



jetvarnish implementation guide

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shaping
print to
business

About the Author



Neil Falconer – MD Printfuture

Neil has over 35 years' experience in the printing industry – across production, management and consulting. By working in, managing and owning print companies, he understands how the industry works and, crucially, what makes printers tick. As a consultant, he has led market studies, international due diligence projects and business improvement programmes in commercial print, publishing and packaging.

As an international strategy consultant Neil works with many of the major print companies manufacturers and suppliers guiding his clients through the current market trends. In 2015, he worked in fifteen countries on five continents; his global perspective combined with practical knowledge and experience allows him to provide valuable insight and new ideas.

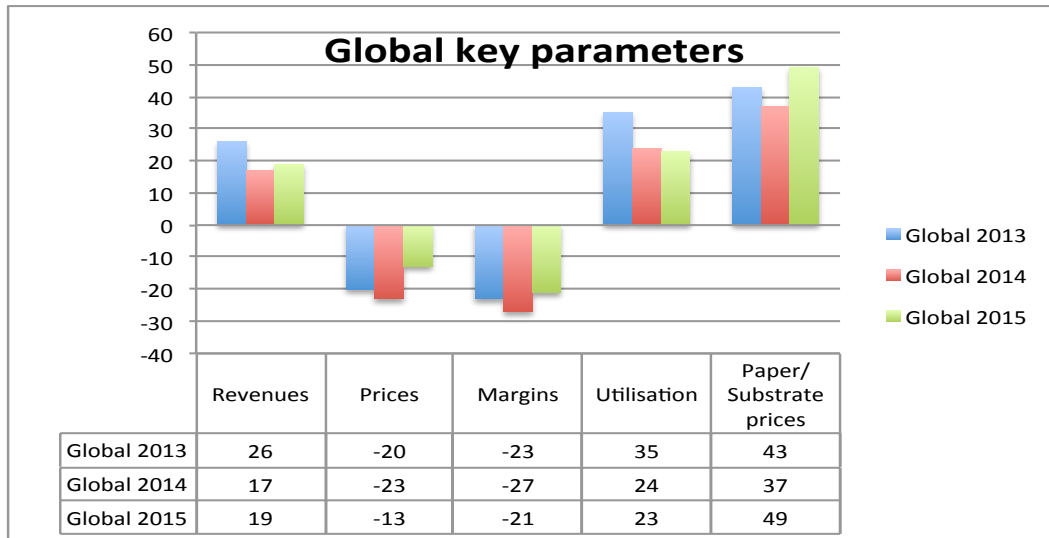
His current focus at Printfuture is “adapting to change in an online world”, helping companies integrate digital print and cross media technologies into new customer centric business models. Printfuture provide practical support through a range of research, publishing, content marketing, consultancy and training services. Neil regularly partners with Konica Minolta to provide content on numerous topics for Digital 1234 and the PROKOM user group.

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Introduction

In overall terms the global picture for the print industry in 2015 followed the trends of the previous two years, with a positive net balance for revenues (+19%) and utilisation (+23%) and a negative net balance for prices (-13%) and margins (-21%). So in summary printers are running harder to maintain profits by trying to increase revenues and utilisation to offset reducing prices and eroding margins.



drupa Global Trend report 2016

With prices and margins declining year on year, the number one challenge for print providers is – how do we add value and increase profits. Industry pundits will tell you there is no silver bullet, increasing profitability is a combination of changing your business model and diversifying by adding new services like cross media, W2P and VDP. Web-to-print installations have stalled and non-print turnover remains small for most printers; just 26% of printers state it is more than 10% of revenue, which is unchanged over the last three years.

It is clear that printers want to stick to what they know and are reluctant to add new skills and services – so how can they increase margins? How can they differentiate themselves? How can they win new business? And how can they survive long term?

Read this Implementation Guide very carefully and you might just find the answers to all those questions.

Let us forget the world of printing for a moment and consider the fascinating science of marketing psychology. During the purchasing process all of our senses, vision, touch, smell and even sound are vitally important in making a decision. When we assess conventional two-dimensional printing we primarily do this visually. But when a product is tactile it connects you to it in a very personal way. The valuation and affective reaction of an object increases when touch provides a sensory feedback. Touch statistically increases perceived ownership, the higher the perceived ownership the more likely you are to buy. Research has found that some people prefer to evaluate products through touch and are more frustrated when shopping if they do not have the opportunity to touch products. A message that incorporates a touch element (versus a message with no touch element) will increase persuasion and engagement especially if that message is personalized.

When we consider product packaging, current research suggests that the packaging opportunities are not limited to providing touch attribute information. New print technologies are being introduced that provide tactile effects, encouraging consumers to approach and examine the packaging and to enjoy the sensory experience of touch. A product package that is interesting to touch may increase sales even if the opportunity to touch does not provide additional product information. Some evidence suggests that tactile elements of product packaging can even contribute to the overall brand image of a product.

The link between touch and impulse purchase has important implications. Touch in general is found to increase impulse purchasing. Because of this, point-of-purchase signs, displays, book covers, direct mail and packaging printed with 3d varnish or foil help to add perceived value and encourage higher sales.

As with all investments of this size they should be researched thoroughly and supported by a professional business plan and project plan. The things you need to consider are as follows:

- Cost and return on investment
- Profiling current customers and markets to understand potential in the existing customer base
- Understand the resources and new skills required to utilize JETvarnish
- Have a project plan for implementation
- Have a sales and marketing plan for growing the JETvarnish business

This Implementation Guide will examine the opportunity for print providers to increase their profits and win new business through the use of JETvarnish 3D.

Background

A disruptive innovation is an innovation that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network, displacing an earlier technology.



JETvarnish 3DS

As was highlighted in the introduction – ***there is no longer much money to be made in printing me too products, the only way to make a margin is to push creative finishing.*** This is where Jetvarnish comes in, an innovative disruptive technology that allows printers to be predictably profitable at higher margins, without getting out of their comfort zone.

