


White paper

# Profiting Through Data-driven Decision Making: Top 10 ways to increase production workflow efficiency



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Will Morgan

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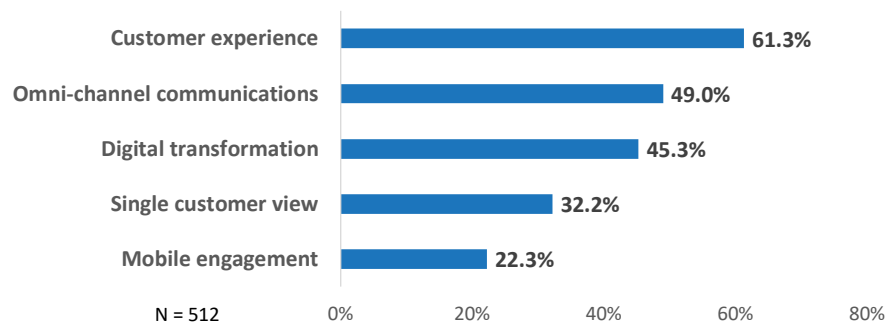
## FOREWORD

Enterprises and businesses across the world have begun to digitally transform their business processes, redefine business models based on newly acquired digital capabilities, and rethink the way they interact with customers, a concept often summarized as “improving customer experience (CX).” In print production, data is a crucial tool that can help you improve both CX and workflow efficiency. Better data in communications can yield superior engagement, and production data can show you the weakest links in your workflow chain so you can better focus your resources and investments.

## INTRODUCTION

As the following figure illustrates, Aspire’s 2019 research entitled, “Convergence of Customer Communications Management (CCM) and Customer Experience Management (CXM) Transformation” indicated that businesses across the world are prioritizing CX. Overwhelmingly this was due to knowing improved customer experience can help their company build loyalty, retain customers, and transact with customers at a lower cost.

**Figure 1: Top Corporate Priorities 2020**



Source: Aspire, *The State of CCM-to-CXM Transformation, 2019*

A growing number of print organizations are beginning to realize that they need omnichannel communications to secure superior CX. Aspire believes



omnichannel messaging is defined by the ability to begin a conversation in one channel (print or digital), and seamlessly continue it across any medium. Ironically, while digital transformation negatively impacts print volumes, the more digitally mature an organization becomes, the more they grow to value the importance of print in an omnichannel mix. This results in efforts to leverage deeper personalization to increase the relevancy of each individual message while making digital communications consistent with brochures, compliance, and/or transactional communications.

This trend has major implications for print service providers across the spectrum, from transactional providers to direct mail houses and commercial printers to in-plants. Clients are on the hunt for a partner who can produce customer communications efficiently and deliver them on the end customer's preferred platform, regardless of channel or purpose.

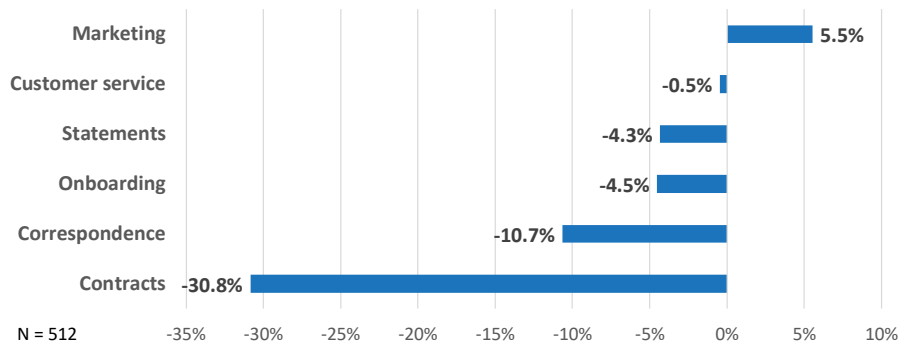
The key to success in this new digital, omnichannel world is the ability to leverage data insights to build smarter, more efficient workflow processes so you can improve CX at a lower cost. In this Ricoh-sponsored white paper, Aspire will examine how print-oriented service providers (including in-plants and corporate reprographic departments) can benefit from improving the efficiency of their omnichannel communication production by sharpening their focus on the data that is already generated through digital transformation. Based on research, here are ten best practices to increase your production workflow efficiency and deliver more value to your customers.

