KONICA MINOLTA

# IS YOUR BUSINESS READY FOR B2 INKJET?

A checklist guide for graphic arts/commercial printers to help assess if their business could benefit from the introduction of B2 Inkjet

1234 DIGITALIII enabling your business

Giving Shape to Ideas

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# STRATEGY

Print Providers leveraging Konica Minolta's business development program Digital1234 can walk through this Assessment Guide. This is a business based questionnaire covering a range of crucial business topics. Using a simple and visual traffic light system, each question can have multiple results, ranging from green to red.

This assessment will allow you to quickly identify areas of your business that could benefi t from change by exploring each particular business opportunity. Konica Minolta could partner with you to succesfully implement this new exciting opportunity.

## **ABOUT** THE AUTHOR

**Neil Falconer**, MD at Printfuture, has over 30 years' experience in the printing industry – across production, management and consulting. He understands how the industry works and, crucially, what makes printers tick. As a consultant, he has led market studies, international due diligence projects and business improvement programmes in commercial print, publishing and packaging.

As an international strategy consultant Neil works with many of the major print companies manufacturers and suppliers guiding his clients through the current market trends. In 2017, he worked in fifteen countries on five continents; his global perspective combined with practical knowledge and experience allows him to provide valuable insight and new ideas.

His current focus at Printfuture is "adapting to change in an online world", helping companies integrate digital print and cross media technologies into new customer centric business models. Printfuture provide practical support through a range of research, publishing, content marketing, consultancy and training services. Neil regularly partners with Konica Minolta to provide content on numerous topics for Digital1234 and the PROKOM user group.

## 1. Introduction

Until 2008 for all but the ultra high volume applications, there was a straight choice between offset and digital toner production. Toner competed exclusively in the very low volumes of usually under 500 copies and was limited by production speeds, format size and cost per page. Offset dominated the rest of the market and was always preferred for any high quality, colour sensitive work. After 2008 we saw the introduction of high-speed web fed inkjet, which quickly began to compete successfully in the publishing and direct mail markets. It offered variable content production and printing speeds to compete with sheetfed and web offset, which have now increased to over 800ft/min. Its limitations were around print quality and the range of substrates, which can be used with aqueous inks. However over the last 7 years this has driven very rapid inkjet development and a lot of the initial challenges have been overcome. Inkjet is now viewed as a mature and stable process, capable of producing high quality images on a range of different substrates.

B2 Inkjet is positioned to bridge a gap in the current market for many applications in the publishing and packaging sector. It is capable of producing B2 sheets, which make it much more productive than the majority of digital toner machines and considerably less expensive per page based on running cost and consumables. Producing B2 sheets allows digital inkjet to go head to head in direct comparison with offset litho formats but with the ability to add variable page content and take out the cost of any prepress elements like platemaking. Many printers are interested in B2 Inkjet but are not sure if it is the right time to think about investing, this Assessment Guide will help you understand if your business is ready for inkjet and which areas of you business you may need to focus on to get maximum benefit.

## 2. Your existing customer base

It is important that every business owner knows exactly where and how the current turnover and profits are being generated and importantly if their current customer base will provide the type of work and additional volumes that may be required to justify an investment.

This section is aimed at understanding how well you know your current customer base in order to make the right investment decisions for the business in the future. Tick the box in each case that you feel is the most appropriate.

**1. Do you have data that gives you an accurate split of customers and jobs that use B2 offset and digital toner?**

- Yes I have the data to prove it
- Could get the information if I had to
- Could have a good guess
- No idea

**2. Do you know the overall profitability of each job you produce?**

- We track the profitability of each job and compare invoices with original estimates
- We do occasional spot checks
- We know some of them usually when jobs go wrong
- No

**3. Do you segment your markets to understand which are key to growth?**

- Not usually
- We think we know but don't have an organised process
- We have done this in the past but haven't updated it recently
- We segment our markets to understand which are the most important so we can concentrate on winning more business

**4. Do you profile your customers to know individual profitability?**

- Never
- Sometimes
- Yes we keep a constant eye on the profitability of key accounts
- Yes we keep a constant eye on the profitability of ALL accounts

**5. Do you know the value of current work, which could be transferred to B2 inkjet?**

- Yes exactly
- Pretty accurately
- Would have to work it out
- No

**6. Do you know the volume of work and applications that could be transferred to B2 inkjet?**

- We know the exact monthly volumes and type of applications
- We have a good idea about the types of job and volumes
- We could find out if we had to
- Not really but we have a gut feel for it

**7. Do you know the growth potential of individual customers i.e. do you currently get 10% or 100% of their print volume?**

