



## BÖWE BELL+HOWELL

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# Collaborative and Innovative Solutions from BÖWE BELL + HOWELL at Core of Valpak Manufacturing Center

Massive. Revolutionary. Showcase. State-of-the-art. Impressive.

Those are just a few of the adjectives that have been used to describe Cox Target Media's Valpak Manufacturing Center (the VMC) in St. Petersburg, Fla. The facility has been described as the world's most highly automated printing and fulfillment center, built through the collaboration of a tightly integrated and dedicated team of industry experts.

At a cost of approximately \$220 million, the print production and distribution facility serves over 60,000 advertisers, prints over 20 billion coupons and ships over 500 million of the familiar blue Valpak envelopes to more than 43 million homes in the U.S. annually.

Situated on a 20-acre parcel of land, the facility encompasses 470,000 square feet of shipping/receiving, buffering, printing, collating and storage space under one roof. Built 18 feet above sea level and anchored by 1,400 concrete pilings, the VMC is designed to withstand a Category 4 hurricane.

Some 500 employees work in four shifts as the facility operates 24 hours a day, six days a week. Centralized management software oversees every function and process, making the VMC's workflow the first true application of end-to-end digital integration for print manufacturing in daily practice.

## Planning and partnering

Valpak was founded in Clearwater, Florida in 1968. After Cox Enterprises purchased Valpak in 1991 and formed Cox Target Media, the company enjoyed tremendous growth during the booming 1990s. Growth soon outpaced the industry as legacy equipment neared capacity. Planning for future growth and better efficiencies, the company decided in 2002 to construct a new facility built around lean processes that would replace the antiquated 1960s technology still being used in their distribution facilities in Largo, Fla. and Elm City, N.C.



Dave Fox, Vice President of Manufacturing  
Cox Target Media

Starting completely from scratch allowed executives to envision and plan their dream print and mail distribution facility. Over the course of five years, Cox Target Media partnered with some 30 manufacturing and technical partners in an extremely collaborative but complicated endeavor. BÖWE BELL + HOWELL was selected to provide a customized collating

and mailing solution involving hardware and software that would be fully integrated into the automated workflow.

"The biggest driver in my mind is that BBH provided a very robust infrastructure in the U.S.," said David Fox, vice president of manufacturing for Cox Target Media.

"In addition, BBH had strong relationships with CMC and Capstone, two of our vendors. There were other companies that could provide one part of the solution but not all. Given the complexity of the project, BBH's ability to deliver an integrated solution was one of the key factors in our decision to partner with them."

In addition to ongoing consultations with project leaders, Cox held a series of meetings with the highest-ranking executives at its partner companies. BÖWE BELL + HOWELL's top leaders were fully engaged and kept abreast of the progress and challenges in such an innovative and all-encompassing enterprise.

"Over the years, BBH has developed flexible and scalable systems that can be customized to client specifications," said Mark Van Gorp, BBH vice president of business development. "However, the magnitude and importance of this project pushed us to work even harder to deliver our best creative thinking and newest, most advanced applications."

## The focal point

At the center of the VMC is a multifunctional, highly automated collation system from BÖWE BELL + HOWELL. This is where the rubber meets the road — or in this case where the insert meets the envelope, except that no envelopes in the traditional sense are used.

The custom-designed, integrated solution engineered by BBH utilizes ten BBH® MAILStream Inveloper™ systems. The systems trim and cut pre-printed signatures, collate with supplied inserts, then wrap the inserts at cycle speeds up to 20,000 per hour. No envelopes are used in the process, which enables minimal waste and eliminates most stoppage due to mis-insertion of materials into envelopes. The wrapping mechanisms operate at the same speed as the trimmers and cutters that shaped the individual inserts, so no time is lost. And with materials traveling more than 250 feet from start to finish, the efficiency and accuracy of the MAILStream Inveloper is vital in providing the seamless production demanded by the VMC.

BBH's solution also included the first implementation of true robotics for mail traying applications.

