

# ANALYSIS

## THE WORKFLOW CONUNDRUM

PROFESSIONAL SERVICES FOR SOFTWARE AUTOMATION

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## Introduction

With large numbers of jobs to process, difficulty in filling open positions, and the desire to be more competitive, many print service providers (PSPs) have chosen to automate their workflow processes. Even so, they have difficulty achieving their automation goals for a variety of reasons—an important one being the inability to effectively use the software tools that they already own. In the past, PSPs frequently purchased off-the-shelf, one-size-fits-all software solutions that they hoped would solve those problems. Often, these software tools did not have the desired effect. Getting employee buy-in, finding internal champions of the new process, and simply getting the tools to work were significant challenges.

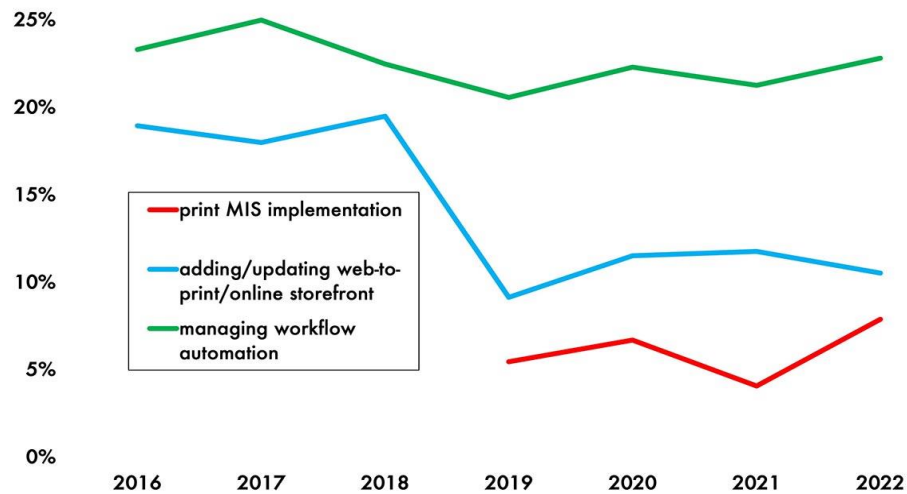
Today's PSPs are rethinking how they approach software solutions for automation. SaaS (software as a service), cloud solutions, and modular plug-in tools are all presenting new options. This document explores how PSPs are working their way through the automation software landscape with the help of internal process champions, increased software use, and professional services from their software providers. Although PSPs continue to struggle with paying for professional services for workflow automation, this is an important route to explore for future success.

## Market Challenges

The printing industry portal WhatTheyThink has been asking PSPs about their business challenges for many years. When asked about their top software challenges, managing workflow automation consistently comes out on top.



Figure 1: Software- and Automation-Related Business Challenges



Source: WhatTheyThink Business Outlook Surveys, 2016 – 2022

Managing workflow automation comes in well ahead of issues related to web-to-print and online storefronts as well as implementing print management information systems (print MIS). Concerns with this final issue have held fairly steady since 2016.

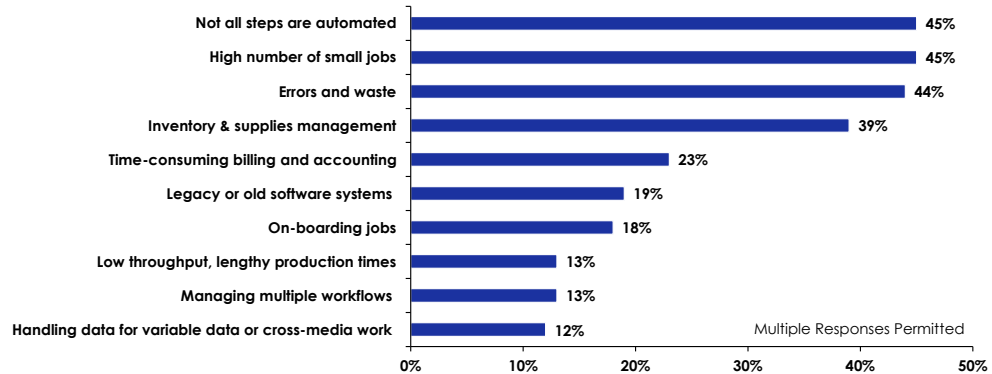
According to Keypoint Intelligence's most recent software investment survey, four items came out on top as the biggest workflow issues:

- ◆ *Not all steps are automated:* High levels of automation tend to happen mainly in sites that focus on a limited set of applications and/or choices (e.g., labels & packaging or online promotional items). Complete automation is much more difficult for commercial printers and in-plants that typically handle a wide range of job types.
- ◆ *High number of jobs:* As run lengths drop and job submission through online sources increase, the number of jobs a typical PSP receives has increased. It is unrealistic to think that all these jobs can be effectively managed with existing manual workflows.
- ◆ *Errors and waste:* Poorly handled client communication can lead to unhappy customers and the need to re-run jobs, which hampers profitability. Effective customer approval workflow solutions can reduce this.
- ◆ *Inventory and supply management:* The pandemic has exacerbated supply chain issues, making it even more important to have a handle on your store of consumables (e.g., plates, ink, toner), substrates, envelopes, and other necessities.



