



KONICA MINOLTA

IS YOUR LABEL BUSINESS READY TO INVEST IN DIGITAL PRINTING TECHNOLOGY?

✍ A checklist guide for narrow-web label converters to help assess their potential for digital growth and profitability



1234

DIGITAL III

enabling your business

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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 benefit from change by exploring each particular business opportunity. Konica Minolta could partner with you to successfully implement this new exciting opportunity.



ABOUT THE AUTHOR

Long regarded as the 'Label Guru', Michael Fairley has been writing and talking about printing, business forms, labels and packaging for some 35 years, both as the founder and publisher of Labels & Labeling and other print-related titles, and as a respected industry consultant providing market and technical research, training, workshops and strategy support to leading industry suppliers and converters.

He has written or contributed to numerous market studies published by organizations such as Frost & Sullivan, Pira, The Economist Intelligence Unit, InfoTrends and Labels & Labelling Consultancy, as well writing numerous technical books that include The Encyclopedia of Label Technology and The History of Labels.

Michael Fairley has been particularly instrumental in educating the label industry about digital printing, writing articles, running Digital Masterclasses and speaking at workshops, seminars, conferences and summits worldwide. He is the author of the best-selling Digital Labels and Package Printing book, now in its fourth edition, which has been incorporated as essential reading within the Label Academy series of education and training handbooks.



1. Introduction

For conventional analogue label converters looking to invest for the first time in digital label printing there is more to their decision making than just buying a new printing press or process. It requires a great deal of evaluation and thought beforehand if the correct decisions are to be made and implemented. Decisions about people, sales and marketing, pre-press capabilities and colour management. Indeed, do you already have the right kind of label work to go digital, or are you looking to create new markets and opportunities to complement your existing flexo or litho label business?

How much do you know about the types of jobs, applications and run lengths of your existing customer base? Are you already being asked to produce shorter and shorter runs or multiple versions? Do you get requests to print sequential numbers or codes? Are lead and delivery times getting ever shorter?

These types of questions can go on. How do you find new business? What marketing exercises do you undertake? Do you have your own website? Are you looking to target new market sectors or new types of customers?

Successful digital label printing businesses will also have to undertake more order processing and more complex workflow when dealing with many more shorter runs and variations. Will your existing MIS or workflow processes be able to cope with ever more throughput? Pre-press too, will almost certainly come under pressure when more jobs have to be processed, while colour control and colour management will become more critical. How ready are you for that?

At the end of the day, investing in digital label printing will mean stepping back and having a critical look at the way you do business, how you liaise through the whole work chain and with customers.

For busy label printers and converters looking to invest in digital printing technologies for the first time the challenge is often to know what questions to ask themselves, who in the company should be involved in the decision making process, what the implications for other departments, or even customers, might be.

It was to assist such companies in their thinking and decision making that this assessment guide has been developed and written for Konica Minolta. It provides many of the questions for you, and gives a choice of question answers, each colour coded, to help determine whether the business is now ready for investing, or if more evaluation or internal discussion may be required before making a final decision.

It is not intended to make the decision for you, but rather to make you think about what is involved in going digital and what will make the investment decisions easier to make. Work your way through the questions and see how ready you are to move into a new era of digital growth and profitability.



2. Your existing business

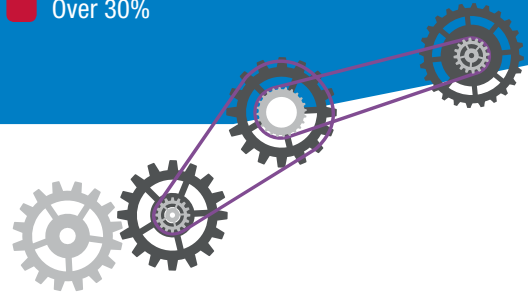
This section is aimed at understanding how well you know your existing label business and how ready you may be to invest in digital to meet current demand and opportunities. Tick the box in each case that you fell is the most appropriate.

1. What was the proportion of total label runs produced in the past 12 months?

- ☐ Mainly under 10,000 run length
- ☐ Mainly between 10,000 and 25,000
- ☐ Mainly between 25,000 and 50,000
- ☐ Mainly over 50,000

2. What percentage of label jobs produced in the past 12 months were repeat jobs?

- ☐ Less than 10%
- ☐ Between 10% and 20%
- ☐ Between 20% and 30%
- ☐ Over 30%



3. How frequently are you asked by customers to produce ultra short run jobs under 5,000 labels?

- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

4. Have you been asked to print multiple versions or variations of customer jobs?

- ☐ Very frequently
- ☐ Fairly frequently
- ☐ At least once a month
- ☐ Not very often

