

Corporate Printing Services: The In-Plant Printing Opportunity



- ▼ Size of Market
- ▼ Equipment Acquisition Plans
- ▼ Buyers and Decision Makers
- ▼ Outsourcing/FM Prospects
- ▼ Paper Usage

INTRODUCTION

What is actually being printed inside the corporation in-plant shop today? How fast is the migration to digital printing occurring? Is the much-vaunted consolidation of the Corporate Reprographics Department (CRD) and the Data Center Print Department happening on any significant scale? And what is a CRD, a copy center, an in-plant printing facility and how many of these exist in the U.S.? What role does the mailroom play in copy/print services? These are a few of the questions this study addresses as it probes one of the least understood market segments in the printing industry.

Historically, the in-plant print shop was a collection of cameras, platemakers, offset presses and duplicators with an assortment of finishing devices, and was usually located in the basement of an obscure corporate building. But with the increased prevalence of digital workflow and the fact that most of today's business documents are created digitally, a quiet transformation of in-plant printing services is underway.

PROJECT OBJECTIVES

This study examines the full range of corporate printing services, from Central Reproduction Departments to the mailroom that also performs production copying and printing. It determines what is really transpiring in the world of corporate printing services, defining the various segments of the corporate printing services market, and provides insight into what is produced on-site versus off-site and why. It also probes the speed and nature of the migration to electronic distribution of internal and external corporate information at the expense of overall print volumes, as well as the impact of the proliferation of distributed multifunction peripherals on print volumes in centralized corporate print services facilities.

The study determines the current penetration and volume of digital printing and the expected future share of both monochrome and color volumes. The study results help our subscribers better define opportunities in the market and formulate a vision of the in-plant shop of the future.

IN-PLANT PRINTING DEFINED

CAP Ventures uses a consistent methodology in tracking establishments. To provide consistency with other standardized market data sources, our definitions of the industries and types of establishments are based almost directly on the U.S. Department of Commerce industry classification standards.

An establishment is a single physical location at which business is conducted. It is not necessarily identical to a company or enterprise, which may consist of one or more establishments. This definition contrasts with "firm" or "company," which define all establishments at all locations under common control.

Our definition of an In-plant includes departments within an establishment that are primarily engaged in reproducing text, drawings, plans, books, brochures, presentations, directories, or other copies by blueprinting, photocopying, mimeographing, offset printing, digital printing or any other methods. The primary business of the establishment is anything but printing or print-related services.

CAP Ventures has identified 10,067 in-plant printing establishments that produce the equivalent of \$12.6 billion in revenue in the U.S. Our definition of a production establishment is one that has a dedicated operator who primarily prints the work of others. We do not limit it based on the type of installed equipment.

WHY THE IN-PLANT MARKET IS SO CRITICAL

The In-plant market helped drive the adoption of black and white digital printing and has been the target of facilities management and outsourcing firms. CAP Ventures estimates that in 2002 the In-Plant segment accounted for 43% of POD cut sheets installations in the US, 28% of the convenience color copier/printer placements, 36% of the production color devices from 24-59 ppm, and 21% of the production color devices in excess of 60 ppm.

In 2002, almost \$2 billion of the in-plant revenue was under a facilities management agreement. This segment has been a primary target of outsourcing companies.

WHO SHOULD SUBSCRIBE

- ▼ Print Equipment vendors and suppliers
 - Digital printing solutions
 - Traditional printing
 - Supplies (including paper and graphic arts supplies)
 - Finishing and mailing equipment
- ▼ Facilities management and other outsourcing providers in the document services space
- ▼ Software solutions providers to the graphic arts industry, including:
 - Front-End Software Providers
 - Content Technologies Providers
 - Job Submission and Production Tools Providers
 - Print and Print Management Tools Providers
 - Print e-Business Infrastructure Providers
 - Archiving and Distribution Services
 - Variable Data Tools
 - Postal Automation Tools
- ▼ Corporate executives concerned with trends in corporate printing services

- ▼ Corporate printing services professionals
- ▼ Commercial and quick printers interested in understanding how in-plant printing trends may impact their current and future business potential
- ▼ Corporate managers, document owners, and print buyers seeking information on the future of business communications

HOW THIS STUDY CAN BENEFIT YOUR ORGANIZATION

This study is designed to profile the corporate printing service market and evaluate current and emerging trends.

