



**WASHINGTON STATE
Department of Printing**

...your state printer

Strategic Plan
2009 - 2011



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Not the State Printer you used to know.

In-Plant Graphics, January 2008

Our customer
service
representatives
are here to help
you solve your
print related
needs!





The Washington State Department of Printing

is an entirely self-supporting state agency dedicated to **providing government communication solutions through printing and related services**. We help government serve citizens efficiently and effectively. We also assess customer print environments to help them maximize office print technology and maintenance resources to get the most out of their office print dollars.

Our customers include all Washington State agencies, political subdivisions, higher education, and other government entities. We constantly advance in the print industry through use of environmentally friendly products, partnerships, new equipment and technologies, and implementation of efficiencies. Through these investments in resources, we will continue to be Washington government's communications solution provider.

Our main production facility is located in Tumwater, Washington, and we also operate several copy centers in the Olympia/Lacey/Tumwater area for local customer convenience. We serve our customers directly from our locations, by telephone, via internet-based applications, and through various product distribution methods.

Our employees are a team of uniquely talented professionals that handle the many aspects of print communication, including:

- custom job design and marketing strategy
- single and multi-color print production
- assembly and finishing
- address management and mailing services
- copying and data printing services
- fulfillment services
- envelopes, letterhead, and business cards
- poster and banner production

We partner with private companies via contracts to provide promotional items and print services to meet the nationwide needs of Washington government. We leverage state buying power to secure best pricing on behalf of our customers.

This is our strategic plan for the 2009 – 2011 biennium. Here we discuss our future plans, why they're important, and the opportunities and obstacles we will address to move forward. The basis of this plan is our statutory responsibilities, our commitment to our customers, and our desire to build our capacities to provide the best value for the State of Washington.

We print most business cards on stock manufactured using wind power.





While mandated by law as the State Printer, it is our desire to be the provider of choice. We see ourselves as an integral partner in government communications, providing efficient and effective services. Our ambitions and the principles that guide us are captured in our mission, vision, and values statements.

Mission:

As Washington’s Public Printer, we provide printing and related solutions to help government serve citizens.

Vision:

To be the provider of choice for government printing and related solutions.

Values:

- We are honest, reliable business people
- We are good stewards of the environment
- We collaborate and partner with others for the greater good of Washington
- We take pride in providing excellent service and products
- We help customers solve their print related needs efficiently and effectively
- We anticipate and respond to the changing needs of our customers
- We make employee safety, learning and growth a priority

Statutory Authority

The Public Printer was established by law in 1854. Chapter 43.78 of the Revised Code of Washington charges the Department of Printing with providing all printing and binding for the legislature, the state, and its various agencies, boards and commissions. The law also allows the Department of Printing to enter into agreements to perform printing and related services for other government.



We set two primary goals to help us successfully achieve our mission this biennium. Here we outline what we want to achieve, how we will measure our performance, the targets we've set, and how we plan to achieve these goals and objectives.

Goal 1: Be an integral part of customer success through statewide print and related solutions.

Objective 1.1: Increase the value of the Department of Printing's products and services for customers

Performance measure: Number of major projects we help customers develop to best meet their needs and save money

Target: Three new projects by 6/30/11

Strategy 1.1.1: Spend time with customers to understand their business and needs

Strategy 1.1.2: Develop and deploy solutions to meet customer business needs

Objective 1.2: Increase ease of doing business with the Department of Printing

Performance measure: Time from order initiation to production entry

Target: Reduce 50% by 6/30/11

Performance measure: Number of customer educational events and attendees per year

Target: 10 customer educational events and 150 attendees per year

Performance measure: PRT customer satisfaction

Target: Increase customer satisfaction 10% by 6/30/11

Performance measure: Number of projects we coordinate with the Consolidated Mail Services Division of the Department of General Administration (CMS) and/or the Department of Information Services (DIS) to meet customer product and service needs

Target: Four new projects by 6/30/11

Strategy 1.2.1: Simplify the ordering process for customers

Strategy 1.2.2: Provide customer education/training

Strategy 1.2.3: Work more closely with DIS and CMS to best serve customers

Strategy 1.2.4: Implement ongoing customer survey to measure and track satisfaction

Objective 1.3: Publicize Department of Printing success stories about customer and statewide results

Performance measure: Print to Post newsletter circulation

Target: Increase circulation 10% by 6/30/11

Performance measure: Industry and/or government recognition

Target: Six recognitions from industry or government by 6/30/11

Strategy 1.3.1: Quantify and publicize success stories

Strategy 1.3.3: Seek industry awards and recognition for work we do that adds value for government