MGI first introduced the JETvarnish as a prototype at drupa 2008. It represented a new direction for a company that had previously focused on dry toner (electrophotographic) technology for printing. The JETvarnish was the first solution to successfully utilize inkjet technology for spot UV coating, a special effect long desired for its stunning visual impact, but one that came at a price - expensive make ready (plates, screens, etc) that required long runs in order for customers to break even financially. With the JETvarnish, printers finally had a way to apply spot UV coating to even the shortest runs, and the 100% digital technology meant that making changes to the mask file was as simple as the click of a mouse.

While the initial prototype had a 14x20” maximum format, feedback from prospects indicated that a B2 format (20x29”) was required in order to accommodate sheets printed on half size offset presses. The B2 format JETvarnish was commercially released in 2009 and MGI cemented their position as the leading manufacturer of inkjet spot UV solutions, installing more than 130 units worldwide. At drupa 2012, MGI introduced the next-generation JETvarnish 3D, which featured faster speeds for spot UV coating and new 3D raised effects onto digital or offset prints. This dual set of capabilities is a true game-changer and is now enhanced by additional technical upgrades, including the ARC registration camera system.

The benefits of JETvarnish over traditional production methods

Component	Traditional	JETvarnish
Make-ready	Prepare plates/screens/blankets, etc (can be upwards of \$200)	Add 5th color “mask” via software in prepress and load in JETvarnish front end system
Job changeover	Change plates/screens/blanket, clean/purge system, dispose of ink/coating	Load new digital mask file.
Make changes to spot UV area	Create new plate/screen/blanket. Load onto machine	Make edits on the fly using Spot Varnish editor
Cleanup at end of shift	Clean system, dispose of store plates/blankets/screens	10 minute automated wash-up procedure and procedure for end of shift

Environmental impact	Large footprint Heavy electrical consumption Special disposal of inks/chemicals Considerable make-ready	<ul style="list-style-type: none"> * Smaller footprint * Reduced electrical consumption * No cleaning in between jobs * No make-ready/resource waste
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As can be seen from the benefits chart above JETvarnish has significant cost and operational advantages over traditional processes, which will now make it more affordable and accessible for marketers and brands to use on a much wider range of products. Importantly it allows them to use JETvarnish on demand in conjunction with digital printing to create a completely new value chain.

JETvarnish Markets and Applications

The uses of JETvarnish are limited only by the creative thinking behind each application. It has been effectively used to enhance products across a range of different market sectors as follows:

Book printing and publishing

Run lengths are decreasing. It is a perfect companion for digital production or offset runs. Book covers are usually spot UV varnished and enhanced with embossing and foiling. You can now add 3D varnishing with personalization or versioning. This is going to open up new opportunities for magazine and catalogue production, especially for advertising or promoting high end, high value brands and their products.

Commercial printing

It is deal for enhancing and upselling print, on virtually any product. Perfect as a door opener into agencies and brands by making products stand out. JETvarnish can be used for brochures, stationary, flyers, Direct mail, posters, plastic cards, point of sale items, you name it and JETvarnish will add value to it.

Package printing

Packaging is the biggest growth opportunity for digital printing but commercial printers struggle to enter this market. JETvarnish is a unique proposition and is a door opener because it is ideal for short run packaging, prototyping, proofing, customized/versioned projects and a variety of security applications. Increasing packaging shelf appeal and influencing buying decisions is a top priority for agencies and brands, so JETvarnish gives you a conversation which is right on their radar.

Trade finishing

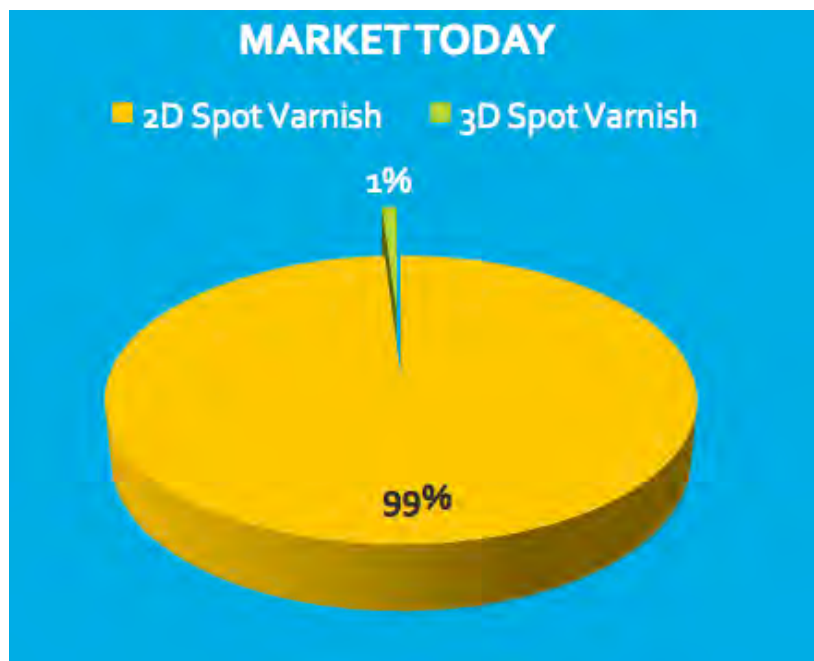
Installing JETvarnish allows you to offer a compelling and cost effective alternative to traditional processes, so you can quickly become the go-to source for spot UV coating in your area. Because JETvarnish is unique and the margins are so high, with some effective marketing and samples it is very

easy to create awareness and built a successful business as a trade supplier to other print companies.

Proofing and prototyping

JETvarnish is the only process, which has the flexibility required to produce cost effective on-demand proofs and prototypes. Agencies and brands spend a fortune on proofing and prototypes when getting products to market. With traditional processes this can take weeks and months because of the lead-time in making dies and screens and setting up machines for one off samples. With JETvarnish dozens of different prototypes and samples can be produced by changing design elements on the fly in a matter of hours. This is a massive advantage because it allows products to get to market quicker and allows promotions to be run more often resulting in reduced cost and increased sales. That's a conversation that any brand manager will want to have.

In the market today 2D spot varnish dominates 99% of the market because it is the quickest, easiest and cheapest way to differentiate products, also many people are not aware of 3D varnish. When printers start to use JETvarnish the main demand is going to be for 2D varnishing but as awareness grows there will be increasing demand for 3D as a more effective means to enhance and differentiate products. As a consequence the market for 3D is expected to grow from 1% to 25% over the next 2 years. This is a great opportunity for printers to differentiate their business and take advantage of the explosive growth generated by the start of a new market.