The results of this study provides information to help you:

- ▼ Prioritize product and market opportunities
- ▼ Size and growth of the corporate printing services market
- ▼ Understand how the market is segmented
- ▼ Understand the trends impacting the corporate printing services market
- ▼ Identify new business opportunities
- ▼ Support product and service strategic planning
- ▼ Improve sales and marketing activities in key market segments
- ▼ Understand the purchasing process and the impact of technology on that process
- ▼ Identify who is responsible for determining how corporate printing services will be provided
- ▼ Understand customer perceptions and requirements
- ▼ Determine service and support requirements
- ▼ Identify potential growth opportunities and value-added document services
- ▼ Determine pricing strategies

QUESTIONS THIS STUDY WILL HELP ANSWER

The following are the basic questions that CAP Ventures' study entitled *Corporate Printing Services: The In-Plant Printing Opportunity* is designed to answer:

- ▼ What are the types of corporate printing services being delivered in-house in today's market, and how will those services change over the next several years?
- ▼ What are the various internal production facilities as defined by our definition of a facility having a dedicated operator who primarily prints the work of others?
- ▼ How do these services-and the rate of change they are experiencing-vary by industry?
- ▼ What is the true impact of outsourcing on corporate printing services departments?
- ▼ Under what circumstances do corporate printing service departments utilize external resources?
What type of role do they play?
- ▼ How common is the practice of "in-sourcing," or selling the services of in-house corporate printing operations to

external customers? Where in-sourcing has been successful, what percent of revenues and volume does this work represent?

- ▼ What are the reporting structures of the various in-house printing services? How are their budgets derived? Do they charge back for their services? If so, what criteria do they use for establishing chargebacks?
- ▼ To what extent do corporate printing services have the right of first refusal on the production of corporate printing? What procedures and approval processes are followed by users wishing to avail themselves of external production resources?
- ▼ For work that is outsourced, is there any enterprise management process for that outsourcing? To what extent does the corporate print services department manage the outsourcing process?
- ▼ How is the corporate printing services market segmented, what share of the market does each segment hold, and what is the impact of the transition to digital on services overall?
- ▼ What is the mix between offset and digital, and how is that mix trending?
- ▼ By segment, how is a typical in-plant configured, and what is the market share, by vendor, for installed printing equipment?
- ▼ What role do in-plant shops play in supporting workgroup activities in the organization?
- ▼ Which organizations view output in a holistic manner from the desktop through outsourcing?
- ▼ What is the anticipated impact of 1:1 print output and where it will be printed in the future?
- ▼ What are future printing equipment purchase plans and who are the preferred vendors?
- ▼ What "value added" services do in-plant production centers offer today and what will they offer in the future?
- ▼ What are the differences in types and sizes of in-plant shops by vertical market category?
- ▼ Will in-plant facilities adopt more digital color solutions and to what extent do they do this today?
- ▼ What applications drive print volume?
- ▼ What is the interest in a Universal Copier/Printer product that produces both color and monochrome pages at competitive prices?
- ▼ What MIS/ERP solutions do they use or plan to use?
- ▼ What substrates do they use? How are they inventoried, purchased and what changes will occur around substrates?

CRITICAL RESULTS OF THE STUDY

To achieve the objectives described above, CAP Ventures surveyed corporate print services professionals to discuss the topics listed below.

- ▼ Company size (revenue, employees)
- ▼ InPlant Print Department (budget, revenue, employees, etc.)
- ▼ Equipment configuration and workflow
- ▼ Type and number of sites by segment (i.e., CRD, in-plant print shops, satellite copy centers, etc.)

- ▼ Key internal customer departments and percent of volume/revenue represented by each
- ▼ Position of corporate printing services department relative to in-sourcing, and volumes in-sourced
- ▼ Relationship of corporate print services department to printer/copier fleets
- ▼ Policies, practices and procedures relative to outsourcing print-related activities and percent of work outsourced
- ▼ Relationship of the corporate print services department to third parties with corporate print management responsibilities (i.e., ad agencies, design firms, etc.)
- ▼ Role of the corporate print services department in corporate business communications strategies, including print
- ▼ Usage characteristics by vertical industry:
 - Manufacturing
 - Financial Services/Insurance/Banking
 - Government
 - Education
 - Telecom/Utilities
 - Healthcare
 - Retail/Wholesale
 - Business Services
- ▼ Status of corporate initiatives for strategic sourcing of print
- ▼ Impact of electronic distribution of information on corporate print services departments
- ▼ Extent to which corporate print services departments are participating in cross-media activities
- ▼ Convergence, if any, among corporate print services segments (i.e., data center to CRD conversion)
- ▼ Role in-plants play in overall output strategy
- ▼ Interest in outsourcing/facilities management
- ▼ Current penetration of outsourcing/facilities management
- ▼ Current and expected future use of digital printing technology (monochrome and color)

RESEARCH METHODOLOGY

The research includes discussions with corporate print services managers, including managers of print and mail operations, to understand the structure and configuration of corporate printing services, the extent to which outsourcing is used or planned, and the process by which users can choose to utilize outside resources. These discussions will cover current state and future plans, and will include planned spending for equipment software and services.

