

## Best Practices on Cost Per Page on the NexPress 2100

### INTRODUCTION

This white paper will report on the best practices and usage costs of the successful NexPress 2100 owners. It is intended mainly for two audiences:

1. Existing NexPress 2100 owners who want to reduce their operating costs.
2. Other companies who may want to evaluate the NexPress 2100 for their businesses, and would like to understand how to manage and minimize operating costs.

### HOW THIS ALL STARTED

NexPress, unlike many of its competitors, offers a different business model to its customers. Under this model, customers pay for operating costs according to their consumables usage (parts and dry ink) rather than clicks. This enables printers to reduce their cost by successfully managing their press and consumables.

As a part of this business model, NexPress actively follows its customers' cost structure, and works with them to achieve a lower cost per page. The company believes that this is an important step in ensuring the success of its customers and the overall growth of digital color printing.

Working with customers, NexPress discovered that some experienced owners were, in fact, able to utilize their machines in a better way, and, as a result, achieve cost per page figures that are markedly lower than the original estimates. This supported the belief that the NexPress business model was working.

In order to confirm the findings and identify the factors that influence the low cost-per-page figures, NexPress asked State Street Consultants to visit its customers and make an impartial assessment of their practices. State Street Consultants is a well-known consulting firm that has specialized in the graphic arts industry for the past 30 years.

## RESEARCH METHODOLOGY

- ▶ NexPress provided State Street Consultants with a list of its customers who were achieving better-than-expected operating costs.
- ▶ A senior member of the State Street Consultants staff then conducted more than a dozen on-site, in-depth interviews with members of the top management team as well as the NexPress operators in the U.S. and the U.K.
- ▶ To respect the privacy of those NexPress customers whose names are mentioned in this white paper, we will not reveal any actual cost-per-page figures.

## RESEARCH FINDINGS

### **LOWER COSTS**

NexPress customer data shows, and the research confirms, that successful NexPress owners operate at 40% to 60% lower than the original NexPress estimates for cost per page.

There are many success stories about customers who benefit from the NexPress business model and turn that into a competitive advantage in the marketplace.

- Richard Nixon, the director at the London-based Printflow Digital Solutions, is a true believer in the NexPress business model, which enables him to compete based on price. Nixon says *“We are located in a very competitive environment. There are a large number of printers in the area, mostly with competitive digital presses. The market has been very much depressed lately, and the price that we can charge per page is constantly decreasing. Luckily, with the NexPress, we can compete based on price in addition to quality and color consistency.”*
- Nicholas Leesam of Butler and Tanner Group, who is responsible for the pre-press and digital operations at two of the group locations, Selwood Printing and Radstock Reproductions in the U.K., expresses his satisfaction with the NexPress business model by saying *“I definitely prefer the NexPress business model, where we pay as we use, rather than paying for clicks. The click charges upset people who come from a traditional printing background.”* Between the two

locations, Mr. Leesam is responsible for running two NexPress 2100s as well as competitive digital color presses that use a click charge model. The company is successfully running several personalized products including National Gallery Calendars, Kodak Wedding Books and postcards for a joint venture between Kodak and telecommunication suppliers. This involves sending a personalized postcard with an image captured on a mobile phone camera and then combined with a text message before printing on a NexPress 2100 at Selwood Printing.

- Wes Ball, the Production Manager of Corporate Press in Landover, MD and another satisfied NexPress owner, says that before they purchased their press they looked around at different alternatives, and found that NexPress offered the best value in terms of output quality, speed, and machine cost. Having used the machine for more than two years now, they also think that they have achieved a “favorable cost per page” on the NexPress, and they are quite happy about it. Corporate Press is another successful implementer of variable data printing, with more than 70% of their production on the NexPress involving variable data.

## ***BEST PRACTICES***

When we asked more than a dozen successful NexPress owners, how they were achieving these favorable cost-per-page figures, they talked about a number of different factors, which can be grouped under three main categories:

1. Press management
2. Job management
3. Business management

Many of the opportunities have to do with the NexPress strategy of providing its customers much greater flexibility and control over the press and what they pay for consumables. This has been done by designing a machine with a number of Operator Replaceable Components (ORCs).

As mentioned before, the ORC concept allows customers to pay according to their consumable usage (parts and dry ink), rather than clicks. This means if a printer is able to manage its NexPress 2100 and other factors that affect the consumable usage, they can extend the expected lives of their ORCs and therefore spend less money to operate their equipment.

