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CASE STORY

PCI GROUP: A VERTICAL FOCUS

COMPLIANCE, INKJET, GROWTH FOR FINANCIAL SERVICES

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Introduction

PCI Group (Fort Mill, SC) is a leading provider of mission-critical communications for businesses where security of customer-centric data is paramount, precision and accuracy are crucial, and compliance is a must in industries that include collection agencies and debt buyers, financial institutions, healthcare providers, insurance companies, and utilities. According to Christian Kropac, President and Co-Owner of PCI Group, "We focus on producing highly regulated, mission-critical transactional communications that are highly personalized and compliant." The documents that PCI produces for customers are challenging and very technical. To better service its customers, the company made significant investments in an inkjet production workflow to enhance its lean manufacturing efforts and better manage compliance. By targeting the financial services industry and focusing on compliance, the company has built a value proposition that is attractive not only to financial services customers but also to the PCI Group's bottom line.

A Focus on Compliance

PCI Group is a family-owned and operated business that was founded on Long Island, NY in 1970. In 2008, the company moved to its current location in Fort Mill, SC to expand its production capabilities. PCI now serves customers from a 94,000 sq. ft. facility that operates 24 hours a day, 7 days a week. The company started as a large-scale data entry service bureau for the city and state of New York, supporting highly compliant and confidential information such as birth certificates and credit applications for major banks. While serving banks, the company discovered an opportunity to provide data services and direct mail printing to collection services. Kropac explains, "As we grew our business in financial services, we invested heavily in security and technology, and over the years have transitioned the work of many in-plant operations into our business." To meet customer demands, PCI has made strategic technological investments to optimize secure, fast, and cost-effective outbound document delivery and communication processing services.

Figure 1: PCI Group's Location in Fort Mill, SC

Targeting the Financial Market

With its roots in data and highly secure business communications, it comes as no surprise that PCI Group would focus on the opportunities within the financial services industry. The U.S. financial services sector comprises over 470,000 establishments engaged in financial transactions (e.g., transactions involving the creation, liquidation, or change in ownership of financial assets) and/or facilitating financial transactions. The industry is highly regulated, and some of the key regulations that apply to customer communications concern information disclosure, data security, and protection of customer privacy. Producing mission-critical communications and highly confidential materials requires a secure printing environment with restricted access, continuous surveillance, and rigid protocols to safeguard data, control audit procedures, and protect privacy. Technologies that protect against forgery and the alteration of financial documents and checks are also important.

Businesses choose PCI Group because of its rigid protocols and standards for protecting sensitive information. With integral knowledge of critical federal and state regulations, standards, and required industry disclosures, PCI is more than a vendor—it becomes a valuable and trusted partner. The company is staffed with an experienced, full-time security and compliance officer whose continual oversight ensures effective due diligence and compliance on behalf of clients. PCI Group is in compliance with or holds certifications for the following:

- SOC 1 (SSAE16) & SOC 2 – AICPA's Service Organization Control Reports Standard
- PCI DSS – Payment Card Industry Data Security Standard
- HIPAA – Health Insurance Portability and Accountability Act
- HITRUST – Health Information Trust Alliance
- FISMA – Federal Information Security Management Act
- State Data Breach Notification Laws

"We're in the compliance business," Kropac elaborates. "Everything we do is standardized, documented, and controlled in our environment so we can produce error-free communications."

Next to Compliance, It's All about Productivity!

PCI follows strict customer SLAs and industry regulations; it ranks compliance as its top selling point in the financial services marketplace. Next to compliance, however, the company boasts production efficiency within its highly secure printing environment. These efficiencies are powered by investments in technologies, equipment, maintenance procedures, and processes that cost millions of dollars. "We sell best practices that are driven by compliance and production efficiency," Kropac notes. "When we onboard a new client, we move their internal procedure as is, then enhance the service by building best practices around it. We have documented procedures and processes because we have strict controls around everything."

Inkjet

PCI Group has nearly tripled its number of pages printed over the past two years. According to Kropac, this astonishing growth is "100% because of our investment in inkjet." Before the company invested in inkjet in 2015, PCI was printing about 300 million pages per year. Today the company produces over 1.2 billion pages per year on its inkjet presses. PCI's arsenal of inkjet presses includes the following Océ devices: two roll-fed Océ JetStream inkjet production printers (with MICR), two roll-fed Océ ColorStream 3900Z inkjet production printers, a cut-sheet Océ VarioPrint i300 inkjet color digital press (with MICR), and an Océ VarioPrint 6250 black & white cut-sheet printer (with MICR). Kropac credits inkjet for PCI's increased production due to the technology's ability to reduce costs and increase production speed. He states, "What was once plain print on a static backer is now a fully customizable – completely personalized customer communication that drives ROI and the client benefits from the lower costs involved by printing full-color inkjet." The company printed bills and statements on pre-printed shells prior to implementing inkjet, but inkjet has enabled the company to become a "whitepaper factory" that transforms plain white un-perfed paper into customer-focused, high-quality, full-color documents at high speeds. Kropac states, "We printed 2.5 billion images last year … and saved a lot of money doing it!"