Ultimately, the research defines today's corporate print services environment, identify trends impacting these operations, and develop a picture of the corporate printing services department of the future. The study serves to guide corporate print services professionals as well as suppliers to this segment in structuring an effective portfolio of offerings to meet new and emerging business requirements.

DESK RESEARCH

CAP Ventures conducted a thorough examination of existing market information on the corporate print services market. CAP Ventures utilized a variety of sources that include:

- ▼ Industry trade associations and trade publications
- ▼ Government Agencies
- ▼ Published industry reports
- ▼ Bureau of Labor Statistics
- ▼ Periodicals and trade articles
- ▼ Industry databases
- ▼ Web sites
- ▼ Vendor white papers
- ▼ User groups
- ▼ Research reports

CAP Ventures also reviewed research it has previously published as part of its Continuous Consulting Services and Multi-Client Studies. Relevant research reports include:

- ▼ Print Opportunities Among Large Corporate Customers, 1997
- ▼ The Future of Corporate Document Production, 1998
- ▼ The Corporate Print Customer, 1999
- ▼ Print e-Procurement: Changing the Face of the Printing Industry, 2000
- ▼ Black & White Print On Demand: Catching the Next Wave, 2001
- ▼ The Next Generation Digital Color On Demand Printing Opportunity, 2002
- ▼ The Future of Mail and Transaction Documents, 2003
- ▼ The Future of Paper, 2003
- ▼ The New Corporate Customer: A Profile of a Market in Transition, 2003
- ▼ Document Outsourcing Annual Forecast
- ▼ Print On Demand Market Annual Forecast
- ▼ On Demand Printing Opportunities: Manufacturing Industry
- ▼ On Demand Printing Opportunities: Healthcare Industry

- ▼ On Demand Printing Opportunities: Retail Industry
- ▼ On Demand Printing Opportunities: Education and Training
- ▼ On Demand Printing Opportunities: Financial Services and Insurance

SURVEY OF CORPORATE PRINT SERVICES PROFESSIONALS- 400

A survey of professionals within the corporate print services sector will be critical in assessing strategic direction for these operations, including scope, size, organizational trends and strategies, document distribution strategies, sales process and pricing trends, and perceptions on unmet market needs and emerging opportunities. These interviews are primarily focused on larger corporations offering a range of corporate print services, but will include mid-size companies who may only represent one segment of the corporate print services market.

PERSONAL INTERVIEWS WITH LEADING CORPORATE PRINT SERVICES DEPARTMENTS

An essential element of the project will be extensive primary research to address issues that previous industry analysis has not covered. The primary research will include a series of in-depth personal interviews with medium and large companies with extensive internal and external print requirements. Companies will represent key industries that include:

- ▼ Manufacturing
- ▼ Financial Services/Insurance/Banking
- ▼ Government
- ▼ Education
- ▼ Telecom/Utilities
- ▼ Healthcare
- ▼ Retail/Wholesale
- ▼ Business Services

ACCEPTANCE

Corporate Printing Services: The In-Plant Printing Opportunity

- I would like further information. Please have a representative call.
- Please enter my order as follows:

Technology provider - Primary business is printing equipment manufacturer, software and systems vendor, paper manufacturers, and equipment and supplies distributors or providers of facilities management/outsourcing services.

- Subscriber \$13,995
- Personal presentation \$2,500 plus travel expenses

Corporate end-users

- Subscriber (after 9/12/03) \$6,995
- Personal presentation \$2,500 plus travel expenses

Purchase order number: _____

Signature

Name

Title

Company

Address

City, State, Zip

Telephone

Fax

ANALYSIS AND PROJECT DELIVERABLES

This study provides an extensive analysis of the desk research, personal interviews and surveys to develop a comprehensive understanding of the opportunities and issues presented by the corporate print services market. The research clearly defines and details this little-understood segment of the printing industry, including market size and potential.

Clients will receive a combination of a report, presentation material and data for senior management, product managers and planners, and sales and marketing executives. The material will include:

- ▼ Executive summary that addresses key issues, findings and overall conclusions and recommendations.
- ▼ Detailed written report (approximately 200 pages) with text, charts and graphs addressing the objectives of the study.
- ▼ PowerPoint presentation for internal communication of the research results.
- ▼ Data book of the survey research for additional analysis of key questions and market segments.
- ▼ Market segmentation and opportunities for internal and external print services providers in the corporate print services market space
- ▼ A discussion of the key elements of a business plan for corporate print services providers as they guide their operations into the future
- ▼ Profiles of successful providers in this market space

PROJECT SCHEDULE

The study is expected to be published in the first quarter of 2004.

CAP Ventures is a strategic consulting firm for providers and users of business communication technologies and services. We deliver the key research, analysis, forecasting, benchmarking, and strategy recommendations to make a competitive difference in our clients' businesses. Additional information about CAP Ventures is available on the Web at: www.capv.com

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