Goal 2: Be a fiscally and environmentally sustainable business

Objective 2.1: Increase fiscal sustainability

Performance measure: Financial liquidity – working capital in number of days of operating expenses

Target: 40 days of working capital

Performance measure: Net income

Target: 10% increase by 6/30/2011

Strategy 2.1.1: Increase revenue

Strategy 2.1.2: Increase cash flow

Strategy 2.1.3: Develop integrated management information system (MIS)

Objective 2.2: Increase use of environmentally friendly solutions

Performance measure: Percent of Forest Stewardship Council (FSC) certified jobs

Target: Increase 10% per year (based on 6/30/2009 percent of FSC certified jobs)

Performance measure: Percent of recycled paper purchased

Target: 90%

Performance measure: Environmentally friendly materials/supplies

Target: Introduce three new environmentally friendly materials by 6/30/11

Strategy 2.2.1: Promote use of FSC certified products

Strategy 2.2.2: Promote use of recycled products

Strategy 2.2.3: Use biodegradable/recycled materials

Objective 2.3: Increase individual staff capabilities and agency capacity

Performance measure: Participation in educational activities per year

Target: Increase 5% per year

Performance measure: Employee Climate Survey scores on questions 9 (recognition) and 12 (knowing how agency measures success)

Target: Increase by 20% by 6/30/11

Performance measure: Percent of Performance Development Plans (PDPs) that are up-to-date

Target: 100%

Strategy 2.3.1: Make training more accessible to production staff by providing on-site options

Strategy 2.3.2: Determine staffing needs to meet anticipated agency growth and change

Strategy 2.3.3: Improve internal communication and collaboration

Strategy 2.3.4: Cross-train staff in agency business and functions

Strategy 2.3.5: Review status of agency PDPs monthly in Management Team meetings, and report status in quarterly internal GMAP sessions



We've accomplished a lot in the last two years.

Some of the results we're most proud of include:

- **Improvement in our financial position** – we are increasing our working capital and reinvesting to build capacities needed by our customers.
- **Increase in our working capital** – from 17 days in FY 2006 to 28 days in FY 2007.
- **Development of the capacity to manufacture envelopes** – saving customer dollars.
- **Enhancement of variable print services** so that government can more effectively deliver messages to an audience of one.
- **Streamlining of products and services** for customers through partnership with Consolidated Mail Services. One example is the 5208 Tax Form to Employers (Employment Security Department).
- **Assistance to agencies that** transitioned to centralized state agency print and mail services to save customer dollars (examples include the Department of Fish & Wildlife and the Liquor Control Board).
- **Implementation of a master contract** for and completion of 30 state agency print assessments.
- **Implementation of print management**, saving Washington agencies \$250K last biennium.
- **Centralization of operations** by moving our Fulfillment center into our main plant.
- **Development of a Business Solutions Group** to understand customer objectives and provide them with better communications solutions – making them more successful.

As Washington's State Printer, we contribute to statewide results by strengthening government's ability to achieve results efficiently and effectively. We're part of the statewide strategy to provide logistical support for government agencies, and are developing two measures describing our performance in these areas.

The first is a **sustainability measure** that describes how we are good stewards of the environment. As a manufacturer in an industry that has historically used harsh chemicals, we are working to reduce and minimize our "carbon footprint." Key actions we're taking include:

- Promoting the use of recycled paper products
- Being Forest Stewardship Council (FSC) certified – so we can support sustainable forestry, paper manufacturing, and printing practices as part of the supply chain
- Recycling waste paper products, used aluminum printing plates, etc.
- Using agriculturally based products (made from plants like corn, soy, or citrus, rather than petroleum and other chemicals)
- Using inks and washes efficiently to minimize waste (which is then converted by others and used as fuel)
- Offering address management services (address verification, and list merging and management – saving money by reducing undeliverable and duplicate mail)
- Standardizing addresses and combining mailings when possible to maximize postage dollars
- Offering "print-on-demand" and "fulfillment" services
 - To print only what is needed when it is needed (reducing outdated document waste)
 - Warehousing, taking orders for, and packing and distributing materials (eliminating redundant services)

The second measure describes how we **contribute to Washington's economy**. We currently farm out about half of our print jobs because we don't have the ability (for example, we can't print on pens) or capacity (because of work volumes and schedules) to do the work in our plant. Jobs are farmed out both within and outside of Washington, depending on where we can get the best deal for the customer. We also farm in work from other states when we have unused capacity. We reinvest revenue from farmed in work to build our capacities so we can farm out less work, saving customer dollars and fueling Washington's economy.



