

McPherson's finds profit in short-run publishing



At a glance

Industry: Publishing

Business name:
McPherson's Printing Group

Headquarters:
Victoria, Australia

Website:
www.mcphersonsprinting.com.au



Challenge

- McPherson's Printing Group clients wanted smaller print runs of their books produced at an acceptable price.
- The company needed to match or exceed the print quality that clients expected from its existing conventional presses.

Solution

- McPherson's purchased an HP T400 Color Inkjet Web Press and integrated it into a complete short-run production system dubbed Onyx.
- The company also purchased an HP Indigo 7500 Digital Press for the production of high-quality book covers.

Results

- McPherson's has reduced the time needed to produce approximately 4,000 books from six hours down to just one, and halved the number of production staff from six to three.
- Clients can order shorter runs of books and stock a larger variety of titles in their warehouses.
- McPherson's has reduced the environmental impact of its trade book production processes.

“It’s comparable or even better than what we were getting off a conventional press, and that’s why it’s certainly right for the market now and will develop in the future.”

– Dimitri Dimech, Sales & Innovation Manager, McPherson’s



McPherson’s Printing Group is Australia’s largest book producer. It has been operating from its headquarters in the regional township of Maryborough for more than 60 years, and provides services to some of Australia’s largest book publishers including Penguin Books Australia, Pan McMillan, and Scholastic. McPherson’s produces everything from paperback fiction to hardcover reference books, including full-color catalogs and coffee table books.

In 2012 the company merged with the OPUS Group, a technology-based integrated business services and solutions group with operations in Australia, New Zealand and Singapore. McPherson’s forms the core of OPUS Group’s publishing division.

Short runs, fast output

According to McPherson’s Sales & Innovation Manager Dimitri Dimech, over the past four years, the company has watched the book publishing industry transform through the introduction of cost-effective, industrial-grade digital inkjet technology, making it economical to produce books in shorter runs.

This capability had proved especially desirable to trade publishers, whom Dimech says were a key focus within McPherson’s growth plans. So in 2011, McPherson’s installed the HP T400 Color Inkjet Web Press and made it the centerpiece of the company’s short-run book production system, dubbed Onyx. This process also incorporates a Magnum Flexbook for creating book blocks and a Muller Martini Acoro A7 binder.

According to Dimech, the T400’s 42-inch format enables maximum productivity, enabling Onyx to produce up to 4,800 books in an hour, “which is probably the quickest book production output in the world on a small-format book,” Dimech says. The same number of books would require six hours to produce using conventional processes.

“What HP delivers is a system that gives us maximum efficiency through our press, and maximum productivity,” Dimech adds.

According to OPUS Group’s group Chief Executive Officer Cliff Brigstocke, speed is an important consideration for his company’s clients. “It’s about being able to turn deliveries from weeks into days now, and then into hours,” Brigstocke says. “It’s about speed to market, being responsive, and being very adaptive with our publishing clients.”

Big quality in small quantities

In addition to production speed, Dimech was also impressed by the bonding agent used in the T400 Color Inkjet Web Press, which delivers optical print density that emulates a conventional printer. McPherson’s can deliver a product to its clients that is superior to conventional printed products, but at a higher speed and at an acceptable cost.

“We can give clients a range of stocks, and give them a quality printed product where they don’t know the difference between it being printed conventionally or being printed digitally,” Dimech says. “And that was really the basis of our whole model.”

The Onyx production process is complemented by an HP Indigo 7500 Digital Press, which is primarily used for color cover production.

“The Indigo is the Rolls Royce of sheet-fed color digital printing,” Dimech boasts. “We needed that top quality as it’s mainly used for our cover production. It’s color-profiled so that if we switch between our conventional presses and our digital presses, we get the same result.”

Economic and environmental benefits

The HP T400-based Onyx system also requires three people, only half the number of operators needed by conventional processes. Traditional production methods involve a number of processes in plate production in addition to collating and binding, which are eliminated with the T400 Inkjet Web Press.

“We’re actually finding that we’ve now got a bottleneck in packing our books into boxes rather than in producing the books,” Dimech says.

Implementing the HP T400 has reduced the environment impact of McPherson’s book printing. “The footprint of the digital press is much, much smaller than the foot print of the conventional process,” Dimech says. “When you think about the conventional process, it uses a lot of water, a lot of power, and there’s a lot of paper waste in the process as well.”

Dimech says because the new configuration involves no pre-press processes it uses no water at all, while paper waste is also significantly reduced due to the streamlined process.

“Also, the water-based inks used are much kinder to the environment than oil-based inks,” Dimech adds.

Creating new business models

Implementation of Onyx and the T400 also positively impacts McPherson’s customers. Because Onyx enables McPherson’s to produce shorter runs more economically and with faster delivery times, clients such as Penguin Group Australia can stock smaller volumes of a larger range of titles.

“They’re not having to warehouse as many of their products, and they are moving onto a cycle of printing fewer products more frequently,” Dimech says. “Certainly in the not-too-distant future you’ll see the supply chain start to reduce with publishers doing more on-demand production.”

Digital future

Brigstocke says digital production is growing at about 20 percent across the OPUS Group, and represents the majority of the company’s growth.

“That’s because of its speed, and the files are now digitally held,” Brigstocke says. “The T400 introduced here has really set the benchmark I believe, and I’d suggest in the future of course we’re talking about more inkjet.”

Dimech expects the T400 Inkjet Web Press to pay for itself within five years, once all supporting investments in equipment are taken into account. And he has been pleased with the progressive upgrade path offered by HP that will extend the life of the investment.

“We’ve built a complete system, and that’s why it was a very big investment,” Dimech says. “Digital is here to stay.”



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