The phenomenon of outsourcing print management is not a new one. Yet the days of the print broker are long gone and have given way to the rise of a new and highly sophisticated type of print management company. By Abby Vorster

Concern is growing among print service providers (PSPs) in South Africa since the circulation of a media statement, which details ways in which outsourcing print management would have a beneficial effect in beating the recession for print buyers.

This is not true, according to Pat Lacy, CEO of Printing SA. ‘Print management companies operate in a very negative way. The proposed savings in terms of procurement and the projected elimination of challenges faced by the client, are not only the makings of a flawed business model that is based primarily on bottom-line savings, but also fail to take into consideration the long-term effect on the sustainability of the local printing industry.’

Some print management companies are drawing an iron curtain between print buyers and PSPs, whereby the buyer is blissfully unaware of the mayhem occurring in the printing industry. ‘Those clients making use of print management companies don’t even know which printer is being contracted to do their work. Some jobs are even being sent to printers in China, while local PSPs are being pushed to cut their profit margins just to secure work,’ adds Lacy.

It’s a negative concept that is sure to see the demise of the printing industry. By cutting profit margins, PSPs will have to cut budgets assigned to technology upgrades, marketing, Printing SA levies, tax, legal requirements and training. ‘PSPs could be pushed to buy substandard paper and use inks that are detrimental to the environment, all of which is unbeknown to the client,’ he explains. ‘And all of the savings go into the pocket of the print management company.’

In addition, print management companies have no vested interest in the longevity of the printing industry and make no financial or practical investment into training and development, which will ensure the sustainability and future growth of the industry.

Maintaining a positive relationship
The closed and opaque system of print management companies smacks of skullduggery. Some printers can even attest to this as they have quoted on work, putting in the price of the paper only, i.e. excluding machine time, ink etc. and not even then were they awarded the job.

So, to avoid the slow demise of the printing industry, Lacy strongly advises print buyers at large corporations to stand up and take note of this situation. ‘It’s a symbiotic relationship between the PSP and the corporate market. If a printer has to retrench staff and close up shop due to losing a major contract to a print management company, its staff will no longer be able to spend their hard earned money on products produced by leading corporate companies. Effectively, corporates that opt to go the outsource route are in fact killing their own customers,’ he says.

Lacy also advises that for those corporates eager to score points on their BEE scorecards, an easy way to do so is to award contracts to emerging black-owned printing companies. ‘And if you’re unaware of who is being contracted to handle your printing contract, which is the case when going the outsource route, it becomes completely impossible to claim procurement points in this regard.’

By contracting work directly to a printer that is a member of Printing SA, corporates can be rest assured they will be supporting a sustainable industry. Lacy explains, ‘ Corporates should inevitably support their own clients – it’s the proudly South African way of doing business. And since the association regulates its members (at their consent), corporates are invited to consult with us on any grievances or issues they may have in terms or quality and pricing.’

Printing SA also has a list of highly rated BEE printing companies, which it will happily distribute to interested print buyers requesting such information. ‘We’ll give it to you; it’s as easy as that,’ exclaims Lacy.

Most South African printers, about 800 nationally, are members of Printing SA, which is the public face of the Printing Industries Federation of South Africa. Its members commit to a pledge of integrity, fairness, responsibility, professionalism and sustainability in all of their dealings. This ensures that customers experience the highest levels of service and quality, while their 45 000 employees, with half a million dependents, receive all the benefits of responsible employment and skills development.

So, for those corporates that opt to cut out the middle man, the so-called savings presented by print management companies will not be a reality yet, you will be working towards supporting a sustainable printing industry and the continuing economic development of South Africa.