- We‘re not sure
- We know the potential in one or two accounts but would struggle to get the information for others
- We know quite a few but can find out the rest as we have a good relationship with our clients
- We have targets for growing each account and maximising the true potential

**8. Do you know what an ideal client for your business looks like?**

- We have created a customer avatar of an ideal client, which contains a range of different metrics which we look for in new customers
- We know who our best clients are and we try and find more of them if we can
- We have a reasonable idea of what a good customer is
- Not really as they come in all shapes and sizes

**9. Do your current customers know about or already use B2 inkjet printing?**

- We know all the jobs our customers produce either with us or with other suppliers and therefore know how they are being produced. We have a marketing plan to educate them about the benefits of B2 inkjet
- We are planning to talk to them all about the benefits of inkjet, but don’t know if they use it with other suppliers
- We haven’t asked them about inkjet yet but don’t think they use it elsewhere
- We don’t think they know about inkjet or use it with other suppliers

**10. Is investment in B2 inkjet to replace existing capacity or to generate new volumes?**

- Not sure it just looks like an interesting proposition
- It might be a combination of both as we are currently not sure where it fits in the business
- We are looking to replace existing offset equipment with higher volume digital for production flexibility
- We are looking to generate new volumes and enter new markets by using B2 inkjet

## 3. B2 Inkjet in the Production Environment

Printing companies must become more productive and efficient to survive and this will mean migration to automated workflows and the introduction of faster digital inkjet devices. Printers may have to decide if they are downscaling their offset operation at the expense of upscaling their digital capability.

This section is aimed at understanding how well B2 inkjet will fit into your existing operational environment. Tick the box in each case that you feel is the most appropriate.

**11. What is your current production mix?**

- Offset only
- Offset and light production cut sheet digital
- Offset and production cut sheet digital
- Digital only production cut sheet

**12. Do you have a fully automated workflow?**

- No we have mainly manual procedures
- We have mainly manual processes with automated pre-flight and prepress routines
- We have a semi-automated end-to-end workflow which requires some manual intervention
- We have a colour managed automated end–to-end workflow

**13. How is your B2 work currently produced?**

- We outsource all our B2 offset and digital work
- It is a combination of in-house and outsourcing depending on format size and volume
- We print offset in house and outsource digital
- All work is done on our own offset and digital B2 equipment

**14. How often do you collect shop floor data?**

- Never
- Usually when something goes wrong
- We collect it regularly
- We collect it, review it and set targets on a monthly basis

**15. Do you measure Operational Efficiency of Equipment?**

- We never measure it
- We occasionally measure it when things go wrong and jobs don't get out on time
- We measure OEE of printing equipment on a regular basis
- We monitor OEE on an on going basis for all machines through shop floor data collection and then set improvement targets

**16. Do you plan to use existing finishing equipment or do you need additional investment?**

- We don't plan to make any additional investment
- We will outsource any finishing requirements rather than investing
- We will only invest based on customer demand
- We will use existing B2 finishing equipment but will invest in added value finishing like Jetvarnish for new applications like packaging

**17. Do you calculate your production waste?**

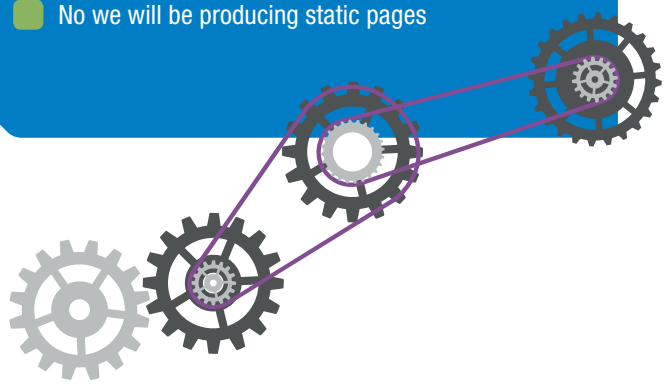
- Not usually
- Only if we think we have a problem
- We do but not on a regular basis
- We calculate and monitor waste from KPIs and shop floor data collection every month

**18. Do you think that workflow and systems integration is important for B2 Inkjet?**

- Not very important at all
- Quite important
- We will be researching further and may need to make an investment
- It is absolutely essential integration is the number one priority

**19. Are you planning to use VDP with B2 inkjet?**

- Yes we sell VDP as a way to add value through personalisation and data management
- We use VDP when it is specified by the customer but we don't tend to actively sell
- If customers demand it we will look into it
- No we will be producing static pages



