drupa Spotlight

2nd drupa Global Trends Spotlight 2019 - Progress on systems integration Executive Summary

Introduction

Welcome to the executive summary of the 2nd drupa Global Trends Spotlight. The 6th Global Trends Report, published in April, is well established as a unique annual survey of the state of print in all markets across the world. However by definition it cannot analyse all issues in the depth we would like. Hence the Spotlight report takes one important topic each year and asks our expert panel to examine it in more detail.
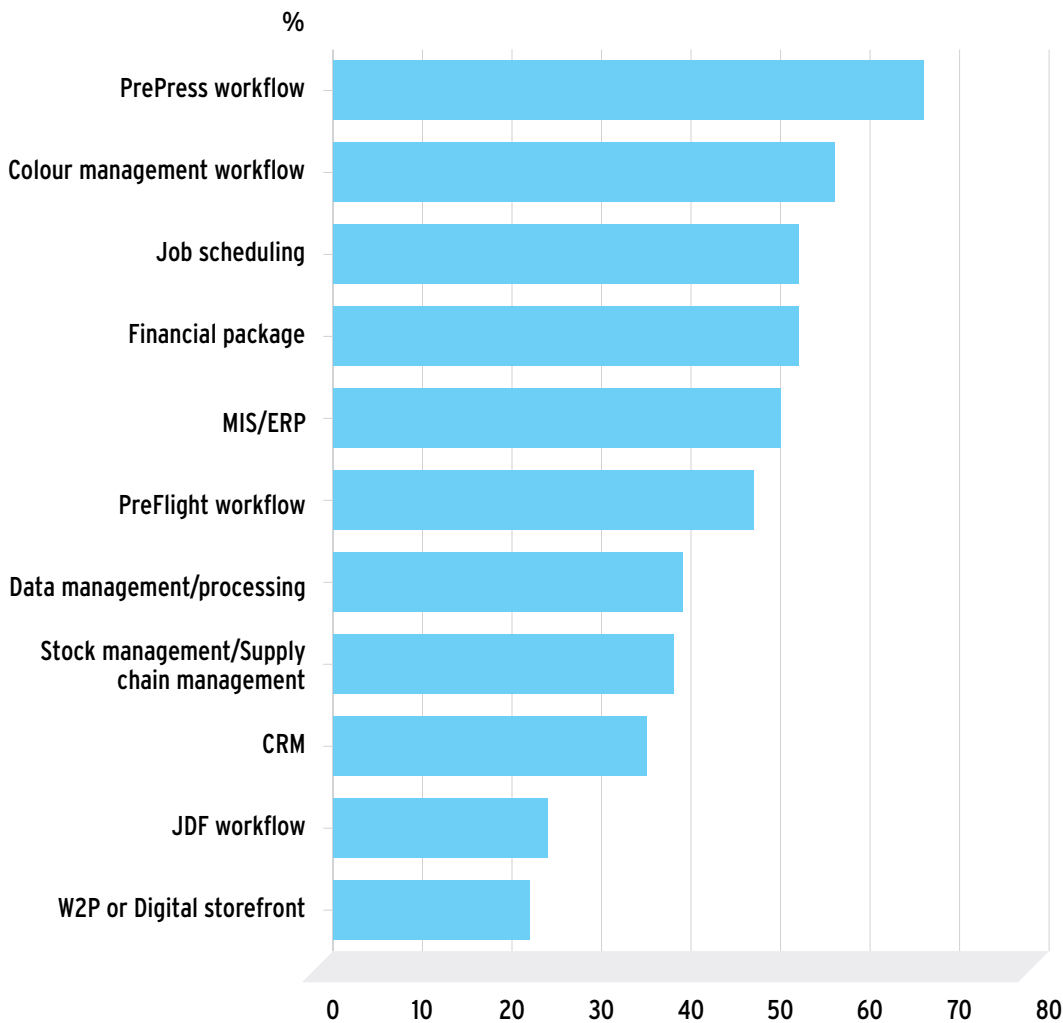
Everyone in the print industry knows that systems integration is essential - the unification of all the various operational and back-office systems into a single integrated workflow that minimises the need for human intervention. Staff must cope with an ever increasing number of orders, often of lower value and with reduced lead times. The alternative is more staff, reducing margins and increasing errors. But systems integration is not easy. Almost 700 participants (528 printers and 164 manufacturers and suppliers) completed the survey, and were frank in reporting how challenging this topic is, but also how critical it is to make progress.

Messe Düsseldorf, in its role as drupa organiser, thanks Printfuture (UK) and Wissler & Partner (Switzerland) for conducting and authoring this Spotlight. We would be pleased to receive any feedback, so send us an email to drupa-expert-panel@drupa.de.

