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The in-plant's new four-color Presstek 75DI digital offset press is saving time, cutting waste and keeping more work in-house. With it here are (from left) David Gaines, Dan Jacobson, Laura McEvoy and Robert Pettway.

Building a Better In-plant

By adding an array of new equipment, BlueCross BlueShield of Tennessee Print Solutions has cut costs, attracted new business and increased its value to the company.



The in-plant's new four-color Presstek 75D digital offset press is helping to keep more jobs in-house. With it here are (clockwise from front) Robert Pettway, David Gaines, Dan Jacobson and Laura McEvoy.

Building a Better In-plant

By installing an impressive selection of new equipment, BlueCross BlueShield of Tennessee Print Solutions has been able to increase its value to the company, keep more work in-house and cut costs.

A KEY challenge for any in-plant is to demonstrate ongoing value to its parent organization. Over the last five years, the Print Solutions department at BlueCross BlueShield of Tennessee has stepped up to this challenge, reinventing itself in the process.

"Until about five years ago," says Robert Pettway, manager of General Services and Mail Operations, "we were strictly a conventional in-plant operation producing corporate materials and occasional in-kind donations for local charities and in support of our community. We were basically viewed as a copy center."

Today the 27-employee, ISO 9001 registered shop operates in three discrete areas: digital printing, offset printing and transactional printing.

"Over the past five years," says Pettway, "we have placed a strong focus on adding value for the corporation and keeping as much work as

possible in-house as we support all of our marketing areas across all corporate subsidiaries. Our mission is to minimize administrative expenses for the corporation while maximizing quality and customer satisfaction."

BlueCross BlueShield of Tennessee (BCBST) is an independent, not-for-profit, locally governed health plan company covering three million people in Tennessee and across the country. Located in the Gateway Building of the corporation's Chattanooga, Tenn, headquarters, Print Solutions has been in operation for more than 20 years. It is managed by Laura McEvoy and supervised by David Gaines.

The digital and offset production areas reside on the building's first floor, while the second floor is home to its transactional printing operation. This area produces provider checks, explanations of benefits (EOBs) and other transactional documents on a Xerox platform that includes a DocuTech 180 with MICR, a Nuvera 288 with MICR, a 495 continuous-feed black-and-white press and a 980 continuous-feed color press. More than 250,000 magnetic ink and related documents per month and 400,000 to 500,000 EOBs and remittances translate to about 60 million lines of printing monthly.

"We just installed the 980 in May," says Pettway, "so we are not yet doing much color in this area. We are still working through the details, but plan to take advantage of color capabilities

with transpromo and white space management on outgoing documents.”

Pettway is proud of Manager Jarita Norman’s mailing and fulfillment operation, which utilizes Pitney Bowes equipment and has its own Pitney Bowes technician on site.

“We use Intelligent Mail Barcodes and transmit data directly to the USPS to maximize our postal discounts,” says Pettway. “We average about 100,000 pieces of outgoing mail per day, which we deliver to a nearby USPS facility; 93 percent of the mail we sent out last year received the maximum postal discount.”

Digital and Offset: Hand in Hand

One of the more exciting acquisitions for Print Solutions in 2011 was a new four-color Presstek 75DI digital offset press with an aqueous coater. It joined the Print Solutions family in May.

“Prior to that, our offset portfolio consisted of a 2/1 Ryobi and a low-impresion four-color Heidelberg QMDI we bought used in 2010,” explains Pettway. “The 75DI is a game-changer for us because of its sheet size, capabilities and sheer speed. We feel confident this press

will play a key role in helping us bring in work currently being outsourced. In fact, our customers were so excited about this new press that while the press was being assembled on the floor and before the first production job even came off of the press, we had more than a million impressions lined up for it.”

On the digital side, Print Solutions has a Xerox iGen4 and a Xerox 1000 Color Press, along with two Xerox highlight-color 180s used for letterhead stock and membership booklets.

A robust bindery finishes the production portfolio and includes a new Standard Horizon Stitchliner 5500 booklet maker that can integrate both digital and offset materials; two MBO folders; and a programmable Polar 110 cutter. While certain types of perfect binding are still outsourced, Print Solutions currently produces a high volume of in-line tape binding utilizing digital equipment as well as other finishing options including coil, GBC, saddle



Checking out a proof printed on the in-plant's Xerox iGen4 are Melvin Scott and Hope Bowman.

