



The world is changing.
Meet the future.

Colorado Springs School District 11

Monitoring Report

Date: June 30, 2019

Division of Business Services
Department of Production Printing
Portfolio Owner: Joe W. Morin, MBA

Period: Fourth Quarter: April - June 2019

Introduction:

The Production Printing Department oversees Printing and Copying; 208 Convenience Copiers; the Mailroom; and the district’s Student & Staff Identification Cards, employing nineteen FTE at six locations throughout the district. Printing locations are comprised of one full-service main facility, and one satellite copy center located in each of the district’s five high schools. Production Printing is an Internal Service Fund designed to efficiently support the District’s student and staff population with best-value products and services focused on student achievement. Nationally recognized as one of the most technologically advanced and well-equipped facilities in the State of Colorado, charges for services rendered are approximately 50 percent less compared with those of the commercial market. In addition to servicing District Eleven customers as its core mission, the department also fosters community partnerships with outlying school districts, governmental agencies, and educationally affiliated non-profit organizations in neighboring communities across the state of Colorado, by delivering on-time, cost-effective, high-quality products and services.

Summary of Key Results:

GOAL 1

Division/Department: BUSINESS SERVICES - PRODUCTION PRINTING

District Business Plan goal(s):

- **Demonstrate Operational Efficiencies**
- **Demonstrate Fiscal Prudence & Financial Responsibility**

On Time/Early Completion – Completion dates are currently running a strong 98 percent On Time and/or Early of the date requested by the customer, up an average of .25 percentage points from four years ago.

Customer Satisfaction and Feedback – Questions 1-5 illustrate very positive production and service results. A customer Invoice and Statement procedure was implemented providing all customers better accountability for printing expenditures. We continue to receive extremely positive feedback as a result.

Action Plan Summary:

Continue to monitor and demonstrate Operational Efficiencies, Fiscal Prudence, and Financial responsibility through a data-driven decision-making process.



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Summary of Key Results:

GOAL 2

Division/Department: BUSINESS SERVICES - PRODUCTION PRINTING
District Business Plan goal(s): Demonstrate a High-Performing Team

Total Annual Impressions – This production indicator illustrates productivity relative to prior years. We are currently experiencing a trend in somewhat flat impression growth coupled with a higher gross sales volume, indicating our customers are purchasing more expensive products such as full color brochures, wide format banners, color copies, etc.

Sales – Overall, sales are good YTD. Gross sales are approximately **\$89,030.00** below this date one year ago.

Comparative Peer-Related Data – Gathered from local in-plants and national franchises, this data provides solid comparison support for Goal #2 by setting the standard for cost-effective in-plant production.

Action Plan Summary:

Continue to monitor, demonstrate, and maintain a High-Performing Team through a data-driven decision-making process.



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Summary of Key Results:

GOAL 3

Division/Department: BUSINESS SERVICES PRODUCTION PRINTING

District Business Plan goal(s): Demonstrate Operational Efficiencies; Demonstrate Fiscal Prudence & Financial Responsibility

Total Monthly Impressions – This production indicator illustrates productivity relative to prior years. We are currently experiencing a trend in somewhat flat impression growth coupled with a higher gross sales volume, indicating our customers are purchasing more expensive products such as full color brochures, wide format banners, color copies, etc.

Monthly Financial Statement – The Monthly Financial Statement illustrates Revenue, Expenses, and Net Income both YTD and MTD for the fund. Year-to-date, audited Net Income for the month ended **May 30, 2019** is **\$101,579**. Additionally, a budgeted contingency reserve of \$80,000 is earmarked to replace small office copiers district-wide.

Monthly Sales (Annualized) – Revenue for goods and services are in line with budgeted forecasts. Variable expenses which are revenue-driven are also in line with budgeted forecasts for this time of year, and will fluctuate in the areas of supply and equipment maintenance. As of **May 30, 2019**, the fund is showing a gain of **\$101,579** and is in sound financial condition.

Action Plan Summary:

Continue to monitor and demonstrate Operational Efficiencies, Fiscal Prudence, and Financial responsibility through a data-driven decision-making process.