5. Do you turn away work because the run lengths are too short?

- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

6. Do you farm short-run jobs out to trade label printers?

- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

7. Are you asked by customers if you can print sequential numbers or codes?

- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

8. Do you get asked if you have digital printing capabilities?

- ☐ Very frequently
- ☐ Fairly frequently
- ☐ At least once a month
- ☐ Not very often

9. What percentage of label runs in the past 12 months were mainly only in 4 colours?

- ☐ Less than 10%
- ☐ Between 10% and 20%
- ☐ Between 20% and 30%
- ☐ Over 30%

**10. How often are short lead times critical?
Tick as appropriate**

- ☐ Very frequently
- ☐ Fairly frequently
- ☐ At least once a month
- ☐ Not very often

11. Do you find yourself losing business to other converters that offer digital printing. Tick as appropriate.

- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

3. Finding new business

One of the first key challenges faced by conventional label printers investing in digital printing is how do they find enough new business to fill the press capacity? It will certainly mean looking at the existing customer base and analysing whether there is new potential there to market and sell digital. It means looking at new business in specific types of market sectors that require shorter runs, and it means that the sales team has to really understand what digital can offer in terms of making the business more profitable – and hopefully also enhancing their commission opportunities.

Maybe it is already possible to switch certain types of work or jobs from conventional analogue presses to the new digital machine. But who has the knowledge to make these decisions? Do you have any sales personnel capable of consultative type selling, and how are new potential customers targeted – through sales calls, through mail shots and mailers, or through the internet?

The role of sales and marketing will undoubtedly change when digital printing is introduced. The digital portfolio creates a new type of sales and marketing business, together with a different kind of marketing plan. It needs more information about the business to better target potential customers.

The following questions aim to lead the label converter's sales and marketing team in the direction of a more successful and profitable approach to targeting the right type of customers and understanding where the potential for consultative selling opportunities might occur

12. Do you regularly analyse which types of jobs, customers, market sectors are the most profitable?

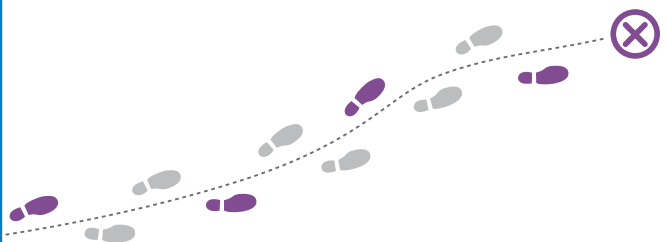
- ☐ Not very often
- ☐ At least once a month
- ☐ Fairly frequently
- ☐ Very frequently

13. Does the sales team use this analysis as a base for finding new business?

- ☐ Very frequently
- ☐ Fairly frequently
- ☐ At least once a month
- ☐ Not very often

14. How do you mostly obtain new business? Tick the appropriate column

- ☐ Sales team plus mailers, advertising, web site, exhibitions
- ☐ Sales team, plus website
- ☐ A mix of internal and external sales
- ☐ External sales team only



15. Are the sales team primarily order takers, sales personal or more involved in consultative-type selling?

- ☐ Consultative-type sales
- ☐ Order taking, some selling and some consultancy advice
- ☐ Order taking and sales
- ☐ Order takers

16. Do you feel that the sales team would know how to sell digital added-value products and services?

- ☐ This is how we try to sell all our labels and they would adapt quickly with some training
- ☐ They already do this to some degree with our conventional printing, and could adapt quickly with some training
- ☐ Probably, with some additional training
- ☐ Probably not

17. Do you have a marketing budget and any marketing personnel?

- ☐ No significant budget or personnel
- ☐ A small budget and a marketing assistant
- ☐ A reasonable budget and a person responsible for marketing
- ☐ A good marketing budget and a marketing manager

18. How are new customers targeted?
Tick the appropriate box.

- ☐ Generally just sales team
- ☐ Mainly sales and the internet
- ☐ Mainly sales, internet and some marketing initiatives
- ☐ We use a mix of sales, marketing, mailing and the internet

19. Do you make use of the internet to promote your business and sell services?

- ☐ We have a comprehensive website that promotes what we do and can generate leads and enquiries
- ☐ We have a website that aims to promote the company and the type of labels produced
- ☐ We have a small website about the company
- ☐ Not at present

20. Do you take a booth at any label user trade exhibitions or shows so as to promote your business?

- ☐ We regularly attend and exhibit at relevant shows and exhibitions that generate new business
- ☐ We exhibit occasionally and attend some shows
- ☐ We attend some exhibitions and shows purely as a visitor
- ☐ Not at present

