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# Case Study

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## Outsourcing Ad Production - A case study of how it can be made to work

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July 2006

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*This case study explains how the Ad Production function at Independent News and Media's Ad Production function in Northern Ireland has been outsourced to cut costs and centralize production.*

*Independent Newspapers (Ireland) has contracted their advertising production to an outsourcing company in Northern Ireland and worked with Papermule to deploy a distributed, multi-site workflow and content management solution.*



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## Executive Summary

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Newspaper publishers are under constant pressure from competitors in other media, costs are rising year on year and the pressures to reduce costs are relentless. Publishers in Ireland are under particular threat from many of the UK-based papers trying to gain a foothold in a lucrative and developing marketplace.

Independent Newspapers (Ireland) has come up with a novel way of cutting costs and in the process creating a centralised resource to handle potentially all the advertising production for their many sites across Ireland and the UK. They contracted their advertising production to an outsourcing company in Northern Ireland and worked with Papermule to deploy a distributed, multi-site workflow and content management solution.

## 1 Introduction

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The ancient ecclesiastical capital of Ireland Ard Macha (Armagh) is not the first place that springs to mind when 21st century newspaper production innovations are discussed. Yet Armagh, roughly half way between Dublin and Belfast is where Independent Newspapers & Media (INM) has chosen to site their new state of the art ad production centre to service the needs of their growing portfolio of newspapers across Ireland and the UK. The centre, which also houses telesales for The Irish Independent and Belfast Telegraph groups, uses a new generation workflow and asset management system from Papermule to control the entire creative process, from artwork reception and advert creation through to proofing, customer approval and final delivery to pagination.

Many newspapers have centralised ad production; some have outsourced it. Few, if any, have placed responsibility for such a core part of their operations in the hands of a third party. Yet that is what INM has done with such marked success. Under the management of Joe O'Keeffe, Group Advertising Manager of Independent Newspapers (Ireland), they have managed to cut costs, improve quality, automate production processes, reduce errors and enhance their advertisers levels of service.

## 2 Background

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Independent Newspapers (Ireland), the Irish subsidiary of INM, is the dominant newspaper publisher in Ireland. It has newspapers and offices across the country. The acquisition of the Belfast Telegraph and associated titles from Trinity Mirror in 2000 extended that dominance to Northern Ireland.

Newspapers have traditionally offered a free typesetting and ad make-up service to their advertisers. Sometimes this has been restricted to direct advertisers, the part of their customer base



that is not represented by an agency. This has resulted in the retention of in-house advertisement production departments with all the associated overheads. Originally, these ad production departments absorbed many of the staff who were re-deployed when single keying was introduced in the late 80s and early 90s. More recently, the spread of desktop publishing tools such as Quark Xpress and Adobe InDesign into many small to medium companies has meant that they could make-up their own ads, but what they lacked initially was the specialist knowledge that had been built up over years by the in-house newspaper production teams and by the specialist repro houses.

A second and equally important task which ad production departments are charged with is ensuring that those advertisers who chose to have their ads made up at an agency of their own choice deliver the ad content by the expected deadline. This is called copy chasing.

### 3 Chronology

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INM first outsourced ad production for their Dublin newspapers in 2002 to two local repro agencies, Typeform Repro and Impress Digital. These two organizations operated effectively as external production departments for the advertising departments. They chased the copy of the component text and graphics for all the ads that were to appear, made up the ads and then delivered the ad content as finished material to the Independent's Dublin office. Soon afterwards INM selected Quickcut to help with the preflighting and distribution of their ad material.

In 2004 INM outsourced its Dublin telesales operations to AnswerCall Direct in Armagh, Northern Ireland and many of its finance back-office processes to SWS in Clonakilty in Co. Cork. Headcount was reduced by some 200, mostly by voluntary redundancy. Early in 2005, AnswerCall was taken over by HCL Technologies, one of India's leading global IT Services companies. HCL already had a presence in Belfast having bought the Apollo call centre from BT in 2001.

