

Controlling and Leveraging Your Print Spend with an E-procurement Strategy

ISM

November 13, 2002



Agenda

- Introductions
- The value proposition for print e-procurement
- Merrill Lynch – A case in print
- Q&A

Why Print?

A major category... \$240B in annual print spending

Big savings opportunities... 10-30%

Touches entire enterprise... Purchasing, IR,
Marketing,
Communications, HR...

Prone to maverick spending... Anyone can buy print

Susceptible to waste... 30% is lost in the process

Introducing Merrill Lynch

Business Profile:

Investment, financing, advisory, insurance and related products and services on a global basis.

Clients:

- Individual investors
- Small businesses
- Corporations
- Governments / agencies
- Financial institutions



- **2001 Sales (mil.): \$38,757**
- **2001 Net Inc. (mil.): \$573**
- **Employees: 57,000**
- **Fortune 500 rank: 36**

Introducing Printcafe Software, Inc.

- **Public (NASDAQ: PCAF)**

- **Footprint**

- Headquartered in Pittsburgh, PA
- Solutions sold on six continents

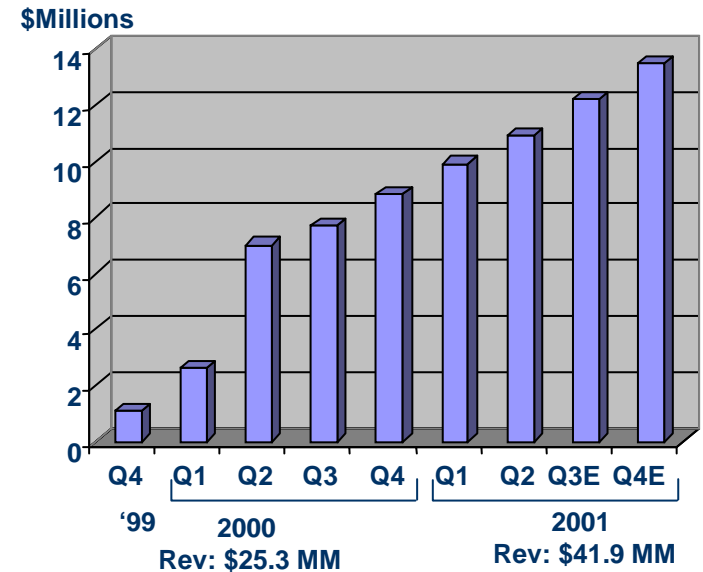
Largest customer base

- Extensive Fortune 1000 penetration
- Global presence
- 8000+ locations

- **Extensive print domain expertise**

- 400 people worldwide and growing
- ~30% owned by CreoScitex

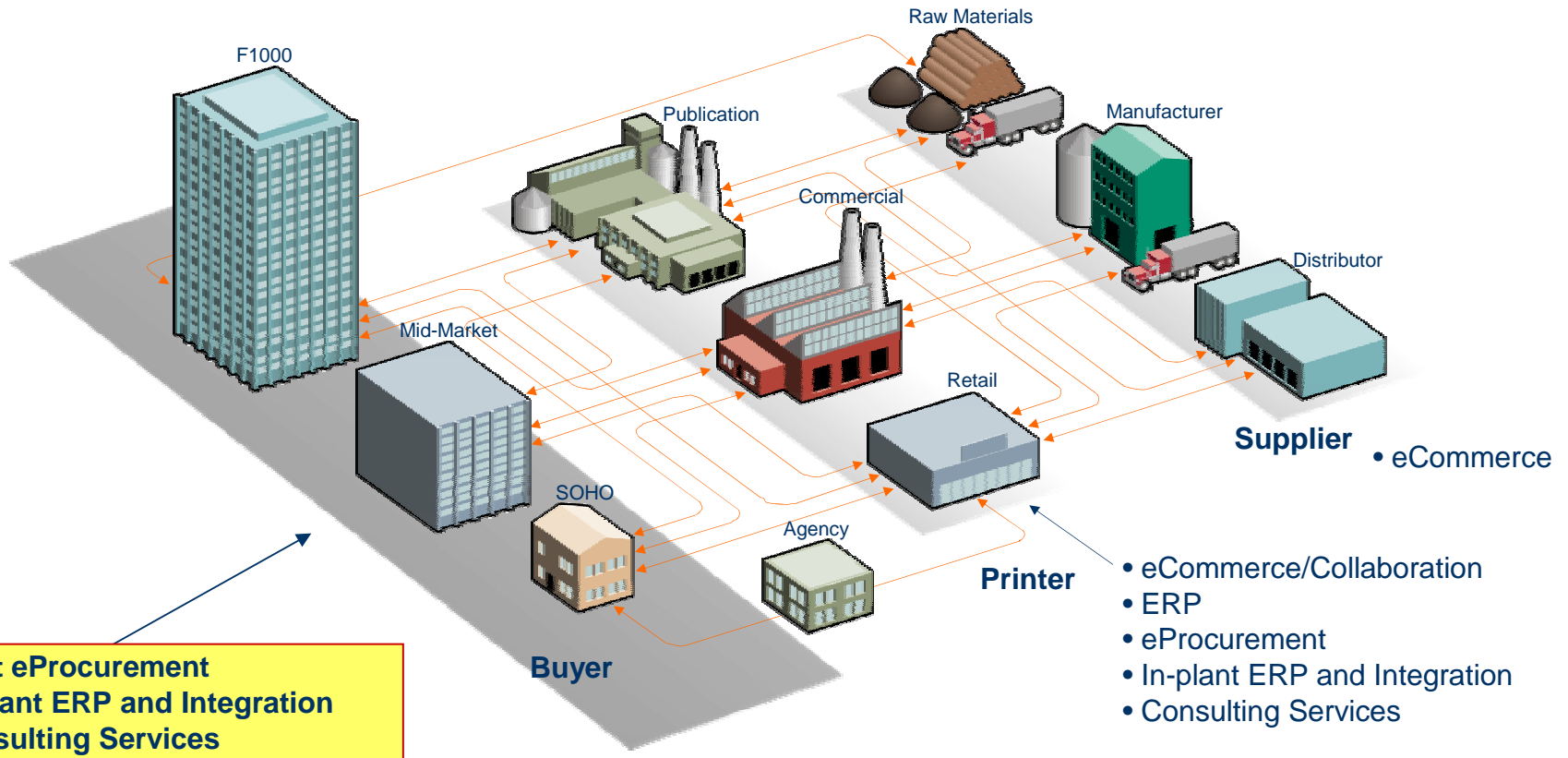
Strong And Sustainable Growth



The Operating System For Print

Our Mission:

- The leading provider of supply chain planning and execution software for the graphic arts industry.