The drupa team
August 2019

PRINT FUTURE

Messe Düsseldorf

IT systems used globally

%

PrePress workflow	
Colour management workflow	
Job scheduling	
Financial package	
MIS/ERP	
PreFlight workflow	
Data management/processing	
Stock management/Supply chain management	
CRM	
JDF workflow	
W2P or Digital storefront	

0   10   20   30   40   50   60   70   80

Chart 1 Which of the following systems do you have?

In general terms, the larger the printer, the more systems they have. So the smallest companies have just 3.5 systems on average and the largest 7.7[1]. There was very little sectorial variation but there was more variation between regions – with the economically more developed regions using more. Fewer systems usually mean more manual intervention in all processes and consequently more staff, and probably more errors and slower lead times.

PrePress workflow is the most common in use globally at 66%, with the smallest companies less (45%) and large companies more (82%). There are no huge sector or regional variations. Next most common is Colour Management software at 56% globally, probably due to the automated colour control now available on both offset and digital presses. Colour Management is more common in the larger companies but there was no significant variation by sector and it was fairly even globally, although the less developed regions were below the average.

The third most popular IT system is job scheduling at 52%, which by definition is closely linked to the next most common system, MIS/ERP at 50% (smallest printers only 25% and large printers the highest at 70%).

1. To shorten the report we shall describe the size using the following wording for the number of staff on site: 'Smallest' 1-19 staff, 'Midsized' 20-99 staff, 'Large' 100-999 and 'Largest' 1000+.

Regionally there was a wide variation in MIS from 18% (Middle East) to c.66% (North America and Australia/Oceania). Yet an established and reasonably efficient MIS/ERP is an essential prerequisite to any systems integration, as it is the channel through which all data should flow.

There is little point in attempting to integrate IT systems, if your current IT operational practices are poor. The next chart indicates that progress is mixed in implementing good practice. One striking result was that 71% of printers still prefer a software license rather than online 'software as a service' (SAAS) and this was true across all sectors and regions and for all but the largest companies. The suppliers seem to accept that view, for now, because of those that offer/support IT systems, 76% do so via a license.