## TEN WAYS TO INCREASE PRODUCTION EFFICIENCY

### 1. INCREASE VALUE THROUGH PERSONALIZATION

As digitization continues to take hold, overall print volumes will decline. Figure 2 shows that some print applications, like contracts and, to a lesser extent correspondence, are in free fall while others are shrinking by just a few percentage points a year. The only application that has and is projected to continue growing over the forecast period is marketing mail.

**Figure 2: Print Volume Growth (Decline) by Application, 2019 - 2021**



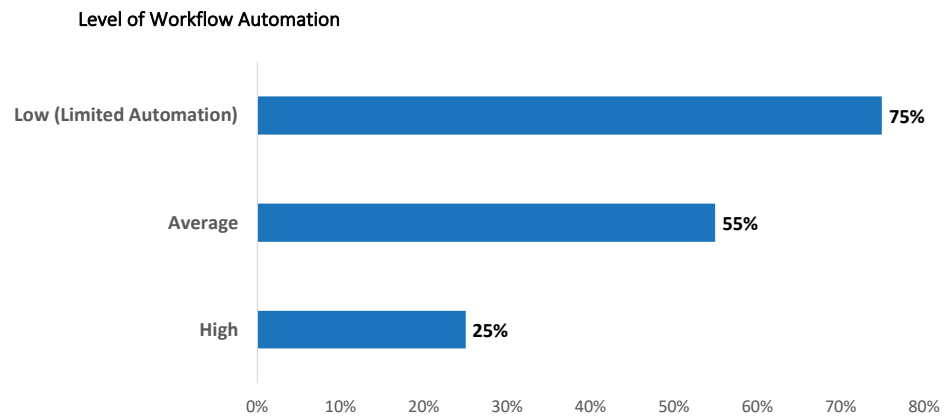
Source: Aspire, *The State of CCM-to-CXM Transformation, 2019*

Aspire believes that data is the real driving engine behind direct mail’s continued expansion. Increasing use of better consumer data in the digital age has led to wider adoption of variable data print. Since personalization is really about relevancy and relevant direct mail pieces yield a better return, providers can earn more by helping clients analyse their data before leveraging it to produce a more targeted (and more successful) run.

## 2. REDUCTION OF MANUAL LABOR

Even in the digital age, labor remains an important cost-driver, especially within workflows with minimal automation. According to print consultancy Harler Group, companies with limited automation may see up to three quarters of their total production cost tied up in labor.

**Figure 3: Average share of labor cost for a mid-sized print shop**



Source: Harler Group, 2020

Fortunately, providers can use shop floor productivity data to help them measure their current workflow efficiency, identify bottlenecks, and make the most of every investment in tools and talent. Machine learning is starting to emerge and may lead to higher workflow efficiency by analyzing patterns, identifying opportunities for optimization, predicting downtime, and suggesting preventive maintenance.

### 3. REDUCE PRODUCTION ERRORS

At least 30% of print shops do not have a Management Information System (MIS), which is core to critical business operations and production efficiency. Without it, print production is subject to costly manual errors and operations are much more likely to spend profit dollars on processes that do not add value. The ability to streamline manual processes, reduce human touchpoints, and provide real-time data into the visibility of operations is crucial to productivity.

### 4. MOVE TO CENTRALIZED PRODUCTION

Most shops have multiple facilities that may be populated with specialized equipment for unique services or that can act as a back-up facility when another site goes offline or peak volumes force an organization to broaden

production. To make the most of this arrangement, businesses must centralize production control. Data is vital when deciding where to best produce any given application and having an Automated Document Factory (ADF) set up can make it easier and more efficient to route print across multiple sites. (ADF is an architecture and a collection of processes that facilitate the efficient production of high-speed, high-volume documents by means of barcode-based tracking, automated reprint, and process management to ensure high-integrity output.) It is also vital that each facility have the ability to communicate with each other's MIS or other and value-add and fulfilment systems.

## 5. EMPOWER YOUR CUSTOMERS

Empowering customers to make decisions for themselves is one of the first and most fundamental ways to begin improving their overall experience. Data analytics can provide the metrics you need to offer clients the detailed cost and production Service Level Agreements (SLA) they must have to make informed decisions. Some transactional print service providers are even enabling clients to start or stop production and select paper quality. Going one step further, web-to-print capability enable customers to request and submit jobs on the fly themselves. It can even be integrated with marketing automation solutions so that direct mail production can be automated.