Figure 2: Top 10 Workflow Issues

Which of the following are significant issues or inefficiencies in your printing operation's current workflow?



N = 84 PSPs

Source: North American Software Investment Outlook; Keypoint Intelligence 2022

## What the Experts Are Saying

Market analysts who write about workflow automation and professional services offer some excellent advice and recommendations. Four respected sources who have written extensively about workflow are Cary Sherburne, David Zwang, Jennifer Matt, and Greg Cholmondeley.

### Software Vendor Perspectives

Cary Sherburne, a Senior Editor at WhatTheyThink, recently interviewed three key software providers for her article, *Stop Buying Sticky Notes: Print Software Providers Are Developing Software to Evolve with Your Company*. Here are some highlights:

- ◆ Alevant is probably best known for its Pressero web-to-print solution for business-to-business (B2B) and business-to-consumer (B2C) online storefronts. Regarding professional services, Alevant CEO Greg Salzman remarks, "We've seen a lot of customers that have strategically decided not to hire the staff internally to manage the software, but to use our professional services. If they need something done, they just contact us and we do it for them. Depending on their needs, this services-on-demand model can be more cost-effective than a full-time employee. They are also guaranteed a result in a timely fashion and with more predictability."
- ◆ eProductivity Software (which you will likely remember as the recently spun-out software component of EFI) offers packaging and print software solutions that cover print MIS and ERP, e-commerce, and other industry-specific solutions. eProductivity Software has a long history of on-premises software solutions and is now offering some cloud-based components and is very focused on moving its solutions to the cloud with software-as-a-service as a licensing mode. Nick Benkovich, Vice President of Portfolio Product Management, noted, "Historically, we were an MIS company that incidentally sold other enabling technologies. What's been a quantum shift for us and for our customers is that many of them are not going to buy everything from one vendor. We have customers that are using Oracle or Microsoft Dynamics as a base, and they just want a scheduling solution or a data collection solution or an e-commerce web2print



solution or an imposition solution. We built a framework that essentially allows them to plug that technology in.”

- ◆ Heidelberg is best known as a printing press manufacturer, but its Prinect Production Manager printshop workflow tool is used in many commercial print, packaging, and label printing environments. Prinect is now being ported to a cloud-based solution called H+. Heidelberg’s reasoning is to provide its customers with the latest technology while also offering the most up-to-date data security. John O’Donnell, Heidelberg’s Vice President of Product Management for Prinect and Equipment as a Service (EaaS), points out that some highly application-focused environments, such as packaging, can easily handle one workflow path with a single software vendor. He notes, “...a commercial printer that has a mix of labels, some packaging, and a brand-new inkjet press is more likely to require a hybrid workflow. Here we already support many of those requirements and continue to look for more opportunities to expand this approach; in the end Prinect streamlines manufacturing and eliminates touchpoints.”

### Integrating Processes

David Zwang, Principal Consultant for Zwang & Company, includes some interesting perspectives in his recent article entitled *Off-the-Shelf Software Is No Solution: How to Customize a Software Solution That Solves Your Workflow Needs*. He notes that in his interactions with PSPs, he has come to learn that three processes are key in understanding a shop’s workflow requirements:

- ◆ The Front Office – For job submission and onboarding
- ◆ The Back Office – For management information systems (MIS), enterprise resource planning (ERP), and accounting
- ◆ Process Management and Production – For processing the jobs into final deliverables

Zwang’s point is that these three independent areas ultimately need to be tied together through an efficient workflow infrastructure. He believes that focusing on any single area without considering the others typically results in a “dysfunctional and inefficient solution.” The market trend toward modular, plug-in tools suited to workflow integration has the potential to provide the type of workflow connectivity required to unite these three disparate process areas, through support for application programming interfaces (APIs). From an implementation perspective, the question is, Who performs this work—is it your own employees or do you find this help elsewhere?

### The Employee Factor

Jennifer Matt, President of a print software consulting firm called Web2Print Experts as well the managing editor of WhatTheyThink’s Print Software, recently published an article entitled *The Labor Challenge of Print Software Expertise* that discussed the hiring implications of software automation. One of her points is that software simply represents



the potential for improvement. It is your people who will generate a return on investment from your software spending.

Matt notes that PSPs often run into business issues when their internal Print MIS expert retires or takes another job. Even if this person didn't have the "Print MIS Expert" title (they could be a production manager or an estimator), that was an important part of their role. When that person leaves the business, their expertise is lost. So Matt makes a point of asking PSPs who their internal software expert is, because the answer can be revealing. When a business is facing workflow business issues, she most commonly hears responses like "We had a guy...", "I don't know," or "I guess it's me."

