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Health Insurer's Printing Operation Saves More than a Stitch in Time

The collective efforts of a single organization operating more efficiently can have a positive impact by avoiding unnecessary waste, using resources more wisely and reducing business costs.

With 20,500 employees and 4.8 million health plan members, Highmark Inc., an independent licensee of the Blue Cross and Blue Shield Association, certainly serves as an important example. The company keeps efficiency and the environment prominently in mind, from using "Green Seal-certified" environmentally friendly cleaning and FSC-certified paper products to reducing time, resources and energy at the facilities it maintains in Pennsylvania.

So it should come as no surprise that Highmark's in-house printing services department follows the same set of guidelines, while supporting the corporate goal to be the leading health and wellness company in the communities they serve. What is surprising is the company's Corporate Printing Services department saves 1,600 production hours each month while taking on more projects, keeping overtime to a minimum and achieving a 99.7% positive customer satisfaction rating.

Highmark is a \$14.5-billion not-for-profit Pennsylvania-based corporation established in 1996 by the consolidation of two Pennsylvania licensees of the Blue Cross and Blue Shield Association — Pennsylvania Blue Shield (now Highmark Blue Shield) and Blue Cross of Western Pennsylvania (now Highmark Blue Cross Blue Shield).

Now one of the largest health insurance and related-services companies in the United States, Highmark provides quality health insurance to a diverse population across the state through private care and also administers state and federal insurance programs such as Pennsylvania's Children's Health Insurance Program (CHIP) and Medicare. Highmark subsidiaries include dental, vision, and customized supplemental health products.

Taking Care of Business

To support Highmark's internal needs and that of its members most efficiently, the Highmark Corporate Printing Services department operates facilities at each of Highmark's two main locations – one serving the headquarters operation in Pittsburgh and a satellite shop supporting offices near Harrisburg, in Camp Hill.

Under the direction of manager Jeffrey Taranto, Corporate Printing Services has built a reputation for responsiveness and a service repertoire easily rivaling that of many mid-size print shops, from the number of impressions printed per month to the range of jobs they can handle.

Each plant runs 24 hours five days a week, and on weekends when needed. Each month, the two facilities typically print between 10 and 15 million impressions – all of it at cost – easily placing the non-profit among the top 50 shops on *In-Plant Graphics* magazine's annual survey.

Taranto's staff of 18 includes eight digital press operators, two full-time production planners who secure external competitive bidding, two technical assistants, three information technicians, and the finishing staff. Together, they keep the centers busy and the presses running at least 85% of the time, and typically around 95%.

High utilization is the key to high efficiency, says Taranto, who credits the application of digital technology to ensuring it stays that way with printing capabilities today that are 100% digital and a finishing operation to match.

Like many "in-plants," Highmark Corporate Printing Services relied on offset presses through the 1980s. But the success of digital printing in the early 1990s convinced management to begin transitioning to digital printing and finishing methods, Taranto notes.

Having joined Highmark in 1995, Taranto experienced much of the early conversion firsthand, applying the knowledge he gained in graphic design and print working seven years in the advertising department of the May Company for their iconic department stores.

In October 2003 as manager, Taranto was tasked with taking the printing services operation 100% digital.

In June 2005, Taranto swapped out the shop's Xerox DocuColor® 2045 color printer for a larger-format and faster Xerox iGen3® Press. Within two months, he was able to justify a second Xerox iGen3 Press based upon the savings achieved.

"We've had phenomenal success on the digital platform," says Taranto, noting Corporate Printing Services is now equipped to support nearly all of Highmark's printing and finishing needs.

Which, it turns out, is quite a lot.

From Manuals to Marketing Pieces

The current printing equipment lineup includes two full-color Xerox iGen4® Presses, two monochrome Xerox Nuvera® 288 EA Perfecting Production Systems and a Nuvera 144 EA Perfecting Production System, along with a Xerox DocuColor 8000 in Pittsburgh; and another Xerox DocuColor 8000 and Nuvera 288 EA Perfecting Production System at the facility in Camp Hill, outside of Harrisburg.

Most of the finishing touches at both locations are applied automatically by equipment manufactured by C.P. Bourg. At the headquarters plant, Taranto relies on a Bourg BCMx Bleed Crease Module and a Bourg BDFx Document Finisher connected on-line to one of the Xerox iGen4 Presses to produce mostly finished color work. Another three dedicated Bourg BDFx Document Finishers stitch, fold and trim booklets, reports and various other documents produced by the two Nuvera 288 EA Perfecting Production Systems in Pittsburgh and the single Nuvera 288 EA Perfecting Production System in Camp Hill.