21. Do you make use of mail-shots or e-mails to stimulate new business?

- ☐ Not at present
- ☐ Only very occasionally
- ☐ Reasonably often
- ☐ Quite regularly

22. Do you place advertising in the local or customer-related media?

- ☐ Not at present
- ☐ Only very occasionally
- ☐ Reasonably often
- ☐ Quite regularly

23. How often do you get to talk to customer marketing teams rather than procurement or buying personnel? Tick as appropriate

- ☐ Not at present
- ☐ Only very occasionally
- ☐ Reasonably often
- ☐ Quite regularly

4. Employee understanding of digital printing

Investing in digital printing is more than just buying a press. To be successful it will involve taking the management, sales, marketing and production personnel with you. If they are all on board then the decision making, investment and personnel challenges and changes will all be much easier to manage and implement. It's very much about commitment within the company – and appreciating that changes will take place.

How is the existing employee base made up? Long established employees that are happy with the status quo, or a newer and younger generation that are familiar with new technology, the internet, IT, I-Pads, and much more, and are pushing for change? Both types of employees are important, but their mix, interests and abilities are certainly important.

How involved is the company in training and employee development. Almost all levels of employee will probably need to have some level of knowledge development or training to get the best out of the new digital investment. Time spent in providing training and development resources, both before and after the press has been installed, will certainly pay dividends.

See how you fare in answering the following questions. Again, there is no real right or wrong answers, only a guide to how much effort needs to be placed into becoming a successful and profitable digital label converter.

24. Are the senior managers and directors all committed to investing in digital printing technology and solutions?

- ☐ We have not fully discussed it as a management team yet
- ☐ We have had some discussions but no full management consensus
- ☐ We have all agreed in principle, subject to further analysis and investigations
- ☐ All the management team and directors are fully committed

25. Do you have a predominately younger production workforce that understands and uses computers, IT, the internet, I-Pads, etc

- ☐ Very much a younger and computer/IT literate workforce. Most employees computer literate.
- ☐ Quite a few younger and computer/IT literate workforce, but with an older management team, some fully computer literate
- ☐ Predominately an older, more mechanically orientated workforce, but many with an understanding of new technology
- ☐ Probably need a fair bit of training to bring employees into the digital world

26. Have any of the production workforce themselves suggested investing in digital printing technology?

- ☐ It has not really come up at all
- ☐ One or two have suggested this
- ☐ A number of them have discussed this with management members
- ☐ We have a works council/committee that raised the topic themselves

28. How do the sales team feel about moving to digital and having to sell on more of a consultative basis?

- ☐ It has not been discussed with them
- ☐ They have concerns about the implications for them and wish to discuss it further.
- ☐ Some feel confident, but other are worried
- ☐ They are pretty confident that with some re-training they will soon adapt

27. Would you need to undertake considerable re-training if digital printing technology was introduced?

- ☐ It has not yet been discussed, but probably quite a lot
- ☐ We have discussed the possibility with some employees and they feel they would need training
- ☐ We would expect to undertake training and development once the new technology has been installed
- ☐ We plan to undertake training and development at all levels before the new technology is installed.

5. Management of the digital production environment

Label converters that have successfully invested in digital printing soon find that they have a greater throughput of (shorter run) jobs, bringing increased pressures on workflow, origination, pre-press, despatch and invoicing. Certain areas of production and workflow can soon develop bottlenecks that slow down production. Not what you need when the promise with digital is for shorter lead times.

It should also be remembered that, unlike conventional analogue printing, changes in colour cannot be made by the operator on a digital press like they can with, say offset or flexo. The origination downloaded to the press front end must be correct to start with. Colours that appear on proofs must be the same as the colours that are printed. Much more effort therefore needs to go into colour management for digital.

Colour proofing is another issue. With short-run digital there needs to be quick way to proof jobs to customers and to get an instant approval. Electronic colour matched proofs, perhaps accessible in the customer's facility, may be the best answer.

If conventional printing processes are also used in the label plant, there needs to be the flexibility to change from conventional to digital, or vice-versa, at the latest stage possible. This means that pre-press must be able to guarantee that the job will look the same in colour and appearance by either process. The end-user cannot tolerate labels on shelves or products looking different if they are printed by conventional or digital, especially if they might appear side by side.

Being able to switch between conventional and digital printing processes also needs a fair degree of workflow automation. Challenges also arise when there may be a considerable amount of re-print jobs, with the need to archive job files and amend or change them at short notice.

The following questions set-out to make you think about or discuss some of these issues in advance of making that important press investment decision.