The real advantage of having an internal software expert is that it enables your business to escalate issues internally before reaching out to your software provider. This facilitates communication with the provider while helping to build internal expertise. Matt sees a profound change in communication with a software provider when an internal expert is clearly identified. This is because having someone in that role creates a sense of ownership of the software and allows you to solve minor issues internally. It also filters out problems that Matt describes as "the way our business uses the software" issues. These aren't issues with the software as much as they are about how your shop is using the software. These issues are best dealt with internally. They cause confusion when elevated to the vendor. When your internal Print MIS/ERP expert serves as the primary contact with your software provider, it improves communication, filters out less vital issues, and more effectively leverages your relationship with them.

### Software Investment Trends

Greg Cholmondeley, Production Workflow Principal Analyst at Keypoint Intelligence, runs an annual software investment survey that is targeted toward in-plants and PSPs. His latest survey posed 38 questions to a group of about 150 respondents in North America. His key conclusions are as follows:

- ◆ SaaS implementations have reached or surpassed licensed software in print production sites.
- ◆ Commercial printers are not increasing their investments in software (in-plants are somewhat more willing to pay).
- ◆ Workflow software adoption is slowly improving but still has a long way to go.
- ◆ All types of PSPs are more likely to upgrade their printing hardware than they are to upgrade their software assets.

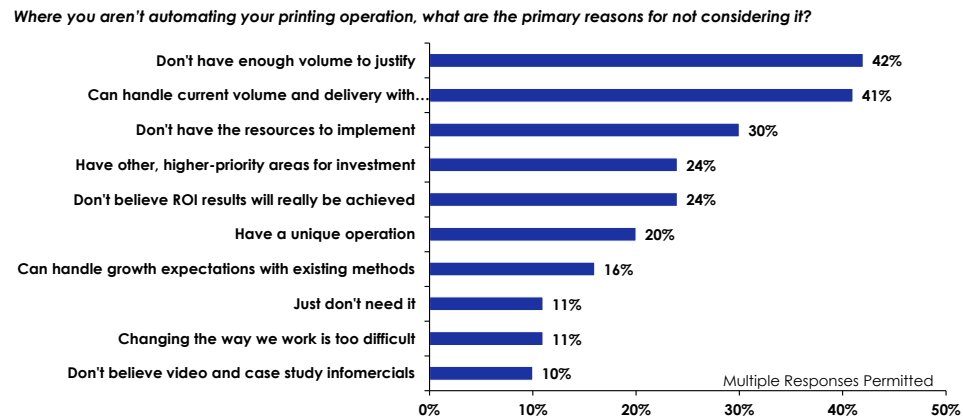
Although PSPs struggle with issues related to integration, increasing job volume, errors, waste, and inventory management, they are hesitant to invest. In fact, many PSPs without



high levels of automation do not see it as an issue since they believe that they can handle current volumes well enough with existing methods. This is not a good long-term strategy.

Across all categories, the top reasons that PSPs do not wish to automate are shown in the figure below.

**Figure 3: Top Reasons for Not Automating**



N = 84 PSPs

Source: North American Software Investment Outlook; Keypoint Intelligence 2022

For static digital production print, respondents say that around 80% of their work is automated to some extent. That share is slightly higher for variable data production (85%) and markedly lower for offset and wide-format digital printing (in the 55%-65% range).

## What Are Your Next Steps?

Although automation requirements vary widely from one PSP to the next, there are some important trends that everyone should act on:

- ◆ *Evolve and invest:* Acknowledge that the software market is changing and that modular, plug-in, and cloud-based solutions are becoming the norm. Be sure that your budgeting process reflects the need to support developing the internal expertise and/or procuring professional services where needed.
- ◆ *Look at the workflow implications from a business-wide perspective:* Equally consider the production workflow issues across your front office, back office, and production capabilities.
- ◆ *Develop an internal advocate:* Clearly identify and support the work of an internal software advocate (or team of advocates) whose role it is to assess and address software issues before elevating them to customer support with your software partners.
- ◆ *Clarify your company's software strategy:* Determine the extent to which you wish to build internal support for these issues versus leveraging customer support and the professional service capabilities of your software partners.





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# opinion

## The Bottom Line

In the end, your decision is not about whether to use professional services, it is about how you want to handle your workflow automation strategy. Do you want to staff and run this operation yourself, do you want to rely solely on the expertise of a third party, or do you want a combination of in-house capabilities supported by third-party resources? All are potential paths. Many of you might want to follow that middle road where you develop an internal advocate who can handle problems as they come up and address them through training and consulting, but who knows when to escalate issues to your service provider. This internal resource will also be well-positioned to know when your needs go beyond basic product support and into deeper areas where professional services can pay off, such as adding new features/capabilities and integrating with other workflow tools.



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Consultant Emeritus

Jim Hamilton is a well-known industry analyst who serves as Consultant Emeritus for Keypoint Intelligence's Business Development Strategies and Production Printing consulting services. In this role, Mr. Hamilton supports the areas of production digital printing, wide format signage, labels & packaging, functional & industrial printing, production workflow & variable data tools, document outsourcing, digital marketing & media, customer communications, and business development.

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