We use recycled products in our manufacturing processes. And, we recycle the waste products as well.

A great example of how we help agencies be more efficient and effective is a \$75K monthly job that we contract to an out-of-state printer because we are not able to do the work in our plant. We expect to save the customer money by bringing in new equipment and staff to do this job. The work will then be performed in Washington, we'll purchase materials from a recovering area in the state (Grays Harbor), and we will have increased capacity to meet the growing demands of our other Washington government customers. As we perform other jobs on this new equipment, we anticipate efficiencies that could enable us to pass further savings on to our print customers. An additional benefit is that the "carbon footprint" for this job will be greatly reduced by eliminating the need to transport products over state lines.

We also continue to conduct **print assessments** for government, and report on this in the Governor's GMAP Forum. Printers, copiers, scanners, and fax machines are often purchased as needed without an enterprise perspective considering true business needs and return on investment. Print assessments provide a more comprehensive and "whole-business" perspective to strategically manage office printing more efficiently and effectively.

As a completely self-supporting business within Washington State government, our potential customer base is limited. We must maintain a working capital balance. We must also invest in equipment and staff to provide new and additional products and services our customers need. Since we have the same oversight and administrative expenses as other state agencies, we have to be very efficient! We are very proud to be:

- **Operating in the black** – and increasing our number of days of operating capital on hand
- **Saving government dollars** by providing a broad range of printing and related services at competitive prices
- **Third in the nation** for "in-house" government printers (in both sales and number of employees), and second only to the U.S. Government Printing Office in productivity ranking (total annual sales divided by number of employees – December 2007 *In-Plant Graphics* magazine statistics).

We produce over 100 jobs a day to help government serve citizens.





While Washington State has not yet experienced the sort of economic problems emerging in other states, agencies are preparing their budgets to “ride out” these unsettled economic times. State budget instructions caution agencies to limit their expectations, and direct them to be thoughtful and deliberate in identifying activities that contribute most to getting the results citizens expect. This translates to both challenges and opportunities for the Department of Printing.

Printing is often treated as a commodity rather than a strategic business tool/element. Even though their resources are stretched, **our customers' expectations remain high.** They want:

- Quick and convenient ordering
- One stop shopping for all their design, printing, binding, storage, shipping, mailing, and inventory needs
- Fast turnaround and delivery times
- Customized print jobs, from high quality color to unique variable
- High quality at economical costs
- Security and confidentiality of private and/or sensitive information
- Good stewardship of the environment

This challenges us to maximize agency spending to get more for government print dollars. It also provides the opportunity to better understand the businesses of our customers so we can help them **develop even more innovative communications solutions** – *beyond just putting ink on paper*. By building more strategic partnerships with our customers, we can build-in total business communications solutions and complementary services (not just printing!).

Tight budgets and high expectations

also amplify the importance of **partnering with the state's other central service agencies** – especially Consolidated Mail Services (CMS) in the Department of General Administration, and the Department of Information Services. By focusing on our unique missions and core competencies, and clarifying our “shared territory,” we can work together better for the greater good of Washington by reducing duplication of assets and services, and streamlining products and services for agencies. We will begin to explore the possibility of co-location with CMS this biennium as one way to streamline the work we do for agencies.

As central service agencies, we can consolidate agency non-core business processes (like mailing, printing, and document storage) into enterprise approaches by maximizing our investments and expertise. This frees up agency resources to perform their own core mission work. We can also contract on behalf of government for best pricing on products and services that can be provided more efficiently and effectively by outside organizations – leveraging statewide volumes.

One challenge, of course, is staying focused on the opportunities in spite of all the diversions. We must always keep in mind the impact of making short-term decisions that may diminish our ability to achieve tomorrow's long-term objectives, and staying competitive and sustainable in an industry that is changing fundamentally. How people communicate is changing, and so is print's role in that communication.

Some of the **changes redefining our industry** are:

- Emergence of the Internet, Intranet, CD, DVD, and other electronic alternatives to print. In some cases these complement print; in other cases they displace print. The power of blending print, web portals and landing pages through the use of e-mail and PURL delivery mechanisms is a clear example of this higher technology communication method.
- Changes in our clients' print buying habits. One example here is shorter runs purchased just in time. Another is the growing demand for precisely targeted, personalized, variable-content printing – reducing the bureaucracy of government communications by personalizing content to citizens.
- The impact of the office environment on centralized production and the lower cost for equipment point of entry.

