

Augsburg, July 2, 2014

The interview - Postmaster-Magazin 06/2014

“Reducing the complexity of the machines”

From the broad stream of documents to personalized communication via mail: these are the great innovations for the future of mailing. An interview with BÖWE SYSTEC's CEO, Heiner Kudrus.

At the Doxnet Conference 2014, Heiner Kudrus will give a presentation on a truly unique project: The report on the one billion-letter output-center of one of the largest banks in the United States, which has just switched to using twenty brand new BÖWE SYSTEC Fusion Cross inserting machines. “To be honest, at first we would not have even dreamed of suggesting something like this”, says Kudrus. “But then our customer decided to make the full switch to the new technology to be able to service all orders on one technical platform. We are talking about an investment of several billion dollars for twenty machines, fully equipped with nine enclosure feeders, scanning included and a heavy duty folding unit. This means you can fold up to 16 sheets in one working step and then a single sheet in the next.” One billion mailings per year will now be processed with these machines. Kudrus: “I can well imagine that this is the biggest output center of any bank worldwide. At least I don't know of any bigger one – the machines really do run all day and all night, in three shifts.”

“The advantage of the Fusion Cross is that envelope sizes don't matter”

Just like the U.S. bank's mega center, output systems all over the world are switching to whitepaper systems with full color ink jet printing. There are some who say that this is only because of the savings in handling and preprinting logistics, but Kudrus considers the biggest advantage to be

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new opportunities for greater flexibility in handling print based customer communication. “The challenge to become more personalized in the output is what makes the whitepaper factory so attractive. Compared to traditional offset processing, the new methods allow for a much more personalized approach, and this is a clear advantage.”

As letters and documents become more personalized in both content and design, efficient production and packaging become even more essential. This is precisely the thinking behind the decision of the American bankers to outfit their mailroom with the fully equipped BÖWE SYSTEC product line. “That way, they can really process all mailings in one go, without having to separate lighter and bulkier items. It also makes it easier to make the most of discounted postal rates available in the US, which is very important for this customer, as they regularly process mailings with heavier enclosures. Their mailroom also works with more than fifty different types of envelopes – which is essentially the opposite of standardization. Here, the advantages of the Fusion Cross technology are really evident, because envelope sizes don’t matter. This makes switching so quick and easy. That is also why Fusion Cross is the perfect system for dealing with so many different formats – it’s quick, robust and capable of handling many different types of paper. After all, this is what we designed the machine for.”

“The volume no longer increases, but the variety of tasks does”

Of course, BÖWE SYSTEC’s one billion-letter mailroom success story is exceptional. Like every professional in the field, Heiner Kudrus is well aware of the trends in mailing volumes in practically every developed country: “With few exceptions, mail volumes are not growing any longer. Everybody in the field is facing this reality on the market. What is increasing, however, is the variety of tasks required by the customer. This is evident in the personalization of advertising information alone. And we can also see it in the way our American customer works with thousands of different types and combinations of enclosures. By the way, I have not yet seen this degree of differentiation in Europe.”

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Different customers experience this trend in different ways: “We basically have two different scenarios. On the one hand, we have the bank or insurance company with highly complex customer communication. They might require extreme flexibility in handling all types of formats – from simple standard letters to the hardcover edition of their company report, which they only need to work with for a few days every year. On the other hand, there is the service provider who produces transaction documents and this customer might need a machine that is already equipped for all the applications of the future. With the Fusion Cross, you can be sure that this is possible. For example, the machine features an open device carrier concept for quick changes between varying enclosure feeders – even suitable for gummy bears or other candy attached to the mail. With our Orbiter software and individual apps, the customer can easily customize all settings individually and respond to new challenges quickly – on a single machine or all of them at once.”

