

Courier establishes new model for book publishing based on HP Color Inkjet Web Presses



At a glance

Industry: Publishing
Business name: Courier Corporation
Headquarters: North Chelmsford, Massachusetts, USA
Website: courier.com



Challenge

- Develop a digital solution that addresses Courier's customers' demands:
 - Create a sustainable model for printed book publishing in today's market
 - Reduce inventory and obsolescence
 - Reduce logistics and warehousing costs
 - Deliver cost-effective, high-quality production of short-run books.
- Help its in-house publishing imprints realize cost savings and create revenues from large back-list.

Solution

- Installation of three HP T360 and two HP T410 Color Inkjet Web Presses at two dedicated facilities.
- Inline SigmaLine folder/collator from HP Finishing Partner Muller Martini on each press.
- Three HP Indigo 7000 series presses and two HP Indigo 10000 Digital Presses for cover production.
- 'Made to order' workflow with fast turnaround times.
- Shipments direct to retailers to eliminate extra freight, warehousing and handling costs.

Results

- Digitally printed books in color and mono on coated and uncoated papers that are identical to conventionally printed editions.
- Cost-effective, profitable shorter run book production for Dover Publications and other divisions and external customers.
- Out-of-Print re-issued title income for Dover Publications rose from zero to \$1.2 million (2009–2013).
- Growth of custom book publishing by attracting new business and opening new markets.
- Construction of a second digital book production facility.

“Hypothetical savings are one thing to sell to a publisher, but having used Dover Publications as a model, we can show our real experience with digital printing using our HP Color Inkjet Web Presses supported by actual numbers, not just projections.”

– Michael Shea, vice president, Custom Publishing & Web Technologies, Courier Corporation

Results for digital book printing for Dover Publications 2009 – 2013:

- Inventory cut by 28 percent.
- Warehousing space cut by 19 percent.
- New title obsolescence down by 73 percent.
- 1,100 titles back in print generating \$1.2 million.

Established nearly 190 years ago, Courier Corporation today has three major publishing divisions, Dover Publications, Research and Education Associates (REA), and Creative Homeowner, and is the second largest book manufacturer in the United States.

“By 2000, it was clear that book publishing was approaching a critical stage,” says Michael Shea, vice president, Custom Publications and Web Technologies, Courier Corporation.

“The digital printing revolution had begun and people were talking ‘short-run’ and ‘on-demand,’ but for the book sector, there wasn’t a viable digital option. What was needed was a digital press that could handle the necessary volumes with high pagination and quality comparable to conventional offset printed books.”

Courier knew that digital technology could provide the solution to falling runs and rising costs; it also recognized its suitability to the book market.

“There are a number of phases in the life cycle of a book,” Shea explains. “When it’s first introduced, it is usually with a short-run. If the book proves successful, it will have a longer run to meet demand. Next, a shorter run serves the tail of demand, and finally the book goes out of print and onto the back-list. Digital printing is ideal for the launch, the tail, and for reviving back-lists.”

Courier thinks digitally

“In 2008, we saw the HP T300 Color Inkjet Web Press at drupa, and felt it presented the breakthrough we were looking for,” says Stephen Franzino, vice president, Technologies, Courier Corporation. “This press overcame the major barriers of capacity and print quality. We also liked that it could print on both coated and uncoated papers.”

Another major barrier to digital printing was the mind-set of many publishers who based their financial models and sales on unit-cost, with little appreciation of the total cost, including inventory, warehousing or obsolescence.

“The HP T360 Color Inkjet Web Press gave us the opportunity to build a whole new model for book publishing by thinking digitally,” says Franzino. “We were able to test and perfect the digital model on one of our in-house publishing companies, Dover Publications, a publisher known for its extensive list of titles.”

Dover Publications has an active list of over 10,000 titles, and 4,000+ of them were out of print without an effective means of monetizing them.

“Apart from focusing on total costs, it was equally important to recognize other differences between conventional and digital production,” adds Shea. “The first difference is that digital book printing isn’t just about printing, it’s about fulfillment. We are processing orders electronically, not creating inventory, and the ‘made to order’ workflow with direct shipments to retailers eliminates extra freight costs, warehousing, handling and obsolescence, and reduces time to market.”

Courier worked with HP in planning its self-contained digital printing plant in Chelmsford. Initially, the facility had an HP T360 Color Inkjet Web Press with an Inline SigmaLine folder/collator from HP Finishing Partner Muller Martini, and an HP Indigo 7000 Digital Press for cover production. Near-line case book and paperback finishing and binding lines provided full production flexibility.

“It all worked very well and then we realized we needed more digital capacity,” says Franzino.

Within 18 months, Courier had installed three HP T360 Color Inkjet Web Presses also with Muller Martini SigmaLine folder/collator, and added a B2-format HP Indigo 10000 Digital Press.

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Transforming Dover Publications

Courier’s decision to make Dover Publications the test case for digital publications consolidated the company’s thinking about how digital book printing could change publishing.

“Dover’s specialized book list covers a wide variety of subjects including literature, history, sciences and even sheet music,” says Shea. “The sizes are variable and the run lengths tend to be relatively short. Dover’s enormous back-list would be a perfect test of the model.”

The results, compiled from 2009 – 2013, were an overwhelming validation of the digital model and the choice of technology.

Inventories were cut by 28 percent, and warehousing space was reduced by 19 percent. New title obsolescence (remainders) was reduced by 73 percent and the previously under-developed out-of-print list saw 1,100 titles come back into print, generating \$1.2 million in new revenue.

Replicating success

When Courier realized the scale of the impact digital printing was having on its publishing operations, it worked again with HP to develop a sister plant to the one in Massachusetts. In early 2013, a second, dedicated digital printing facility opened in Kendallville, Indiana, equipped with two HP T410 Color Inkjet Web Presses with Muller Martini SigmaLine folder/collator, and HP Indigo 7000 and 10000 Digital Presses.

“Digital print quality is no longer a topic of discussion,” says Shea. “And now we have the numbers from the work for Dover Publications, we can start by talking about the job, its characteristics and fulfillment; we don’t have to begin every discussion selling digital inkjet.”

“Our digital capabilities complement our offset capabilities. While there has been some migration of work from conventional to digital, most of what is produced on our digital presses is new work,” says Shea. “Custom books, the short-runs, often textbooks for college, have grown enormously.”

Deciding whether to print conventionally or digitally is not simply a question of run length.

“Other variables include pagination and format,” says Franzino. “The cross-over run lengths themselves can vary from 800 to 2,000 copies, though shorter runs and those requiring variable data will automatically be printed digitally.”

“Recently, we’ve begun printing short-run textbooks for Mexico and Brazil at Kendallville,” he concludes. “That shows there is still strong demand for printed books; the challenge for publishers is to find a cost-effective and profitable way to respond, and HP has given us that means.”

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