In 2005 INM selected Papermule Workflow as their new generation asset management and workflow tool. Later that year INM decided to move their ad production from the two repro agencies and set up a green field operation in association with HCL in their Armagh offices. An experienced ad production manager was recruited, the Papermule Workflow system was installed and the next few months were spent recruiting staff, training them and setting up the Papermule system for the demanding environment in which it was to operate. Starting late 2005 the Armagh operation took on responsibility for making up all the ads previously handled by the two repro houses (see Fig. 1). In April 2006, Papermule Workflow went live in Belfast and most of the prepress responsibilities moved to Armagh. Production staff numbers in Belfast were reduced from 53 to 8, but only increased by 8 in Armagh.

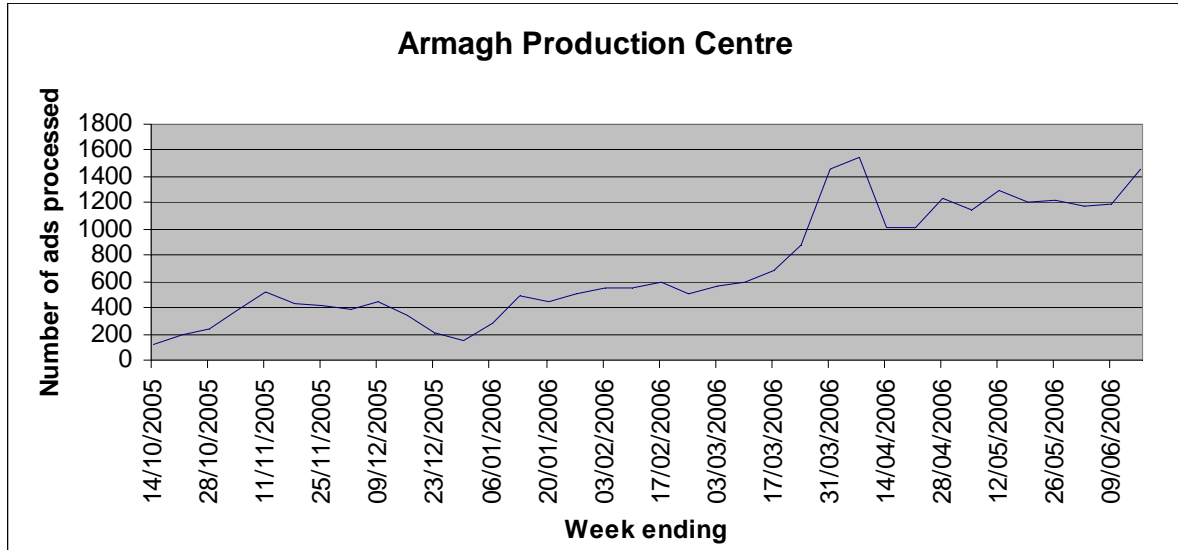


Fig 1. Number of ads processed week by week in Armagh

In June 2006 production from two more of INM’s properties, in Kerry and in Drogheda, began to move to Armagh, the move achieved with minimal staff increases. As well as ad production, Armagh will assume responsibility for paginating the titles from Kerry and Drogheda. This will involve a reduction of staff in those centres with an increase in Armagh of 6.

#### 4 Benefits

- The reduction in head count has been considerable. In Dublin the numbers fell by over 200, in Belfast by nearly 50, yet the initial staffing in Armagh was just 12 people and it gradually increased to 30 today (June 06) to cover all the Dublin and Belfast make-up. The numbers are scheduled to increase by another 6 to take on the work of the two sites currently in progress including paginating all ads.
- INM now has a core production facility with a young trained enthusiastic workforce that gives it a degree of flexibility in deciding their future direction.
- Unlike many outsourced operations staff turnover has been minimal in the Armagh Production Centre.
- Abatements or credits in Dublin have dropped by almost 50% since ad production moved to Armagh due in no small measure to the Papermule system enforcing pre-flight checks prior to pagination and their semi-automated emailing of soft proofs for customer approval.



- The majority of all delivered material is automatically matched with a booking and then processed through to await pagination. This allows users to focus on exceptions that demand their attention.

