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## Digital Thrust Propels Shop Forward

Adding the latest digital color printing capabilities is just one avenue that Mercury Print Productions has taken to expand its business horizons.

Mercury Print Productions is being guided by a progressive thinking, mother-and-son team in Valerie Mannix, CEO, and John Place, president.

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# A Digital Thrust

MARK SMITH

**T**O BE sure, the Mercury Print Productions of today has a compelling story to tell. It embodies both attributes connoted by its name: the speed of the winged messenger god and the high-tech of space exploration.

Having been a strong player in the on-demand digital print arena for some 10 years, the company just completed beta testing the new Xerox DocuColor iGen 3 digital color production press and is now its first commercial user worldwide. Its sheetfed offset printing capabilities have far from suffered, though, as the shop also offers state-of-the-art computer-to-plate (CTP) production as a front end to four (two- to six-color) 40" Heidelberg sheetfed offset presses and a couple of smaller machines.

Nonetheless, the story of the printer's origins is worth making a short trip back in time. The year was 1969. With a family to support and facing the loss of her job when her in-plant printing department was being phased out, Valerie Mannix pitched the idea of buying the printing equipment and continuing to do the parent company's work as an outside supplier. Thus Mercury was borne with a single printing press in the basement of Mannix' Rochester, NY, home.

Today, Mannix is CEO of a company with more than \$20 million in sales and 155 employees in three locations. Her son, John Place, has helped build the organization, and serves as Mercury's president and has primary responsibility for the day-to-day operations.

Even so, Mannix remains very active in her company. "After 34 years in printing, I still find it very interesting and exciting," she reveals. The printing exec got her start in the industry as an apprentice in the aforementioned in-plant at Dynacolor Corp.

"I quickly fell in love with printing because I found it to be very creative



Valerie Mannix, CEO, and John Place, president, are the mother and son team piloting Mercury Print Productions to new heights of success.

and exciting," she explains. "That energy motivated me to rapidly learn the business and before too long I was promoted to manager of the print shop. I enjoyed finding ways to increase the productivity of the department, such as the implementation of two shifts."

The organization she went on to found has changed significantly—and not just in size—since the early years. "Every three to four years we adapt to

**“Our approach to communication and staff management embodies the belief that knowledge is power.”**

the newest technologies and ways to do business," she asserts. "Today, we have traditional offset presses; DI (direct imaging) presses; toner-based, black-and-white and color machines; CD replication; e-mail blast capabilities; as well as warehousing and fulfillment services. Mercury has clearly branched out from simply putting ink on paper, and this evolution will propel us into the future."

## Charting a Course

Given its size and breadth of services, Place says running the company has evolved into a team effort. Rounding out the management quintet are Chris Young, production manager; Steve Adolf, vice president of sales; and Rob Turner, CFO.

The company's experiences to date with integrating the iGen3 make a good case study for exploring the business and management philosophies that have kept Mercury Print on an upward trajectory. The printing organization has been working closely with Xerox, learning right along with the manufacturer, since early on in the product development cycle of the device, Place reveals. The digital press is impacting all areas of the operation, including its offset department, with positive results and maybe a challenge or two along the way.

"Being able to offer both digital and offset services gives us an advantage," Place points out. "We've encountered a lot of instances where in calling on a company for a digital job, we'll come away with offset work, too. Installing the iGen3 is opening up new applications for our digital printing services, which we expect will generate even more work for other parts of our business."

At the same time, however, the company's latest equipment acquisition is expanding the opportunities to rethink how print is used and move some jobs away from offset production, Place adds. Books have been a good case in point, so far.

Using its existing on-demand production capabilities, the organization already was a player in the paperback and case-bound book market. "The majority of the book work we'd been doing had a color cover and black-and-white inside pages," the company president explains. Place believes the iGen3's cost per page, quality and format flexibility will put Mercury in a position to capture significantly more color book work.

One proposal the printer currently has in the works is for a publisher that, until now, had been having its title printed offset overseas with run lengths of several thousand copies. "They've asked us to look into the cost of producing the piece in quantities of 200 or 300, and then printing a supply every other month or every three months to meet the demand that way," Place explains.

Children's books are also a good application for on-demand production via the iGen3 digital color press, he points out. "A lot of the books are produced in a 6x9" format, which means we can run an eight-page form because of the size of the sheet supported by the iGen3," the company president notes. "Having an eight-page form makes it easy to process the job through our bindery, add a laminated cover and end up with an all-color, finished book."

A more ambitious on-demand book project Mercury already has in production entails digitally printing the inside pages with static text and then adding color covers printed with variable data. "We're utilizing downloads from the Internet to add people's pictures and names," Place reveals. "The service is marketed through the publisher's Website." Buyers are presented with a formatted template that they use to fill in their personalized information and add a JPEG-format photo.

"I see the business moving more in that direction, toward offering templates over the Internet for clients to fill in their own information and send the resulting files directly to a digital machine for output and then delivery," Place says. Mercury's internal IT department has been providing the necessary resources on the front end.

The delivery part of the equation is a big factor in the printer's plans, as well. Some pieces are sent out directly from Mercury Print, but the organization has also built a sophisticated fulfillment house and distribution center as part of its Electronic Media Solutions (EMS) division. EMS was established four years ago in a separate facility within

Operator Steve Sarick checks out a press sheet on the console of the shop's Xerox 233DI press, which complements its traditional offset printing capabilities.



the same industrial complex. The core of the business is CD-ROM manufacturing and kit building services.

"EMS incorporates a sophisticated fulfillment house that enables customers to submit orders for pulls and packs over the Internet. We fulfill more than 100 orders a day," Place notes.

Having that capability has expanded the organization's range of services and has also extended its geographic reach. Mercury traditionally had concentrated on the greater Rochester, NY, market, but now it does business across the country.

