DIGITAL TRANSFORMATION:

A Roadmap for Print Service Providers

Learn how to take your first steps towards preparing your print shop for the digital age.

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INTRODUCTION:

Understanding the Case for Digital Transformation

There is a lot of confusion around the term 'digital transformation.'

The term itself seems intentionally vague and confusing. Does digital mean paperless? Does it mean integrating the latest technology into every aspect of a business? At its core, the concept of digital transformation is simply using digital technology to solve problems. When making the case for introducing digital technology into the commercial print space, it makes sense to first discuss the areas for opportunity in this industry and what digitization can bring to the table.

After the 2008 recession, the print service providers (PSPs) who only suffered a decline in sales were the lucky ones.

Having fewer companies to compete with, however, doesn't mean the competition hasn't grown more intense. Commercial printers that have come into this industry since 2008 are benefiting from having fresher eyes and integrating innovative business practices that emerged after the recession. These new competitors bring with them an agility and flexibility that seasoned professionals can adopt as well.[1]

One of the most significant innovations stemming from the emergence of new competition in the commercial printing space is a shift in thinking. PSPs are considering how they can be a strategic partner to customers, focusing less on just manufacturing or delivering a job, and more on collaborating with clients to build custom solutions.

Before your shop introduces any new piece of technology or digital process, asking yourself questions about the clients you serve is a good place to begin.

- **How can I be a better strategic partner to my clients?**

- **Does this change add client value?**

- **Does this change ultimately serve my clients?**

- **Am I creating more business opportunities for clients?**

Delighted customers are repeat customers, and without them as the ultimate motivating factor, there is no reason to invest in digital transformation.

Keeping your end users in mind when considering growth opportunities for your print shop is step one to maintaining a successful business.

What to Know Before You Begin

Digital transformation may be a business imperative, but not without its challenges.

Learning to be flexible takes time, and integrating new business practices can be stressful. Before you begin, take a breath and make a plan to avoid taking on too much, too quickly.

Don't start too big

Many digital transformation initiatives fail because businesses start too broadly, take on complex projects, or have unrealistic expectations.

The key to a successful transformation is to take on one project at a time and be realistic about your expectations. Thinking about digital transformation as a journey, not a destination, with the overall purpose to serve your customers is a good way to start.

Have a concrete plan

Print businesses that are successful in creating an excellent digital customer value proposition do not simply get there by accident.

They come up with a clear vision of how they will meet the digital needs of their customers. They also set objectives and goals in line with that vision and execute. Strong leadership skills and project management skills are imperative to planning and guiding transformation. Leaders will need to create a culture where individuals are receptive to change.

Remain flexible

Legacy hierarchical cultures and rigid processes often disrupt the process of successfully integrating change and ultimately, slow down the evolution of organizations.

Your organizational structure, therefore, must be fluid. Change is coming—the new frontier of big data, machine learning, technology, artificial intelligence will all affect the customer experience. Your company's ability to be dynamic and receptive to change will be imperative to future successes.

Talk to your people

Digital transformation will affect everyone in your organization, so before you start implementing changes, talk to staff.

Have a bottom-up approach regarding what needs to happen at your organization. Maybe you're thinking customers would enjoy a new finishing system, but after talking to more staff members, you realize that customer feedback mentions they'd like more variety in how they submit jobs. Using that employee insight will allow you to prioritize workflow management to better serve your customers' needs.

Professional Assessment

Hiring a professional to help assess if you are ready for digital transformation. Their expertise can inform your initial efforts by determining pain points and opportunities for growth.

A digital transformation expert can guide you through the pre-planning questions like:

- What is the potential impact to clients?

- Do you have the necessary resources?

- What are your motivations for digitally transforming?

- How can you leverage your team to make this happen?

It is worth noting that the digital transformation of your print business doesn't happen overnight. There will be growing pains and a need for a rapid response to change and continuous innovation. Your business will also have to respond to challenges and opportunities as they arise. Enlisting outside help can keep your organization on track, prompt you to continually ask challenging questions, and ensure that all team members' opinions are taken into consideration.

Take Stock of Your Current Processes

Once you've assessed your organization for growth opportunities, the next step in the digital transformation process in taking stock of current processes.

Looking at your current processes and comparing those to the goals you have for your transformation journey, is a great jumping off point for looking for areas to optimize.

Automation

Much like the term "digital transformation," automation is often misunderstood.

When people hear "automation" they sometimes hear "job elimination." In this context, however, automation refers to streamlining current processes to ensure consistency, not removing people or procedures altogether. For example, digitally transforming the job submission process through workflow automation is a two-fold upgrade to your business.