## 5 Production processes

The workflow is based on a multiplicity of disparate ad booking systems integrated with a production framework using common systems across all processes, in this case Papermule *Workflow*, the Quickcut delivery mechanism, and the *Asura* pre-flighting tool. Dublin uses a vintage *SII* system and Belfast an equally aging *Sentinel I* system inherited from the days of Trinity-Mirror's joint development with Northcliffe Newspapers; the Kerry and Drogheda papers use a very new *Sales.WORKS* booking system from IPA.

The production centre in Armagh does not have its own booking system but staff can access the booking systems on all the other sites. The centre uses the full capabilities of Papermule *Workflow* and *Copy Chasing*, from artwork reception and advert creation through to proofing, customer approval and final delivery to pagination.

Bookings are split into main groups, those that have been made by an agency and those that come direct from advertisers. Bookings coming from an agency are assumed to have made their own arrangements to create the ad content.

The dominant position of INM in the marketplace has given them added leverage in negotiating changes in working practices with all the players in the production chain, the media buyers, the creative agencies, the repro houses and the advertisers. They have negotiated to the point where their workflows are supremely efficient. Copy which is not delivered by deadline for example will not run, all completed copy must be submitted through Quickcut and that service carries out an initial and basic pre-flight check to ensure that content is of the booked dimensions and adheres to the booked colour space. Content which does not meet this minimum level of checking is not accepted by Quickcut.

When a booking is made the user marks whether it is to go to the Armagh Production Centre for the contents to be made up. Only ads from direct advertisers are made up in-house; agencies make their own arrangements for their clients and deliver complete copy. All advertisers whose bookings did not contain completed copy are then sent an email with metadata or key attributes of their booking such as the URN, the dimensions, the insertion date, the colour space and most importantly, the deadline by which they are expected to deliver the content. The deadline is

### *AdsML*

*This is one of the first live installations in the world using the AdsML Bookings standard. Bookings are exported from the Sentinel system in Belfast to the local Papermule Workflow system where they are converted using a subset of AdsML Bookings V1 and sent to the Papermule Workflow system in Armagh.*



calculated from the publication, the issue date and the classification. In addition, the booking details for those ads that are to be made-up in-house are sent to the Armagh Production Centre.

In the case of Belfast the transfer is made using AdsML. Armagh then assumes responsibility for gathering together all the elements of the ads to be made up, making them up, proofing them, getting any necessary approval from the advertiser or sales person and delivering them back to Dublin or Belfast in PDF through Quickcut with the original metadata attached. The files go into the standard digital reception workflow and initially they are flight checked using *Asura* from OneVision. If they pass that test then Papermule *Workflow* attempts to link them to outstanding bookings using the metadata previously mentioned. If the metadata matches on at least four attributes, including a check that the insertion date is later than today, then the material is automatically linked to the booking and the material is filed away. Files that do not match automatically are dropped into a folder for handling by staff: the reason why they did not match can be viewed and then addressed.

Tasks in the centre are totally deadline driven; there is no attempt to set priorities by publication.

## 6 The relationship between INM and HCL

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INM became involved with HCL when the company that they had outsourced their Dublin telesales to, AnswerCall Direct, was acquired by HCL Technologies. INM and HCL share responsibility for the Armagh Production Centre: INM has operational responsibility, HCL administrative responsibility. HCL provide the facilities and they handle all HR issues. INM direct the activities of the staff on a day-to-day basis and sit in on all recruitment interviews.

This is the first newspaper advertisement production centre that HCL has run although it has a large and flourishing business process outsourcing (BPO) division that manages everything from back-office reconciliation to insurance and investment portfolio management. The relationship between the two partners appears to be working very well and in contrast to the telesales operation where staff turnover is approaching 30% it is negligible in the Production Centre.

## 7 Papermule Workflow

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Papermule's *Workflow* product is the technology underpinning the Armagh operations. It creates a single point of control for the entire creative process – from copy chasing and artwork reception, to advert creation, proofing, customer approval and final delivery of finished materials to pagination.