In order to **keep pace** with both the evolution of the industry and the changing needs of our customers, we must build more capacities in:

- Services that allow us to satisfy a broader range of our client's communications needs.
- New technologies that support faster, more cost effective delivery of services. These have opened the door to complementary services such as database management, list management, personalized statement production, alternative media, inventorying and warehousing, order taking, packaging, posting, and distributing.
- Diversification to partner with customers in their businesses, getting involved with their projects earlier and over longer periods of time – moving from being just a printer to being their “communications solutions provider.”

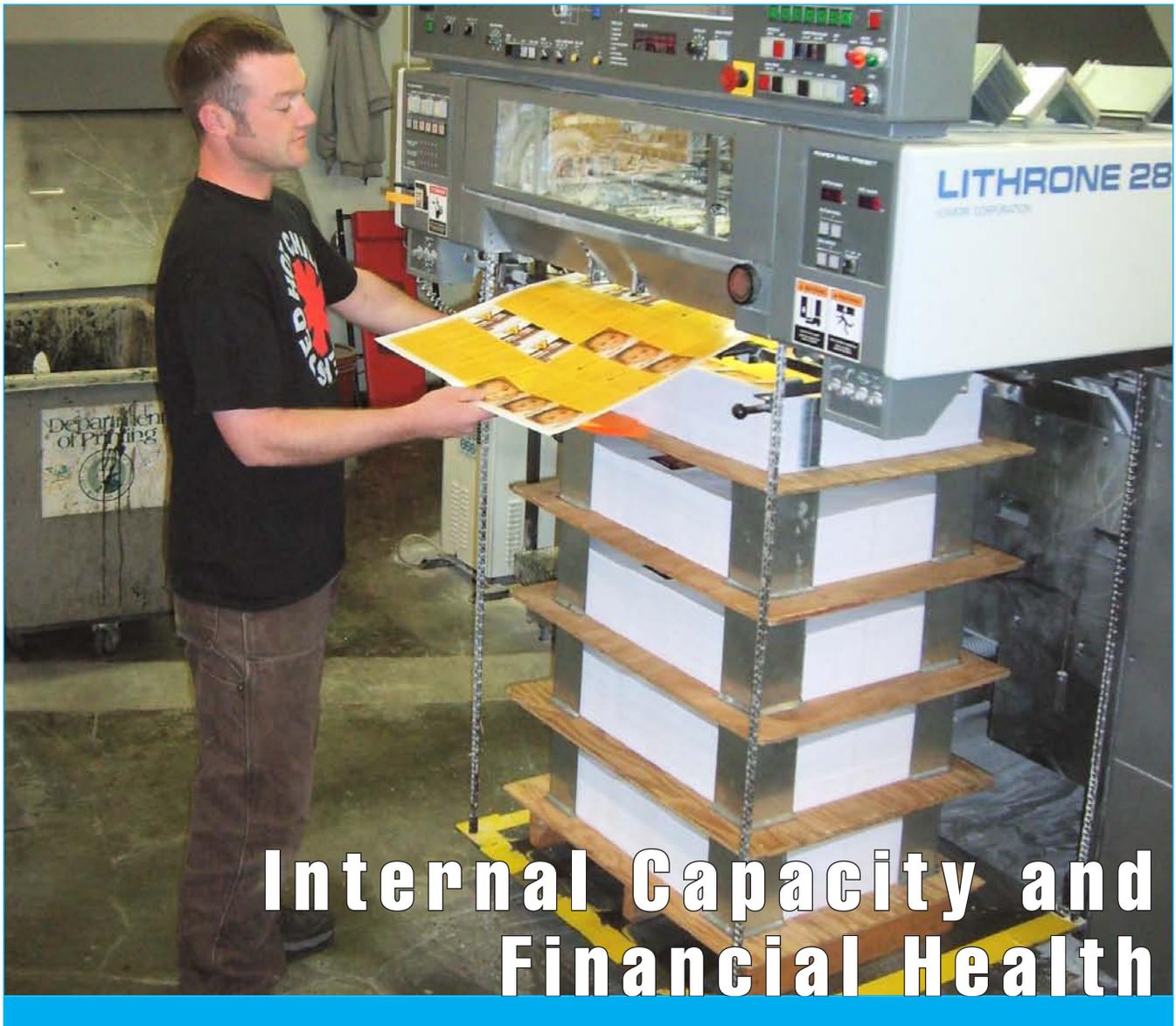
The Department of Printing's **costs of doing business** are increasing:

- Paper costs continue to rise
- Demands for recycled paper are increasing
- Paper suppliers feel the economic squeeze – less availability reduces competition, making vendor relationship management more important
- Rising fuel costs
- Increasing postage costs
- Climbing power costs
- Growth in general government overhead (such as oversight, shared costs, and mandated services - often a result of citizen desire for accountable government)

As we all become more informed about environmental concerns, there is **increasing demand for “green” products and services**. The Department of Printing makes the environment a priority by minimizing its “carbon footprint.” While this elevates some immediate costs (for example, recycled paper is more expensive than virgin paper), the longer term costs to Washington citizens are reduced and we’re building a more sustainable future for our children – future Washington citizens.



We contract to provide personalized and promotional items too. We secure better pricing for government by leveraging statewide buying power.



Internal Capacity and Financial Health

One of our strengths is our ability to add to our own supply chain. For example, our customers needed envelopes. We built this new capacity, and now we manufacture envelopes instead of buying them.

Another is our **partnership** with Consolidated Mail Services (Department of General Administration). We work closely together to serve our customers.

While we experienced loss from 2000-2006, we have since been **operating in the black**. We achieved this by analyzing our operations and strategically restructuring in 2007 to reduce our overhead costs. We also improved some of our production processes, and we are doing more jobs. Our financials are looking strong, and we anticipate further improvement in 2008. This will help with some of our challenges to build new capacities and keep pace with industry changes and customer needs.

During this biennium we will build and implement an integrated management information system. This will **improve operations** by:

- Automating manual entry, scheduling, and coordination activities
- Reducing complexity, duplication, errors, delays, and waste
- Improving internal communication, coordination, and security
- Providing comprehensive information about our agency products, services, processes, functions, staff, and vendors so we can better manage operations
- Providing integrated performance information to fuel improvement initiatives, predict performance, and more proactively manage the business – growing and retiring business lines strategically

This new system will **improve customer** service by:

- Providing a “single face” to our customers for their print and related needs
- Ensuring consistency
- Improving coordination with our central service agency partners

We’ve done a good job of extending our unused capacity to other states, helping us fund new capacities needed by Washington government. These efforts allow us to shift some of the work that we currently farm out to other states, bringing that money back into Washington’s economy.

Another challenge we face is funding **technology investments**. Technology changes rapidly and drives change in the printing industry. Our customers want new capabilities as soon as they are available – which is also when they cost the most. To keep pace with changing needs we are integrating digital technology, and bringing in high quality color and variable print devices. We are also providing automated software solutions to make web-based ordering easier. Newer technology means more cost. Unlike the private sector, we cannot mark up sales to increase revenue to fund new equipment. We must work closely with our customers to determine current and future needs so we can recover equipment acquisition costs, and keep costs down for them at the same time.

As we add equipment and work, our **facilities needs** also change. Sometimes this means more space, sometimes it means using what we have differently. Regardless, this means more expense, as facilities must be modified to provide electricity, security, ventilation, etc. Sometimes modification costs can be recovered over time because of new efficiencies – not always.

Workforce issues provide yet other challenges – and opportunities:

- Labor costs are rising.
- The pool of candidates for craftspeople in this industry is limited.
- Helping our staff adapt and change with the business – multiple shifts, unions, and staff on production lines make training and education challenging! Many of our employees don't have an assigned "work station" or a personal computer.
- Providing communications solutions (instead of just taking orders) means developing new skills like outreach, analysis, and consultation to learn more about our customers' businesses and needs.
- New staff and/or additional work shifts as we build capacities to meet customer needs.

We also face the same challenges as other agencies regarding turnover, union contracting, and succession planning. Unlike most agencies, we are exempt from the Washington State Civil Service rules.

The Department of Printing has experienced a lot of change and turnover in the last two years. This includes a new director and other key management positions. Even so, our climate survey scores remained about the same. We expect these to improve as we continue to strengthen our team.

Branding is another opportunity for the State Printer. We're NOT the printer you used to know. In fact, we may just be the best kept secret in state government. We think it's time to let the secret out of the bag. We have some exciting stories to tell about the results we achieve – the results we help our customers achieve, and the ways in which we are collaborating with other elements of government for the greater good of Washington. The challenge is to tell those stories well and get them to the right audiences!



WASHINGTON STATE
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