 15: Who Owns the In-Plant Operation?.....	37
Figure 16: Facilities Management -- Another Data Point.....	37
Figure 17: Respondent Titles.....	38
Figure 18: Reporting Structures.....	38
Figure 19: Software Used.....	39
Figure 20: Print MIS Solutions.....	40
Figure 21: Plans to Purchase MIS Systems.....	41
Figure 22a: MIS System Features.....	42
Figure 22b: MIS System Features (continued).....	42
Figure 23: Customer Facing Tools.....	44
Figure 24: Workflow Solutions.....	45
Figure 25: Prepress/Composition/Data Transformation Solutions.....	46
Figure 26: Variable Data Tools.....	46
Figure 27: Mailing Software Used.....	47
Figure 28: Prepress Equipment.....	48
Figure 29: Offset Equipment.....	49
Figure 30: Color Capacity by Device.....	49
Figure 31: Plate Usage.....	51
Figure 32: Digital Copying/Printing Equipment.....	52
Figure 33: Primary Brand of B&W Cut Sheet Device.....	53
Figure 34: Primary Brand of Digital Color Device.....	54
Figure 35: Binding/Finishing Equipment On-Site.....	55
Figure 36A: Services Offered.....	56
Figure 36B: Services Offered -- Advanced.....	56
Figure 37: Variable Data Jobs By Category.....	58
Figure 38: Variable Data Work Remains Simple.....	58
Figure 39: Color vs. Black & White Variable Data.....	59
Figure 40: Percent of Work Received Electronically.....	59
Figure 41: Percent of Files Received by File Type.....	60
Figure 42: Files Requiring Intervention.....	61
Figure 43: Average Monthly Print Volume by Type.....	61
Figure 44: Median Average Monthly Print Volume by Color Content.....	62
Figure 45: Projected Volume Growth.....	63
Figure 46: Color Digital Volume by Device Type.....	65
Figure 47: Color Digital Volume by Device Type in Two Years.....	65

Figure 48: Approach to New Technology.....	66
Figure 49: The Adopter Continuum.....	67
Figure 50: Investment Plans by Type of Equipment.....	68
Figure 51: Intent to Purchase Equipment (Mean).....	69
Figure 52: Software Investment Plans.....	71
Figure 53: Software Investment Means.....	71
Figure 54: Primary Investment Drivers.....	72
Figure 55: Responses to Statements.....	73
Figure 56: Responses to Statements (Means).....	74
Figure 57: Implementation of Programs, Tools, Standards.....	77
Figure 58: Implementation of Programs, Tools, Standards (Means).....	77
Figure 59: Role in Procuring Print from Outside Vendors.....	79
Figure 60: Amount of Print Procured from Outside.....	79
Figure 61: Migration of Offset to Digital.....	80
Figure 62: Shifting Black & White to Color.....	81
Figure 63: Equipment Spending.....	82
Figure 64: Work Accepted from Outside.....	82
Figure 65: Total Annual Revenue from Work Outside The Organization.....	83
Figure 66: Companies Approached by Facilities Manager.....	84
Figure 67: The Outcome of FM Initiatives.....	85
Figure 68: Sources of Paper Purchases.....	86
Figure 69: Importance of Common Paper Grades.....	87
Figure 70: Who Specifies Paper?.....	87
Figure 71: Percent of Paper Purchased by Grade.....	88
Figure 72: Brand Preference -- Black & White.....	89
Figure 73: Brand Preference -- Color.....	90
Figure 74: Workflow Brand Preference.....	91
Figure 75: Universal Copier/Printer.....	91