

Case Study

Pensord
Commercial printer
Production Print

Ricoh and Heidelberg help Pensord enter new markets and add significant value to existing litho business



When Pensord, one of the UK's leading trade magazine printers, recognised a change in demand for traditional litho print services, it took a strategic decision to diversify its business and set up a digital print unit.

Pensord Digital, which has been developed around Ricoh/

Heidelberg Linoprint digital print technology, has been a huge success. Not only has it opened up new markets and new revenue opportunities, it has enhanced and added value to Pensord's traditional litho operation.

Executive summary

Name:	Pensord
Location:	Blackwood, South Wales
Size:	150 staff
Activity:	Commercial printing

Challenges

- Change in customer need and demand for litho print services
- Decreasing prints runs, increasing diversity
- Open up new market and new product opportunities

Solution

- Ricoh/Heidelberg digital print technology and partnership
- Creation of a new digital print business unit

Benefits

- Creates profitable revenue streams in new markets, whilst expanding the product portfolio to target new audiences
- Complements the existing litho services
- Increases ability to deliver faster, one-stop-shop print solutions
- Deepens existing customer relationships, strengthens customer loyalty
- Reduces the need and cost of outsourcing print work

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Challenges

Pensord is one of the leading trade magazine printers in the UK. The company was set up in 1969 and today prints over 300 subscription-based titles every month in sectors such as healthcare, education and the oil and gas industry. The average print run for each publication is 6,000, with the smallest around 500 and largest at around 20,000. Pensord offers a broad range of services which include not just printing but also publication mailing, e-magazines and apps. Additional, non-contractual work includes one-off print jobs, such as magazine inserts, usually for existing customers.

Pensord is a traditional printer using lithography (litho) equipment, predominantly from Heidelberg. But over the last few years the business has noticed a shift in customer demand. Karl Gater, Operations Director for Pensord, says, *"Although there's been a lot of talk about the web and the death of print, in reality it is print and electronic media sitting side-by-side. The impact on print media is that niche is becoming even more niche, for example a nursing magazine splitting into multiple titles specialising in the many fields of nursing. That leads to more diverse products but also shorter print runs. And this is where digital starts to come into its own because short print runs start to become less cost effective on litho."*

Until recently, businesses like Pensord faced a number of challenges when trying to enter digital printing. These included cost, perceived complexity and quality. However, that has changed significantly - especially in terms of quality - driven by digital print technology pioneers like Ricoh. In response to the change in demand from customers and the potential to develop new products and open new markets, Pensord took a strategic decision to broaden its service offering by setting up a new business unit built around Ricoh digital print technology.



Pensord had looked at a number of different digital print technologies and suppliers including HP Indigo, often the first choice for digital print technology. Gater says, *"I've seen some Indigo digital printing and to be fair, we prefer the quality we get from the Ricoh technology. It depends on what you are looking for, but we wanted something that matches our litho quality, that is reliable, and can print on the paper substrates that we use for litho. That's what we get from the Ricoh technology."*

Solution

Pensord has set up Pensord Digital, the company's new digital print division. Heidelberg is Pensord's main print equipment supplier, so Ricoh and Heidelberg formed a strategic technology partnership to deliver a Ricoh Production Print solution to Pensord. In particular, Heidelberg and Ricoh worked closely to ensure the digital print operation complemented and integrated with Pensord's existing litho operation.

The Ricoh and Heidelberg solution comprises two Ricoh/Heidelberg Linoprint digital colour presses, along with booklet making, binding and other finishing equipment, to enable Pensord Digital to provide a complete, end-to-end service to customers.

The company wanted a fresh approach to its digital print service so Pensord Digital is located near, but on a separate site to the litho print operation. It has three staff with design and other backgrounds rather than print experience, who are able to offer customers a one-stop-shop solution, which can include some basic design services. In addition, Pensord Digital has a web-to-print service which helps to make the service fast and efficient for customers.

Benefits

"Being able to build a digital print capability based on Ricoh/Heidelberg Linoprint digital print technology has been strategically important to Pensord. It has opened up new areas of business for us, but it also enables us to deliver a more complete package to existing customers. It means we have a better tie-in with customers, it reduces the need to outsource work and it helps to cement our customer relationships," says Gater.

One of the most important benefits of the Ricoh digital presses for Pensord's new business unit has been quality. Gater says, *"The quality of the Ricoh/Heidelberg Linoprint digital print technology is phenomenal. We print the industry's main trade publication *Print Week*. As a quality test, we printed one copy on litho and one on digital and then asked our customer care team to compare them. Most people found it almost impossible to tell them apart. In fact, many preferred the digital print version because colours were more vivid and brighter."*

continued overleaf

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Another important aspect of Pensord Digital has been the ability to enhance the existing litho offering, but also to offer new services. The high-quality, short-run capability of digital has given Pensord a range of new print services and access to new markets and new customers. This includes quick, low-volume jobs such as invitations, business cards and business stationery. Typically, the company is able to turn round digital print jobs in as little as 24 hours.

One way in which Pensord Digital improves its litho business is prototyping. If a customer wants to launch a new magazine, digital print means that just one prototype copy can be produced for as little as 10 percent of the cost of litho. The customer can print a few copies for presentation and then use litho when the publication is launched and can benefit from high-volume litho print runs. Pensord has used this to help several Pensord customers and prospects to test out new projects.

Pensord is also using its digital print capability to increase the quality and value of its litho print services. One of Pensord's regular jobs is printing *Wales Business Insider*. Now Pensord Digital can produce several front cover variations using its Ricoh digital presses, while printing the main body of the magazine on litho. The publication can be more targeted to specific or regional audiences and can have different front-cover advertisements, which can increase revenue potential.

The Ricoh solution is also helping to increase business oppor-

tunities with existing customers. Magazine publishers are setting up and managing events as an additional revenue stream and events require a lot of different, but low-volume print items. Event attendees spend a lot of money booking tables for themselves and guests. Using its new digital print capability, Pensord is able to offer the facility to have award programmes, menus and even glasses printed with advertisements, information and names specific to each table and even each individual on a table. It is making the experience much more personal for attendees and further improves Pensord's ability to expand its service portfolio, increase revenue and retain existing customers.

In its first year of operation, Pensord Digital has far exceeded expectation. Revenues have covered most of the set up costs and now the business unit is on course to double turnover and deliver a healthy profit.

Gater says, "When we started out on the Pensord Digital journey we didn't know how good it would prove to be, what a great experience it would be or how much it would enhance and add value to the whole business."

Ricoh Solution/Products

- Ricoh/Heidelberg Linoprint CP digital colour press
- Digital print finishing equipment

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Karl Gater, Operations Director, Pensord

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