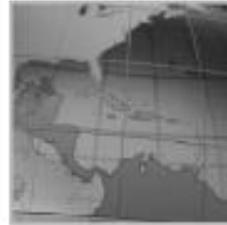


White Paper



October 2013

Top 10 Reasons to Invest in Workflow Automation

Commercial and Packaging Print Service Providers

Prepared for

Kodak

InfoTrends
A Questex Company

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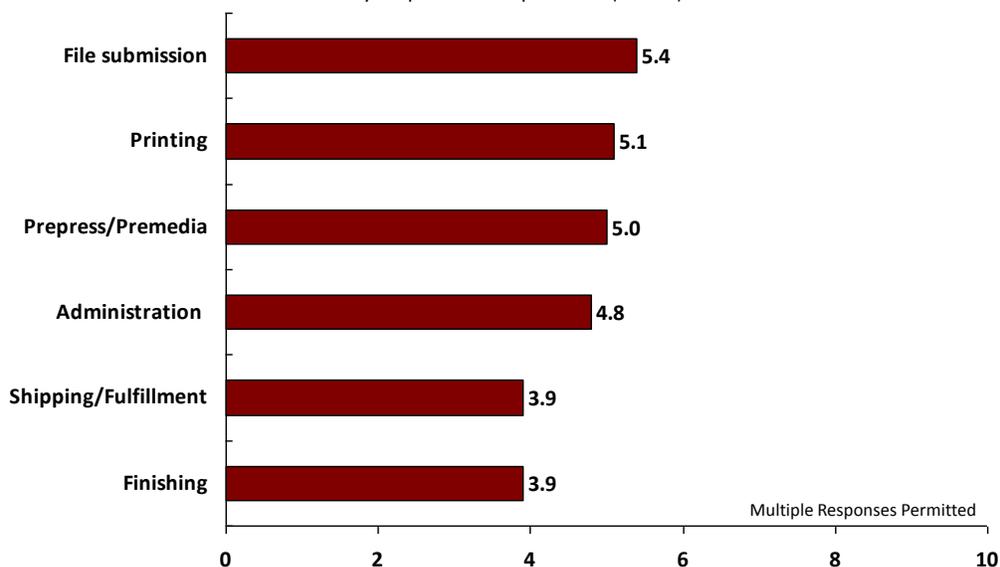
Investing in Today's Automated Production Workflows

Print service providers today are plagued with a number of obstacles when it comes to evolving their business. From faster turnaround times and shorter run lengths to increased job complexity, it is no surprise that determining where to invest can be a challenge. Print service providers are feeling the pressure to generate new revenues from higher-margin, value-added services and implement streamlined workflows focused on super-efficiency and cost reduction.

All types of production environments face similar issues when it comes to automating their workflows. From commercial to packaging, print service providers rank the level of workflow automation in key production phases relatively low. The highest rated automated production process for print service providers is file submission, often assisted through the use of tools such as web-to-print. Other key areas, such as prepress and administration, are areas in which automation could be implemented, but largely remains manual processes with many touchpoints. (See Figure 1)

Figure 1: Level of Workflow Automation

On a scale of 1 to 10, how would you rate the current level of workflow automation in the following areas of your production operation? (Means)



N = 179 Print Service Providers
 Source: U.S Production Software Investment Outlook, InfoTrends, 2012

One of the key benefits that come from automation is the ability to do more with less. In an increasingly competitive industry, this becomes even more important to ensure customer retention and satisfaction. Additionally, automating repetitive tasks reduces the risk for errors and enables print service providers to focus employee time on new services and capabilities that can grow and differentiate the business.

Below are ten key reasons why print service providers of all types should be focusing on investing in workflow automation today.

1. Reduction of Manual Labor

Each time someone touches a job within the print production workflow additional costs are added to that job. While some complex jobs demand manual intervention, many jobs can be produced more efficiently and effectively using automation. Work that follows a repeatable pattern or template can and should be automated so it can be delivered in the shortest time with minimal costs to maintain healthy profit margins.