"Cox Target Media was able to move from 80 inserters across two plants to ten BBH systems, while more than doubling their capacity," said Jerry DeRome, executive director of BBH DemandWorks and project manager

for this installation. "In a traditional mailing operation, changeovers mean down time as manual adjustments are made to accommodate new mailing specifications. That process has been completely automated at the VMC."

One of Valpak's innovations is their ability to target Neighborhood Trade Areas (NTAs) of 10,000 homes for highly targeted mailings. That allows clients to better

reach their target demographic rather than blanketing an entire metropolitan area with a coupon insert. Managing such specific, targeted mailings might seem to be a daunting task in a facility that produces more than one million mailings a day.

Enter BBH's BÖWE One® automated document factory software suite. The BÖWE One document management module is seamlessly integrated into the VMC's management software, and drives job download and system configurations, all personalized information, and the ability to adjust inventory in real time.

The result is a comprehensive job management system that monitors every stage of the process and promotes zero tolerance for mismatches – helping to assure the integrity of targeted NTA mailings. The software also monitors material usage in real time to maintain the highest levels of quality and productivity.

"The immense amount of data gathering and analysis supported by the job management system has been a key driver for operational improvement," said Haroon Abbu, director of customer and market analytics for BBH and Valpak project manager. "We accounted for and studied every second of non-production time and constantly looked for ways to improve it. Valpak and BBH teams met regularly and worked extensively to analyze and improve operational variables through a systematic, data-driven approach. Valpak's laser-sharp focus on best practices such as 5S, Lean, and data-driven process excellence has played a critical role in this paradigm shift."

After the inserts are wrapped and inkjet-addressed, they proceed to sorting bins in a process that involves the first ever successful implementation of a robotic mail traying system. Robotic arms sweep the mailpieces from the bins into USPS® mail trays in NTA-specific quantities.

Throughout the complete collation, wrapping and traying process, no manual intervention is involved. The person opening the blue envelope in the recipient's home may very well be the first person to ever touch the insert.

"BBH's ability to deliver an integrated solution was one of the key factors in our decision to partner with them."

— Dave Fox

## Impressive results

Since the first blue envelope rolled off the assembly line at the VMC in July 2008, Cox Target Media has reaped numerous rewards for their efforts.

"We have definitely achieved our goal of increased capacity," said Fox. "Our goal now is to grow from 20 billion inserts per year to 30 to 40 billion."

He adds that one of the other benefits of the fully automated system is that as the VMC adds capacity, they are only increasing the variable costs of paper and ink while fixed costs remain flat. Rather than adding headcount to handle increased capacity, the company reduced its staffing from over 1,000 employees to fewer than 500.

In addition to increased capacity, turnaround time has been significantly reduced. Projects that used to take four days to turn around from printing to packaging to mailing can now take as little as four hours. In fact the VMC's open storage space is designed more for short-term holding than long-term storage.

BBH's technology will also help Cox Target Media as it seeks greater profitability from Valpak mailings. As mailings are limited by the total number of households in North America, the actual profit to be gained lies more in increasing the average number of inserts per mailing. BBH's MAILStream Inveloper system can help Cox achieve its goal of pushing up the average number of inserts per envelope from around 42 presently to the desired average of 60.

"BBH is one of the top three companies we work with, and without a doubt one of the companies with whom we have a collaborative relationship," added Fox. "Our experience with BBH is that they are definitely with us for the long run."

Van Gorp values the relationship as well, and believes it is mutually beneficial. "The best part of this for BBH has been the opportunity to tightly collaborate with the Cox Target Media team to change the way machines serve the business's needs and goals," he said. "Ours is truly a partnership where we learn from each other and continually strive to make their vision a reality. We apply that same approach to any of our clients' operations regardless of their size."

*For more information on BÖWE BELL + HOWELL's solutions and services, visit [www.bowebellhowell.com](http://www.bowebellhowell.com) or call 1-800-220-3030.*

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