"I attribute the geographic growth to the book publishing business we've been doing," Place says. "Because of the distribution center, we're not shipping products back to the print customer. We are sending the pieces directly to the end buyer/user, so shipping costs no longer are a competitive issue."

Book publishing has become the primary market for the printer's on-demand services almost by default, since it's been the segment to develop the fastest. "In the offset arena, we are more of a general commercial printer," Place notes. "We believe the iGen3 will open many different doors, but we're still relatively early in our experience with marketing the device."

### Preparing for Liftoff

Mercury was the first Xerox customer anywhere to get a Docu-Color iGen3, reports Larry Vogel, manager of worldwide public relations for Xerox. "Its machine actually was installed a number of months ahead of the other beta customers," Vogel explains.

"We've always taken a multi-stage approach to beta deployment; the first step being to partner with somebody right here in Rochester so the engineers can interact with the user on a daily basis."

In the early stages, Xerox wasn't comfortable having the output shared with people outside the development team, the company rep explains. At a certain point, Mercury transitioned into being a traditional beta site, but soon expanded into becoming a dedicated provider to Xerox. "Since we had so much material that we needed printed

on the iGen3, we turned to Mercury as our outside print provider," Vogel says.

Mercury did have the opportunity to show some of its digital work to other customers, but only if they signed a non-disclosure agreement. As of last month's Graph Expo in Chicago, the printer's status has changed so it is now free to market its iGen3 to whomever and however it wishes. "Our sales staff has been anxious to be turned loose," Place reveals.

Mercury has 16 salespeople, including two specialists dedicated to developing digital on-demand business, especially from publishing houses. Its traditional sales staff, however, is free to sell the company's entire slate of services.

Place asserts that there are two different types of salespeople, both of which are represented on Mercury's staff. "The innovators—or door

openers—can think out of the box and come up with great ideas for ways clients can market themselves. They will lead the way in selling the iGen3,” he explains. “Then you have the regular order takers—or maintainers—who are good at traditional selling.”

Leveraging the abilities of both types of sales approaches is the right strategy for overall success, Place adds. At Mercury, this philosophy has led to some interesting collaborative selling arrangements.

“If a maintainer and door opener are willing to work closely together, they can start sharing the wealth,” the company president notes. “If a lead salesperson goes out and opens up a new door, a maintainer might take over the account and still share a small part of the commission with the innovator on future jobs. In that way, the innovator doesn’t get tied down with an account and is free to go out and open more doors.”

### Getting the Message Out

Since the variable data printing segment has been slow to grow, for some time now Place has been considering the option of hiring a person with more of a marketing background to specialize in developing that business area. Lately, though, he’s started seeing signs that a staff addition may no longer be necessary.

“We’ve seen the variable data market coming around in the last five to six months. People are starting to understand it and are thinking of their own ways to utilize the capability,” the company exec reports. “Customers are coming to us with an idea already in mind. Now they need a technology capable of producing the work.”

Today’s competitive environment requires printers, in general, to become more of a marketing resource for their clients, according to Place. They must be able to come up with new ways to use all of the available options in helping their clients communicate effectively and affordably, he asserts.

Striving for efficiency in its own production has led Mercury Print to adopt a PDF-based workflow using a Prinergy system. All work is processed in



Operator Conan O'Neil inspects press proofs for a job running on Mercury's new Xerox DocuColor iGen3 press.

that format, whether or not the client actually submits a PDF file. “PDF makes files a little more bullet-proof going through our systems,” Place notes.

One area where the digital and offset worlds can collide is in the bindery. All of Mercury Print’s work is funneled into the same department, but certain pieces of equipment are more or less dedicated to handling the short-run digital jobs or higher volumes for offset work.

Some operations, such as cutting, are done on the same piece of equipment. “The turnaround demands of a digital job coming into the finishing area can impact offset work already in production,” Place concedes. “We do have to juggle work a bit, and we have to adjust our schedules frequently. We have a PSI (now Printcafe) computer management system installed throughout the plant to help coordinate our operations.”

### Power to the People

It takes more than technology to get the most out of the combination of digital and offset printing capabilities, points out Chris Young, vice president of production. “The client base must understand the differences between the two processes, which means the sales force also must understand the processes and be able to convey those differences correctly to prospective customers.”

Steps also must be taken internally to ensure that all operations run smoothly, Young continues. “Our approach to

communication and staff management embodies the belief that knowledge is power,” he says. “We hold three daily meetings in which the objectives of the day are communicated to everyone so we can meet our clients’ needs. The use of a state-of-the-art management information system, featuring real-time job status report-

ing, helps keep everyone on track.”

Despite the challenges that can arise, Young believes the “one-stop shop” production model—integrating both digital and offset technologies, will become more mainstream throughout the industry.

“Mercury Print would like to continue leading in that direction, and grow to become the information management store for our customers,” he says. “Our guiding goal will be to maintain and repurpose the digital assets of our customers into any format they choose.”

Maintaining Mercury Print Productions’ position as a market leader was a big factor in the decision to become a beta site for the iGen3, Place adds. “We feel we now are ahead of the learning curve and are ready to sell new services. We’re already seeing a level of interest because of our being the first one in the market.”

The choice of equipment was as much about having a supportive relationship as it was the technology itself, he continues. “We’ve been working with Xerox for many years and we wanted to be on the forefront of digital color printing,” Place says. Management’s emphasis on seeking strong vendor/printer partnerships is reflected in the fact that, outside of the on-demand area, the plant basically is an all Heidelberg shop, he adds.

Even if Mercury Print’s business plan isn’t quite rocket science, the new color digital capabilities is a welcome resource as management explores new applications, seeks out new marketing opportunities and boldly goes where no printer has gone before. ■