

## What's happening in today's marketplace?

Hidden expenses, lack of integrity and lack of control are elevating the urgent requirement to review current outsourced projects by many large organizations. In an article by Scott Cullen, managing editor, Office Solutions Magazine, headlined "Out with Outsourcing," a study released by Deloitte Consulting LLP, predicted a change in trend for medium to large organizations, where they will bring current outsourced projects back in-house. The study reports that while small businesses do not always have the manpower and capacity to do this, 64% of the larger organizations have already brought previously outsourced projects back in-house.

***"70% of respondents reported negative outsourcing experiences."***

According to the article, complacency is one of the major pitfalls of vendors these days. Once a contract is in place, they feel the account is theirs for the keeping. Bundling multiple services under one vendor's roof, is another red flag. The study showed that when this is done, it becomes nearly impossible to calculate individual unit costs. It also gives the vendor carte blanche to calculate

illusionary cost savings.

"Outsourcing vendors and companies may have conflicting objectives, putting at risk clients' desires for innovation, cost-saving and quality," says Ken Landis, senior strategy principal with Deloitte.

## Fulfilling new markets with Graphics of the Americas/Xplor

In times of change, it is not good enough to sit back and enjoy the ride. Today's printers who are also involved in fulfillment, are convinced that outsourcing their folding and inserting is causing them to lose control and revenue.

PFE attended the joint Xplor and Graphics of the Americas trade show in Miami FL, February 2 - 5, to see how much potential

business could be obtained from this market.

In excess of 400 exhibiting companies were present. Many of these were graphics companies, with the bulk of the remaining exhibitors being printers. PFE, PB, Kern and Bell+Howell were among the folding and inserting firms in attendance.

There was much interest in

both the Automailer 5 and the Maximailer Plus, and printing companies were especially impressed at the ease and speed of change-over between jobs.

Mark Easterwood, PFE's dealer manager for the North East and South East, advises his dealers, "After seeing this show, it would be extremely worthwhile contacting any medium to large printing organizations in your area to find out how they are processing their fulfillment services. The market is there for the taking!"

### Future Issues

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