Division: Business Services
 Department: Production Printing

Portfolio Owner: Joe W. Morin, MBA, Manager - Production Printing



Upward Trend Or
In Progress



Even Trend



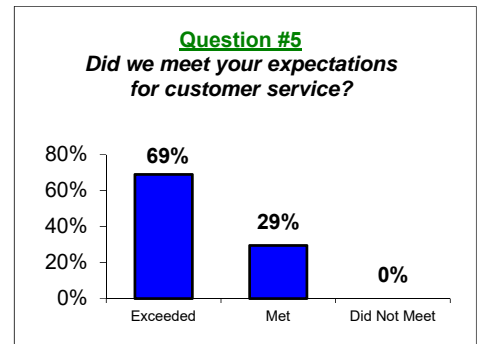
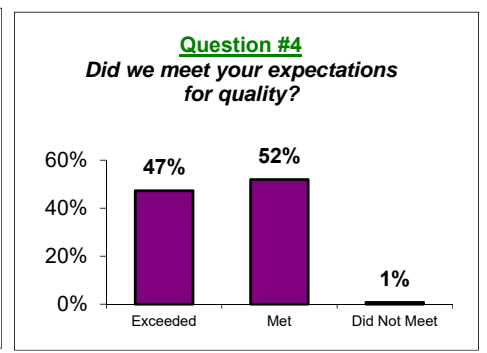
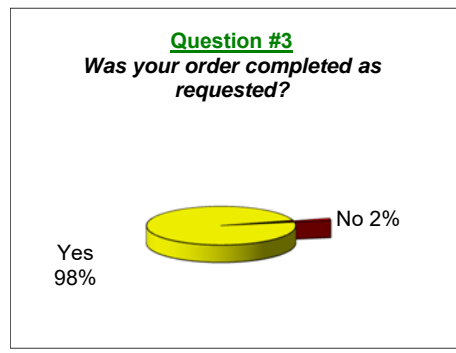
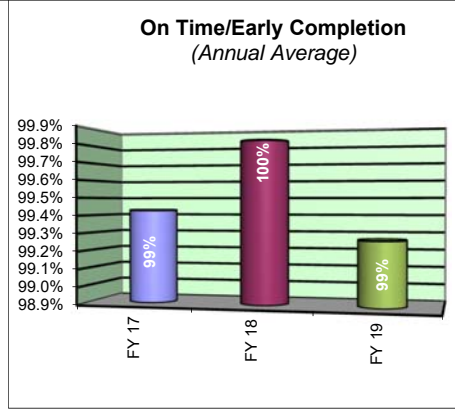
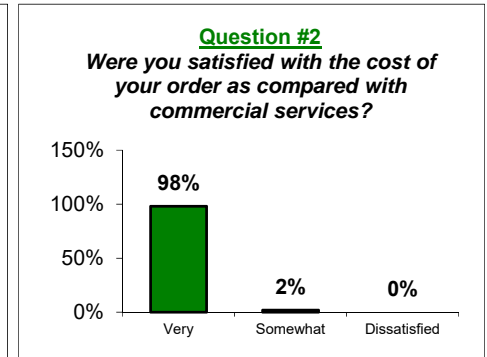
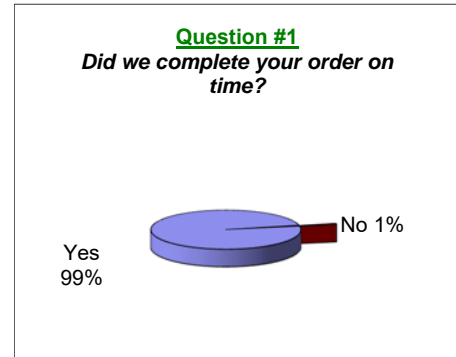
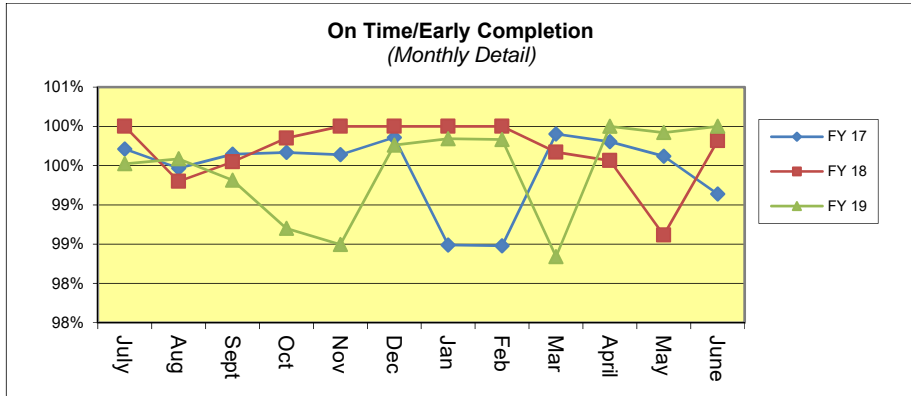
Downward Trend Or
Attention Needed

