

# White paper is not so plain anymore

Breaking your reliance on pre-print can lead to lower costs and new revenue



## WHITE PAPER

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Few organizations are prepared to revamp their print and mail organization overnight—but even fewer are prepared to stand still as the industry discovers innovative ways to cut costs and connect with customers.

One of the more dramatic shifts in recent months involves the growing interest in plain white paper. In this new print-to-mail environment, companies can say goodbye to pre-printed forms and start each job with blank paper and white envelopes. The reasons are simple enough: inkjet technology now delivers the speed, print quality and per-piece affordability that mailers demand.

By combining high-performance printing with data-driven, high-integrity software, you can print black and white or full color, variable content “on-the-fly” as part of your normal print and mail production run.

### The two sides of white: cost reduction and revenue growth

If you are like many organizations, you have a process in place that involves pre-printed forms, inserts, buckslips and envelopes—so this may be a great place to start identifying opportunities to reduce cost and generate new revenue.

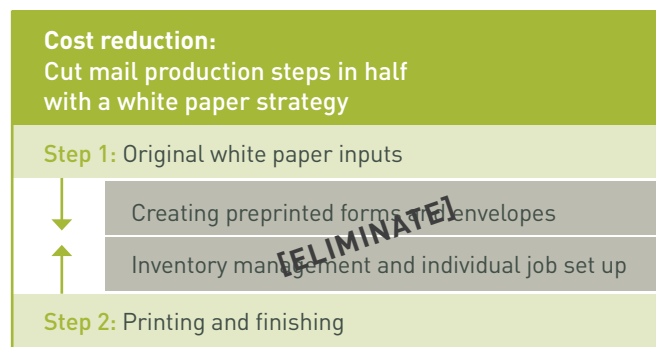
On the cost side of the equation, expense-reduction generally falls into three areas:

- **Inventory management.** The time and effort spent coordinating advance print runs can be extensive, especially for organizations that mail using several types of forms and branded envelopes. In some cases, the exact quantity of forms and envelopes required is not known until the final mail file is produced, so most managers will print more than what’s needed to ensure they don’t run short—paying for “overs” that are simply not required. Others order large supplies in advance, and then store these materials over the course of the year. Unfortunately, document revisions are sometimes required as companies revise their terms and conditions, update logos or change offers—where old forms are discarded and new forms printed, starting the cycle over again. Together, the cost of inventory management, overprints, storage and waste could easily add 10 percent or more to the cost of production—totaling tens if not hundreds of thousands of dollars a year.
- **Job set up.** Labor remains one of the largest day-to-day expenses for any print and mail operation, and finding new ways to increase productivity is critical to long-term success. By starting every job the same way—with a clean, crisp white paper—companies can avoid the time and effort spent retrieving, loading, refilling and restocking different forms and envelopes for every single job. The limited

number of feeders required also provides for a smaller footprint. You can also eliminate the potential for errors from loading the wrong form, insert or envelope.

- **Job consolidation.** Once you have the basics down pat, you can tackle even bigger cost-saving opportunities—and job consolidation ranks high on that list. In simplest terms, this involves consolidating print streams from multiple jobs into a single print run. As all of the content is data-generated and printed onto the same plain white paper, there is no limit to how many jobs you can combine. Different logos, different messages, different return addresses, different page counts—it doesn’t matter. Everything is driven by the data within your existing print streams.

Companies with more sophisticated communication management capabilities could even opt to route one-off correspondence to a centralized print and mail operation, gaining significant economies of scale. In addition to productivity and general print efficiencies, job consolidation also opens the door for greater postal savings, as you can comingle and presort all of your mail together to maximize discounts.



While it is likely that cost reductions alone would more than fund any investment in white paper technologies, the long-term profit picture on the revenue side of the equation is even more promising—especially when you look at the impact it can have on enhancing customer relationships.

- **Openability.** Your transition to white paper production could begin with inline envelope printing. Studies show that consumers are 70 percent more likely to open a mail piece with color text and graphics on the front before opening pieces with no headline or graphic<sup>1</sup>—and results improve even more when these messages are personalized. Today, you can imprint an address, postal barcode, logo, return address, targeted message and targeted image in black and white or full color in a single pass—all at production-level speeds.
- **Upsell and cross-sell.** Pre-printed forms and inserts offer opportunities for mass marketing; but as consumers are bombarded with 3,000 messages or more every day, these

one-for-all offers rarely hit their mark. When 100 percent of your content can be personalized based on customer profiles, transaction history and demographics, you can break through the noise and speak to customers as individuals, on their terms, using the most relevant offer. You can use any or all of the existing “real estate” on your documents to support your case. You can transform your transactional statements into highly personalized, data-rich customer communications that can drive real revenue opportunities for your organization.