## 1. Press Management

- ◆ Certain practices have the most impact on cost per page. Here are some tips and techniques related to press management:
  - **Maintenance, Maintenance, and Maintenance** – All the NexPress owners that we interviewed indicate that performing the recommended maintenance routines is the key to achieving low costs. Keeping the machine clean and keeping the DryInk off the drums directly impact the ORC lives and cost per page. In addition to the cost efficiency, proper maintenance also has a big impact on the image quality as well as maintaining uptime and preventing missed deadlines.
    - Rick Greco, the NexPress operator at CH Digital in Plainview, NY, says *“Maintenance is the key to our cost structure on the NexPress. We follow the maintenance procedures prescribed by NexPress by the book. We keep our machine very clean. It is so clean that you can eat off it.”*
  - **Other Practices to Extend the ORC lives** – In addition to properly maintaining the press, successful NexPress owners indicate that there are other ways of extending the ORC lives and achieving low cost per page.
    - **Monitor Output Quality to Decide When to Replace ORCs**– Many successful NexPress owners say that they use the NexPress estimates of ORC lives as a guideline, but in the end the output quality determines when to replace the ORCs. They say that by properly maintaining the machine every day, and keeping a close eye on the output quality, which in some cases is done through formalized image quality tests, they are able to stretch the ORC lives.
    - **Swap parts** – Another way of getting the best mileage out of ORCs, for some customers, is to keep two sets of certain ORCs, and depending on the job and its quality requirements, decide which set to use.
      - The NexPress operator at Bladen Lithographics in Gaithersburg, MD, Greg Friend says *“We keep two sets of fuser rollers. For paper*

*that does not have any gloss, we use the old unit to give a flat look; and for glossy paper, we use the new fuser roller.”*

- **Rotate parts** – Some owners say that they rotate imaging cylinders on the press, depending on the color content of the job and how much the cylinder is used.
  - John Baroncini, the Production Manager at Color Edge Visual, a printer in Manhattan, NY with extensive background in digital color printing says *“The black imaging cylinder is the first one on the line, it gets the most hit, and therefore does not last as long as the others. When it is used, we swap the places for black and yellow, and try to get some more life out of them.”*
- **Operators** – In addition to the maintenance and other practices to extend the ORC lives, NexPress 2100 operators who actually work with the machine on a daily basis have a significant impact on achieving low cost-per-page figures.
  - **Background in Digital Prepress** – Leading NexPress owners say that it is crucial for a NexPress operator to have extensive experience in handling digital files, so that they can quickly process the incoming client files and make necessary adjustments to get the best printing results. Therefore many selected their operators from the prepress rather than conventional press area.
    - Richard Hargrave, the Digital Production Manager at Anton Group, located in Essex, U.K. says *“In our opinion, operating the NexPress is much closer to prepress than press. Basically, with the NexPress, we are outputting onto paper, rather than film or plate; all the prior work is quite the same. Both I and the NexPress operator, Bryan Knight are coming from a digital prepress background.”*
    - Another good example of this is the NexPress operator at Corporate Press, Blair Nordvedt, who worked as an electronic prepress supervisor for the last 20 years, and is now responsible for all

aspects of running the NexPress 2100, including prepress, press control, maintenance and variable data applications. He indicates that his background in digital prepress was an important reason for his new job.

- **Experience in Digital Color Printing** – In addition to the experience in handling digital files, another important factor contributing to low cost per page is the operator experience in digital color printing, and the learning curve associated with running the NexPress or other competitive machines.
- **Ability to control the press** – Part of the hands-on experience is related to controlling the press, and quickly and carefully replacing the parts, without damaging them.
  - The NexPress operator at Signature Printing, Chantilly, VA, Alan Spencer says *“I love the press. It is the best thing since sliced bread. I love the ORC concept, and feel very comfortable maintaining the machine and changing parts. Today, I can fix 95% of the print quality problems myself. But, to come to this point, we had to go through a major learning curve. Hands-on experience is very important, it enables us to optimize the job, and do some press tricks to better manage the output quality.”*

## 2. Job Management

- ◆ Matching the specific job requests to the press is an important skill that brings improved results for output quality and cost effectiveness.
- ◆ Successful NexPress owners say that in order to do that they need to understand how a file is printed digitally and then educate clients in terms of what digital color presses do best. And this comes from experience in digital color printing and dealing with digital files.