Quarter: 4th Quarter: April 1, 2019 - June 30, 2019

MEASURE	STATUS	GOAL	ESSENTIAL STRATEGIES	COMMENT	TARGET	OWNER	DELIVERY DATE
1. Pick-up date report 2. Customer needs and satisfaction feedback 3. Percentage of repeat business		1. We will meet or exceed customer expectations for on-time, cost-effective, error-free, high-quality products and services.	Continue to refine throughput and customer service Continue to survey our customer's needs of products and services	In progress See Attached Chart	Improve throughput and meet customer's needs.	Joe Morin	Continual
1. Monthly and annual gross sales by location 2. Monthly and annual total number of impressions 3. Monthly and annual amount of waste and reruns		2. We will set the standard for cost-effective in-plant production.	Continue to invest in industry training and maintain cutting-edge technology	In progress	Offer best-value products and services through employment of cutting-edge technology.	Joe Morin	Continual
1. Results of marketing plan 2. Increased monthly and annual total number of imp. 3. Increased monthly and annual sales 4. Customer feedback		3. We will increase awareness of the value of using Production Printing's services.	Continue to expand our market by offering improved products and services Continue to survey our customers needs of products and services	In progress	Grow through expanded products and services.	Joe Morin	Continual

Goal #1

We will meet or exceed customer expectations for on-time, cost-effective, error-free, high-quality products and services.



Division/Department: BUSINESS SERVICES - PRODUCTION PRINTING DEPARTMENT
District Business Plan goal(s):

- Demonstrate Operational Efficiencies
- Demonstrate Fiscal Prudence & Financial Responsibility

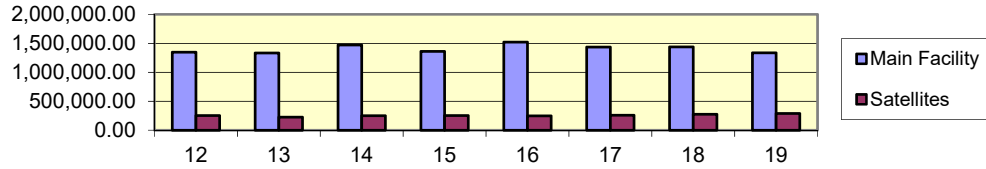
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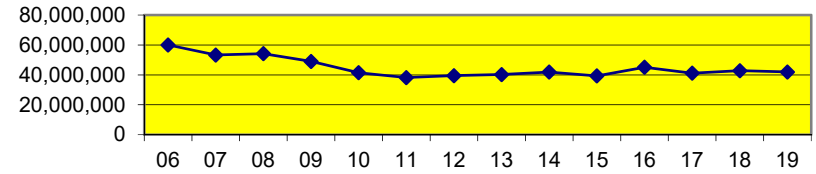
Goal #2

We will set the standard for cost-effective in-plant production.

