

# SPECIAL REPORT

## Where Will Your Company be in Five Years?

### Lessons from AIIM/On Demand

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There is little topline growth in the industry, and we continue to lose a net 1,000 establishments per year in the U.S. Some of those are due to mergers and acquisitions, of course. Many simply close their doors. But how many of them are reclassifying themselves as something else - marketing services providers, for example - because "printing" just doesn't describe what they do anymore? Those businesses - and I talk to many of them in the course of my work - are growing at profitable double digits, and they are taking that growth right out of the industry.

Although our official On Demand coverage has concluded, there was more I wanted to cover along the lines of workflow automation. First, as I reported in my earlier workflow article, Charlie Pesko stated in his keynote, "Every time a human touches a job, you lose profit." He added, "When you add value to documents in production, you increase profits," and pointed out that there is a growing digital divide among printers, stating that if you find yourself on the wrong side of the divide, you will be at a significant competitive disadvantage.

Pesko's call to action for printers to invest in digital workflow that starts with the customer and flows through to invoicing is right on the mark, and as we pointed out, there were plenty of examples on the show floor that demonstrated how that could be done, including a record 16 exhibitors showing integrated marketing communications solutions.

I also had the opportunity to attend the InfoTrends InfoBriefing. This year, there were two sessions, one targeted at the AIIM audience and the other at On Demand, both playing to packed houses. During the On Demand session, Group Director Charlie Corr reflected on NAPL data that shows a tale of two industries, building on Pesko's "digital divide" assertion and bemoaning the fact that few printers in our fragmented industry actually address the entire document lifecycle in their offerings, even though that is clearly what customers want.

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as something else - marketing services providers, for example - because "printing" just doesn't describe what they do anymore? Those businesses - and I talk to many of them in the course of my work - are growing at profitable double digits, and they are taking that growth right out of the industry.

So what do we need to do? Corr identified three high growth attributes of successful firms. They:

**Leverage the Web:** It overcomes distance and time

**Leverage automation:** Only the "super efficient" thrive

**Provide solutions to clients, not print jobs:** You can manufacture print for 40% less in China

And the cynic in me would add, they exit the industry and call themselves something else.

One example of a relatively easy way to leverage automation is to implement a print MIS solution. Corr called the MIS adoption rate in our industry "appalling," and he is right. The blame for that can be laid at the doors of both the vendors - who perhaps haven't made solutions easy enough to use or implement or done enough to educate the marketplace as revealed in recent EDSF research - as well as the printing firms who have failed to recognize the value an MIS solution can bring. InfoTrends data indicates that every 5% improvement in utilization will yield a 10% improvement to the bottom line, and a good MIS implementation has been proven, time and time again, to yield significant improvements in productivity and utilization.

Another way to address all three of Corr's high growth attributes is to take advantage of the convergence

happening between the On Demand (digital printing/workflow) and AIIM (imaging/content management) worlds. This convergence has been quietly taking place, and combining the two shows on the same floor was a stroke of brilliance - if attendees actually take the time to visit both areas.

One company on the show floor that has been an example of this convergence as long as I have known them - back as far in deep, dark history as the mid-1980s - is NEPS. Originally, the acronym stood for New England Programming Services, and the company was founded by industry veteran Denise Miano to leverage her knowledge of technology and of the insurance industry in the delivery of on demand printing solutions for insurance in the days when we weren't even calling it "on demand printing" yet. She was ahead of her time. NEPS was acquired by Moore as its Emerging Technologies division, effectively taking its solutions off the general market for a number of years. But with the RR Donnelley acquisition of Moore/Wallace, NEPS saw the opportunity to take these solutions back to the general market and spun back out as an independent company with all of its associated intellectual property. Reintroducing itself to the industry this year at AIIM/On Demand, NEPS has grown into a well-funded supplier with a strong management team (CEO Bill Lowe has a long history of innovation, including responsibility for bringing the IBM PC to market) and a strong set of solutions that traverse the blurry AIIM/On Demand demarcation. These solutions are augmented by the company's recent acquisition of Art Plus Technology (APT) to provide an incremental level of services as companies work to make their business communications more effective.

At the show, NEPS was demonstrating an integrated workflow that spans two core solutions: NDemand CM (an enterprise content manager) and NDemand PM (an automated production management and web job submission solution). This range makes it one of the few companies - perhaps even the only company - that can provide an end-to-end integrated content through fulfillment

and invoicing solution that allows service providers to grasp the brass ring of Corr's three high growth attributes. In fact, according to Miano, the company is in the process of patenting this integrated approach, and continuing to add more to the mix. NEPS' open systems strategy also makes it relatively easy for its solutions to be integrated with third party applications to broaden the reach even more, and the company has a tenured staff of integration experts that work with clients to make that happen. Look for integration with sales force automation tools such as SalesForce.com to be added in the future, as an example. If you weren't at the show or didn't visit the NEPS booth, and you are concerned about the future of your business in the context of the dire InfoTrends warnings, it is worth a look.

Corr concluded his remarks with a prediction about the survivors, which is worth repeating here. He said, "The über-communications company will emerge. It will:

- address the entire lifecycle of documents in multimedia
- sell document effectiveness
- continue to sell ink and toner on paper
- likely come from the Media side of the business.

And, although he didn't say this, it probably won't call itself a printer. Later in the panel, Frank Romano added that the survivors will be:

- Innovative
- Integrated
- Internet-centric
- Intelligent
- Involved

The entire presentation is available for download, and I recommend you take the time to look through it.

Where will your company be in five years? The answer lies in the actions you take today.



Prior to launching her consulting practice, **Ms. Cary Sherburne** was the Vice President of Marketing Communications and Outsourcing Solutions at IKON Office Solutions. In that capacity, she developed and implemented a branding campaign to build brand awareness for IKON in the marketplace as well as enhance employee pride in the organization, and was responsible for all internal and external communications, including trade shows and events, corporate newsletters, and industry and press relations. In the outsourcing role, she set strategic objectives and priorities for IKON's product and services portfolio in its Outsourcing businesses, including development of programs and sales support materials for that environment.

Sherburne was a Director at InfoTrends, an internationally known firm specializing in market research and strategic consulting for the digital document and print on demand industry, before joining IKON, where she launched and managed the company's Document Outsourcing Consulting Service.

Her tenure in the printing and publishing industry has also included sales and marketing positions at Xerox Corporation, Indigo America and Bitstream. She is a frequent speaker at industry events and a recognized author.

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