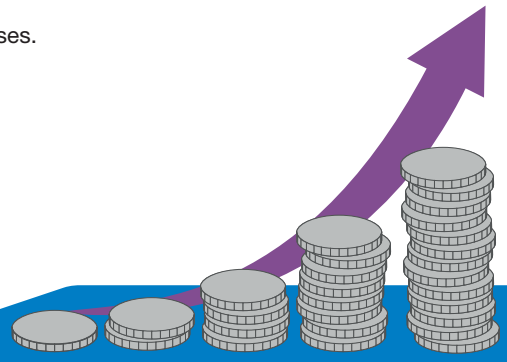
**20. Are you looking to change your business model with the introduction of B2 Inkjet?**

- No its just another print out put device
- I don't think we will need to
- We may need to consider this if we enter new markets
- Based on our business plan we are going to enter new markets and applications and there-fore need to change our approach with W2P and multichannel marketing

## 4. Sales and marketing for B2 inkjet

The vast majority of print sales activity is chasing down blind alleys or discounting work to compete with the competition. Most companies have no defined sales process and the problem is further compounded by lack of data on who are the best and most profitable products and customers. B2 Inkjet is a significant investment to most companies so it requires clear focus on where you can generate profitable sales growth.

This section is aimed at understanding how you manage your sales related processes. Tick the box in each case that you feel is the most appropriate.



**21. Do you know which categories of work and customers generate profits and losses?**

- We review it every month
- We review it every year
- I have a gut feel for it based on how individual customers work
- Not really

**22. Do you have a documented sales process with targets for selling B2 jobs?**

- We have a robust sales process, linked to business intelligence and marketing plans. Performance targets and pipeline management is based on targeted customer acquisition, profitability and customer retention.
- We don't have a sales process but set sales targets by existing customers and new business with KPI's
- We only monitor sales staff's conversions and sales pipeline
- We have no sales process in place

**23. Do you have a process for gathering and analysing business intelligence?**

- We don't use any information to guide our decisions
- We come across information rather than seek it out
- We routinely gather information but don't use it in a systematic way
- Yes we regularly gather information on our customers, target markets and competitors to use in our sales and marketing activity

**24. Do you have a prospect list for new B2 Inkjet work?**

- No
- We just rely on sales staff to manage their own clients and diaries
- We could put one together if we needed to
- Yes we have a CRM which is used by all sales staff and we create sales pipelines and sales targets

**25. Are you looking to enter new markets with B2 Inkjet?**

- Yes we have already segmented our existing markets, done background research and identified new markets we wish to pursue
- Yes but we are not sure which are the best markets to go after
- Yes if exiting customers demand it or the opportunity arises from a new prospect
- No we will stick to what we know

**26. Have you got a marketing plan to support B2 Inkjet?**

- We don't
- We don't but we know we need to do some marketing
- We will be talking to customers about inkjet and showing them samples and may do some direct mail
- We have a sales and marketing plan, which our internal marketing team will deliver. It includes email marketing, social media, direct mail and an open house

**27. How do you plan to create a B2 Inkjet sales pipeline?**

- Word of mouth and knocking on doors
- We use a mix of cold calling and internet research
- We mainly use the internet for research and try to be a bit more targeted with some marketing initiatives
- We use a mix of co-ordinated, business intelligence, sales profiling, marketing and e-media

**28. Have you created any market differentiation or unique selling points for Inkjet?**

- We have a detailed plan of why inkjet gives us a competitive advantage in a rage of applications and the benefits for customers in a number of vertical markets
- We have an outline plan of selling the benefits of inkjet
- We haven't done it yet
- Not sure what they would be

**29. Are your sales team, order takers or consultative solution advisers?**

- Order takers
- Salesman who also take orders
- Selling and limited technical and consultative advice
- Focused on added value consultative sales, account growth and customer retention

**30. Who do sales conversations usually take place with?**

- Junior buyers and procurement staff
- Marketing and procurement managers
- Senior, marketing, creative and procurement staff
- CEO's, business owners, marketing directors, financial directors

## 5. Planning for B2 Inkjet

It is critical that printers thoroughly plan and research prior to any investment to make sure they can achieve the correct RoI. It is also essential that they project manage the implementation effectively and have all their staff fully trained and aligned to maximise the investment from day one.

The following questions are to help you understand what is required from a successful research, planning and implementation process. Tick the box in each case that you feel is the most appropriate.