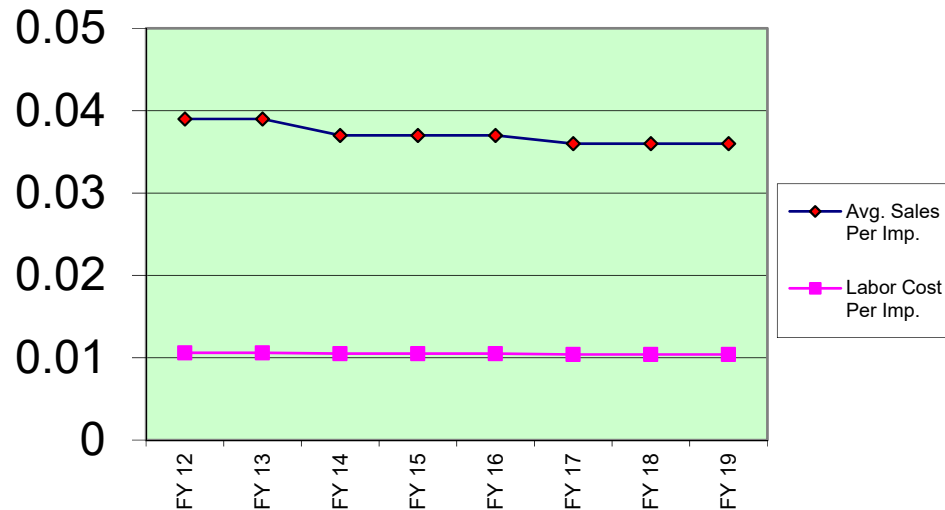
FY Sales - By Location



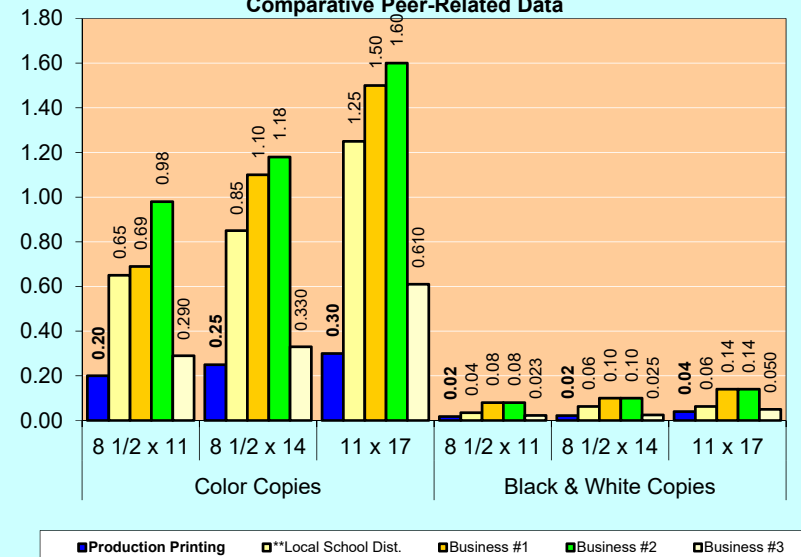
Total FY Annual Impressions



Average Sales and Labor Costs per Impression



Comparative Peer-Related Data



** Receives GENERAL FUND subsidy for Operating and Capital expenditures

Division/Department: BUSINESS SERVICES - PRODUCTION PRINTING DEPARTMENT
District Business Plan goal(s): Demonstrate a High-Performing Team

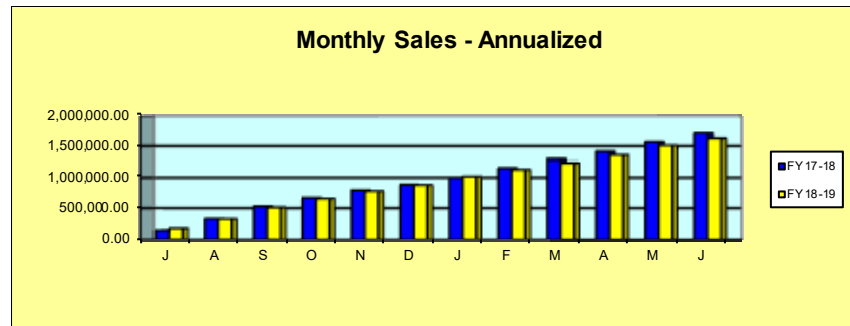
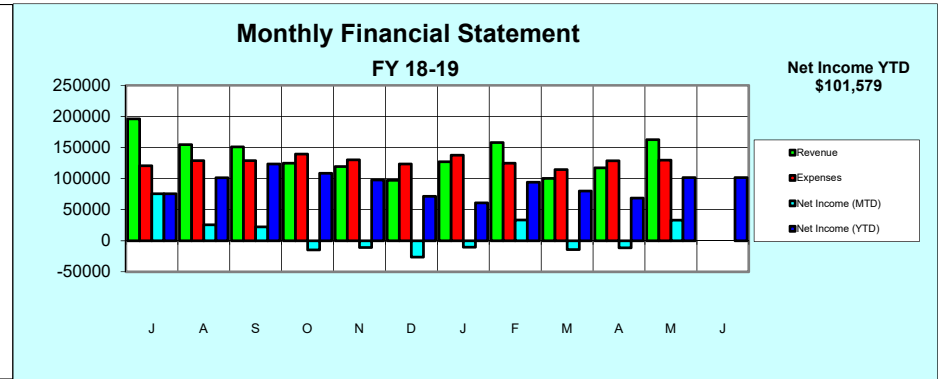
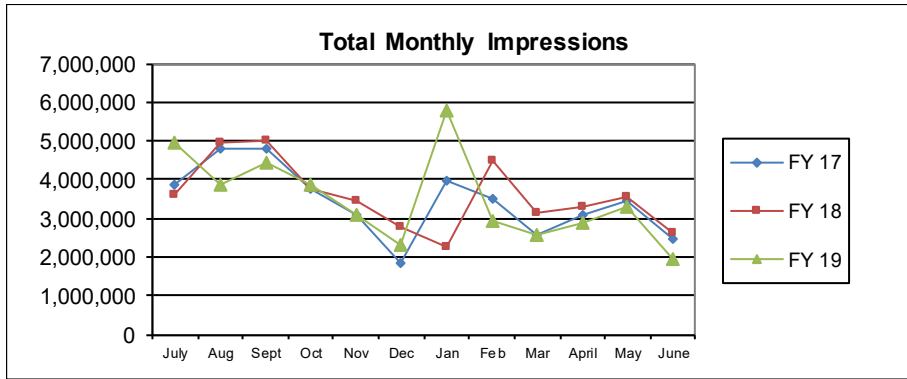
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Comparative Peer-Related Data – Gathered from local in-plants and national franchises, this data provides solid comparison support for Goal #2 by setting the standard for cost-effective in-plant production.