*Workflow* delivers the asset management and workflow management facilities required to provide a fully integrated system for automated media production. It integrates the individual



systems and tools used for specific creative and production tasks into a single production framework. *Workflow's* design means that Papermule's technology cleanly combines disparate systems in to a whole without the compatibility issues commonly associated with integrating third-party products. Software is easily integrated, be it open source or industry vendor tools like Adobe® InDesign®, QuarkXpress®, or a pre-flighting tool like OneVision's Asura. As requirements and production processes change, Papermule's loosely bound integration model has the added advantage that the system can gracefully adapt to change.

At the heart of *Workflow* is a full Digital Asset Management (DAM) system for storing digital content in a secure environment, strengthening an organisation's ability to manage, re-use and access its content. Coupled to the DAM is *Workflow* management (WM) software that can be configured to design and implement automated production workflows. With strong reporting and audit facilities, Papermule *Workflow* gives its customers a cost effective tool for automating and managing pre-media production.

Automated workflows are defined by representing business logic as events, processes, and specifying which processes follow which events. As actions happen or status changes, *Workflow* manages every production task, passing commands, content and parameters to and from multiple processes to coordinate workflow execution and bind individual systems in to a managed whole. For example, an artwork element arriving at 'finished' status might trigger generation of a proof sheet, which in turn initiates a customer approval process. The 'invisible hands' of *Workflow* smoothly manage the flow from one task to another as production progresses.

Workflow automation helps organisations automate and optimise their business processes, giving them the opportunity to increase productivity and reduce errors and costs. The Armagh production facility shows just how concrete those benefits are.

## Quotes

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"Papermule workflow is so good you forget it's there." Irene Fitzsimmons, Ad Production Manager, Belfast Telegraph

"System looks after itself." Leonard Hill, Systems Manager, Belfast Telegraph

"Without them (Papermule) it would not have been possible, they listened, they were open to suggestions and then they went away and synthesised what they had heard into an easy-to-use system." Declan Maguire, former Manager Armagh Production Centre.

"Easy to pick up. Staff can be trained to use the system in two hours and be productive in a day." Sean Kelly, Joint Manager Armagh Production Centre

"Great support and knowledgeable staff who are invariably available." Irene Fitzsimmons, Ad Production Manager, Belfast Telegraph.



## 8 Conclusion

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INM has set up a very efficient centralised facility, it has divested itself of the normal HR issues by joining forces with HCL and in the process it has created a potentially invaluable basis for any future consolidation of ad production operations.

## 9 Features of Papermule Workflow

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*Workflow* is a new generation workflow and asset management system to control the entire creative process, from copy chasing to artwork reception, from advert creation through to proofing, customer approval and final delivery to pagination. Some of the features that were observed in use during the preparation of this case study were:

- All functions browser based
- System is highly configurable
- Although the Armagh installation runs on Solaris it can also run on Linux
- Ability to plug in processing stages like pre-flight or format conversions and route according to the outcome
- System can generate an email to the advertiser giving them details of the booking including the deadline by which content must be delivered
- Copy chasing tasks assigned in deadline sequence so that the copy with the most pressing deadline is presented at the top of the list
- Full check in and checkout of ads being made up
- Choice of make-up tool (Armagh use Quark Xpress)
- System configured to match the actual workflow rather than the other way round
- Configurable automatic linking of delivered content to outstanding bookings
- Allows users to focus on content delivery exceptions – those that have matching attributes are processed automatically
- Large range of standard reports and queries
- Reports can be displayed on screen as well as being available in csv format for further analysis
- Report generation tool provided as standard for ad hoc reports which allows the user to define the basis on which data is selected and the fields to be included in the output. This can include sophisticated table joins for complex queries
- Uses AdsML as the integration format for bookings
- Easy to use
- Simple to learn



## 10 Other information

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### About this document

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This document was compiled by Joe Kirk of K Media Consulting during visits to the Dublin, Belfast & Armagh sites of the Irish Independent with the intent of reviewing current work practises for both improvement and review purposes. Statistics kindly provided by Irish Independent Group.

### About Joe Kirk

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Joe Kirk is an independent consultant specialising in the area of advertising and pre-press. He has provided services for software vendors and for a number of UK national newspapers over the past 15 years. He is a member of the Technical Working Group of AdsML.