The in-plant's entire digital operation is driven by Xerox FreeFlow® Digital Workflow software, with Xerox XMPie® software used to drive variable print production.

Other machines used for folding, die-cutting, plastic coiling, comb binding, 3-hole punching, packaging and padding round out the headquarters finishing operation. This range of equipment

enables the Printing Services operation to produce a variety of internal and customer-facing materials covering the lion's share of what is typically printed in a corporate setting, says Taranto.

"Much of our work involves the production of benefit books, high end sales collateral, enrollment packages, manuals, marketing materials and member letters. We also often work 'outside the box,' producing everything from posters and transparent static clings for decorating office windows and walls to personalized customer letters, event invitation packages and die-cut materials."

The ability to produce personalized pieces printed with variable data is critically important today, and the ability to keep that data within the company is equally important. "Having an in-house operation makes it possible to achieve both goals. It also means we can handle jobs at the 11th hour that often can't be done outside," he says.

"Plus, with the Bourg BCMx and BDFx, we're able to finish full-bleed marketing materials printed on our large-format iGen4 – something that even many commercial printers can't do. If we didn't have floor-space limitations, I would add a second Bourg Bleed Crease Module for our other iGen4."

Benefits at the Cutting Edge

Highmark's Bourg BDFx finishers combine the three key functions of stitching, folding and trimming in a single compact module. Documents from two to up to 55 sheets can be top-, side-, corner or saddle-stitched, and folded and trimmed automatically.

The Bourg BCMx Bleed Crease Module is unique in its ability to accept and process full-sized Xerox iGen output at the printer's full speed, and do it with superior quality, delivering accurately creased and trimmed sheets automatically to the Bourg BDFx finisher for stitching.

When it was installed in late 2009, the Bourg BCMx allowed Highmark's internal clients to design pieces for internal production with color printing that extended – or "bled" – to the trimmed edge. This enabled Taranto's group to handle more work, while helping the company cut down on turnaround times and pare outside costs.

The net effect of producing full-bleed color work internally in an all-digital workflow means that Highmark can produce more professional-looking marketing materials while cutting production-related costs by more than 40% compared to going outside, he says.

And that's just the beginning of the shop's overall benefits.

Because they can respond quickly to company demands, the Corporate Printing Services group can produce most jobs in-house faster and with greater data security. And doing all the work at cost means the group can produce jobs less expensively than using outside services.

"When you add up all the savings – the lower expense for proofs, not having to ship finished product or to warehouse stock overages – our cost savings can be closer to 50%, and that's before factoring in the quick turnaround times that help us get finished product into customers' hands faster," he explains.

"Plus, the color and accuracy of print from the iGen4 Press is superior even compared to the iGen3 Press, and every bit as good as the print from a Heidelberg press," says Taranto, adding the Bourg BCMx and BDFx finishers ensure their finished products maintain that high quality.

"Our customers and clients love the quality," he says, pointing to the shop's 99.7% approval rating in 2010 based on nearly 2,800 customer satisfaction surveys. During this time, Corporate Print

Services produced 27,328 digital printing and/or finishing projects – 16% more than the previous year – with literally zero brand compliance issues, defects or privacy issues.

Running Lean

In addition to saving time and costs, the printing services group strives to optimize the entire workflow, in keeping with Highmark's corporate efficiency initiatives.

As evidence, Taranto cites a pre-sort mailing initiative that in its first year has saved the company more than \$100,000 in postal costs by producing work internally.

"We're also a very skinny operation," Taranto explains. "All our work arrives electronically through the corporate intranet and much of it is produced automatically through Xerox FreeFlow and XMPie software.

"FreeFlow is integral to our operation from a business standpoint, and all our key printing production lines are networked through it. The great thing with FreeFlow is that my staff can select jobs from the communications queue and run them on the Xerox and Bourg systems at either campus. This keeps jobs flowing and lets us load-balance when needed," Taranto explains.

"With a digital workflow, my staff literally touches the stock only twice: once when they load sheets in the iGen and Nuvera presses, and again when they collect the finished booklets from the Bourg BDFx finishers.

"The bottom line is, finishing can make or break our ability to take on a project and for Highmark to benefit from our working on it in less time and at a lower cost. When I sought out finishing gear for the first time to satisfy the digital mandate, I went to all the shows and saw all the possibilities.

"C.P. Bourg had the solution I was looking for. Their reputation and their status as a Xerox Business Innovation Partner made choosing them all the sweeter for me."

"Both C.P. Bourg and Xerox have been valuable partners in making our range of services possible," says Taranto – a fact that saves Highmark many valuable stitches in time.

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