The new diversity of the output does not only manifest itself in sophisticated and individualized mini jobs. “Today, it is very common to send out business reports, sometimes up to 15 millimeters thick and with a hard cover, and similar items. Previously, you would have needed a dedicated semi-automatic solution for this. Today, such “difficult” goods can be processed easily and efficiently by our new inserting system Fusion Cross. Our customers value and need this kind of freedom and security.” The product developers at BÖWE SYSTEC’s Augsburg headquarters are now seeking the full solution and a fully flexible system for standard letters: “Together with our customers, we are discussing the options for a system that can choose from thousands of different enclosures. But this does not exist yet. What does exist is the option of on-demand printing for limited editions, a whitepaper enclosure factory, so to speak. It gives the customer the ability to personalize, for example, to print a flyer in the customer’s favorite car color.”

“Prosperity in new parts of the world is a growth factor for the card market”

Last summer, BÖWE SYSTEC surprised the market with a full infrastructure for storing, sorting, applying and sending cards. In this field,

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there is no reduction in numbers, as Kudrus knows – on the contrary: “Prosperity in parts areas of the world is a growth factor for the card market and technical developments are another. Chip cards followed swipe cards, and now the new generation comes with RFID technology. Taken together, this has lead to growth rates of more than ten per cent so far. And it will stay this way for the foreseeable future. The card has its advantages, because the customer does not have to fulfill any preconditions, like bringing a charged smartphone with global coverage.”

“Precise counting of cards is essential – before the job, after the job and on the job”

BÖWE SYSTEC opened up a whole new chapter in card logistics and processing after the new inserting technology. In quick succession, the company introduced the card storage and logistics systems Wondervault, the processing system Cardcube and now the new counting system Goldfinger on the market: “Goldfinger is our new counting system for cards – developed together with topSenso, a brand that joined BÖWE SYSTEC in 2013. Blank cards fetch thousands of euros on the black market. That’s why precise counting, in accordance with the standards of the Payment Cards Industry, is so essential – before the job, after the job and on the job. All existing machines need extra preparation for card types that are harder to count. Goldfinger does this on its own, and no other machine can do this at the moment. The first Goldfingers will be available to customers this month.”

And so a portfolio of unique products has come into being, well capable of setting new standards for working with the valuable cards, as Kudrus knows: “Our card processing program, Wondervault in particular, is now being presented to all large card producers around the globe and they’re all very interested, as no one else is currently offering solutions on this level. Here, we are not competing with machines, but with complex manual processes and their potential flaws.”

“The only database-driven card processing system”

The mailroom solution holds an important position in BÖWE SYSTEC card portfolio: “We have Cardcube with a robot for applying up to 4,000

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cards per hour. Together with Riso's full color printer, Cardcube is an effective small whitepaper factory – with the option for Vario Silverlight as a reliable inserting system. The system can park cards while the missing release paper is reprinted using the closed loop function. This means that there's no more need to look into individual inserting of single prints. In addition to card processing, we also offer our small whitepaper factory for mailroom and office, called "The Bridge".

BÖWE SYSTEC's philosophy of reducing complexities in the mailroom has also been applied to the new card processing system Cardcube, as Heiner Kudrus explains: "Together with the card storage system Watermill, this is the only database-driven card processing system. This means that all the small jobs that make up a sequence need no longer be personalized, but can be integrated into the full process with large batches, right until the cards reach the Watermill. The system's on demand sorting immediately leads to an increase in productivity. Watermill is also the first machine to be able to automatically combine different types of cards on a single card, for example a credit or bankcard and a gift card or a customer card and reduce postage that way. In addition, the system also initiates the printing of the carrier document by itself. No other system in the world can perform all these functions. Cardcube parks cards when they cannot be processed, for example because of a paper jam. After such issues are resolved, the reprint is initiated automatically, the card removed from the parking position and applied once the reprint has been delivered. That's why we call it the most intelligent card mailing system in the world. We made a conscious decision to go for the most intelligent solution, not the quickest, so that the highest complexities can also be applied to the smallest jobs. This allows for an easy combination of card mailing and marketing: Customers in group C might receive a 10 Euro voucher card with their bank card; in group B, the voucher might have a value of 20 Euros and group A might receive only the bank card. This is a maximization of machine availability, as full speed sorting continues in parallel."