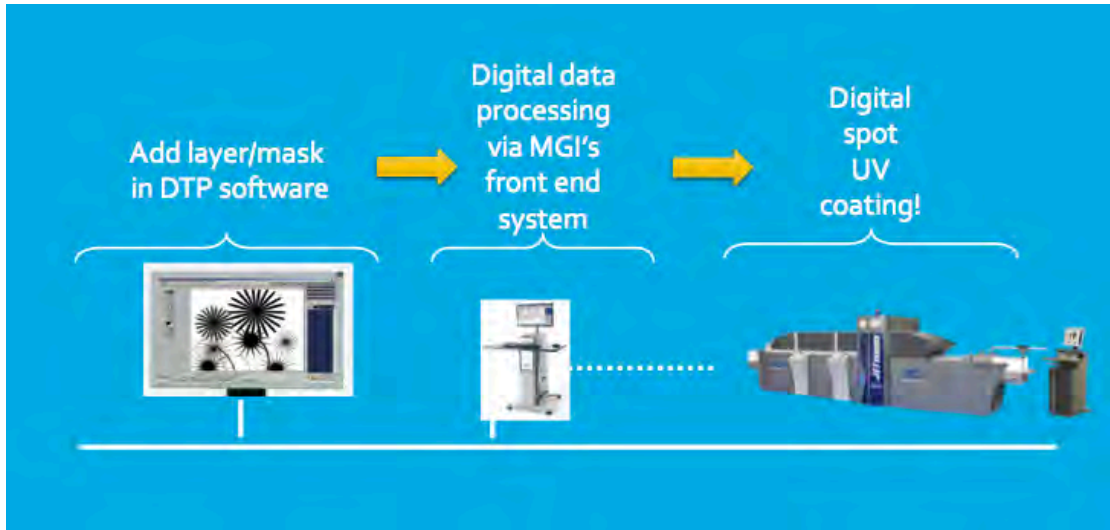


Source: MGI

Technical and Operational aspects of JETvarnish and Ifoil

JETvarnish is a 100% digital process, which requires no screens or plates. It is a three-step process:

1. Create the mask for the varnish in Photoshop on the desktop
2. Digital data is processed through the Workstation Manager- MGI's front end system
3. Varnishing and coating is applied with the JETvarnish 3DS



The benefits of this simple three-step process are:

1. Short run production from 1 to 10,000 sheets
2. No make-ready allows for quick turnarounds
3. Increased productivity - more jobs each day = more profit
4. Much easier to edit digital files should changes be needed
5. Ability to control the thickness of the coating, JETvarnish 3D now accepts greylevel image with up to 32 different values
6. With the JETvarnish 3D, « flat » Spot UV jobs are printed 3 times faster than previously (up to 3,000 20x29 sheet per hour)
7. With JETvarnish 3D, « 3D » Spot UV jobs can be produced with a variable height up to 100 microns

JETvarnish 3DS curing systems



The JETvarnish 3D features three different types of curing technologies: LED, IR and UV. Each serves a different purpose and can be combined to achieve different types of effects.

LED (Light-Emitting Diode)

This feature on the JETvarnish 3D is used primarily to “freeze” the thick layer of coating used to produce 3D effects. Without the ability to quickly cure the coating upon application, it would not hold its shape and would spread out instantly.

IR (Infrared)

The IR is used primarily in spot UV (flat) coating to flatten and smooth out the coating surface.

UV (Ultraviolet)

The UV is the final curing mechanism on the JETvarnish 3D and is what hardens the UV coating so that it does not scratch, scuff or feel “sticky.”

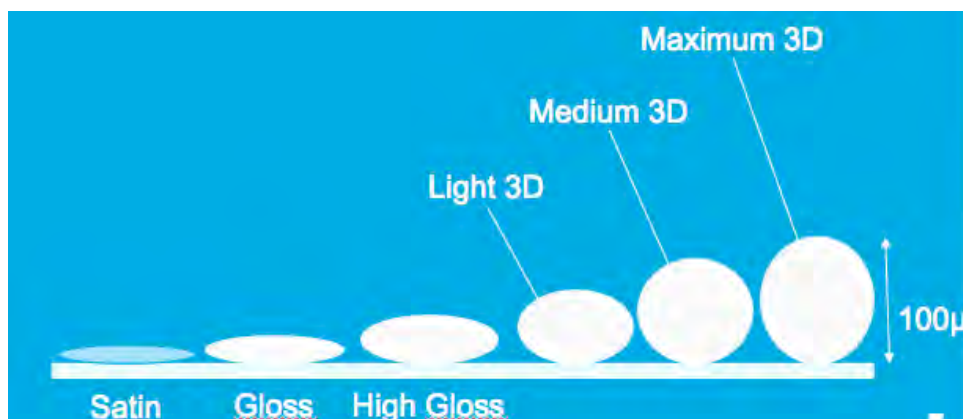
Choosing the right curing “recipe”

While the JETvarnish 3D includes three different curing technologies, you do not use all three at the same time. Rather, you choose a combination based on your desired finish. You can experiment with the different combinations depending on the finish you desire on your prints. For example, you can adjust the IR level depending on the substrate, lamination, etc. It is recommended that you keep track of the combinations that work best on each substrate that you run for quick reference in the future.

The Work station manager

The digital front end is a powerful hub, which gives ultimate control and flexibility over the production of all your JETvarnish jobs:

- Manages all your jobs from Print – reprint – hold – erase – save parameters *etc.*
- Predictive consumption calculator for Page coverage – consumption in ml, x1,000 – etc.
- Image Editor (Spot Varnish Editor) allows an operator to Move, delete, stretch, rotate, select a block/page, *bold/unbold text, choose varnish effect - etc.*
- Print head maintenance control for Print head position – Temperature control – Automatic push button cleaning
- Variable coating thickness and Variable number of drops for satin, gloss or ultragloss finishes
 - Flat: average thickness of 10 microns
 - 3D: average thickness of 50/60 microns
 - Max 100µ



Registration

Spot UV on digital prints has been impossible up until now because of the variation from sheet to sheet, which causes registration issues. This has now been overcome with Arc registration cameras, which registers each sheet individually on the fly and reads learned graphical elements and the edge of the sheet to triangulate coordinates for perfect sheet-to-sheet registration. The JETvarnish 3D will adjust each sheet to the individual pixel making registration on every job 100% accurate.

