Case Study

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Brunner AG Moves to Cross-Media

Swiss Firm Powers Move with Digital Production Printing Equipment

Comments or Questions?
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Introduction

Brunner Druck und Medien AG, Lucerne, Switzerland, is making the transition from print services provider to cross-media marketing services provider. Its goal is to differentiate Brunner AG from competitors by offering higher margin, higher value services to customers. A key part of its transition plan included the launch of Brunner Digital, a unit that grouped three service areas—digital printing, data services, and IT—into one operating division.

Company managers recognized that digital printing is a cornerstone of the cross-media mix and installed a Xerox® iGen4® Press to print variable data and give relevance to the print component. With the help of a business development consultant recommended by Xerox, the company also mapped out a solid strategic plan to guide its transition. Since installing the iGen4®, Brunner Digital has doubled its digital color print volume.

“Digital is the magic word and has changed our world permanently,” explains Roland Dahinden, CEO of Brunner Druck und Medien. “In the media world, information must be communicated across all media to reach the end-users in their preferred channel.”

A key part of Brunner AG’s digital printing purchasing decision was the business development support offered by Xerox. As print service providers move up the value chain to offer cross-media marketing communications services, they will be seeking best-in-class business development and professional services offerings that will maximize efficiency and drive revenue growth. Illustrated in the Figure below, print service providers report needing support on several fronts to provide business development, production operations, and success in market areas, such as cross-media.

Figure 1: Which of the following skill sets does your company need in the next 12 months?

N=207
Source: Business Development and Professional Services That Work! InfoTrends 2010
From Offset Printing to Cross-Media Marketing Services

Brunner Druck und Medien AG is an 80-year-old company that today operates three units: Brunner Publishing, Brunner Print, and Brunner Digital. The company employs close to 80 people (12 in publishing, 55 conventional printing, and 12 in Brunner Digital). Brunner AG became an employ-owned company in 1984, which is a rare ownership model for a European printing firm.

Clients are based in central Switzerland and represent service industries, associations, schools, publishers, and agencies. The company’s corporate philosophy is that the future of communications is the integration of media forms with print as the foundation.

“The combination of media is a fact,” says Dahinden. “Those firms that will succeed in the market are those that communicate with audiences through multiple channels.”

In total, the company generates revenue of €10.2 million, broken down as follows: €1.2 million Brunner Publishing, €7.4 million Brunner Print, and €1.6 million Brunner Digital.

The company entered digital printing 12 years ago when it opened a digital copy shop equipped with an Océ 800, an Océ monochrome system, and a Xerox DocuColor® 240. While these systems were productive, the company decided it needed to invest in a higher volume production digital color printing system if it was going to enter the cross-media world.

“A solid cross media solution demands an intelligent print solution. We needed a device that offered speed, quality, wide substrate compatibility, and ability to print variable data,” Dahinden says.
Well planned Change

The company was considering investing into a digital color production printing system and asked Xerox to conduct a Digital Readiness Assessment (DRA). The assessment evaluates a firm’s current state—its strength, weakness, and competitive position—and recommends the measures required to move forward in a high-volume digital printing environment.

Based on the DRA, Brunner AG hired Xerox-recommended business development consultant Josef Novak to conduct a two-day business development workshop. During the workshop, CEO Dahinden and Novak developed a marketing plan based on the strengths and weakness of the company that mapped out strategies and tactics to move the firm from a printing company to a cross-media marketing communications services provider.

Figure 3: Xerox Backs Its Equipment with Solid Business Development Support

Xerox’s Business Development Program consists of two options for support. One is Xerox Profit Accelerator® Digital Business Resources, which includes a collection of more than 100 tools, kits, programs, templates, and resources for digital printing. The other is Xerox Business Development Consulting Services, which offers a complete portfolio of training and professional services delivered by Xerox and a network of third-party industry professionals. These services focus on sales and marketing, operational/workflow, and Application Development areas of the business. Print service providers can leverage Profit Accelerator® and Business Development Consulting Services to help transform their digital businesses, improve sales activities, operational efficiency, and stimulate future growth.
Execute Change

A component of the marketing plan was to regroup the functions of digital printing, Web design, and data IT services into one unit—Brunner Digital. “It made perfect sense to combine the three departments into one, as this provides a closed loop offering to cross-media customers who need data-driven communications across media,” Dahinden explains.

Brunner AG is an employee-owned company, which is rare in Europe, and the plan needed to be approved by employee owners. The plan was approved by the steering committee and the company installed an Xerox® iGen4® in November 2009.

“The direction to cross-media is a competitive choice. If we continued with business as usual, we compete with 2,500 commercial printers in our market. If we offer commercial printing and publishing, then that brings our competition down to 400. But if we offer all three, we are at 300, a much better number for differentiating from competitors,” Dahinden says.

He says cross-media with solid intelligent print solution was the next best step for the company. He believes that the foundation for driving cross-media applications, backed by a solid print offering, is managing data and automating the process.

“Any successful cross media solution needs a high-speed, high-quality printing device capable of printing variable data,” Dahinden says, “The iGen4® fits all three requirements. Digital printing systems enable the production of short runs and high quality personalized print products.”