The time savings achieved from implementing an automated workflow allows print service providers to better utilize employees throughout an entire organization. As a result, 25% of print service providers are prioritizing investment in software solutions specifically to reduce manual labor throughout the production workflow. (See Figure 2) Automating processes such as quoting, job submission, collating, preflighting, soft proofing, and job tracking enables customer service representatives and prepress staff to spend more time focusing on the customer, managing higher volumes of work, or cross-training to provide new, value-added services.

Figure 2: Top Workflow Initiatives

What are your top three workflow initiatives for 2013?



N = 166 respondents
 Source: U.S. Production Software Investment Outlook, InfoTrends, 2013

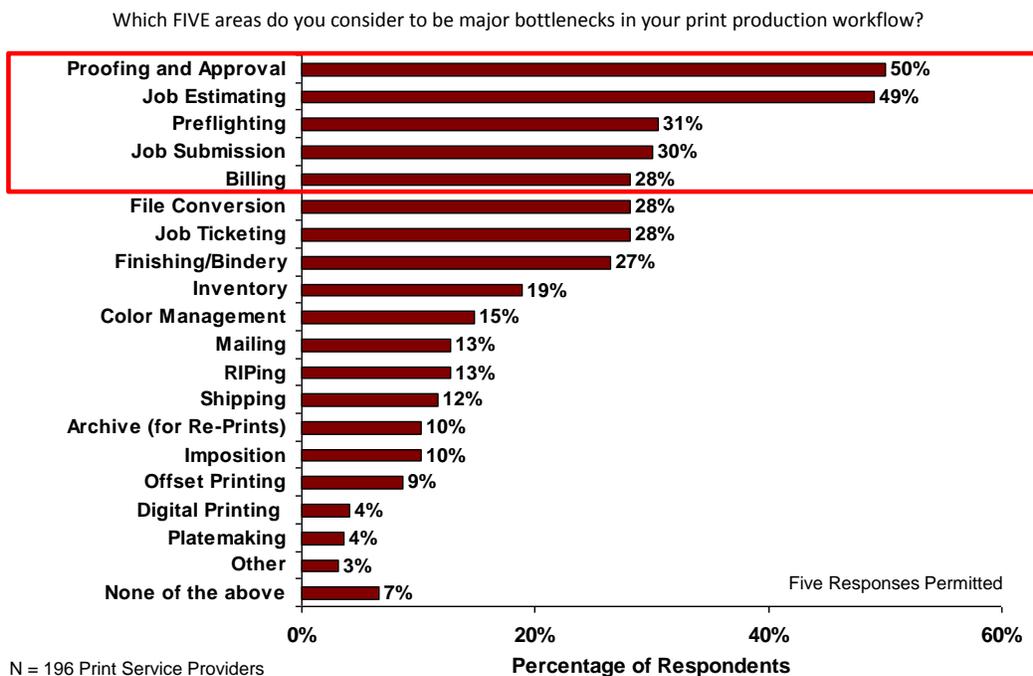
2. Cost Reduction

Print service providers often report cost as being one of the biggest factors preventing them from investing in their businesses. Often this strain is focused on reducing the amount of money they might be willing to invest in new technology instead of capturing the amount of money that could be saved by creating a more efficient workflow. Any time there are manual touchpoints, cost is added to the job. When it is the result of a customer, there is an opportunity to track this and charge it back to them. For internal errors,

delays, or inefficiencies due to manual processes, however, the business' bottom line is adversely affected.

Furthermore, automation can reduce commonly reported bottlenecks, such as proofing and approval, job estimation, preflighting, and job submission, while improving customer service and saving money. (See Figure 3) Many of these tasks can be provided through an interface that enables customers to better service themselves, while providing the opportunity to drive more print orders that leverage customized catalog ordering and integrated variable data support.

Figure 3: Top Workflow Bottlenecks



3. Accurate Information Management

Providing a clear understanding of the business, including customer interaction and any production issues or delays is important for ensuring that the business is operating as efficiently as possible. Being able to identify how long each process takes, along with how and why delays occur, allows the business to recuperate those costs through more accurate billing. Having the bandwidth to focus on analyzing and updating processes can be a challenge. Nevertheless, understanding where common gaps or delays occur throughout the workflow is an excellent starting point for identifying areas of focus for workflow investments.