The JETvarnish 3DS Barcode Reaction kit (Optional)

This system is very useful as it can read printed barcodes during production and call up the correct image to varnish making it perfect for Variable Data in 2D Varnish, 3D Varnish and VDP Embossed Foiling applications. The kit contains a 3D Controller with VDP camera, screen and mouse.

Production

The JETvarnish is a highly productive machine capable of:

- Flat: up to 3,000 sheets/hour 20x29*
- 3D: up to 800 20x29 sheets/hour
- First page out in 16 seconds
- Print speed is maintained regardless of format or coverage

Substrate dimensions

- Min: 8.26 x 11.8 inches
- Max: 20.47 x 41.33cm

Substrate thickness & types

- From 135 to 600 gsm - Coated paper and board, coated plastic, PVC and laminated surfaces, etc.

UV inks have several production and environmental advantages:

- Solvent-free
- Digital technology reduces consumables (ink/varnish/plates/screens), paper (no make-ready) and electricity consumption
- No cleaning in-between jobs
- No ink residues or waste as the varnish recirculates in closed-circuit system
- Reduced electrical consumption - Offset press (52 x 74 / 20 x 29") = 300kW
- JETvarnish = 20kW

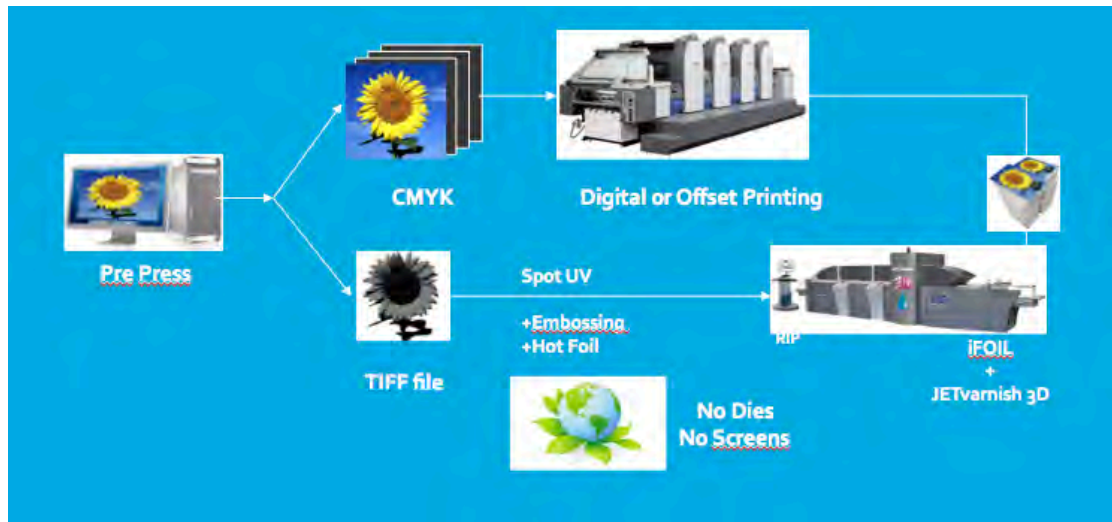
iFOIL

The MGI iFOIL is a great complement to the JETvarnish 3DS creating digitally made embossed foil without the need for incredibly expensive dies. This can now open 2 markets that have never existed:

1. VDF (Variable Data Foiling)
2. Short Run Embossed Foil

The cost of production is a fraction of traditional analogue methods and just as the JV3DS has democratized spot UV and Embossing, the iFOIL has also done the same for Embossed Foiling.

The Foil is deposited only on surfaces that have been previously varnished in 3D, meaning a 100% digital process. The Foil is deposited by a combination of heat and pressure, giving gloss and a high level of adhesion. iFOIL S uses market available UV reactant foils, and can set up to run several simultaneous colors, giving a very large choice in effects as well as low prices. 32 different thicknesses of varnish mean that you can apply 32 thicknesses of foil giving a huge variety of creative options.



Practical Implementation Tips - How and when to use JETvarnish

One of the major advantages of the JETvarnish 3D is the fact that no plates or screens are required. By eliminating this costly make ready step, the spot UV coating process is greatly simplified and streamlined. It's easy to spot UV coat just one printed sheet as a proof, a capability never possible with traditional offset or screen spot UV methods. This digital spot UV coating file is what we refer to as a "mask." The mask is a separate layer in the original design file (created in Photoshop, InDesign, Illustrator, etc), which denotes the areas of the image with spot UV highlights. The major benefit to creating the mask within the print file is that it ensures your image & mask will align perfectly. Creating masks in Photoshop is a straightforward six-step process, which can easily be mastered by any designer with an average experience of using the software. However being creative and achieving innovative and stunning visual effects takes practice and a mastery of both the software and the capabilities of the printing process.

Here are some points to keep in mind when preparing masks:

1. **Does the coating bead or spread?** Since naturally the volume of coating applied is much greater at higher thicknesses (i.e. 100 μ), some spreading and globulation will occur when printing finer textures.

Best practice: textured or fine detail mask areas should use a lower micron value in order to preserve details that can get lost at thicker levels. If you have areas you want 100 μ thick (for example, a solid circle) and then in another spot you want to use

a texture (for example, a basketball's dimples), you would leave the circle area at 100% black to get the desired thickness. The basketball's dimples should be set at a lower percent of black to keep the details.

2. **Does the surface have lamination or aqueous coating?** The type of surface (and surface tension) will affect how the coating beads or spreads. Some substrate surfaces will show spread more than others, most notably in areas without ink on the paper.
3. **Is the print digital or offset?** If digital, is it dry toner or liquid toner? Inks and toners will also affect how the coating spreads on the surface. Testing of your print material is crucial in order to understand limitations and results. Lower level spot UV (flat) applications may require lamination for some substrate surfaces in order to achieve desired results.
4. **From a marketing standpoint:** is the mask going to enhance my visual or overpower the entire piece? As mentioned at the beginning of this section, less is more. Along with the abilities to highlight many areas of your design also comes aesthetics. What areas will best enhance the work? What features will add to its appeal but not overpower the message?