Justifying New Gear In a Tough Economy

Pettway and his management have been aggressive about modernizing the plant's production platform. Print Solutions typically leases digital equipment due to its relatively short technology refresh cycle.

“Within five years, products on the market are light years ahead of what you might have acquired previously,” he points out. “We went through a lengthy RFP process and renegotiations that allowed us to bring in several new pieces of equipment and retire older equipment. Through a good partnering arrangement and tough negotiations, we ended up with much better capabilities and what we found to be a beneficial financial arrangement.”

For the Standard Horizon Stitchliner 5500 and the Presstek 75DI, Pettway and his team built very thorough business cases, including ROI analyses they built with Finance and with customers, taking into consideration volumes and expectations.

“Once we developed that information to the point we were confident in it,” he reports, “we presented the business cases to our executives, answered their questions, and satisfied their very thorough analysis. Our executive level management was convinced these two acquisitions were the right thing to do for the business, and we gained approval to buy them outright. Both pieces of equipment will have 10-year-plus life spans and provide full payback within their first few years of production.”

stitch and square fold saddle stitch.

“Our customers are always looking for new ways to create professional, eye-catching pieces that engage their target audience,” Pettway says, “so we have to make sure we are providing that in the most efficient and economical manner possible.”

In-house versus Outsourcing

Print Solutions' management regularly compares the in-plant's pricing structure with outside vendors to ensure Print Solutions is not only competitive but can deliver cost savings to its customers.

“We hold ourselves to the same standards we would hold any outside printer to,” Pettway says, “and we report to executive management on those savings. We are saving millions for the corporation across our platform. In addition, we make it as easy as possible for our customers to send us work. Our only motive is to benefit the corporation and to provide customers with the highest quality at the lowest possible cost.”

The Presstek 75DI is one example of an investment that will reduce the amount of outsourced work. ▶

“Some of the million impressions we have lined up for the press are things we couldn’t do competitively before,” explains Pettway. “Certain designers prefer the look and feel of offset over digital, and sometimes it is more a case of volumes being too high for our digital presses to cost effectively produce. If we had a high-quality tri-fold color newsletter in a run of 80,000, that had to go outside.

“With the DI’s six-up sheet size, we get the equivalent of 96,000 letter-sized impressions per hour—and we have really enjoyed the six-minute makeready,” Pettway continues. “We are print production ready within 10 to 20 sheets as compared to 200 to 300 sheets for conventional offset. That saves not only time, but it also reduces waste. The 75DI’s chemistry-free on-press plate making and waterless printing technology are also a huge environmental plus. In addition, the 3/4 sheet size opens the door to many new applications we couldn’t have produced before.”

Green and More Green

Not only is Pettway’s team saving the company “green” by bringing more work in-house on its newly optimized platform, Print Solutions designed the platform with the environment in mind. Pettway points out that for BCBST, minimizing its environmental footprint is a huge priority.



The in-plant’s new Standard Horizon Stitchliner 5500 booklet maker, operated by Matthew Branum, can integrate both digital and offset materials.

“Corporately, we are very committed to sustainability,” he remarks. “The corporate campus recently earned gold LEED (Leadership in Energy and Environmental Design) certification—the first business campus in Tennessee and the second largest in the country to have achieved this prestigious certification.”

The in-plant tries to minimize waste while utilizing environmentally responsible materials as much as possible, including Forest Stewardship Council (FSC) certified paper and soy

ink for the 75DI. What’s more, the Gateway Building that houses Print Solutions will soon feature a rooftop solar photovoltaic farm that will produce the average equivalent of 45 percent of the building’s current power consumption and provide a three-year ROI with ongoing cumulative income.

“We were already committed to a green vision, which made the choice to add solar easy,” says Dan Jacobson, vice president of properties and corporate services for BlueCross. “It is a good business decision and a real positive for the community. With our focus on efficient operations and environmental sustainability, it is the right direction for us.”

The in-plant has certainly come a long way in a few short years.

“In 2005,” Pettway notes, “we were looking at ourselves as just a copy shop. If a customer asked for something we didn’t normally handle, we just said no. Moving from that mind-set to today’s Print Solutions mind-set has been a huge paradigm change for the operation and the culture.

“We now work as advocates for our customers,” he concludes. “If they need something that makes sense to provide in-house, we aggressively pursue it. At the end of the day we do not just want satisfied customers, we want fans.” **IPG**



William Osbourne stands with the in-plant’s new Xerox 980 continuous-feed color press, which will be used to bring color to transactional documents.