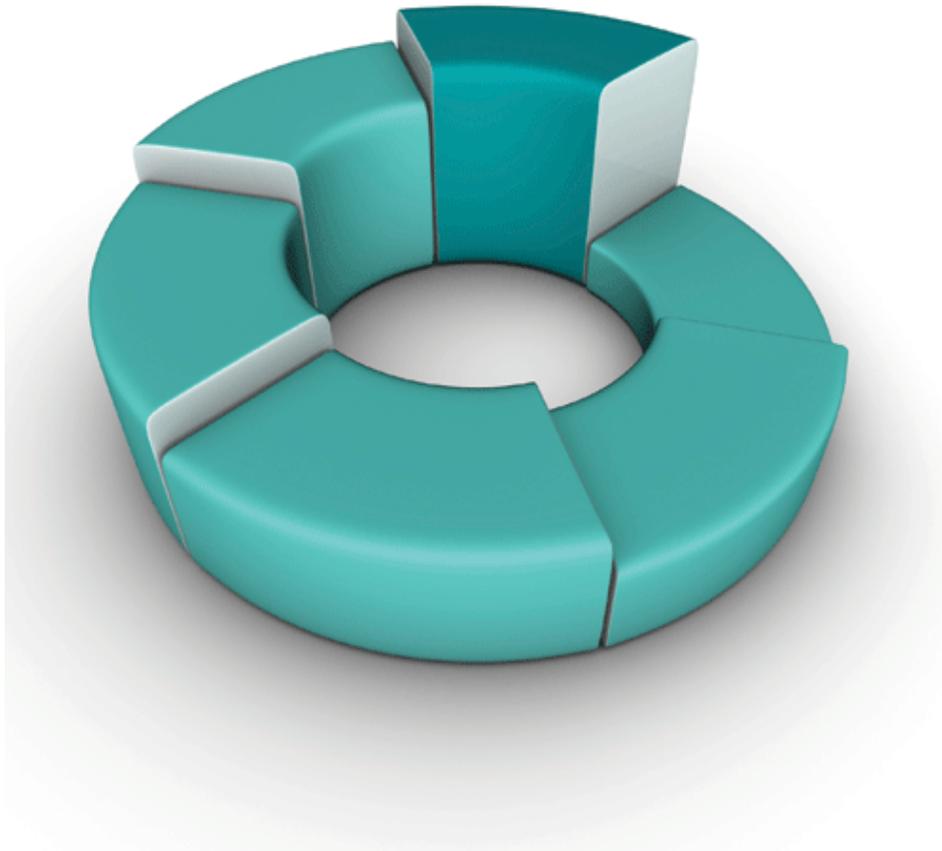


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## Building a regional powerhouse

By Chuck Moozakis Editor-in-chief Nov 24, 2010



Want to transform your plant into a regional production center?

Easy.

Becoming a regional production center?

Not so easy.

Ever since the newspaper industry began in earnest to shutter unneeded production facilities - a trend that has resulted in the closure of more than 100 plants in the past few years alone - operations and production executives have looked for ways to find new business as a means to keep their own buildings in operation.

"It's print or be printed," said Josiah P. Rowe III, the recently retired publisher of The Free Lance-Star in Fredericksburg, Va., when speaking about the opening of his firm's brand-new production facility earlier this year (see News & Tech, January 2010).

"We don't own any other facilities, so this investment is to allow us to set ourselves up to be a commercial printing facility that runs around the clock."

In the months since The Free Lance-Star's 92,000-square-foot plant opened, the transformation from Free Lance-Star the newspaper to Free Lance-Star commercial printer is still a work in progress. The company is printing part of The (Washington) Examiner, sharing the workload with the Frederick (Md.) News-Post, but hasn't yet picked up any other large clients, said John Jenkins, operations director.

The situation is about the same for Transcontinental Northern California, which opened its \$230 million plant in Fremont in 2009 to print the San Francisco Chronicle.

The facility has one commercial customer, Metro Newspapers, which prints three weeklies distributed in the Bay Area.

"It's slow but steady," said TNC Operations Manager Mike Bany about the continuing maturation of the facility. The primary goal: the production of the Chronicle. Now that the plant's press and packaging workers have more experience, TNC execs are ready to compete for more commercial business.

### **Bumpy journey**

That the road from one-title-only printer to RPC can be a bit bumpy is no surprise to industry advisor Sam Wagner, whose Web Offset Services consultancy has helped papers worldwide transform their operations into multi-title production facilities.

"RPCs are gaining traction and they certainly get talked about a lot," he said. "Given that, certain elements of what it takes to put together an RPC remain misunderstood. Some things are obvious: location, distribution points and potential for clients. But when you get into the real nuts and bolts, problems can exist."

In particular, Wagner said, newspaper production executives have to know exactly what they want to get out of the equipment they have in order to make the transition.

"Vendors make equipment; they aren't necessarily production people. It's one thing to make systems and draw it on a piece of paper; but to use these systems in practice is something completely different."