Figure 2: Océ VarioPrint i300 Inkjet Color Digital Press with MICR

He continues, "Our decision to convert to inkjet improved productivity and flexibility. We're all about compliance—the content that we print on the paper is actually worth more than the paper itself. In our world, a mistake can cost thousands of dollars to rectify. Having the ability to change text on the fly compared to our old processes [utilizing pre-printed shells and toner imprinting] has saved our clients thousands of dollars because we don't need to throw out expired stock. In addition, inkjet is 80% more cost-effective when printing full color. We've also experienced savings on other parts of our workflow, which is driven by Océ PRISMA and includes make-ready time and proofing." Using electronic proofs for inkjet enables the company to stand by its compliance claims and is predictable and quantifiable for each press run. Furthermore, the PRISMA workflow enables the conversion of various customer supplied barcodes on the fly to new 2D barcodes, achieving full integrity throughout the production process. Using one consistent barcode on all documents is essential to the PCI Group's ability to deliver secure and accurate documents into the mailstream.

"Inkjet is the wave of the future," Kropac asserts. "If you're not in the inkjet world yet and you're trying to figure out what to do, it's time to jump in with both feet. Canon is the clear leader in production inkjet technology… it's just phenomenal."

Lean Manufacturing

Another key element in PCI Group's efforts to improve productivity was to implement a lean manufacturing process to maintain optimal production efficiencies and help standardize processes. Prior to implementing these strategies, PCI Group found that it was experiencing production errors. Lean manufacturing is critical to the workflow process because it drives errors out of the equation. Additionally, lean manufacturing assisted the enhanced document security by allowing procedures to complete package integrity (barcoding for correct inserting, enabling 100% accuracy for sheets into envelopes). Now, with a complete lean manufacturing facility, the company has been error-free since implementation two years ago. Kropac elaborates, "We've implemented over 140 Standard Works [standard operating procedures] that are simple to understand, allow for fast training, and enable predictable outcomes." He believes that implementing these Standard Works has shifted the ultimate responsibility for excellence from the quality control managers to the production operators. The operators at PCI Group are audited often for procedure checks—they completed over 7,000 quality audits in 2016. Any necessary process changes are implemented within 24 hours by the dedicated company's business process improvement team. PCI Group uses lean manufacturing as a selling tool as well. Lean is implemented throughout the company holistically and is part of its culture, linking to a fully quantifiable process that generates results, trust, and quality.

The Secret to Selling in the Financial Market

By focusing its operations on serving this compliance-driven vertical market and making the right technological investments, the PCI Group is successfully selling services to its highly demanding client base. Investments in compliance-related training, processes, IT infrastructure, production inkjet, and workflow have positioned the company as a trusted and valuable partner that meets the industry's requirements for speed, quality, security, and productivity. PCI Group leverages these benefits when selling to this market. Specializing in a target market has enabled the company to better understand its clients' real pain points. According to Kropac, "We can help forecast and predict issues before even our clients understand them. We can tailor our communication solutions to better meet clients' needs and position ourselves as subject matter experts. The biggest benefit of having a vertical market focus is that we truly understand our clients' businesses."

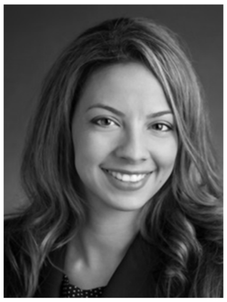
The Bottom Line

According to data from Keypoint Intelligence/InfoTrends' research of over 800 enterprises, profitable print opportunities can be found in a number of vertical industries. As described in the Canon Solutions America thINK Webinar titled "Where's the Money? Targeting Profitable Print" and supported by PCI Group's experience, there are six good reasons to target a specific market:

1. You can easily drill down to the features of your offerings that are most beneficial to your target market.
2. Once you understand your target, it's a lot easier to highlight the features and benefits that matter.
3. Supporting your market becomes much easier when you have a target to focus on. You can also form partnerships with businesses that offer complementary services.
4. Once your target market has been identified, it's easier to determine where and how you can most effectively market your services.
5. By targeting your market, you can be proactive about deciding who to work with.
6. Incorporating additional target markets is easier once you have a marketing strategy in place for the first one.

Whether you focus on the financial services market like PCI Group or another profitable industry, there are several important advantages to taking a vertical market approach.

authors



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