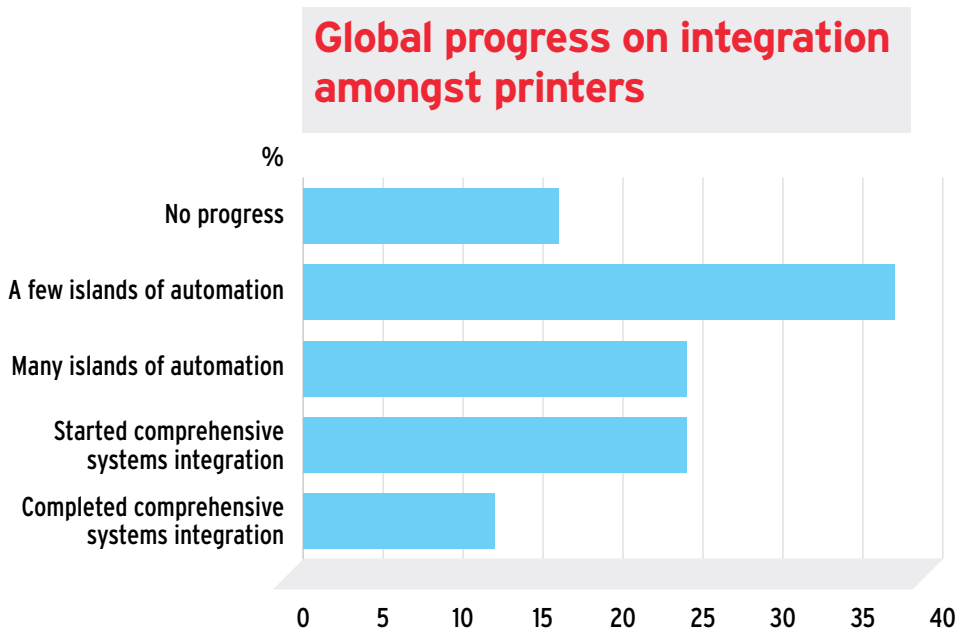## Printer implementation of IT good practice
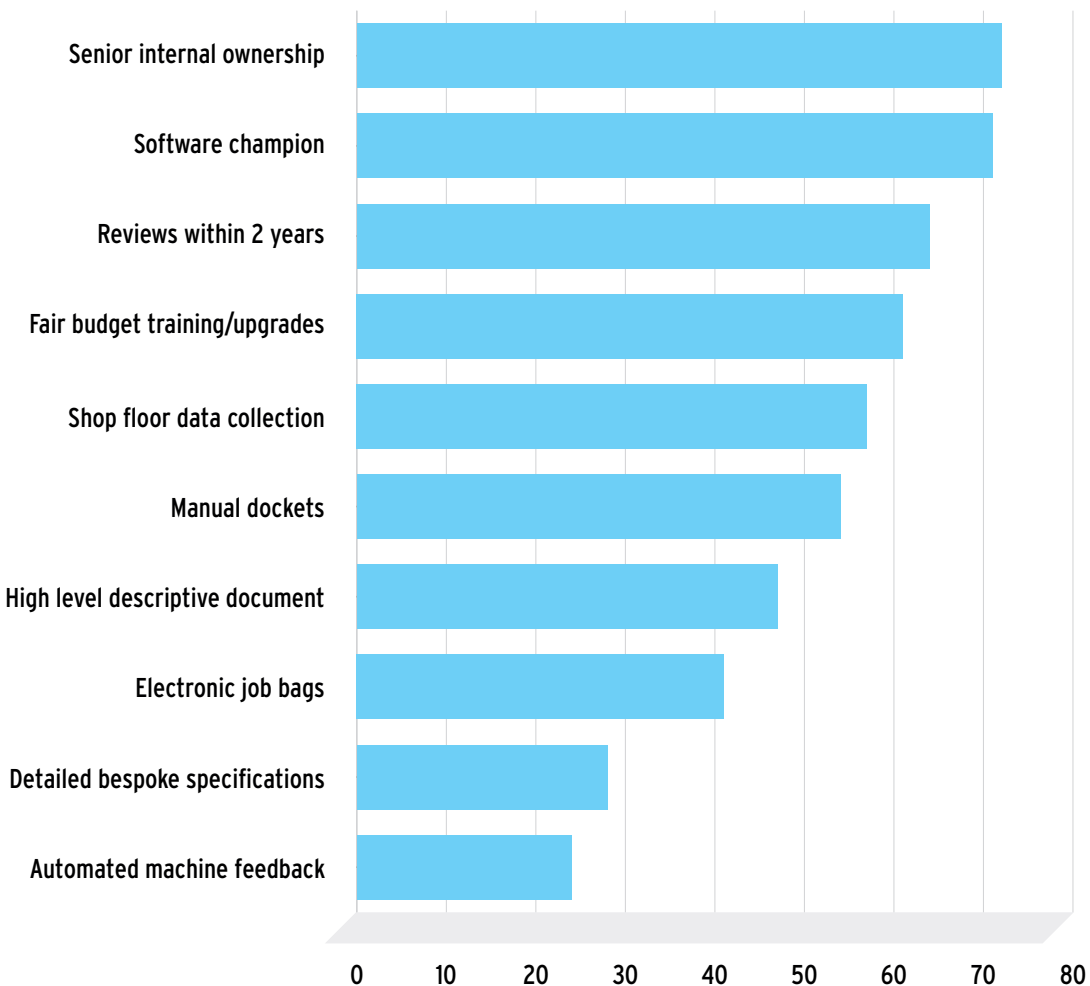
Chart 2 Have you implemented the following processes? (The exact wording varied to explain the process more fully.)

We asked the printers what progress they had made on integration: As might be expected the larger the company the more progress that has been made. Commercial printers have made more overall progress than in Publishing and Packaging. By region, Australia/Oceania and North America show most progress and Asia and Africa the least.

For those printers who replied they had made 'no progress' on integration, we asked why.

50% stated insufficient funds/resources and 40% the lack of skills/specialist knowledge. These are perfectly reasonable reasons particularly for the smaller companies, but in due course this may prove their undoing. For those making progress, 69% stated they were working with their existing systems, whilst 31% were starting afresh with a new core package.