Production personnel and managers have their own challenges, he added. "The flip side is that printers aren't machine makers and they don't understand how to get the most bang out of their buck, where they can get the most out of the machinery they have. Printers rely on machine makers and vice versa, but the gap exists."

To avoid that informational gap, Wagner said newspapers that want to build their commercial business have to plan early. "Someone in the organization has to begin the thought process early enough so that when they begin (printing other newspapers and periodicals), they know what to do."

Case in point: Independent Newspapers Inc. in Dover, Del., which conducted 18 months of training with its press operators before it went on-edition in 2007 with a Koenig & Bauer AG Colora press.

Wagner, who helped INI with the design of the machine, said intensive training was necessary to ensure that the publisher could adequately exploit the benefits of the new technology.

"We took a very in-depth look at what we needed to do, and we wanted to make sure the press was fully tested and that we knew everything there was about operating the press before shutting down the old machines," Wagner said. In the more than three years since INI began using the press, the company has chalked up millions of dollars in commercial printing revenues even as it continues to produce the flagship Delaware State News.

"From very beginning, it's key for the customer to have someone in the organization to drive the project, even at a development stage, to know what button does what, so they have a complete and total understanding of what they want to do," he said.

## **Customer first**

That advice applies to newspapers juggling dozens of commercial accounts to ones that may only print a handful of products in addition to their core dailies, Wagner said.

"It has to be the customer driving this, knowing what they can do with the machines they have."

Bill May, vice president of production at The Dallas Morning News, adds another caveat: understanding customers' expectations.

Over the last several years, The Morning News has substantially pumped up its printing business, snaring clients that range from The Wall Street Journal and The New York Times to newspapers printed by local colleges and high schools.

Commercial printing now generates more than 15 percent of the paper's top-line revenues, from less than 2 percent in 2006.

To grow the business, May said, "You have to learn how to multitask to the nth degree," citing, in part, the experience The Morning News gained in printing The Journal. "Take The Journal. It used to have a facility here in Dallas and that's all that was produced. Now, it's just one of our clients, but we have to give it 100 percent of our attention, and that's what we've learned: to give 100 percent attention to all of our clients at the same time.

### **All important**

"That means you can't prioritize who is important and who isn't; all of our clients deserve the same amount of respect and learning how to multitask effectively and quickly has been one of our biggest challenges," he said.

May's success in attracting clients - The Morning News' stable of TKS (USA) and Wifag presses are almost at capacity many nights of the week - also means the paper has continued to invest in upgrading its printing and packaging. The paper in the past year has embarked on a multiyear project to upgrade press unit ink, water and upper control systems, using components and software from ABB. It's also

examining other improvements, including the possible implementation of UV curing and swapping out its 12-year-old Western Lithotech FD-YAG CTP system.

"With our capital needs I can push any of these three points: will (investing in new equipment) reduce expenses? Will it increase revenues? Will it maintain business continuity? Any of these three is sufficient" to request capital expenditure funds, May said.

"Commercial printing has become an important lifeblood for us," May said. "It's not something we can afford to lose. I can never say enough about selecting the right personnel to make this work. I'm fortunate to have a great team, and they have no fear of tackling a new task for finding some new ways to make things work."

At Gannett Co. Inc.'s U.S. Community Publishing unit, print or be printed holds a double meaning. USCP, which prints 80 local papers, has shuttered dozens of press halls in the last several years; it now operates 42 facilities, said Austin Ryan, the unit's vice president of operations.

That's allowed some USCP properties such as The (Nashville) Tennessean, Indianapolis Star and The (Phoenix) Arizona Republic to significantly increase their commercial and newspaper printing, although USCP doesn't have a formal framework that governs which sites should branch out.

"They're trying to fill windows where it makes sense and where they can," Ryan said. "If you have a cluster of newspapers, whether you own them all or not, you owe it to your investors and boards to have a conversation to see if" it makes sense to consolidate printing.

The Tennessean, for example, now prints a number of other USCP papers near Nashville while the Star counts among its printing clients USCP-owned papers in Muncie, Ind., and Richmond, Ind. The Journal and Courier in Lafayette, Ind., has for three years printed Gannett's suburban Cincinnati weeklies.

On the other hand, USCP has farmed out the production of several dailies to third-party printers, including the Pensacola (Fla.) News-Journal, Journal News in Westchester, N.Y., and, most recently, The Salinas Californian.

Ryan said infusing capital investments at a particular site to support the production of other products depends on the need.

"If we can do it without hiring more people, then we can all save money in this changing climate; we wouldn't be inclined to put in a pressroom just to product a commercial client."

## **Beefing up**

That said, USCP has invested in some of its properties. The Tennessean earlier this year upgraded software managing its postpress and now the paper is getting new drives across 10 of its reelstands in a project overseen by Harland Simon.

And USCP is also using the concept of the RPC to create consolidated ad management and pagination operations designed to serve all of its papers through a central foundation.

The ad management centers, at The Indianapolis Star and Des Moines (Iowa) Register, will soon be joined by five pagination centers that will go into production next year (see News & Tech, July/August 2010)