

A quality partnership

HP inkjet and digital solutions add value for MSP

HP customer case study: MSP of Pittsburgh, Pa.

Industry: Mail and addressing



MSP, one of the country's largest direct-mail facilities, has adopted two HP printing technologies—digital and inkjet—for its high-quality direct-mail services. "We're not selling a commodity anymore," says MSP President Rich Bushee. "We're selling value and results."

Objective:

As increasing competition made printing more of a commodity business, MSP decided to differentiate itself through two strategies: higher-value inkjet printing and a new, full-service creative agency.

Approach:

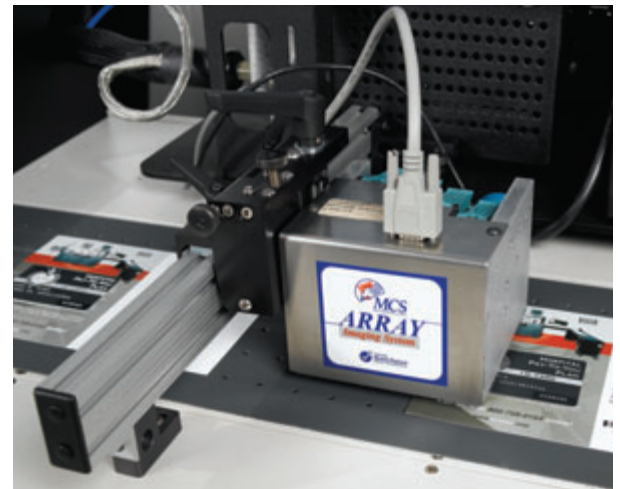
HP Specialty Printing Systems' partner MCS proposed replacing MSP's old, cumbersome inkjet system with the MCS Array featuring HP inkjet technology to improve reliability and enable higher-value printing and personalization. Around the same time, MSP launched its Digital Direct division with one HP Indigo press, which it recently replaced with two HP Indigo 5000 presses to serve its in-house creative department.

IT improvements:

- Eight MCS Array printing systems featuring HP inkjet technology, giving the company greater flexibility, reliability and efficiency as well as opportunities for customization
- MCS PerfectMatch™ system, a software program that allows inkjet printers to match closed envelopes with laser-printed letters and print addresses and personalization on the envelopes
- Two HP Indigo 5000 digital presses used in MSP's Digital Direct division for full-service one-to-one marketing campaigns, including web-to-print programs and variable data printing

Business benefits:

- With the MCS Array machines, ability to deliver higher value to customers through personalization, color and the use of closed envelopes that are more likely than window envelopes to get opened
- With the HP Indigo presses, ability to do more targeted direct mail and high-end color that adds impact and improves customers' rate of return
- Significant growth in both inkjet and digital printing



For nearly four decades, Mailing Services of Pittsburgh (now MSP) concentrated on providing top-quality production services to a variety of direct-mail clients. The family-owned business became one of the largest direct-mail facilities in the country. But a few years ago, as increased competition began to erode profit margins, MSP was quick to see that it needed a way to differentiate itself and add value.

So, about ten years ago, MSP created a full-service, in-house agency to provide its nonprofit clients, including the national and several regional offices of the Salvation Army, with everything from creative and strategic consultation to database development, printing and mailing. And nearly four years ago, MSP developed a digital printing division.

Those two strategies have been significant drivers of the company's growth since 2000—and Hewlett-Packard has been a big part of both.

Customer solution at a glance

Primary applications

Complete services for direct-mail printing and addressing, plus creative services and digital printing for one-to-one marketing campaigns

Primary hardware

- Eight MCS Array Inkjet Imager systems
- Two HP Indigo 5000 presses

HP inkjet opens doors

"We are an HP customer on two fronts—through inkjet and digital technology," says MSP President Richard Bushee, whose grandfather, also named Richard Bushee, founded the company.

MSP began its relationship with HP four years ago thanks to an HP Specialty Printing Systems' OEM partner, MCS. When MSP needed to replace its existing, more cumbersome inkjet systems, MCS proposed a solution. "We told them HP had a new value proposition based on reliability, ease of use and flexibility," says MCS President Dave Loos. "This opened the doors for higher-value-added applications and revenue." MCS manufactures the MCS Array system featuring HP inkjet technology that's clean, easy to use and geared toward demanding industrial applications.

The MCS Array Inkjet Imaging System is a modular system that mounts on all bases and transports. It allows for an expandable print area (from 4 to 16 inches), can print spot colors and can operate at speeds of up to 36,000 pages per hour at up to 600 dpi. The Array prints on a variety of surfaces, including aqueous-coated surfaces. Most important for MSP, it can interface with the MCS PerfectMatch™ System, which matches documents with addresses at highly efficient production rates.

After trying one MCS Array, MSP soon added seven more to multiply its success.

Inkjet supports the personal touch so important to fundraising strategy. For example, with systems including the MCS Perfect Match, MSP is leading a trend in the direct-mail industry: integrating laser-printed letters with inkjet-printed, closed-face envelopes. More personal than the usual window envelopes, these envelopes also deliver higher returns for MSP's fundraising customers.

But accuracy is critical: the addresses on the letter and the envelope must match. That's easy with a window envelope, but hard in a closed-face envelope. MSP was stuffing closed-face envelopes manually. But now, with the combined technology of MCS's PerfectMatch System and printing system using HP inkjet technology, MSP has grown this business dramatically. By the end of the year, Bushee says, it's likely to be 20 percent of the company's business.

"MSP is putting the inkjet process at the end of the inserter, which is a new trend," Loos says. "By replacing the window envelope with an inkjet envelope and putting it at the end, they are creating a bigger market."

Going digital

Four years ago, MSP created Digital Direct with one HP Indigo 3000 digital press. "We saw one-to-one marketing as the wave of the future and wanted to be an early adopter," Bushee says.

Recently MSP replaced the 3000 with two HP Indigo 5000 presses, positioning MSP for substantial growth in digital printing.

"We set up the digital business to capitalize on the strengths of our core business," says Jim Young, general manager of MSP Digital Direct. Those strengths include a strong IT department, mailing expertise and web-to-print applications. MSP provides clients with web-based tools to create their own mailing programs, which are transmitted to MSP for digital printing and mailing.

Adding value, assuring quality

A decade ago, Bushee saw printing becoming a commodity business, and he figured out the secret of survival. "We've restructured our company to move toward value-added business," he says. "We're not selling a commodity anymore. We're selling value and results."

In both inkjet and digital printing, value and results depend on quality. High-quality printing makes MSP's clients more successful, and everybody wins. "All the devices out there produce acceptable, pleasing quality," Young says, "but HP is a step ahead of others with what you see on the paper."

To learn more, visit www.hp.com/oeminkjet
www.mcspro.com

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