#### Revenue growth:

*What’s printed on the front of the envelope strongly influences when and whether people open it.*

*A Leflein Associates of Ringwood, New Jersey study<sup>1</sup> showed that participants were 69% more likely to open a mail piece with color text and graphics on the front before opening pieces with no headline or graphic.*

- *Given a choice of color graphics or black and white text, participants indicated they were 247% more likely to open envelopes with color graphics first.*
- *57% of participants indicated they hardly ever noticed what was printed on the back of the envelope when sorting through or opening their mail;*
- *However, as with the front of the envelope, the study indicated that the presence of color text and graphics on the back was significantly more likely to influence their decision than black and white only.*



- **Real-time relevance.** Consumers today are used to instant messages and chat. In a pre-print environment, however, many content decisions must be made weeks, if not months, in advance. So mail recipients often receive notifications promoting programs they already accepted or declined—wasted efforts that can drive the perception that you don’t know or care about your customers. In many cases, marketing executives within your company have come to a similar conclusion, but are simply unable to incorporate recent learnings or service alerts into their communications because the current process is too inflexible. With the ability to produce 100 percent variable data you can implement relevant messaging with speed and accuracy for more precise communications.

Even if your organization is not prepared to conduct 1:1 messaging today, you can migrate toward white paper solutions now based on cost efficiencies, then move onto more advanced applications when you’re ready—without having to spend more money.

#### Getting started can be easier than you think

Creating your own white paper strategy is not an all or nothing proposition. You can start building these capabilities from any point in the value chain and leverage existing equipment to round out the process. Consider where you have the most waste and lost opportunities today; and think about which applications would benefit most from the flexibility of inline inkjet printing. You could start anywhere—with envelopes, inserts, statements, or data. While the migration to variable print processes may be inevitable, the speed and timing are up to you. Ultimately, though, you want to have an end-game in mind—so whether your roadmap spans 18 months or 18 years—the steps you take today should support your long-term needs. In conversations with mailers who are making the transition now, 10 best practices rise to the top that can serve as a checklist when evaluating alternative options.

1. **Quality.** The cost of entry. Look for a minimum of 1200 x 600 dpi for variable data statement printing or 600 x 300 dpi for inline envelope printing.
2. **Speed.** Don’t let personalization slow you down. When your mail finishing system runs at 26K per hour, you don’t want to be waiting for materials to come off the printer. Choose printing solutions that are optimized for print and mail.
3. **End-to-end integration.** Vendors with expertise across inserters, high-speed printing, envelope personalization, data management, mail finishing and postal sortation can help you choose the starting point that’s right for your business.
4. **Color.** There is no doubt the use of color can add great value to your communications. You can realize tremendous efficiency gains even when printing in black and white and migrate to full color when you are ready.
5. **Data flexibility.** The move to white paper production should be able to leverage your investment in legacy systems. Your output management processes can accept and work with any print stream format, printer and mail finishing system.
6. **1:1 Messaging.** Even if you only begin with basic segmentation strategies, starting with an intelligent production engine that makes it easy to customize content based on profile data will add great flexibility over the long haul.

<sup>1</sup>Leflein Associates Research, “Physical mail preferred by many,” April 2010

7. **Integrity.** With such data-driven content, data integrity, continuity and control are essential. The right systems can not only help you marry the right message to the right customer on each and every component, they can help you manage and track factors associated with operations management—right down to print cost optimization.

8. **Project management.** While all of the buzz is around technology, working with vendors who know how to integrate new capabilities into existing workflows will help ensure a more seamless, cost-effective implementation, from planning and design through installation and operator training.

9. **Digital migration.** While variable print involves paper and ink, never forget that your ultimate goal should be to deliver the same level of personalized, targeted experiences in whatever channel your customers prefer. Leading technology providers offer systems and software that can help you bridge the gap. Such hybrid models allow you to deliver the same content in either physical or digital format through a single, high-volume gateway.

10. **Trust and vision.** Work with companies you trust, with a proven track record and commitment to ongoing improvement.

The concept of building an integrated print-to-mail process driven by 100 percent variable data is an idea that some organizations have been working on for years. What's new today is that the technology has finally caught up with the vision so that mailers of all sizes can actually realize these benefits.

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is a new opportunity™**



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