4. Faster Throughput

Print service providers are increasingly pressured by their customers to produce jobs as quickly as possible to meet next to impossible deadlines. While digital printing has reduced response time and improved flexibility, many service providers are still faced with an increasing demand for faster turnaround and the need to accommodate last minute changes or advanced personalization without influencing the due date. Yet there are still time-consuming processes associated with job ticketing, imposition, and routing that continue to require involvement by a customer service representative or prepress operator. Proofing and approval, job estimating, and preflighting, for example, are the top three workflow bottlenecks that print service providers report (See Figure 3 above).

5. Reduction of Errors

Customers are constantly looking for partners who can guarantee the best service possible. A key part of customer service is making sure that jobs are received, produced, and delivered with little to no errors or delays. As deadlines become shorter, ensuring that print jobs are produced and delivered without error becomes more of a challenge—particularly when manual touchpoints are involved.

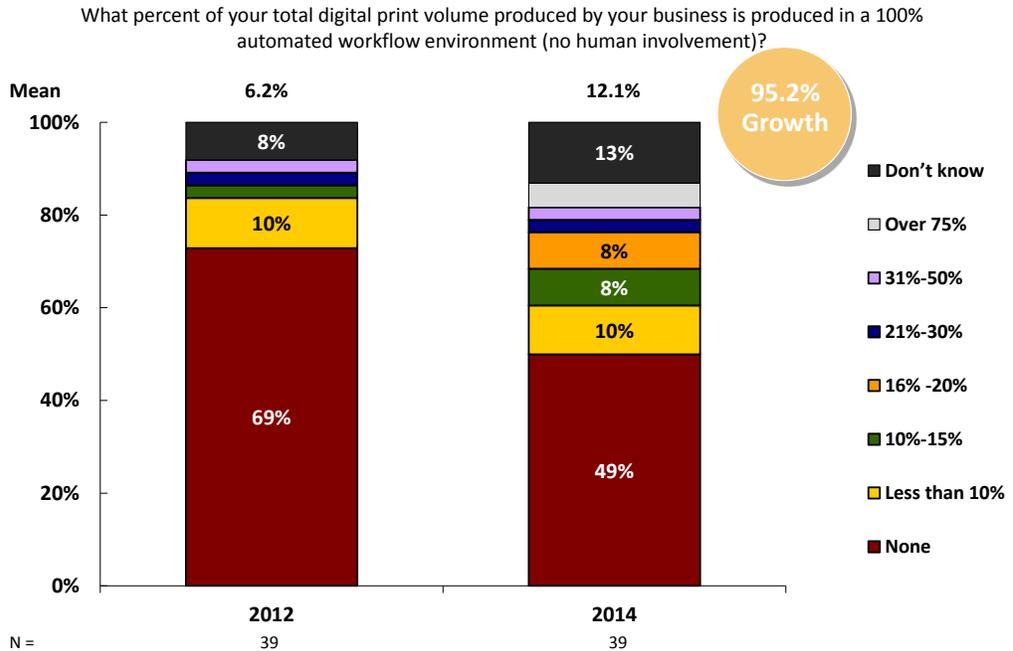
In print production workflows, connecting front office processes with back office workflows can be challenging. The time it takes from job receipt to production often results in delays from relying on manual transfer of files, updating job information, or communication that a job has been approved and is ready to be processed. Eliminating human intervention where possible not only reduces cost, but reduces the amount of errors and mistakes.

6. Put Small Jobs on Autopilot

With job lengths continuing to decrease, as packaging becomes more localized and marketing materials become more personalized, being able to quickly turnaround these jobs with little to no manual intervention will be key to maintaining profitability. In response, some print service providers are making efforts to increase the amount of print volume that can be produced in a fully automated workflow. (See Figure 4)

While some of this lies in creating consistency in the types of jobs that are produced, investments in the latest workflow technology is imperative. Ganging, for example, is a key method used to optimize the production of small jobs such as business cards or labels. Workflow automation tools provide the technology to automatically capture like jobs and gang them in a way that is most efficient—and cost effective—for the print service provider.