Figure 4: Xerox® iGen4® Press

The company also offers Web design, programming, search engine marketing, text and image personalization, digital printing, print-on-demand, and data management. It developed a Content Management System called mirusys® to manage client Websites.

Since installing the iGen4®, Brunner Digital has doubled its digital color print volume. Going forward, the company expects its offset revenue to remain constant and its digital printing revenues to grow in the double digits, as digital offers faster, shorter delivery times and variable data printing.
The business development support offered by Xerox was a key decision factor in selecting the iGen4®, Dahinden says. Brunner AG was evaluating the iGen4® and a competitive digital printing device, but made its decision based on Xerox’s level of business development support.

“The Xerox business development plan helped us see where we are, identify gaps, and confirm the strategy we had in mind,” Dahinden says, “it also helped us to decide what equipment to buy and Xerox demonstrated it would support us on the marketing and sales side.” After installing the iGen4®, Brunner commissioned Xerox to deliver a two-day training course to sales staff.

**The Dynamic Marketing Plan**

The company’s actions were driven by the marketing plan, which included a solid analysis of Brunner, its competitive market, and its customers. The table of contents of the marketing plan included:

- SWOT analysis
- Objectives
- Milestones
- Target markets
- Product range
- Sales Strategy
- Communication Strategy
- Action plan for the next 11 months

Dahinden says the plan he developed with Novak confirmed and validated the direction he wanted to take the company. He says it is important to recognize that the plan is the guide for change; it is dynamic and must adapt and evolve with market changes.
**Engaging with the Customer**

One of the main steps the company is taking to drive its cross-media and digital printing sales is to engage with clients early in the creative process to become a key influencer of the solution. The purpose is to position the company as a value added partner and to circumvent any production issues that could surface down the road.

“Our value proposition is we help customers gain an advantage by personally engaging with them to guide their personal engagement with their customers. Personal engagement is the key to the success,” he says.

**Figure 5: Brunner Digital Samples: Image Personalization Increases Prints' Relevancy**

Dahinden firmly believes that customer relationships are more important than technology. “Technology is a commodity and customers expect it, you can’t differentiate on it,” he says. What is more important, Dahinden says, is the ability to form strong partnerships based on trust and understanding that delivery relevant solutions customers need.

The company developed an innovation team six months ago that meets monthly to discuss new ideas; the six-member team includes Dahinden as well as sales and technical staff. Members are from sales and operations so that ideas are technically feasible and backed by solid demand.
Demonstrating Relevant Engagement

The company demonstrates its capabilities in self promotion pieces ranging from versioned e-letters and customer magazines to samples of its intelligent print products. It personalized recent editions of its customer magazine Brunner Link to recipients and printed the magazine on the iGen4®.

**Figure 6: Brunner's Link Magazine, Printed on its Xerox iGen4® Featured Personalization**

“Image personalization is great door opener for marketers and advertising agencies.” Dahinden says. “Media theorist Marshall McLuhan once said the 'The medium is the message' and that is certainly true with personalized digital printing,” he contends.

Going forward, the company’s objective is to sell more variable data jobs and more closely align all the components of its cross-media offering. The company will be ramping up its sales and marketing efforts by selling to more ad agencies and showcasing its work through documented case studies.

A key challenge moving forward will be to balance the three skills essential to cross-media: business (the need), creativity (the solution), and technology (the enabler).

“All factors are important, so it is extremely important to engage with the customer at the right time to influence the process,” Dahinden believes. “We don’t want to be one of several printers called in for the proposal; we want to drive the proposal.”
InfoTrends’ Recommendations

Brunner Druck und Medien AG is successfully making the transition from print services provider to cross-media marketing services provider. Key strategies contributing to its success include:

- **Start with Plan:** Every firm needs a roadmap to reach its desired destination, especially when entering the new territory of cross media. Brunner AG took a written inventory of its strengths, weakness, and marketplace to assess where it wanted to go and how it was going to get there. At the same time, it recognized that a plan cannot be rigid and must adapt to reflect market changes.

- **Think Strategically:** Cross-media is as much about strategy as it is execution. Brunner AG recognized that it needed to realign its operation so that the core components to power its new offering were integrated in one unit. It recognized that synergy in the use of media must be backed by synergy in producing a cross-media campaign.

- **Solicit third-party:** Working with a knowledgeable third-party, like a business development consultant, offered an outsider’s view on the company’s strengths and weaknesses, its position in the market, and recommendations for achieving goals. A fresh perspective is not hindered by the institutional knowledge of how things have always been done.

- **Engage with Customers:** Education is a powerful sales tool. Brunner AG is actively informing customers and prospects on new technology and market trends that will aid in profitability, along with demonstrating its capabilities to deliver required communications services. The effort is an on-going, weekly dialog with the market that is positioning the company as a leader.

- **Tap Employee Knowledge:** The move to cross-media requires organizational change. Who better to move the effort forward then company staff? The biggest cause of inertia in any company is its employees. Brunner AG developed an innovation team made up of staff across key operational areas—sales, marketing, production, technology—to evaluate and implement change.

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