29. Have you already invested in a Management Information System (MIS) to help manage the business?

- ☐ We have yet to invest in such a system
- ☐ We have developed or installed a basic system
- ☐ We have introduced an MIS system within the last couple of years
- ☐ We have been a long-time user of MIS and it is fully implemented in our business

30. Do you have your own in-house origination and pre-press department?

- ☐ We have a small origination facility and outsource plate making
- ☐ We have origination capabilities and a small platemaking operation
- ☐ We have a good origination, pre-press and platemaking department
- ☐ We already have a sophisticated origination, pre-press, colour proofing and platemaking facility

31. Do you provide any kind of label design facility for customers, or guidelines on how artwork should be provided?

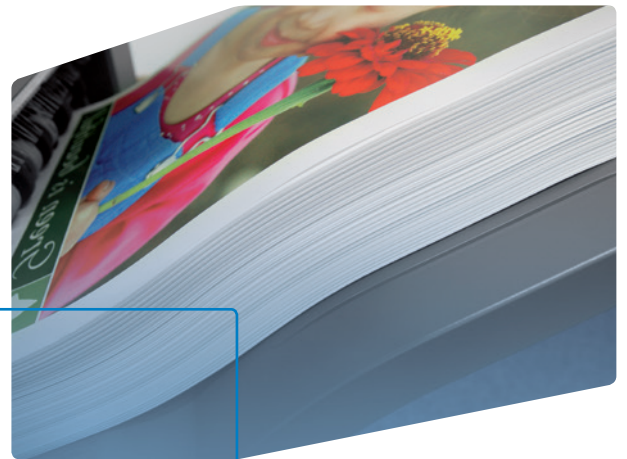
- ☐ Not at the present time
- ☐ We can undertake relatively simple label design for customers
- ☐ We can provide label design, work with customer design teams, and provide design guidance
- ☐ We have our own designer and provide design and artwork guidelines to customer designers

32. Do you make your own plates for conventional analogue label printing?

- ☐ We have sophisticated platemaking facilities for all kinds of work
- ☐ We have quite a good platemaking system for most types of work
- ☐ We have limited platemaking facilities
- ☐ We outsource our platemaking

33. How do you currently colour proof jobs?

- ☐ On the press
- ☐ We use one of the standard colour proofing systems to produce a hard copy proof
- ☐ We use a mix of standard colour proofing technology and electronic proofing
- ☐ We have an electronic colour proofing system and remote proofing to customers on a pre-calibrated customer computer



6. Are you ready for digital

The questions set-out on the preceding pages are designed to make you think about your business in some detail before investing in digital. There are no really right or wrong answers. They are all relevant, and depending on how you have answered each question, provide a guideline as to how ready you are towards implementing a digital printing capability in your business.

Hopefully they have helped to make you think about how you run your business, the type of work you do, your capabilities, and the people involved, and whether changes may have to be made in management, production or personnel. Some routes may take a little longer to be fully ready to invest in digital, but then they can 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 red, then you already have many of the requirements, capabilities and personnel to make a successful transition into digital printing. If you have some other colours, or even only ticked some dark green boxes, this simply indicates areas where you may need to take steps to address aspects that could impact on a successful digital operation. These allow you to take steps before press installation.



You are undoubtedly well on the way to a successful digital label press investment but there are some areas of the business that probably need to be addressed. Highlight all red 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, either before, or after your digital investment.



If your answers are predominately in this light green, it gives you the opportunity to discuss internally, make some changes, and improve these areas before investing in the digital capability. Hopefully you will also have some orange or red areas as well and not too many dark green boxes. You are well on the way to going digital, and have a good potential to be successful digital label converter.



Think how much potential you have if some or all of your dark green ticked boxes can be addressed, changing them to a orange or red. Making changes will most likely also help your existing business to become more profitable, as well as paving the way for a successful digital press investment. Your opportunities for the future are still extremely good.

As already stated, there are no right or wrong answers. They are all relevant and just indicate different states of readiness towards going digital, and perhaps highlight where changes may need to be made. There is plenty of help out there too. Most vendors of digital and ancillary technology, such as Konica Minolta, will be happy to help address some of the challenges and point you in the direction of solutions.

Several thousand label converters around the world have already gone digital. The earlier pioneers didn't even know what questions to ask, but they have successfully come through the transition to digital. Their experiences and their willingness to talk about the challenges they have overcome are there to provide the guidance for future label converters. If they were able to move into digital without knowing some of the key questions to ask, just imagine how successful you can be when many of the questions are set out for you.





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www.digital1234.biz

Presented to you by

Konica Minolta
Business Solutions Europe GmbH
Europaallee 17
30855 Langenhagen 🇩🇪 Germany
Tel.: +49 (0) 511 74 04-0
Fax: +49 (0) 511 74 10 50
www.konicaminolta.eu