Spot UV

Traditionally, spot UV coating (or "flat" UV coating) was used to highlight key elements of a design - and this is still what we recommend. For example, on a book cover, you may want to spot UV the title text and a main portion of the cover image. Or on a corporate brochure, you may want to spot UV the company's logo. In this case, less really is more, because if you spot UV every element on a page, the important elements will lose the visual impact.



Example of the careful use of spot UV

While many designs feature spot UV highlights directly overlaid onto the printed image, it's also important to consider designs that are blind printed - in other words, they do not directly line up with the image. You can create stunning visual impact by spot UV coating a logo in the background like a watermark, or using other more abstract design elements.



An example of using a watermark element

3D Effects

While spot UV coating is very effective in drawing attention to certain elements of an image, the use of 3D effects truly brings images to life. FYI, we consider 3D effects as anything above 20 microns in thickness. As consumers, we know what catches our attention on a shelf or in a display in a store. We are more likely to remember a brand that creates an experience that appeals to our senses and is a tremendously persuasive factor in making a purchasing decision.



An understanding of how the power of touch enhances experiences from the point of a consumer makes it natural to want to bring this same level of connection and recognition into other types of marketing. That's where the JETvarnish 3D can take print to the next level, adding value to your projects and creating a memorable

experience, no matter what your audience.

These are important points to keep in mind as you design your mask with 3D effects, paying special attention to image selection and where you can utilize textures and other tactile effects to engage your audience and make your piece stand out. For example, if you are creating a direct mail piece promoting a golf tournament, you can add 3D effects to a golf ball that allow the audience to feel the dimples, just like on a real golf ball. It's also important to understand how textures are created through the JETvarnish 3D mask. You essentially have a thickness scale from 0-100%, based on gray scale values. A section of the image that is 100% black will have the highest, most solid thickness of coating, while a section of the image that is, say, 50% black will not be as high. Gradients and texture variations are very helpful here as well.

3D effects: thinking beyond the mask

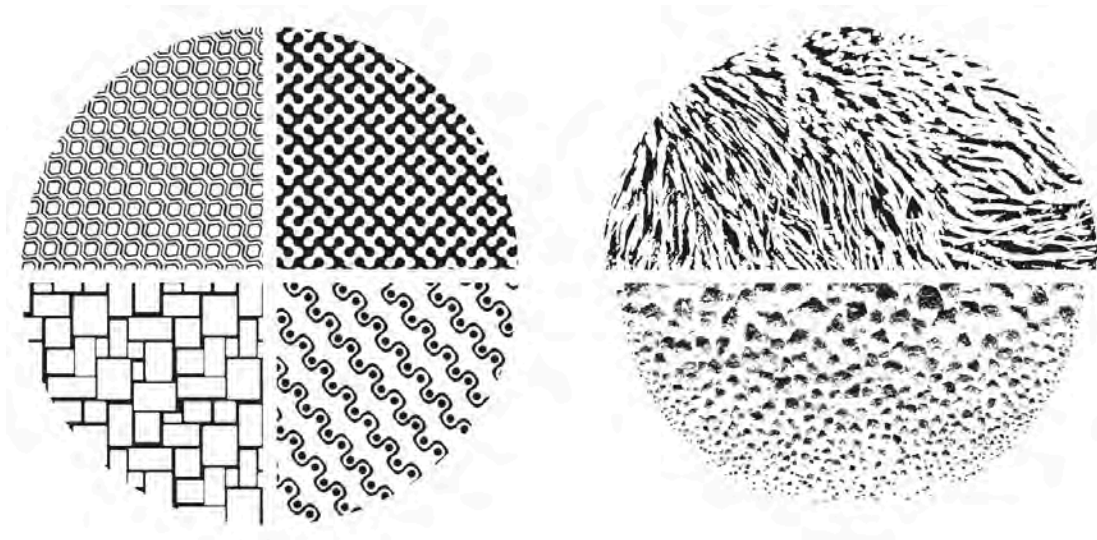
Like with spot UV coating, effective design can feature not only 3D effects overlaid in registration with the printed image, but blind printed/non-registered as an accent or complement to the printed image. In fact, this technique can be even more effective with 3D effects because of the tactile element. There's no set guide about when to add these elements to a design. The more creative your designer is, the more you'll be able to think beyond the design and come up with elements that can truly enhance the image and create a powerful impact for the target audience. As you become more familiar with your JETvarnish 3D and its capabilities, it'll also be easier to know when these elements are appropriate to integrate.



Using 3D effects to highlight the snakeskin boots as well as the scales on the snake, plus a thicker UV coating on the apple allows the image to come to life

Textures & Patterns

One of the simplest elements to deliver stunning tactile effects is the use of textures & patterns. From recognizable patterns (leopard, snake, fur, etc) to abstract elements involving dots, lines and other designs, textures can really take a design to a new level of visual and tactile interest. Ideas include using as a background effect or as a watermark over a design, or integrating into the mask over a printed element to draw attention to that element. Text is also a very simple (and low coverage) element that can be very effective in enhancing a design.



Example of patterns and textures

Using the JETvarnish 3D for trade work:

The JETvarnish 3D affords excellent opportunities to expand into trade work with a competitive edge if you are a commercial printer. As such, you will most likely be receiving printed sheets on which you will be doing the spot UV coating, so in order to achieve the best possible results, we recommend the following guidelines.

File Preparation

- Ask your customers to follow the steps for mask preparation including proper placement of marks for the ARC camera system.
- Its not recommended to cut or crease on spot UV coated areas. For best results, please keep your mask away from folds, creases and trim edges. If this is kept in mind from the initial design of the piece, it's easy to incorporate this element without impacting the overall look of the mask and resulting finished piece.
- It can be helpful to ask your customer to provide a pdf of the original design file, which will make any major changes to the mask much easier.