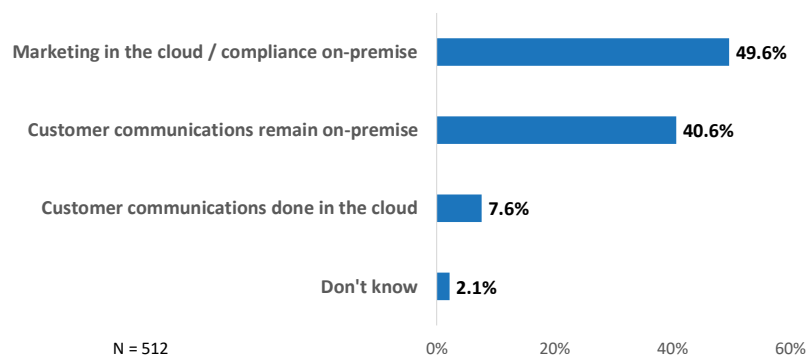
## 6. EMBRACE CURRENT TECHNOLOGIES

Today's print workflow technology is already advanced enough to allow anyone to efficiently run a print operation. Web-to-Print offers automatic file submission. Workflow management technology (of both the traditional variety and those that can handle offset or digital) focusing exclusively on digital print equipment will allow an organization to process high volumes of small-run jobs. Print-specific MIS solutions enable businesses to cost-effectively plan production, logistics, and automate purchasing and billing/invoicing while web-based dashboards give operators (and even customers) real-time insights about production status.

## 7. LOOK AT FUTURE TECHNOLOGIES

As illustrated in Figure 4, “The State of CCM-to-CXM Transformations” indicates that nearly 50% of businesses worldwide still feel more comfortable keeping compliance-bound communications out of the cloud.

**Figure 4: Customer Communication Cloud Strategy, 2019 – 2021**



*Source: Aspire, The State of CCM-to-CXM Transformation, 2019*

Nevertheless, this same research shows that organizations are increasingly securing partnerships with CCM vendors who provision their software through containerized microservice architectures. Also, as businesses transfer control of CCM from IT, to line of business, and eventually to CX professionals, the evidence shows that they grow more comfortable with the cloud.

Therefore, we believe that workflow technology will continue moving to the cloud throughout the decade, allowing print shops to scale up and down elastically according to seasonal production capacity. Businesses can add peak volume by simply adding another cloud instance, or when workflow moves to multi-tenancy/containerization, it will be done instantaneously. Nevertheless, large file sizes make a hybrid cloud (processing on-premise next to hardware with metadata in a multi-tenant cloud) the more realistic solution for now. (Indeed, Aspire’s research bears this out, regardless of which group controls CCM.) A hybrid workflow can accommodate consumption-based pricing (so organizations only pay for what they need) and enables businesses to rent a

solution instead of relying upon their own infrastructure, offering about a 14% cost saving versus owning IT hardware.

Web services architectures offer the ability to run small instances of workflow technology as a containerized microservice using secure API connectivity using integrated Platform as a Service (iPaaS) tools to connect CX systems such as marketing automation to print workflow systems. This is great for direct mail runs or to allow customers to order personalized brochures, post cards, or point-of-sale material.

Moving forward through the next few years, organizations will be able to use Machine Learning and Artificial Intelligence to build self-learning models that understand workflow patterns and automatically look for ways to optimize production and reduce errors. Soon, they may even have the ability to spot errors before they emerge.

## 8. BE AGILE

No matter what route a business takes along the path to improving CX, they must be sure to remain agile and innovative in their focus and investment decisions. Ever-evolving software technology means there will be new ways of adding value, and, going forward, it's a sure bet that customers will want to work on shorter timescales. Organizations can accommodate them by either enabling clients to automate their workflow, make certain content and job changes themselves, or by engaging them to be part of the product management cycle, helping to develop solutions that will help them measure and achieve their goals.

## 9. BECOME A TRUSTED ADVISOR

Enterprises are now looking to build end-to-end omnichannel communications across every stage of the customer lifecycle. They want to send a consistent and relevant message through every medium, from traditional marketing applications like point of sale/signage and direct mail to onboarding and



transactional communications like contracts, welcome kits, bills, service communications, renewals, and more.

Unfortunately print production environments are often perceived as cost centers. Management will have to be more proactive if they hope to position their print company higher up in the value chain, and they will have to secure the ability to sell on real value versus a simple equation of cost-plus margin.