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“Today, nobody has any use for 100 percent basic equipment and then any number of specialist machines. There needs to be less of everything.”

The mailroom of the future has to become more intelligent, so that marketing and transaction messages can fulfill their specific potential in response to the challenges of electronic and social media. But the mailroom will certainly not become any bigger, says Kudrus: “Today, what we need increasingly is a completely new design for the mailroom. Nobody has any use for 100 percent basic equipment and then any number of specialist machines. There needs to be less of everything, and the way to achieve that is through the use of modern multi-format and multi-function solutions like the ones we offer. There are now fewer investments in one-to-one replacements; instead we are seeing alternative solutions for a wide range of machines – at times step by step.”

“This is a major investment. These things are done step by step.”

Many professionals are aware of the debate on transpromo and whitepaper concepts and wonder why these options are implemented so slowly. But Kudrus says that it all makes sense. “This is a procedure that progresses gradually because of its investment characteristics. There’s the one machine that will last for another few years, but by then what you’ll need is a completely new solution. In addition, many decisions affect other departments in a company, right up to management level. What is the best marketing content for our customer relations and what is the most efficient way to communicate it? These aren’t exactly trivial questions and what’s more, the answers change over the years. It also depends on the infrastructure whether the customer’s preferences can be transformed into communication. To achieve that, you need a major investment. These things are done step by step.”

Today, high-speed systems can rarely achieve their full potential, as loading times slow down the output. This explains why the Fusion Cross with its maximum output of up to 22,000 envelopes per hour will guarantee new shift records for virtually every customer. At the end of the day, the end result will also be positive in purely economical terms: “A

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quick transition allows for results that cannot be achieved by high frequencies alone, in particular because from now on, the user will no longer have to attempt to run the largest possible jobs with as few changes as possible. Now it will be easier to work according to demands and priorities. This means that smaller jobs become more efficient, as the changeover is so quick and easy – three minutes and that’s it!”

Modern design in print and processing already makes it possible to replace complicated solutions with simple workflows. Kudrus offers this example from a large insurance company: “As part of setting up a Fusion Cross in Germany, the existing five channel system was replaced by a solution with only one channel. The system has to handle relatively complicated insurance policies, often with several contracts, cover letters and bills and alternating between bound and loose documents – and all this at full speed. The customer has now set up a whitepaper production that can deal with all of this using only one channel. Such a modern solution also reduces the complexity of the machines and not only in the mailroom, but starting with acquisition, in storage, operations and logistics.”

“I’m really looking forward to all the Doxnet professionals in Baden-Baden”

The developers at BÖWE SYSTEC designed the new technologies that are becoming the foundation of future business in Augsburg and providing an important impetus for the mailroom of the future. Kudrus knows his company is making good progress: “There are already several Fusion Cross systems in Germany, Switzerland, Belgium and Luxembourg. The first one in Sweden is currently being set up. But the US customer, that’s obviously our top installation. I’m really looking forward to talking to the Doxnet professionals in Baden-Baden about this.”

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Company profile

BÖWE SYSTEC, headquartered in Augsburg/Germany, tops the list of European suppliers for high-speed inserting, card mailing and card logistics, reading technologies, mail sorting systems as well as innovative software. Today, it is one of the world's leading solution providers for modern print and mailroom centers. Thanks to strategic alliances with partners in the data management, print, prepress, postpress and mail logistics sectors, BÖWE SYSTEC has grown to become a global supplier of comprehensive mailroom solutions. With 18 subsidiaries throughout Europe, the USA and in Japan, plus local general agencies for over 50 additional countries around the globe, the mailroom specialist is able to cater to local market requirements on an intensive and individual basis. Since 2010 BÖWE SYSTEC GmbH has been owned by the Possehl Group, which generates annual sales of around €2.8 billion with a global workforce of over 11,000. The sole shareholder of L. Possehl & Co. mbH is the charitable Possehl Foundation in the Hanseatic City of Lübeck. More information is available under www.boewe-systec.com and www.possehl.de.

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