Goal #3

We will increase awareness of the value of using Production Printing's services.



Division/Department: BUSINESS SERVICES PRODUCTION PRINTING DEPARTMENT

District Business Plan goal(s): Demonstrate Operational Efficiencies; Demonstrate Fiscal Prudence & Financial Responsibility

Total Monthly Impressions – This production indicator illustrates productivity relative to prior years. We are currently experiencing a trend in somewhat flat impression growth coupled with a higher gross sales volume, indicating our customers are purchasing more expensive products such as full color brochures, wide format banners, color copies, etc.

Monthly Financial Statement – The Monthly Financial Statement illustrates Revenue, Expenses, and Net Income both YTD and MTD for the fund. Additionally, a budgeted contingency reserve of \$101,936 is earmarked to replace small office copiers districtwide.

Monthly Sales (Annualized) – Revenue for goods and services are in line with budgeted forecasts. Variable expenses which are revenue-driven are also in line with budgeted forecasts for this time of year, and will fluctuate in the areas of supply and equipment maintenance. As of **May 31, 2019**, the fund is showing a gain of **\$101,579** and is in sound financial condition.



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Colorado Springs School District 11 Production Printing Department

Joe W. Morin, MBA, Manager



ORGANIZATIONAL PROFILE

The Production Printing Department oversees printing and copying; 208 convenience copiers; the mailroom; and the district's student and staff identification cards, employing twenty full time equivalent (FTE) at six locations throughout the district. Printing locations are comprised of one full-service main facility, and one satellite copy center located in each of the district's five secondary school locations. Production Printing is an internal service fund designed to efficiently support the district's student and staff population with best-value products and services focused on student achievement. Nationally recognized as one of the most technologically advanced and well-equipped facilities in the state of Colorado, charges for services rendered are approximately 50 percent less compared with those of the commercial market. In addition to servicing District 11 customers as its core mission, the department also fosters community partnerships with outlying school districts, governmental agencies, and educationally affiliated non-profit organizations in communities across the state of Colorado, by delivering on-time, cost-effective, high-quality products and services.

OPERATIONAL and FINANCIAL FRAMEWORK

All production locations are equipped, supplied, and staffed to maximize the economies of scale, assuring the printing and copying needs of our customers are efficiently met. Job requests may be submitted to any location via telephone, walk-in, pony, email or website at: www.d11.org/printing, where customers may simply navigate to the location of their choice, fill out a job ticket, attach their file electronically and submit their order. All printing and copying charges are uploaded daily and readily accessible to our customers via the PeopleSoft financial system. Continued sales growth is attributed directly to outstanding, customer-driven products and services, and advanced technological investments. Less than five percent of the total annual revenue is derived from non-profit organizations; the remainder comes from servicing internal administrative and educational needs.