- **Digital Files** – An important factor that affects the printing process and the operating cost is the digital files submitted by customers. For better efficiency and quicker turnaround, it is important that incoming customer files are complete and error-free. In addition to how the files are submitted, the file content and the color coverage are also an important factor in cost per page. Successful NexPress owners found ways to smooth out the file submission process and manipulate the files.
  - Bladen Lithographics has developed a checklist for its customers, guiding them through how to prepare digital files and what information they need to send to Bladen in order to turn around their work quickly and efficiently.
  - David Brody, the President/CEO of Fifth Color, a digital start-up company based in Manhattan, NY says *“We constantly work with our clients and provide them direction in terms of job specifications. Because, if things are set up perfectly on a disk does not mean they will print perfectly on digital color presses. We need to fiddle with the artwork and do some tweaking. For example, in order to prevent streaking with the neutral backgrounds, we turn up the magenta, and add some noise. Our customers are appreciative of these recommendations, because it saves them time and money.”*
  
- **Format Size** – Many owners that we interviewed believe that the format size (13.8” x 18.5”) offered by NexPress is a big advantage for them.
  - Color Edge’s John Baroncini says *“The output size that we can achieve on the NexPress is a very big plus. We can print our popular 5” x 4” application very efficiently by laying out the 4” side 3 times across the 13.8” side, and printing 6-up. This is not possible on other digital color presses because of their smaller format size.”*

While for Color Edge, printing multiples is possible because of the right format size of the 2100, other NexPress owners indicate that sometimes, when they need to, they try to match the format size of the job to the press. These owners indicate that they recommend their customers trim a couple of inches off the final output, so that they can fit multiples on a page and print more efficiently. And those customers who have the flexibility to make such modifications appreciate these suggestions, as this means cost savings for them as well.

- **Substrates** – NexPress customers think that another strength of the NexPress 2100 is the variety of substrates that it offers. While this is clearly an important competitive advantage for a printer, some leading NexPress owners find it advantageous to work with a limited number of substrates.
  - Howard A. Bladen, the President of Bladen Lithographics, very much appreciates the ability of printing on a range of different substrates on the NexPress. Then, he adds, *“Although our customers can chose from a much wider range of substrates, we encourage them to use our “House Sheets”. If the customer chooses a substrate from among the House Sheets, they can enjoy some cost savings; otherwise they pay a higher price. There are some cost benefits for us to buy and store a limited number of substrates, and we would like to pass that on to our customers. The customers appreciate having the option of paying a lower price.”*

### 3. Business Management

- ◆ At the company level, attributes such as company background, vision and strategy determine the role of digital color printing and where it fits in the company.
- ◆ In all of the interviews we conducted, the owners had experience in digital color printing and digital prepress and the NexPress 2100 performed an important role within the company.
- ◆ Such a company environment makes it possible to come up with creative ways to reduce operating cost.

- **Company Experience in Digital Imaging** – Successful NexPress owners have experience in digital imaging. Whether it is color, B&W, or prepress, this kind of experience helps tremendously in selling and producing the NexPress output effectively.
  
- **Ability to Find Appropriate Customers and Applications** – The experience in digital printing enables NexPress owners to find the right customers and applications and match the requests to the press. All successful customers that we talked to had a clear, long-term vision in terms of where to sell the NexPress output.
  - Almost all the NexPress owners we interviewed indicate that NexPress filled an important niche. Before purchasing the NexPress 2100, these owners were already getting the kinds of requests from their customers that are ideal to print on a NexPress. Whether it is high quality, short-run digital color, or variable data printing, in all cases, NexPress successfully bridged an important gap, and provided owners a one-stop shopping capability to offer to their customers.
  
- **Belief in Digital (Color Printing)** – Having been involved in digital (color) printing for some time and knowing what it does best, these successful NexPress owners believe that digital color printing is going to be an increasingly important part of their future success. Sharing this belief with customers, educating them, and properly communicating the capabilities of digital color printing is another key to their success.

## CONCLUSION

The ORC concept works. These leading NexPress owners have proven that, because of the ORC concept, it is quite possible to achieve lower than average cost-per-page numbers. NexPress is committed to working with its customers and helping them find ways to lower costs and be more successful.