Printed sheet preparation: offset

- Please ensure gripper sides are clearly marked. For best results, we do not recommend a gripper on the short edge of the sheet.
- Provide sheets in their original gang or multi-UP layout, if applicable. Sheets should be cut down after spot UV coating (with the exception of a master sheet cut down to be within JETvarnish 3D size specifications).
- If you are not using an aqueous coating or lamination, inks must be UV compatible.
- Spray powder should be kept to a minimum

Printed sheet preparation: general tips

- In order for sheets to acclimate to the JETvarnish 3D's environment, we recommend receiving printed sheets 24-48 hours prior to running the job. This will

reduce any problems caused by humidity and excess moisture content in the sheets.

- Try to keep sheets as flat as possible, as extreme curl will interfere with the print heads.
- We recommend printing the test strip and mask as soon as possible upon receiving the printed sheets. This will identify any potential compatibility problems prior to beginning production.

Investing in a JETvarnish 3D

An important consideration with any investment is being sure you can get a quick and guaranteed return on your investment. With offset printing there are so many production and consumable variables it is often difficult to know whether you have actually made a profit on a job. It can be the same in digital printing, click charge models mean you are dealing with less variables, however printers still struggle to collect accurate shop floor data to assess the real profitability of jobs.

Konica Minolta have produced an RoI calculator for the JETvarnish 3D, making it easy to take existing print jobs and understand the accurate cost of adding varnish and 3D elements to a job. The calculation includes, materials, labour, running costs, investment costs and crucially the bottom line profit. This means you can calculate the new cost of any job and understand the additional profit it is possible to make before you commit to an investment.

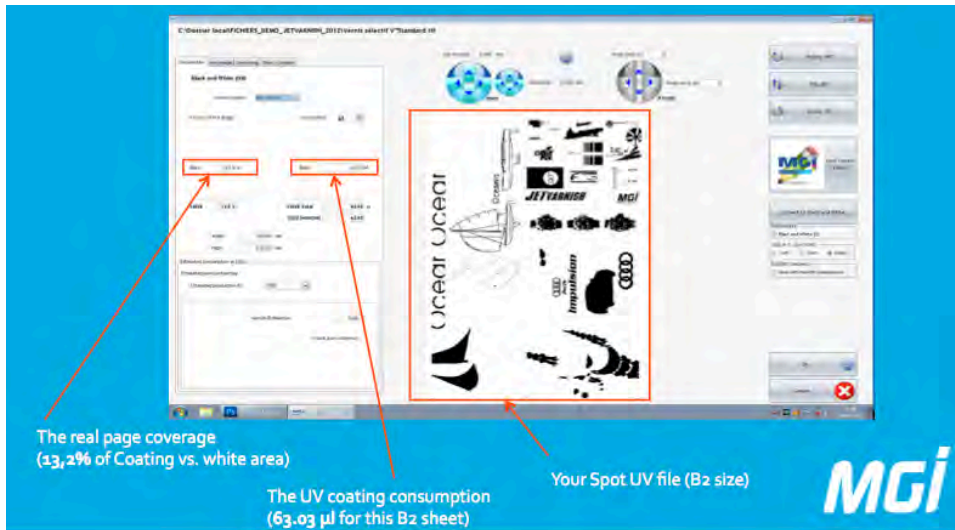
Production Data is Critical

With JETvarnish 3D there is a Job Amortizer, which is a comprehensive calculator taking into account the following variables:

- Paper Format
- Percent Coverage
- Select Effect
- Number of Sheets
- Cost of Operator Per Hour
- Hours of Production Per Day
- Current Retail Sales Cost For Job/Cost of Outsourcing
- Cost of Investment
- Interest Rate
- Maintenance
- Down payment on Lease
- Amortization Time

This tool allows printers to produce accurate estimates and productivity data relating to:

- Cost of varnish Used
- Total time for production
- Amortization
- Total cost of job
- Total margin on job



The JV3D Job Amortizer is split up into 9 Tabs:

1. Cover Page
2. Job Information: This is where you input your job data
3. Time and Labor: How much time it takes for Prepress, Setup and Production
4. Other Consumables: All other consumables that have a lifetime
5. Capex Breakdown: Cost of Machine, Maintenance and Interest
6. Lease Term Breakdown: Lease schedule details
7. Machine time Cost: Power, Labor, Capex, Rent and Other consumables
8. Results
9. Cost per page analysis: Graphic Summary of Costs

The information captured by the Job Amortizer gives you a comprehensive breakdown of all your running costs, production data and analysis for return on investment, so there is no excuse to not know the exact status and profitability of all JETvarnish jobs.

Return on Investment

Here is an example of the breakdown in the investment and running costs for JETvarnish. This illustration will give you a clear idea of what is required to make your investment a success.

Cost of Equipment = €332,000

Cost Per Month over 60 Months: €5,531

Market Sales Cost for 1000 20x29 Sheets at 10% Coverage: €370 Broken down per page: €0.37

Cost of 1 20x29 Sheet at 10% in 3 Drops: €0.01

Speed of JV3D at 3 Drops: 3,000 per hour

Cost of Operator Per Month= €2773

In 1 Hour, the JETvarnish can varnish 3,000 B2 Sheets in 2 Drops (6 Microns)

In 1 Hour, The JETvarnish can make 3,000 (sheets) x €0.37 (Sales cost per sheet)= €1,110

If the JETvarnish runs 1 Hour per day in 2D, €1,110 x 21(days in a month) = €23,310

Sheets Per Month at One Hour per Day = €63,000 (3,000 Sheets per hour x 21 days)

Monthly Costs:

Equipment:	€5,531
Varnish:	€582(\$0.01 x 63,000 sheets per month)
Operator:	€2773
Rent + Electricity:	€277
<u>Overhead Costs =</u>	<u>€925</u>
Total Costs =	€10,088

Monthly Costs:

Total Costs =	€10,088
Total Turnover =	€23,304
Total Margin=	(€23,304 - €10,088) / €23,304 = 56%

Not only are you breaking even, you are have an extra €13,218 to play with for ONLY 1 Hour of Production per day in 2D

In reality, this particular breakeven analysis comes out exactly even at 9 Hours of production per month or 2.25 Hours of production per week or 45 Minutes a day. This illustration clearly demonstrates that running a normal 8 hours shift pattern, the JETvarnish only needs to run at 10% utilisation in order to pay for itself and make a healthy profit. Just think of the profit you could make if you really developed your sales and marketing approach to take advantage of this unique propostion.

