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Handling Work Done Outside;

Managing the mix of components produced externally with those run internally creates unique challenges.

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Outsourcing is gaining momentum as a growth strategy for commercial printers. Innovations in workflow automation and MIS systems offer potential for real-time monitoring and control of distributed workflows beyond the walls of a firm's physical plant. Adoption of best practices by more parties along the printing supply chain means the timeliness and consistency of deliveries is getting better as well.

Meanwhile, tight credit markets are dampening the ability to of plant managers to "build it yourself," i.e., adding specialized equipment lines to produce unique product components in-house. As well, printing firms are increasingly turning to a new generation of trade printers to pick up the slack, leading to growth in such printing firms. This trend boosts the opportunities for tradeshops with state-of-the art print platforms. In some cases, these modern facilities can produce certain types of wholesale runs faster, and cheaper, than print firms using older, slower presses can run it in their own shops.

Whether produced internally or externally, clearly defined process management practices are essential for the challenges that can arise when managing materials in mixed workflows. Tracking materials internally and externally can be an ongoing pain point. In a distributed workflow, or any workflow, knowing the location and status of materials is critical.

Noted industry expert on materials handling John Geis (ajgeiss.com) says innovations in barcoding have assisted greatly in tracking materials. He advises that barcoding products at the lowest shippable quantity (pallet or carton) is the key to understanding and following the movement of goods, whether it is within a printer's own facility or moving between the plant and outside suppliers. Using technology such as barcoding products and integrating system information is critically important to understand where product is in the overall flow of materials.

Managers at DS Graphics understand the importance of barcoding. The Lowell, MA firm's fulfillment area is responsible for shipments of tens of thousands of orders-over 99.7% of them completed within 24 hours from receipt of the order, some of them customer-sourced items that it would be impractical to produce internally; others provided by an extensive supplier network for items it opted not to provide through internal capabilities. Everything within its facility is barcoded and scanned into internal management systems.

"We live and die by the barcoding," says Paul Cresto, the firm's VP of fulfillment operations. Cresto, developed formalized receiving guidelines to better ensure that product coming into DS Graphics from the supply chain meets its requirements and can be quickly integrated into its internal systems.

Specifying label placement

Specifications for carton packing, label placement and information (including part number, part description, quantity, purchase order number, customer name and ship date) along with pallet specifications are sent to the suppliers. Delivery trailers are scheduled in advance for improved product control, and sampling procedures inspect incoming goods to ensure that quality expectations are met before being officially received into the DS warehouse.

Significant issues sometimes arise with vendors selected by customers, and not by Cresto's team. If their conformance to requirements deteriorates, less leverage can be applied-since DS Graphics doesn't own the relationship.

DS's fulfillment unit is managed through eSource's PicPackPlus fulfillment and distribution management system. Print operations are managed through EFI. The company was the first in the U.S. to install a 10-color Heidelberg Speedmaster XL 105 perfector.

Printer and business process services provider WorkflowOne, Dayton, OH, operates 22 physical printing plants, yet 60% if its revenue comes from outsourcing work. It produces hundreds of thousands of business forms, labels, prescription pads, checks, direct mailers, door hangers, deposit tickets, book covers and other products daily.

The company recognized it could not afford to own every piece of equipment to offer everything a customer would need, so it set up a network of 400-plus certified trade partners.

By utilizing an extensive vendor base, the company offers a steady flow of work to its own facilities and a wider range of services/solutions to customers.

WorkflowOne named the integration of its outsourcing and internal manufacturing networks Dual Network Advantage (DNA).

"We believe this technology eliminates inefficiencies, enables collaboration, and connects clients with our manufacturing and service networks," says CEO Greg Mosher.

Clients access DNA through the WorkflowOneAccess portal, in which the company invested $26 million to build. The firm was part of Microsoft's "Early Adopter" program for Sharepoint 2007 servers. This software is the key component of the portal.

Still, despite progress in systems, the process of automating hand-offs remains an ongoing challenge, and manual tracking of information and disparate system connectivity still remain the norm in some cases, say WorkflowOne officials.

Real-time status on jobs

Trade printer 4over, Inc. offers its customers real-time job status updates via RSS feeds from its database. The company's internal programming team developed its system in-house. The Glendale, CA-based firm, $80 million in sales, processes 5,000 to 8,000 orders per day. At Graph Expo 08 in Chicago, the company marketed a reseller strategy for commercial printers. 4over says it can save firms millions of dollars, and a lot of trouble associated with purchasing a press, by offering seamless access to job-status reports.

"Customers have full knowledge of their jobs status so they can answer their clients' questions at anytime," says Varaz Gharakhanian, marketing department supervisor.

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All jobs have barcodes that are scanned through each stage of the production process. Once scanned, a message on job status is electronically sent to the client. 4over is set to open three new plants this year (see p.40). The firm services over 35,000 trade customers.

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