1.) Automating how customers submit their print jobs online makes it faster and easier for them. Streamlining this process makes it easier for customers to track the progress of their jobs as well.

2.) Freeing up workers from having to take orders, track orders, or follow up on orders, leaves those staff members available for other tasks, increasing their output.

Increased Output

In addition to increasing staff output, you may look for ways to facilitate smaller print run jobs in order to increase the overall output of your shop.

While offset printing is still the go-to method for larger jobs, adding additional equipment to support shorter runs will go a long way with customers.

Optimize speeds

By holding on to old machines, you're limiting your output and subsequently, limiting your profitability.

Newer machines, work faster and increase output speeds, and if you're about to take on more work, you're making more money.[2] You're also freeing up time, which allows you to focus on customer service, which is what digital transformation is all about.

When it comes to assessing your shop for growth opportunities, keep your eye on customer experience. Remember that the goal is to be a **better strategic partner** to your clients.

So, if you come across a process that isn't serving them, ask yourself, "Is this worth keeping?" and "Can this process be modified to better serve my customers?"

Look for Growth Opportunities

Looking for growth opportunities is arguably the most exciting part of the digital transformation process.

This is the time when you can research new products and services that will make you a better strategic partner to your clients. Polling current clients for new solutions or offerings they might want is a good chance to explore ways you can better support your customers. To further grow your business, you can explore current industry trends.

Packaging and Labels

Whether it is flexible packaging, labels, folding cartons, or corrugated cardboard, it is no secret that the latest printing technology has allowed for expanded product lines, offering brand owners multiple packaging formats under one roof.

This can be immensely useful in cases where you have to locate products with issues (problems with tracking/shipping) without using an additional label. This can cut costs while reducing your carbon footprint.

As evolving customer behavior trends are dictating the needs of brand owners, Print Service Providers (PSPs) and converters will have to competitively produce visually distinct, appealing, and eye-catching packaging. Creating packaging that meets the demands and preferences of the modern fast-moving supply chain, driven by reduced lead times, short runs, and SKU proliferation increases the number of products with barcodes being offered to customers.

Signage and Point-of-Purchase

There is a good reason banners and posters are classics in the signage industry.

They are perhaps the most economical way to make an impact on customers. As banners and posters are typically big, they capture people's attention faster than fliers can.

Point-of-purchase materials also have an immediate impact on consumers.

You can help your customers take advantage of effective great medium through high-quality materials no passersby can ignore.

After the 2008 recession, many print shops that diversified their offerings with large format were able to thrive. The popularity of large-format printing continues to grow in popularity—there was a reported sales increase of 3.52 percent from 2016-2017.

Direct Mail & Personalization

Your shop can print various different products that are often used for direct mail.

You can diversify your offerings by stocking a variety of envelope sizes and colors. You can also print flyers, postcards, letters, business reply cards, self-mailers, or anything else that your customers are looking to mail.

Direct mail is growing in popularity, most likely due to the endless capabilities for customization. Marketers can target the receiver with their name, specific photos, and calls to action.