Figure 4: Digital Print Volume Produced in a Fully Automated Workflow



N = 39 In-plant respondents
 Source: U.S. Production Software Investment Outlook, InfoTrends, 2013

In addition, print service providers of all types are looking for ways to drive more print volume. The more efficiently a workflow can turnaround each job without manual steps, the more jobs the workflow can handle overall; enabling employees to focus on higher margin activities and services. Increasing the amount of work that can be submitted automatically or on a reoccurring basis can increase overall efficiency and, thus, profitability.

7. Tracking and Tracing

With increased focus on cost reduction, enabling customers to have self-service access to information they would otherwise call a customer service or sales representative for can save precious time and improve productivity. This leaves customer service and sales representatives time to focus on more imperative tasks, such as onboarding new customers, consulting and managing for higher value projects, adding incremental value to printed campaigns and packaging, as well as delivering new products and services. Automated tracking of jobs also lends itself to more efficient scheduling, reducing the amount of downtime that commonly results from confusion or unknown delays.

Another key function is the ability to centralize device tracking of computer to plate (CTP) devices and digital presses. By centrally managing these devices, workflow systems can automate job routing to balance workload across multiple devices to optimize press usage. This also provides operators with better visibility over the blended production environment.

8. Better Billing and Invoicing

Maintaining cash flow is a priority for every business. In addition to bringing in work on a regular basis, it is important to ensure invoices are sent out in a timely fashion to keep cash flowing into the business continuously. Nevertheless, 28% of print service providers report billing as a top workflow bottleneck (See Figure 4 above). Similarly, in Figure 1, print service providers noted that administrative processes, which include billing, have an average automation rating of 4.8 out of 10.

Through improved production transparency and automated data collection, invoices can be triggered automatically, as soon as the job reaches its completion, is marked as shipped, or any other specified trigger(s) set that are based upon the printer's internal processes. Not only does this improve the business' ability to maintain cash flow, but it provides the foundation for business growth, which is top of mind for most print service providers. By investing in automation, print service providers who survived the economic downturn are able to grow their business without having to add back resources.

9. Addition of New Services

Automating print production can drastically reduce production costs and open up new business opportunities. For many print service providers, differentiating their business means providing more than just print services. Whether it is working with brand owners to add mobile barcodes to packaging or marketers to create personalized landing pages to compliment a postcard campaign—print is no longer the only service being offered. Some services, such as web-to-print, can provide the starting point for automating job submission and connecting to automated prepress checks that ensure files are print ready before being accepted into the workflow.

As more channels connecting print and localization to personalized content continue to grow in demand, print service providers will need to spend more time focused on value-added service offerings while putting print production on auto-pilot.

10. Customer Visibility

As businesses become more global and eCommerce becomes more prevalent, customers expect to have access to the latest job status information 24 hours a day, 7 days a week. For many print service providers, it is not cost effective to have dedicated customer service representatives available to address these questions. As a result, almost 31% of print service providers are prioritizing investing in web-based systems to improve customer interaction (See Figure 2 above). Online tools, such as dashboards, provide an interface to present job information that is automatically collected throughout the workflow to the customer, leaving customer service representatives to focus on satisfying more involved customer inquiries.

