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drupa 2020: New contract options from Heidelberg boost overall efficiency of print shops

- **Data-based lifecycle solutions support Smart Print Shop concept**
- **Taking partnership to a new level with Print Site Contracts – contract business placed on new footing and portfolio further expanded with value-added contracts**
- **Global market launch of Heidelberg Subscription on schedule**

The subscription model of Heidelberger Druckmaschinen AG (Heidelberg) – under which customers no longer pay for the equipment they use, but simply for the number of sheets produced – has now become successfully established in the graphic arts industry. The company is therefore further expanding its data-based contract business and adding to its existing Heidelberg Subscription portfolio, placing greater emphasis on its partnership-based approach. All the new options support the Smart Print Shop concept developed by Heidelberg. Print Site Contracts provide a variable combination of consumables, services, software, performance consulting, training, and equipment solutions in a single package with the aim of further improving print shops' machine availability and overall performance.

Print Site Contracts – four contract packages aimed at making customers more profitable

Print Site Contracts are available in the form of **lifecycle agreements** or **subscription**. Customers have a choice of four packages with different scopes of services and methods of payment. They range from a “Lifecycle Smart” contract that includes services and consumables to a “Subscription Plus” package that covers

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consulting, training, service, consumables, Prinect software, and equipment solutions. All four packages aim to maximize customers' overall equipment efficiency (OEE), which represents the actual added value when compared to purchasing individual components.

Along with reducing makeready and throughput times, the overall focus is on increasing net output while also generating less waste. In addition to state-of-the-art equipment solutions and on-site process consulting, customers also benefit from the many years of experience and expertise on which Heidelberg application specialists base recommendations, such as the appropriate consumables for a particular situation.

The monthly fees for the standard "Lifecycle Smart" and "Lifecycle Plus" packages are determined by the services used. In the case of the "Subscription Smart" and "Subscription Plus" options, on the other hand, they depend on the actual output. The packages can be combined with the purchase of a new press or based on the customer's existing equipment.

Customers opting for one of these contracts can rest assured that only coordinated consumables and services of the usual high Heidelberg quality are used. They also avoid the considerable expense of obtaining each of the offerings included in the contract individually. The Heidelberg Assistant digital portal plays a key role, too, providing contract customers with a digital link to a whole host of additional services such as a vendor-managed inventory, important real-time information relating to their company's performance, and easy access to the Heidelberg eShop.

"Heidelberg is helping to improve the print shop production process with our new range of partnership-based Print Site Contracts, leaving customers to focus more on their market, and on developing service and product innovations," says Garo Derderian, head of Lifecycle Business at Heidelberg.

With its expanded contract portfolio, Heidelberg is making an altogether more active contribution to improving print shop performance. "Perfect interaction of the various components is the only way of optimizing the production process. The extensive wealth of data obtained via the link to machines in the service environment, which Heidelberg makes a point of utilizing for the new contracts, plays a key role in this regard," explains Derderian.

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Global market launch of Heidelberg Subscription on schedule

The worldwide market rollout of Heidelberg Subscription is progressing according to plan. The company has now won over numerous packaging, label, and commercial printing customers on every continent. With this model, Heidelberg is following the growing equipment-as-a-service trend in mechanical engineering and moving further away from simply selling presses. Customers only pay for the number of sheets actually printed, which reflects the level of industrial productivity. Under the top configuration level of the model, Heidelberg offers a complete smart system comprising equipment, software, all the necessary consumables – such as printing plates, inks, coatings, washup solutions, and blankets – as well as a comprehensive service and consulting portfolio geared to availability. If customers so wish, the company will also take care of all aspects of automated logistics operations for consumables as part of a subscription package (vendor-managed inventory).

“The ongoing development of data-based capabilities is creating a performance profile that is unique in the industry. The contracts’ focus on optimizing Heidelberg products during the operating phase has now become a vital focal point of the company’s strategy and ensures the innovative edge of its high-end equipment solutions is put to good use,” underlines Dr. David Schmedding, who is in charge of the new business models at Heidelberg.

In the medium term, Heidelberg is planning to generate around 30 percent of its total sales from contract business.

[You can read all about Heidelberg at drupa 2020 here](#)

Figure 1: A new, scalable contract portfolio is placing greater emphasis on the partnership-based approach adopted by Heidelberg and focusing on improving the performance of its customers.

Figure 2: The additional contract options from Heidelberg aim to ensure the potential of the company’s equipment solutions is utilized to the full in practice.

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