

The new press not only provides a new line of digital color work but helps attract new offset work. Toppan now runs nearly three dozen hybrid printing jobs that cost-effectively split offset and digital volume, and some new digital customers eventually became offset customers as well. "The iGen3® press and digital color are driving work to our core business, and that is a great success," Jordan-Smith said.

Within Toppan, this success has had a snowball effect. "When our commercial print sales reps saw how digital color printing programs could increase business opportunities overall — particularly with high-value offset work — they began pushing more solution-driven applications, offering a myriad of Toppan print services instead of simply offering commercial print," Jordan-Smith noted.

Another measure of Toppan's success is return on investment. Management believes the iGen3® press is on track to deliver payback within 24 to 36 months, as expected. This ROI figure includes all costs associated with the iGen3®, including equipment, software, service, labor, consumables, business development, and sales and marketing.

Toppan management expects the significant growth to continue well into the future. Jordan-Smith put it this way: "The iGen3® press enables Toppan to serve and protect our customers by building solutions for any challenges they have now or will have in the next few years." ■

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Toppan Printing America, Inc.
iGen3® Customer Benefits Brief

Toppan Printing America, Inc. retains top-shelf reputation in digital transformation with Xerox iGen3® press



Toppan Printing Co., Ltd. is a century-old global giant that has built its reputation upon impeccable quality. About five years ago, the company's U.S. arm, Toppan Printing America, Inc., recognized that a fundamental shift was occurring in the industry, toward multimedia communications. The company's response: begin to transform into a marketing communications company that offers high-quality offset printing as one of its many services. For five years, the company assessed the digital color presses on the market — then acquired its first, the Xerox iGen3® Digital Production Press. To ensure a successful rollout, Toppan applied the same process controls it uses in offset printing to the new digital press and invested heavily in developing the business. The preparation paid off. The new press has not only introduced a highly profitable new line of digital color work but helped generate significant offset volume as well. Within six months, Toppan acquired a second iGen3® press, and the firm projects continued profitable growth well into the future.

Key Benefits

<p>110 new clients</p> <p>\$2.6 million in new client revenue</p>	<p>110 New Clients In its first year with the iGen3® press, Toppan added 110 new clients, which generated \$2.6 million in new client revenue for both offset and digital printing. All of the clients were won because of digital color capabilities — most were interested because both offset and digital printing were available — and 16.5 percent of the revenue was attributable to the availability of digital color capabilities.</p>	<p>Volume Growth In the first year of iGen3® press operation, monthly volumes grew to 30 percent. Toppan added a second machine, and volume grew and continues to grow at about 8 percent each month.</p>
<p>Greater Profitability The profitability of one iGen3® press shift is equal to the profitability of three traditional offset sheet-fed shifts.</p>		<p>Services Growth The value-added services work Toppan does at its facility has increased by 10 percent since adding the iGen3® press.</p>
<p>Short Runs Long on Profit Forty-five percent of short runs — those less than 3,000 — are now produced on digital presses. That has helped to fuel a 45 percent increase in the profitability of short runs. Migrating three percent of non-profitable offset sheet-fed work to digital printing also has contributed.</p>		<p>New Hybrid Opportunities Nearly three dozen new hybrid offset and digital printing opportunities were created.</p>
<p>42% volume</p>	<p>Profitable VI Growth Forty-two percent of iGen3® press volume is for variable information, which has a 20 percent higher margin than Toppan's static work.</p>	<p>Automating for Productivity The iGen3® press and its associated workflow have contributed to a 33 percent cycle time improvement at the 210,000-square-foot New Jersey plant, which operates 24/7 and uses an all-electronic workflow for nearly every job.</p>
		<p>20% lower costs</p> <p>Supplies Savings Paper costs are 20 percent lower for applications migrated from traditional printing to the iGen3® press.</p>
		<p>Achieving ROI Toppan is on track to achieve return-on-investment for its iGen3® press in 24 to 36 months, as expected.</p>

Company:
Toppan Printing America, Inc.