**31. Do you have a documented business plan for the next 1-3 years?**

- We have an annual business plan which contains a series of project plans and these are updated every month
- Yes, we have to produce a high level yearly plan for the bank
- We don't usually plan because things change too quickly
- No the plan is in my head

**32. Have you prepared a business case for B2 Inkjet?**

- We have a detailed business case with a financial breakdown, sales projections, what if scenarios and return on investment
- We have prepared a high level business case in order to get finance
- We have done our research but don't have a business case
- No because we think we can justify the investment

**33. Which factors have you taken into account in your business case or investment decision?**

- Just the price of the press, service and consumables
- Price of press, service, consumables + implementation
- Price of press, service, consumables + implementation + integration
- Price of press, service, consumables + implementation + integration + staffing and training + additional finishing + sales and marketing

**34. Do you have project management experience?**

- We have some professional project management experience and treat new installations as a project with a designated project team
- We follow project management guidelines and make an individual staff member responsible
- No but we have installed new presses before
- No

**35. What are you looking for B2 Inkjet to achieve?**

- Generate more revenue
- Production flexibility
- New business opportunities and growth
- Production flexibility with new printing formats that allows us to enter new markets to drive profitable growth

**36. How much additional sales volume do you need to generate in order to justify an investment?**

- Over 50%
- 26-49%
- 10-25%
- Below 10%

**37. Have you created any what if scenario planning?**

- We don't need to
- We've not really thought about it
- We've thought about it and discussed it but not put anything on paper
- We have documented several scenarios and stress tested them by running the financials to make sure we can still justify the investment

**38. Have you got an internal training and awareness plan for B2 Inkjet?**

- We have regular review meetings to look at where we are, identify training needs and make sure sales and marketing is ahead of the curve so we can hit the ground running
- We will make sure operators are trained and people know what we are buying and why
- We will have a meeting about it when the time is right
- We don't need one

**39. Have you conducted any competitive pricing analysis?**

- We have a process for regularly reviewing market pricing and trends
- We occasionally try and review competitor pricing
- Only if we find we are not winning regular work
- Not really

**40. Are you going to conduct a customer education and awareness programme for B2 Inkjet?**

- We will use white papers and email marketing to make customers aware of the benefits and then hold specific meetings to show them samples and demonstrate how we can add value to their business
- We will talk to customers about the benefits of inkjet and the new applications we can produce for them
- We will talk to customers about inkjet in sales meetings
- We have no plans to

## 6. Is your business ready to benefit from B2 inkjet?

The questions set out on the preceding pages are designed to make you think about how inkjet can fit into your business and well prepared you are for implementation. There are no right or wrong answers, only processes and disciplines that we would consider to be best practice and are proven to deliver the most positive results. All the questions are relevant to assessing your readiness for B2 Inkjet and depending how you have answered each question, it will provide guidance as to how prepared you are.

From a wider perspective the questions should also make you think about how effectively you run your business, the type of work you do and your current capabilities. There is no doubt that focusing on B2 Inkjet through this assessment guide will offer more opportunity for growth and profitability when the relevant changes have been made.

The colour coding of the questions has been used to hopefully make it simpler to review the questions and guide you towards a successful investment. So, how can your answers be interpreted and understood? What does each of the colours indicate?

If your answers are predominately in orange, then you already have many of the processes and best practice in place to benefit from B2 Inkjet. If you have some green colours, or even ticked some dark green boxes, this simply indicates areas where you can take corrective action and get more process control in place.

You undoubtedly can benefit from B2 Inkjet but there are still quite a few areas of the business that can be improved and issues that need to be addressed to maximise the opportunity. Highlight all the Orange ticked boxes as evidence that you have many things right already, but that there are probably some changes (Indicated in darker greens) that will need to be made, some of which could be urgent.

If your answers are predominately in this rather darker green, these need to be addressed as soon as possible to ensure a successful outcome. Hopefully you will also have some lighter green or orange areas as well and not too many dark green boxes.

Think how much potential you have if some or all of your dark green ticked boxes can be addressed, changing them to a lighter green or orange. Making changes will definitely help your business to grow and become more profitable with B2 Inkjet. Your opportunities for the future are still extremely good if you focus on improving your weaknesses.

The assessment guide is designed to highlight different states of readiness and indicate where changes will be of benefit. As well as this Assessment Guide there is an Inkjet White paper and Implementation Guide and numerous other resources from Konica Minolta, which can support your investment decision. In this Digital1234 site, as well as on the website of Konica Minolta's user communicity (www.prokom.org), there are a variety of practical guides and implementation tools to help you succeed with:

- Business planning
- Project planning
- Workflow and operational improvement
- Sales and customer profiling
- Marketing planning
- Business Intelligence and market segmentation
- Financial planning

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