Sales and Marketing of JETvarnish

The Sales Approach

When it comes to selling and marketing JETvarnish print providers have a unique chance to sell an added value concept to the market, which they can ensure does not get commoditized very easily. In order to do this they have to think differently and act differently, they must remember four key things:

- You are not selling print plus a varnish
- You are not selling on quality, service or price
- You don't discount to win business
- You need to have the right sales conversation with the right people

Let me explain - All successful companies have a why and customers understand and associate with the why and that's how they become loyal advocates for the brand and its products. An obvious example of this is Apple, where it's about the philosophy the product design, the culture and mission of the company, not necessarily just the products they produce. Other companies make good phones and computers but none have Apple's brand or market position. Although Apple hasn't got the biggest market share they are perceived as the market leader and therefore sell their products at a premium price, leading to them being one of the most profitable companies on the planet.

We all know what most printers do for a living but we don't know why they exist other than to put ink on paper, which is a manufacturing process, a commodity and

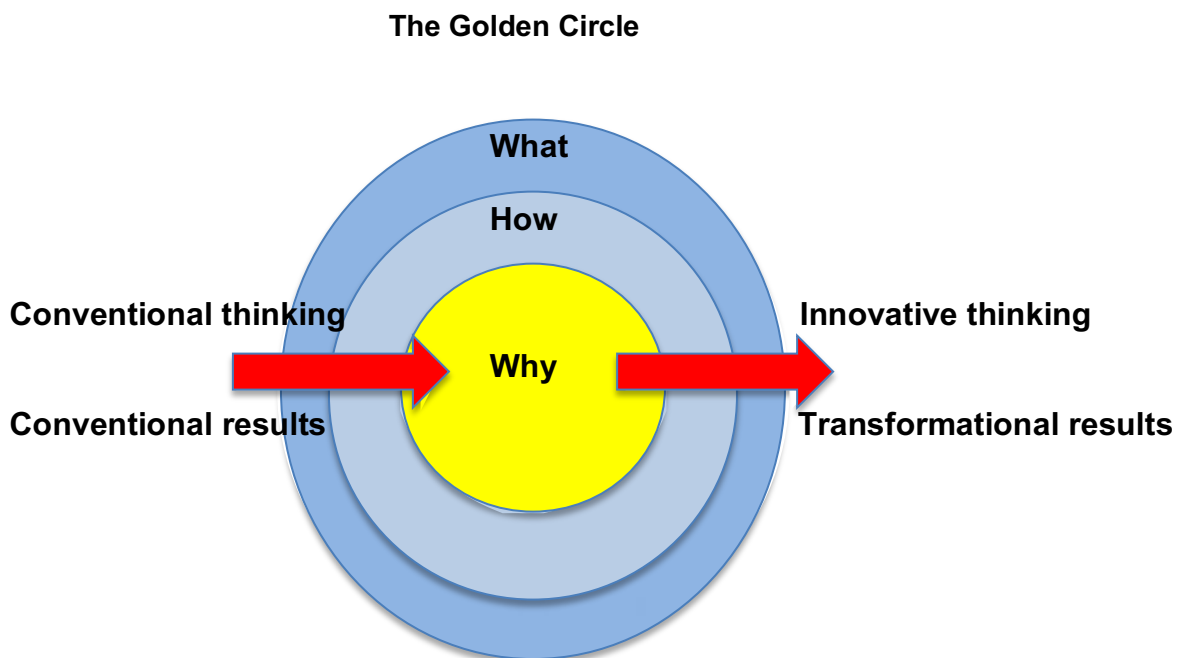
provides no point of differentiation. They need a **why**, a point of clear differentiation and they need to provide their customers with a why and a clear differentiation in the market.

Let me explain how this works and hopefully you will understand why the traditional print sales approach is fundamentally flawed. If we look at the Golden circle below, when we talk about our business and products we employ normal thinking, which is outside to in. The conversation is product led, supported by our capabilities as follows:

This is what we do – we print brochures, flyers, stationary etc

This is how we do it – use offset digital and W2P etc with JETvarnish

This is why we do it – we're good at it, we want to make money.



Innovative thinking is inside to outside, this is how companies like Apple think – Its about their motivation and mission, followed by their unique proposition and then the products. So in the case of JETvarnish this would be:

The why is – we design and create tactile, visually compelling customer experiences that transform the value of printed media for Marketing, Publishing and Packaging

This is how we do it – by bringing conventional 2D print to life through the addition of 3D printed reality

This is what we do – we use our specialist software and creative design expertise integrated with our market leading digital inkjet printing and foiling technology to deliver a unique value proposition for printers, marketers and brands

This is a much more engaging and intriguing conversation that leaves people wanting to know more. It differentiates you from a normal print company and also does not label you as only a commercial printer or a packaging printer, it allows you to act, partner, grow and sell as a design company, a print company, an innovator, an agency, you get the flexibility to choose who you want to be.

Think inside out not what we do but why we do it and let JETvarnish sell itself.

The selling points are:

- The end result and the differentiation it brings for the customers product
- The unique combination of creativity and technology (unique to the printer)
- The commercial results for brands (drives more sales by differentiating their marketing)
- The end user experience is more compelling **tips the balance at the point of sale**

The Marketing Approach

From a practical perspective Konica Minolta and MGI will initially assist printers with marketing samples. However unrelated, random samples, no matter how impressive have no real value or call to action. All they do is generate some interest and a conversation that goes something like:

Printer- Look at the quality of our print

Customer how did you do that?

Printer – We use digital print plus JETvarnish

Customer – How much does it cost?

The samples should be created systematically based on vertical markets and end user experience – they become the sales tool and therefore are not solely reliant on a printer's ability to sell the value of JETvarnish. Sample sets should also have vertical specific case studies with quantifiable data about commercial outcomes i.e. increased product sales, reduction in marketing and production costs etc.

Examples of vertical markets:

- Interior decor
- Automotive
- Architecture and engineering
- Leisure and tourism
- Retail

Each vertical needs to be thoroughly analysed and thought through, as an example lets take automotive.