Revenue generated from sales offsets all expenses including indirect costs and overhead, salaries, benefits, and any consumables used in production. At fiscal year-end, the department's retained earnings fund balance is sufficient to fully fund depreciation, maintain a reasonable contingency reserve level, and support future capital costs and emerging opportunities. An operating margin of approximately five percent is projected for 2018-2019, keeping the fund in sound financial condition, and a five-year equipment plan is maintained to further equipment and technological upgrades. Approximately 33 percent of the department's budget is utilized for salaries and benefits, the remaining 67 percent is reserved for daily operating capital to purchase such consumables as paper, toners, and supplies used to produce a value-added product. A 5.9 percent return on investment is a reflection of the fund's twenty-seven year average net income contribution to retained earnings of \$74,683. A four percent educational support personnel (ESP) incentive bonus has also been developed to recognize all department employees for achieving predetermined department financial objectives.

A just-in-time management philosophy, cross training, cutting-edge technology and close scrutiny with regard to waste, efficiency, and increased productivity, have yielded an industry benchmark pricing structure. Yet, while labor costs continue to increase, the fund typically transfers residual equity (net profit or cash) and/or indirect costs (utilities, payroll, etc.) annually to the general fund. A residual equity transfer is designed to transfer excess equity directly from one fund to another without impacting the income statement. Transfers for the past twenty-seven years total in excess of \$2.7 million, supporting our goal to keep the resources as close to the child as possible. Automated invoicing and free delivery to each site keeps staff in the buildings, resulting in increased focus on students, time savings, elimination mileage reimbursement, and reduction of risk of accident or injury. In addition to the annual contribution, Production Printing's pricing structure saves the district over \$2 million annually.

MEDIA, ACCOLADES and AUDITS

- **The 2003 Baldrige Customer Satisfaction Survey (CQI - Continuous Quality Improvement)** reports “...*Production Printing was the department/office with the highest scores of all departments/offices in all divisions.*” Areas surveyed: helpfulness, response time, expertise, overall services
- **In-Plant Graphics Magazine - 2002**, a national trade publication, ranked Production Printing the top in-plant in the state, having one of the most efficient and well-equipped facilities and service networks. Areas evaluated: services, technology, growth, budget and sales
- **KPMG Consulting, LLC** stated in a published, district-wide independent financial performance review, “...*the Production Printing Department is one of the District’s success stories...*”
- **Towers-Perrin, consulting firm** stated in a published district-wide audit, “*The cost and quality of the services are so good that the District should consider expanding its efforts to external customers.*”
- **In-Plant Graphics Magazine – 2005 Cover Story** entitled “*Straight-A Performance*” touting “*School district in-plants provide valuable support to their schools, allowing teachers to focus on student achievement.*”
- **Arts Business Education Consortium – 2006 Center for Nonprofit Excellence Award** – Business support for the Arts
- **Quantum Performance Group – 2006, Performance Excellence Assessment Report** – “*measuring and improving performance consistently over time.*”
- **In-Plant Graphics Magazine – 2009**, – “*In-plants are implementing a number of environmentally friendly procedures...*”
- **In-Plant Graphics Magazine – 2016**, – “*Colorado School District Goes Digital*”
- **In-Plant Impressions Magazine – 2019**, – “*New Flatbed Printer and Contour Cutter Let Colorado Springs In-Plant produce Virtually Anything*”

PRODUCTS and SERVICES

Products produced consist of: awards, booklets, brochures, bulletins, business cards, calendars, certificates, classroom materials, color charts and graphs, envelopes, flyers, invitations, labels, memo pads, carbonless forms, newsletters, note cards, posters, programs, publications, reports, resumes, stationery, table tents, tickets, transparencies, vinyl banners, acrylics, metal and more.

Services offered by the department include typesetting and prepress design, full color digital printing, high speed digital full color and black and white copying, sign engraving, folding, stapling, collating, binding, cutting, numbering, wide format printing, direct/bulk mail, and laminating.

KEY PERFORMANCE INDICATORS and MEASURES

- | | | |
|--|---------------------|-------------------------|
| ✓ Customer needs and satisfaction feedback | ✓ Waste and re-runs | ✓ Comparative peer data |
| ✓ Major services by category and location | ✓ Marketing results | ✓ Accounts receivable |

ANNUAL STATISTICS and FTE

- | | | |
|-------------------------------|--------------------------|------------------------|
| • \$2.5 million appropriation | • 45 million impressions | • 2 administrative FTE |
| • 6% average growth rate | • 100,000+ orders | • 18 ESP FTE |