## 10. CREATE AN ACTION PLAN

When setting out to improve communications, the first and most crucial point an organization must decide is what success looks like for their business. This means clearly defining the Key Performance Indicators (KPIs) that will offer the maximum visibility into workflow so they can best achieve this goal. These might include employee or device productivity, error rates and SLA breaches, production costs, cycle times, and Net Promoter Score (measuring how likely customers are to recommend you to others). They should track these metrics and mine them for intelligence, looking for ways to collect more data to further increase the relevancy and personalization of communication, including the ability to embrace digital communications, web landing pages, and cross-media campaigns. Lastly, they must aim for operational excellence by automating whatever can be automated and consider tapping into the benefits of emerging technologies like the cloud and Artificial Intelligence.

Overall, the utilization of operational metrics can strengthen your investment decisions, providing visibility and insight into your organization, and uncovering areas of improvement within your workflow. Data-driven technologies offer businesses greater flexibility and a wider set of tools to drive automation and empower employees to make decisions to maximize investments.

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## RICOH PROCESSDIRECTOR™: RICOH'S ANSWER TO DATA-DRIVEN PRODUCTION AUTOMATION

### WHAT IS RICOH PROCESSDIRECTOR?

RICOH ProcessDirector™ is a modular and scalable workflow-driven solution designed to meet a variety of production output needs and boost efficiency. Thanks to its vendor-neutral design, RICOH ProcessDirector can automate processes in many different production environments, from high-volume continuous feed to small commercial print sheet-fed operations.

Capture, transform and manage information in new ways that can provide your business data it needs to make more informed decisions to help achieve 100% output integrity, improve productivity, enhance CX, reduce errors and result in an improved bottom line. With its straightforward dashboard view, RICOH ProcessDirector users can quickly check the status of their full production operation across multiple locations.

### WHY IS RICOH PROCESSDIRECTOR NEEDED?

An organization can achieve higher productivity, lower costs and run a more value-added operation with these key benefits of RICOH ProcessDirector:

- Workflow automation: With rule-based processing and visibility into every job from receipt to delivery, RICOH ProcessDirector is able to eliminate errors and maximize efficiency through clever automation. A company can eliminate storage costs and manual workflows of preprinted forms by enabling users to merge electronic forms with variable data in one printing pass on white paper by using RICOH ProcessDirector. In addition, by integrating with other systems, such as Avanti Slingshot® Print MIS, a company can avoid duplication of work and speed up billing and shipping.
- High Integrity Print: Tracking communications is essential to meeting KPI and compliance goals, and RICOH ProcessDirector allows users to research the production history of individual documents to respond to queries or audit

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requests, including the ability to create a full audit trail that includes manually deleted jobs, and produce reports for data-driven problem solving using information from RICOH ProcessDirector.

- Personalization and Multi-channel Output: With the ability to integrate customers' delivery preferences into automated production workflows, RICOH ProcessDirector enables users to send personalized messages to an individual customer's chosen channel, whether it is print or digital.
- Production Agility: RICOH ProcessDirector provides production flexibility and the ability to increase equipment utilization by allowing users to specify finishing, media and duplex instructions to sheet-fed or continuous feed printers when work is scheduled, and allows changes on the fly. Last-minute requests to pull specified documents from production are no problem.
- Postal Optimization: By streamlining mail handling, RICOH ProcessDirector can maximize postal discounts by electronically presorting mail before it is printed, update document addresses in PDF and AFP files to minimize return mail costs, and use business rules to keep mail pieces within a less expensive weight class. RICOH ProcessDirector can also pool documents with like properties to commingle and achieve optimal postal rates.

By automating workflow processes, RICOH ProcessDirector leads to higher production efficiency, lower costs, and improved CX. With its browser-based interface, collecting data when you need it allows you to show a job's status to your customers, and speak knowledgeably about your production to drive more value for your organization.

## ABOUT RICOH

Ricoh is empowering digital workplaces using innovative technologies and services enabling individuals to work smarter. For more than 80 years, Ricoh has been driving innovation and is a leading provider of document management solutions, IT services, communication services, commercial and industrial printing, digital cameras, and industrial systems.

Headquartered in Tokyo, Ricoh Group operates in approximately 200 countries and regions. In the financial year ended March 2019, Ricoh Group had worldwide sales of 2,013 billion yen (approx. 18.1 billion USD).

For further information, please visit [www.ricohsoftware.com](http://www.ricohsoftware.com).

## ABOUT ASPIRE

Aspire Customer Communications Services (Aspire), is a boutique CCM/CX strategy firm that works with enterprise C-suites across the globe to realize high-impact customer communications transformation.