Headquarters: New York, NY

Other locations: Somerset, NJ, plant, Marina del Rey, CA, sales office

Founded: 1970

Employees: 200+

Ownership: Part of Toppan Printing Co., Ltd., Tokyo, Japan

Telephone: 732-469-8400

URL: <http://www.ta.toppan.com>

Primary business: Communications services firm offering complete on-site prepress services, digital and offset printing, binding, fulfillment, storage, and distribution

TOPPAN

Challenge

Toppan Printing America is part of Toppan Printing Co., Ltd., which is more than a century old and ranks in the Fortune Global 500.

Since initiating its U.S.-based business in 1970, Toppan has built upon its global reputation for high-quality printing. Today, Toppan is the printer of choice for many Fortune 500 companies, advertising agencies, and design firms, including Citigroup; OppenheimerFunds®; Rapp Collins Worldwide; Smith & Nephew; and Sotheby's. And some of the world's most discriminating museums and publishers use Toppan's quality book publishing services, including the National Gallery of Art; the Metropolitan Museum of Art; and the Cooper-Hewitt National Design Museum, which is part of the Smithsonian.

Around the year 2000, Toppan recognized that the trend toward multimedia communications could soon have a negative impact on the company's commercial printing business. In response, the company began to transform Toppan from a printing company to a communications services firm. The goal: find innovative ways to feed Toppan's printing equipment — and new ways to increase profits.

Management recognized that digital color presses offered new opportunities for profit based upon variable information printing and tighter integration with the Web, which would be key offerings in Toppan's next-generation digital services. So, for the next five years, Toppan carefully evaluated digital printing developments.



was “better than any of the competitors in a four-color configuration” and that “the iGen3® press has a unique, wonderful way of producing black.” He also gave the press high grades for repeatability and print resolution, for having the flexibility to make changes on the fly, and for its capability to print on virtually any substrate. Finally, he believed Xerox technical and marketing support had

greater depth and quality than the competition.

The iGen3® press was installed in May 2004. “But the equipment by itself is not a magic bullet,” Jordan-Smith said. “If you have high-quality customers, the iGen3® can produce work they will accept. But you must have a controlled environment with real color expertise in your infrastructure to make it work.”

To ensure its successful rollout at Toppan, his team first applied the same process controls the company used for its offset operation. These derive in part from the firm's ISO® 9001 certification for quality management and ISO 14001 for meeting environmental challenges, which make Toppan one of the few printers worldwide to hold dual ISO certification.

These process controls used in conjunction with Pantone's Digital Color Chip books enabled Toppan to raise the quality and performance level for color management and repeatability on its iGen3® press. The firm developed a color standard that the team manages to stay within 3 delta-E — a unit of color measurement — of the target. Casual viewers can typically notice color differences that are 5-6 delta-E apart; tolerances less than 2 delta-E are typically unachievable given normal process variation.

That was Toppan's foundation for unifying its digital and offset workflow: building profiles that enable seamless movement from digital to offset and back again. This permits Toppan to produce hybrid products — part digital and part offset — to feed both the offset and digital press. And it enables a managed workflow that brings control to manufacturing irrespective of the output device.

However, Toppan didn't have all the in-house expertise it needed. To jump-start its variable information printing capability, Toppan outsourced programmers with database skills from Xerox. To build an automated process to print from the Web, the firm acquired iWay™, from Press-sense, a Xerox partner.

Developing the business side of the new services was also critical.



Response



In May 2004, Gavin Jordan-Smith joined Toppan as director of digital communications with responsibilities for building the company's digital business division, leading the next phase of Toppan's transformation. He needed to address nearly every functional area in the

business. At the top of the list: making a decision on which digital color presses to acquire, building process controls around the new equipment, and developing the business to feed the new system.

Jordan-Smith's digital color press priority was for excellent color quality and consistency that would live up to the firm's reputation for top-shelf quality. The press needed to virtually eliminate the quality difference between offset and digital and to accurately render PMS colors in both static and variable printing.

On that basis, after a rigorous assessment, Toppan acquired the Xerox iGen3® Digital Production Press. Jordan-Smith said the color gamut



Gavin Jordan-Smith

Director, Digital Communications, Toppan Printing America, Inc.