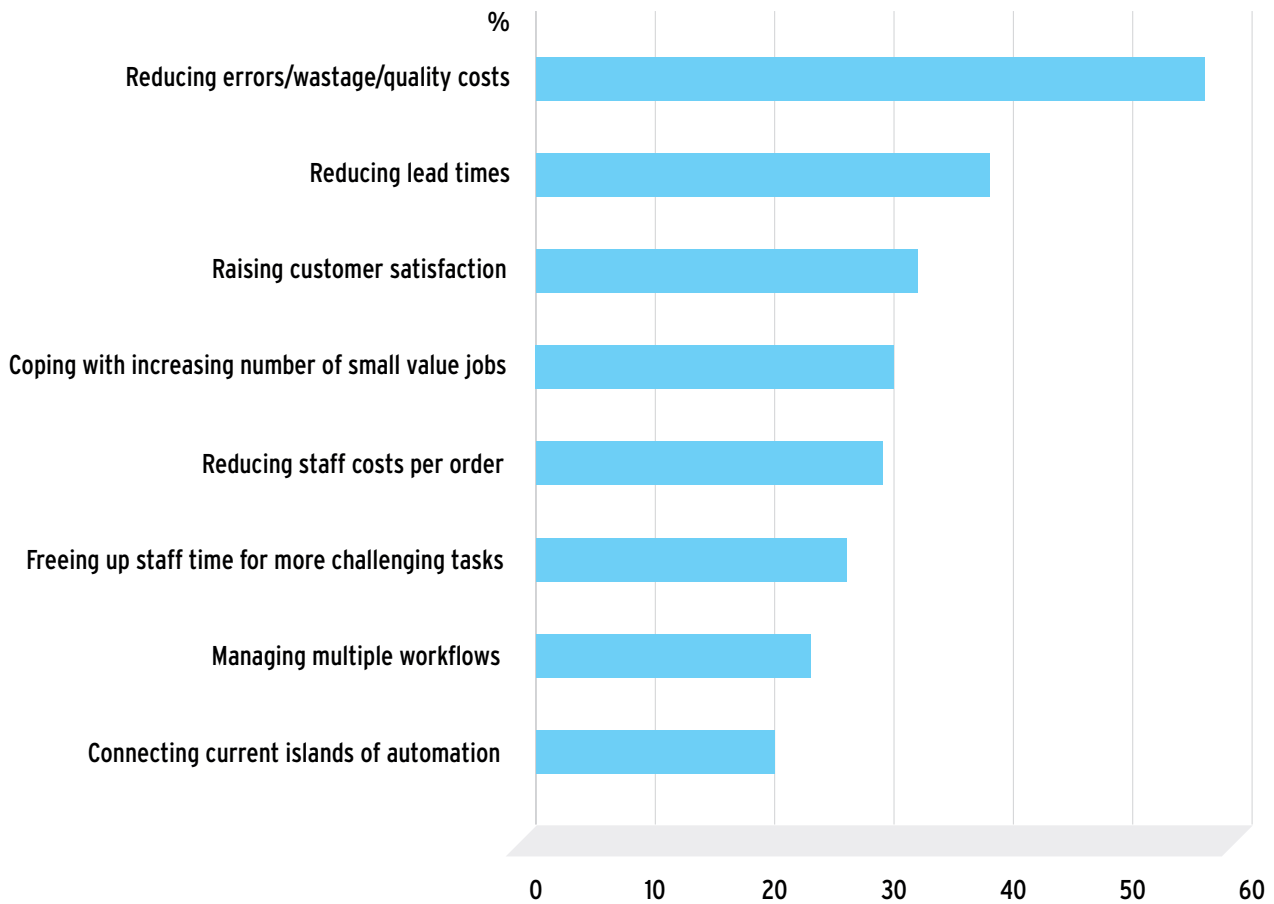## Global progress on integration amongst printers

Chart 3 What progress have you made on systems integration?

Those printers making progress were asked what were the biggest challenges. The stand out item was the sheer complexity and scale of the project (62%). Suppliers had a somewhat different view with 46% stating that the challenge was the lack of awareness of the importance of the issue by customers in general, followed by 37% stating the sheer complexity of the task and also 37% the lack of specialist knowledge in the customers' teams.

All those making progress were asked the main benefits observed. By far the most common chosen was reducing errors/wastage/quality costs (56%) followed by reducing lead times at 38%. We asked the same question of the suppliers and their answers were almost identical to those from the printers.

Main benefits of integration

%

Reducing errors/wastage/quality costs	
Reducing lead times	
Raising customer satisfaction	
Coping with increasing number of small value jobs	
Reducing staff costs per order	
Freeing up staff time for more challenging tasks	
Managing multiple workflows	
Connecting current islands of automation	

0   10   20   30   40   50   60

Chart 4 What have been the main benefits?

Finally all printers were asked how important a priority 'systems integration' was for them in 2019. An impressive 71% stated it was either the top priority or an important priority. Suppliers were somewhat more conservative, with 45% stating that systems integration is either the most common issue raised by customers or a common issue.

For those proceeding with integration, the following comments from printers may assist:

"The key to success is to plan the architecture for the future not for now"

Packaging printer, Great Britain, 20-99 staff

"The main challenge is the buy in from all staff. We had to make internal staff changes to get the project to completion."

Packaging printer, Ireland 100-999 staff

"The first difficulty is to identify a good trustworthy industry knowledgeable supplier. We had the bitter experience of engaging 3 suppliers who left us half way, finding it too difficult to understand the complex nature of the processes and their automation demands. Second, is the communication gap between I.T. savvy youth and senior print/packaging industry technocrats which makes it more complicated and the developers getting confused."

Publishing printer, United Arab Emirates, 20-99 staff

"Our business growth is down to the high level of integration that we have been able to achieve, this is a continuing challenge that will continue to deliver operational and financial improvements."

Commercial printer, Great Britain, 100-999 staff

"Two aborted attempts in the past 7 years. Both were at least partial failures. The knowledge gained through those attempts have led to a very comprehensive approach with a proven system scheduled for completion by end of 2019."

Commercial printer, USA, 20-99 staff