Automotive

Don't go for the obvious targets like Bentley and Porsche. Everyone knows they are high value prestige products. No amount of advertising or marketing is going to convince you to buy a Bentley. At the same time this is probably not for the majority of Ford or Peugeot vehicles as most of their cars are aimed at the economy family market.

The market is potentially BMW 7 series and Audi A7. These are high value purchases, they represent an individual's status, they are corporate sales where people can be influenced. Having a brochure that subtly brings to life the leather seats, the chrome trim and LED lit dashboard, which are all extras and upsells for the car manufacturer, this is where you need to pitch your sales proposition. This is not about foiling the front cover and piling on 3D effects it's about creating an illusion of value, quality and **printed reality**. A printed brochure with these effects could be much more powerful and help generate sales much more effectively than any online tools.

This would give Audi for example a clear marketing difference over BMW and could influence more sales of high value products and upsell extra features. Once one company has made the move the others will follow, this creates a proposition that scales easily in vertical markets.

Marketing Samples

In a sample kit you might provide the following:

A sales brochure – their main sales and marketing tool

Showroom marketing and advertising POP materials – change the dynamic of the showroom

A direct mail piece – more engaging

A case study – giving an example with commercial results

Don't get obsessed with putting people's name on it (as one frustrated marketer said to me recently "I know what my bloody name is I don't need everyone to tell me by writing in sand or clouds, give me something different")

Using the same concept creating a brochure for home decor to sell floor tiles – how effective would this be when used in a traditional 2d room shot in a brochure but the floor brought to life in 3D. Once one tile manufacturer has it, others will follow. This could be an easy way to produce cost effective tile samples, without sending out the real thing.

This is all about less is more, it is about transforming marketing results in printed media this is where the design process is crucially important. Designers and agencies do not understand it and don't have the software – **guard it with your life and charge for it accordingly!**

If you protect the design process and software for JETvarnish this becomes your USP, you can't get it from an agency or designer and it has to be linked to the technical production process (because of depth of varnish textures etc). This will add value to the whole concept and avoid discounting from marketers treating it as a commodity or associating it with traditional print. You could even come up with a name for the design process – Disney don't have animators they have imagineers. What could your designers be called to differentiate what they do? This can change the dynamic in the market and leverage the value and importance of printers with JETvarnish.

It will encourage agencies to:

- Approach printers and partner with them not the other way around (so printers don't have to rely on selling)
- It will encourage brands and agencies to involve printers at an early stage in discussions about marketing initiatives.
- It will encourage brands to go direct to printers to experiment and cut out the agencies

- It will preserve the value and profitability of JETvarnish because – it is the transformation of marketing media not printing and adding a varnish.

Summary and Conclusions

After reading this Implementation Guide there should be no doubt that JETvarnish offers print providers the chance to stay within their comfort zone of printing and finishing but gives them a unique opportunity to differentiate their products, be significantly more profitable and attract new customers. But this must be done in a controlled and systematic way by:

- Introducing a new concept to the market
- Creating an unbreakable value proposition (a way to ensure it retains its profitability)
- A strategic approach - route to market and implementation plan
- A PR and marketing plan
- An education awareness programme and sample kits for customers, brands and agencies,

It is essential that a more innovative approach to market is adopted this cannot be via the traditional print application tiers and sales methodologies i.e. commercial print, packaging and then brochures, flyers, cartons etc. **This has to be led by a value proposition for vertical markets.**

JETvarnish technology is potentially an industry game changer on three levels.

- It can make printers more valued and profitable
- It takes marketing and packaging print into a new dimension
- It helps print compete more successfully with online

These are three points of difference that create a competitive advantage and can be a game changer for any print company willing to invest.

Quick Start Guide – Six steps to success

Here is a quick start guide, which will act as a checklist of the things you need to think about when implementing JETvarnish.

1. Understand the cost and return on investment by using the Konica Minolta RoI calculator
2. Profile your current customers and products to understand the potential in your existing customer base.
3. Start a business intelligence process and collect information about new growth opportunities and markets that would be receptive to using JETvarnish such as:
 - Interior decor
 - Automotive
 - Architecture and engineering

- Leisure and tourism
 - Retail
4. Create a business case/plan for investing in JETvarnish
 - The Business plan should have clearly defined objectives
 - The strategy and business model behind it should be clear
 - A sales pricing policy should be in place for JETvarnish
 - The financials must stack up and have future growth projections and payback

 5. Create a project plan for the implementation – treat this as a project not just a piece of equipment to plug and play.
 - Produce a Gant chart to clarify the timescales and the people needed to implement the project
 - Identify the resources required:
 - Design skills – a designer needs time to develop his understanding of the software and the capability of the JETvarnish. He will also need to produce standard masks, templates and sales samples
 - Operators need to be trained on the JETvarnish equipment and be given time to understand the curing processes and job management software
 - Job estimators need to be fully conversant with the Job Amortizer software and understand how JETvarnish is to be priced for different jobs
 - Prepress staff, need to understand the implications of JETvarnish and be trained on any changes to workflow for offset and digital print and how to make proofs and samples

 6. Create a sales and marketing plan – this should help drive business from existing clients and attract new customers. It should have an activity plan, individual responsibilities, KPI's and targets.
 - Create a clearly defined value proposition
 - Select your target audience from the outcomes of the business intelligence process and customer profiling
 - Create a sales kit with samples based on each vertical market you are approaching
 - Draw up a target list of customers and prospects to arrange face to face meetings
 - Create online content and marketing materials for use on your website, for email marketing and social media activity
 - Create compelling case studies with data points and return on investment scenarios
 - Create specific solutions for vertical markets, as in the earlier example of the Automotive industry

As well as this Implementation Guide there are numerous other resources from Konica Minolta, which can support your business. There is a Digital 1234 White

Paper and an Assessment Guide and in PROKOM the Konica Minolta user community there are a variety of practical guides and implementation tools to help you succeed with:

- Business planning
- Project planning
- Workflow and operational improvement
- Sales and customer profiling
- Marketing planning
- Business Intelligence and market segmentation
- Financial planning

Appendix

JETvarnish Best Practice Guides

- 1. File set up**
- 2. Working with masks**
- 3. Sculpted UV how to Photoshop**



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