Proving your worth

you can

A common complaint of corporate reprographics departments (CRDs) is that senior management doesn't appreciate the benefits the CRD brings to the organisation – the cost-savings, the added control, the convenience, and the security that come from having printing in-house. This might be true, but it doesn't mean senior management doesn't know the CRD is there – as we saw in Part 1, in today's economic climate every cost-centre is under close scrutiny, and it's important to be constantly ready and able to justify the CRD's existence.

We've also seen, in Part 2, how important it is to establish two-way communications with the inplant's internal departmental customers, so that you understand what they want and they know what you can do. A reactive CRD that just waits for work to come its way will see its profile in the organisation decrease and its staff morale sink, in a vicious circle of decline.

These guides show you how to break the circle and transform the CRD into a communications service provider vital to the organisation's prosperity. While it's up to you to decide what to change and when, you can be certain there will be regular occasions when you need to present evidence of the CRD's value to the organisation – annual budget negotiations, cost reviews, decisions on investing in equipment or staff, and so on. On these occasions your task will be a lot easier with the support of the organisation as a whole. Part 3 will help you win that support.

Value – Different meanings for different people

Canon's Insight Report *Corporate Reprographics: Trends and Opportunities* identifies four measures that express the CRD's value to the organisation:

- Number of impressions printed
- Amount of money saved
- How the CRD enables efficient company communications
- How the CRD helps the organisation accomplish its mission.

To get these messages across, you need to be able to communicate with two principal internal audiences, each with different requirements: the board of directors – or its equivalent in the public sector – and your internal customer departments. While the board is naturally interested in efficient communications and mission accomplishment, its primary need is for 'hard' data that shows the CRD is cost-effective compared to the alternatives (using outside printers or facilities management companies, for example). Internal departments tend to have a broader range of interests: they too may be concerned with cost, especially if they have their own budgets, but they also want to know about the services you already provide, whether you are adding new ones, how other departments are using these services, and the benefits they are getting.

You have to demonstrate the CRD's value to both audiences, so you need to monitor and measure performance in a variety of ways that draw out the information you need to show both the quantity and the quality of your contribution.

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Benchmarking
– know the competition

Benchmarking – comparing your performance against both commercial printers and other CRDs – is an important part of continuous improvement. It takes time, but getting the benchmarking habit is essential if you are to quantify the print department's value to the organisation. The Canon Insight Report concluded that CRDs do not benchmark enough – just 5.3% do so quarterly, while over 60% do it either now and again, or never – but neglecting it doesn't stop someone else doing it in some other form, such as by making the CRD compete for work. The Insight Report found that just 14.2% of CRD jobs are placed by corporate directive, against 42.6% placed after a competitive bid or at the customer's choice.

Benchmarking against commercial printers may seem straightforward: you simply get quotations on typical CRD work. However, great care should be taken since simple cost comparisons can be misleading, especially if specifications aren't clear/properly understood or the external basis of costing is to "win" the work rather than provide a sustainable price.

You need to follow a few simple rules:

- Get three quotations
- Select jobs that really do reflect your workload
- Compare quotations against the actual costs of CRD production
- Make sure the production schedule specified is the same as would be expected of the CRD (compare like with like)
- Use the average quotation, not the lowest

According to the Insight Report, the average cost saving over commercial printers is in the region of 10% to 20%, although the most efficient CRDs report savings of 30% on certain jobs.

It's more difficult to benchmark in this way against other CRDs – you can't just ask them to quote on something – but it's possible. There are, for example, some associations of in-house print managers which exist to share experiences and best practices. These are often specific to particular sectors such as education or local government, which means you can compare like with like.

Canon's Insight Report *Corporate Reprographics: Trends and Opportunities* is also a good source of more general insights into organisational and financial aspects of CRDs, which are useful for peer-to-peer benchmarking. It reveals, for example, that there is no clear pattern as to how CRDs and their host organisations run their 'businesses'. The most common model (in 44.2% of the CRDs surveyed) is one of full cost-recovery with all work charged back to customer departments, followed by partial cost-recovery (26.4%). Just over 15% of CRDs are run as profit centres (cost plus add-on), and 13.9% are fully funded with no charge back.