When planning for 2019, almost **70% of PSPs surveyed** said that direct mail was the product they were printing the most.
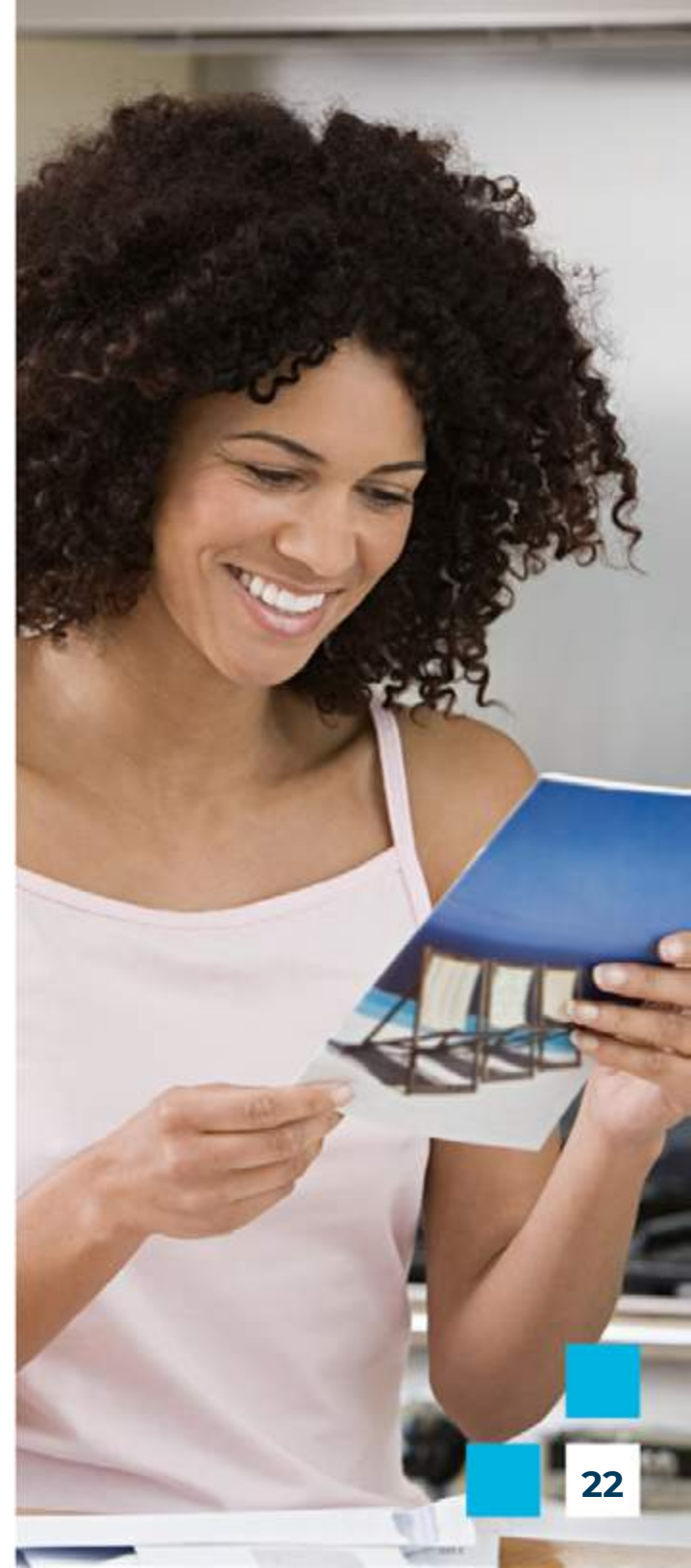
Manuals

Almost every purchased product comes with a printed manual.

This is another great product line that you can add to diversify your commercial printing services. From big export companies to local manufacturers in your area, you will find a steady source of business.

Whether your customers are looking for larger-than-life displays or smaller, powerful, counter signage, your printing and design professionals can help them make their mark.

New and expanded point-of-purchase options can give your customers more flexibility than before.

In addition to the greater demand for new ways to print in order to stay competitive, there's also a huge demand for skilled workers who know how to work the offset presses. Many of these workers are reaching retirement age, putting more pressure on commercial printers to diversify their offerings in order to stay competitive.

Varying your product offerings, whether by staying on trend or speaking with current customers to cater to their needs, will allow you to remain relevant and competitive within a changing industry.

Investing in Technology to Support Your Transformation

Digital transformation is about using digital technology to solve problems, but what technology will best support your organizations' transformation?

To remain competitive and stand out from your competitors, it is vital to move to an efficient digital printing infrastructure. Did you know that workflow software and digital presses were among the top capital investments over the past few years?[3] And that is not all; expanding into higher-margin or lucrative design and composition work will likely require considerable investment in digital technology.

Digital Presses

Digital presses are crucial for the growth of your printing business. Dynamic imaging produces efficiencies by virtually eliminating plate costs, reducing material waste and inventory costs, and accelerating proofs.

Sheet-fed digital presses, for example, are perfect for graphic communications. They are also great for your high-speed and high-volume printing applications, such as publishing, direct mail, transaction printing, packaging as well as photo publishing. With the robust and brilliant features of digital press machines, your print business can increase productivity.

Workflow Software

Workflow software provides you with a comprehensive all-in-one print workflow automation solution.

An effective workflow solution can manage the whole print process, from job estimating and online job ordering to print production and mailing. And the great thing is that with the growth in packaging products and dimensional products such as pop-ups, many solutions also offer the ability to manage and produce 3D products. Also, solutions are being refined and improved to address the specific and unique needs of market verticals, like retail banking, manufacturing, and higher education, among others.

When investing in digital technology, it is important to keep the following in mind:

- Does this technology put you in a position to be a strategic partner to customers?

- Does this technology support services the customers want?

If the answer to both these questions is yes, the piece of technology is one that would be a good addition to your print shop.

Are you ready to take your first step towards digital transformation?

If you have any additional questions about digital transformation, digital print technology, or becoming a better partner to your customers, reach out to SumnerOne today.

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[1] blog.objectiflune.com/the-digital-transformation-of-the-printing-industry/

[2] www.fowmedia.com/time-update-legacy-systems/

[3] www.piworld.com/article/commercial-printing-industry-redefined/

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