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“We knew that the investment needed to build marketing and transform sales to consultative sellers of ROI-based programs was huge,” Jordan-Smith said. “We also knew that we needed a partner who could bring something immediate and constructive to the table. Xerox is the right partner for Toppan's growth.”

For example, Toppan has used tools from the Xerox ProfitAccelerator™ portfolio of business development resources to help its marketing, public relations, business development, and color management.

Toppan now positions the iGen3® press as part of the overall comprehensive Toppan solution. Sales reps sell programs and campaigns that use whatever capabilities best fit the need — and the location. The New Jersey plant is part of Toppan's international digital network, connecting locations in China, Japan, Singapore,

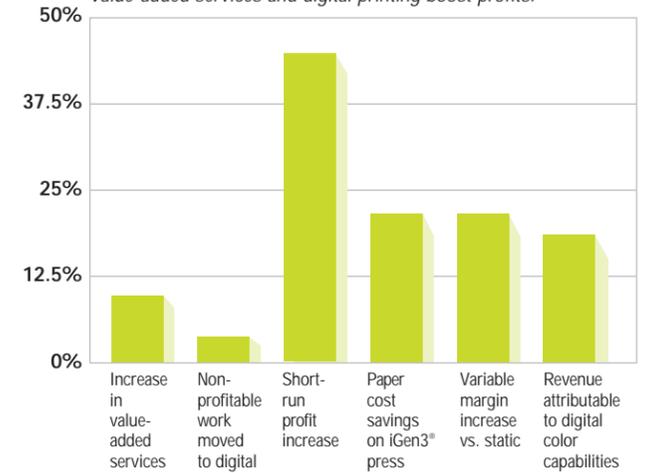
Taiwan, the United Kingdom, and the United States for printing and distribution around the world.

Benefits

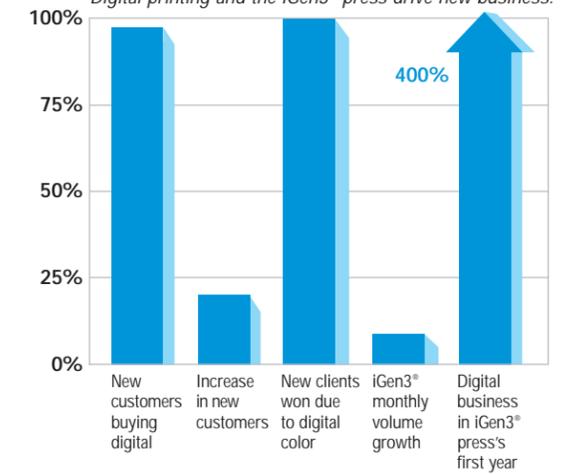
Toppan's new services have grown so rapidly that the firm added a second iGen3® press six months after installing its first. In less than a year, Toppan attracted 110 new customers, generating \$2.6 million in revenue in both offset and digital printing. The iGen3® business includes brochures, catalogs, direct mail, marketing collaterals, and books not only from new accounts but also from existing customers, new applications, re-engineered processes, and targeted vertical industries.

Digital printing has been extremely profitable. One iGen3® press shift has about the same profitability as three shifts on offset equipment. Short runs — those of less than 3,000 pages — have seen a 45 percent increase in profitability. About 45 percent of short runs are now printed digitally. Variable information printing accounts for 42 percent of iGen3® press work and provides margins that are 20 percent higher than those for static work. In addition, workflow cycle time is 33 percent faster for digital work, accelerating turnarounds.

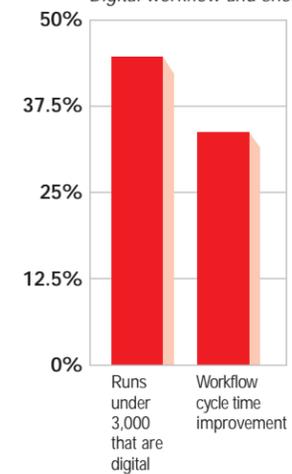
Increased Profitability
Value-added services and digital printing boost profits.



Strong Growth
Digital printing and the iGen3® press drive new business.



Powerful Efficiency
Digital workflow and short runs drive up productivity.



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