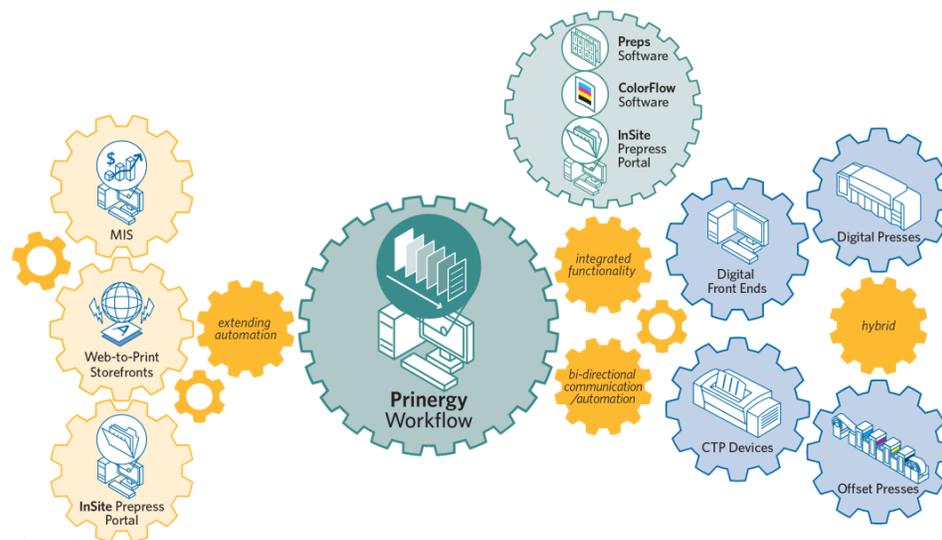
About Kodak Prinergy Workflow

Kodak Prinergy Workflow is one of the leading solutions for commercial, packaging, and publication printers seeking to centralize and automate print production. Since its release almost 15 years ago, the **Prinergy** Workflow has focused on advancing the automation capabilities of print production workflow operations around the world.

Prinergy's evolution of automation falls into four key phases:

- **1st Generation Automation:** Pre-defined linear processing chains (e.g., hot folders)
- **2nd Generation Automation (Scripting):** Pre-defined processing chains with conditions and branches
- **3rd Generation “Intelligent” Automation:** Intelligent “Rules-Based Automation” (RBA) with event-driven processing
 - Rules can be applied per job, per customer level, and per system
- **4th Generation “Intent-Driven” Automation: Prinergy** Workflow version 6
 - **Scenarios:** Pre-defined workflows using the power of RBA
 - **Intent:** Determines how to best produce a job based on inputs, such as available prepress equipment, presses, finishing style, and substrates

Figure 5: PRINERGY Workflow 6



Prinergy Workflow version 6 brings a new level of accuracy and efficiency to the creation of print, extending automation upstream to the customer's order, and downstream to CTP devices and digital presses. The functions of **Preps** Imposition Software 7, **ColorFlow** Software 2, and **InSite** Prepress Portal 6.6 are integrated to reduce manual touchpoints and drive costs out of every phase of print production.

With **Prinergy** Workflow version 6, Kodak released the 4th generation of automation, where the job's intent is used to drive automated processing. Through the release, Kodak introduced updates to the major components of **Prinergy**, including **Preps**, **ColorFlow**, and **InSite** software. While each product received enhancements, the new web browser-based interface, called Workspace, is likely to have the most day-to-day impact for users. Workspace is divided into three distinct, yet easily recognizable, parts: Manage, Plan, and Track.

The Manage area allows users to create jobs based on scenarios, which are preset sequences of automated steps that can be used to process jobs in standardized ways. The Manage area also includes a new smart filter feature for defining a specific view of the job list from any metadata within Prinergy. The Plan area allows users to select pre-defined products or job parts with known job intent akin to JDF job intent. The Track area allows users to monitor and change the run list of jobs for compatible CTP and digital press devices via JDF/JMF connectivity.

Since Workspace is available in an unlimited license, additional users within the print shop will be able to process and track jobs without needing the skill set required to navigate the traditional **Prinergy** Workshop client.

Demonstrations of the new features can be found at www.prinergy6.com

InfoTrends' Opinion

To meet changing market demands and competitive pressures, print service providers need to make automating print production workflow a top priority. Workflow automation enables commercial and packaging print providers to cut turnaround time, increase overall productivity, improve customer retention and throughput, as well as explore new business opportunities. As competition and consolidation continues to occur, print service providers need to do all that they can to ensure that they are able to provide the best service and products as efficiently as possible for their customers.

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