The Report also reveals that just over half of the CRDs surveyed employed less than ten staff, and that in general staffing levels have fallen due to digital printing automation. Most departments (47.7%) have operating budgets below €1 million, and 34.3% have budgets between €1 million and €3 million. Labour's share of budgets has fallen slightly in the decade between 1998 and 2008, again due to digital automation, but paper costs have risen, from 21.1% to 26.3%.

A word about FM

In difficult economic times, organisations watch costs closely, and some may consider a facilities management (FM) approach to printing appealing. Under an FM agreement, an outside organisation manages the in-house print operation. The FM company may have a print pedigree, such as an equipment supplier, or it may be a provider of general business services.

At first glance, the arguments for FM can appear persuasive: they not only enable the organisation to move personnel and equipment assets off the balance sheet, but FM companies also claim cost savings in the region of 30%. So in the event that senior management looks into the feasibility of going the FM route you need to be ready and able to make a case for keeping management of printing inside the organisation.

A major argument put forward by FM companies is that printing is not an organisation's core business, but this ignores the fact that printing is every bit as important a part of the organisational infrastructure as computers or telecoms. Remember that the Insight Report found that 90% of organisations rate print as 'critical' to their operations.

The best way to stay in control of print is focus on the specifics, which involves ensuring management and users know that no competitor can match you and your team's understanding of the role of print in achieving their objectives. This means delivering the right services at the right price and the right time, exploring new services, and – crucially – telling people about your achievements.

Spreading the word

The well known saying 'graveyards are full of people who thought they were indispensable' is a reminder not to take anything for granted. Just because you're convinced the CRD is doing a great job doesn't mean other people are. You have to convince them you're indispensable, and to do this you need a communications strategy.

As noted earlier, you have to communicate with two important audiences with differing measures of the CRD's performance. Senior management needs to know the CRD is cost-effective compared to alternatives, while individual departments should feel confident you understand their requirements and can deliver the services they need, on time. And both groups must believe that the CRD will continue to evolve, exploring new technologies and developing new services.

Your communications strategy depends on first gathering the information to make your case, and then presenting it in ways that recipients can easily relate to. Following the regular benchmarking exercises recommended above will produce 'hard' data that you can present in reports on the CRD's performance against a range of agreed Key Performance Indicators (KPIs). In Canon's Insight Report, Professor Frank Romano recommends the following:

- Impressions printed
- Revenues
- Budget status
- Expenses
- Savings achieved
- Process improvements
- Downtime
- Projects produced
- Schedules met
- Customer satisfaction
- Personnel status

These reports should be distributed at regular intervals – monthly, if possible – and you should stick to the timetable. In parallel, and on a continuous basis, you should also maintain a dialogue with your departmental customers, building on the exploratory discussions described in Part 2. Whenever you produce work you're proud of, consider issuing a short email bulletin explaining what you've done – what the brief was, what was challenging about it (the design, perhaps, or the schedule), how you approached the task, what the item achieved, and so on. If possible, include a testimonial quote from the satisfied customer. As with the monthly KPI report, you need to gather the data. A good way to do this is to ask for feedback from departments after you deliver a job – feedback which will also allow you to gauge customer satisfaction.

Occasionally you will have an opportunity to do something a bit special to raise the CRD's profile – when a major new investment comes on stream, for example. Don't let these opportunities pass you by. Make them count!

Show by example

Whatever you do, make sure your communications campaign uses the CRD's capabilities you want the organisation to take advantage of. For example, if you hold a CRD 'Open House' for customers invite them using personalised direct mail and other communications tools. In the final analysis, the strongest argument for keeping the rest of the organisation informed is that the very act of communicating speaks volumes about the CRD as a vital part of the communications infrastructure – proactive, professional and committed to helping the organisation achieve its goals.