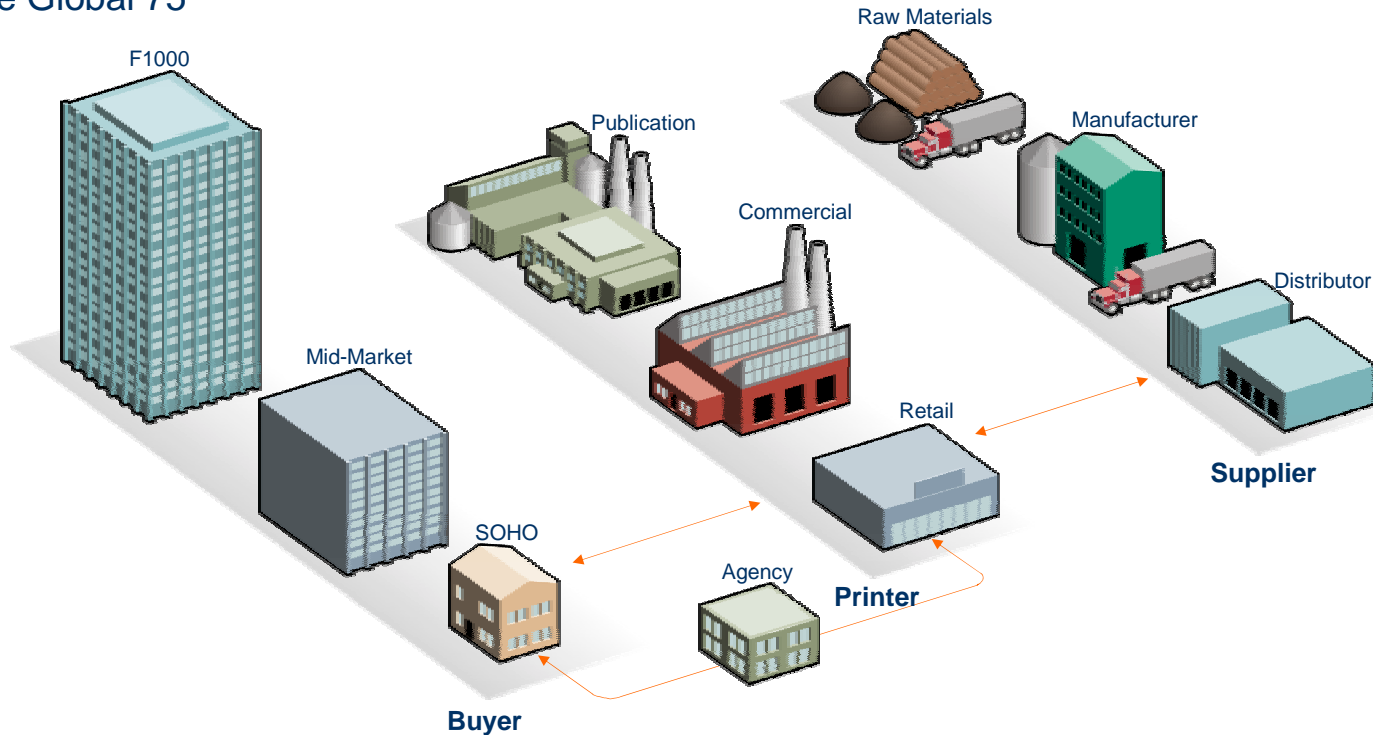


Market presence

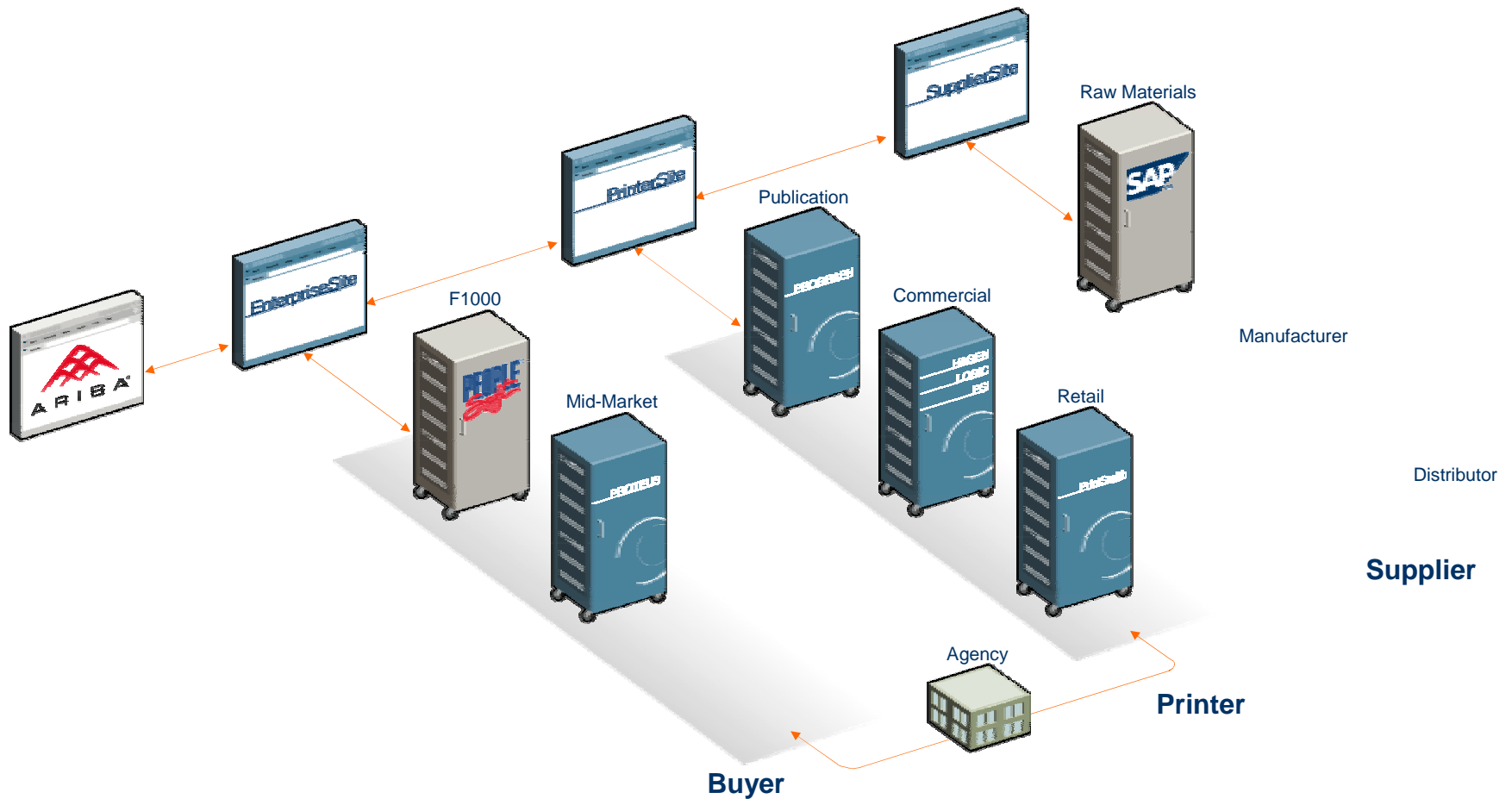
- 8,000 printing facilities
 - Represents an estimated \$40B in print production
 - 24 of 25 largest printers in NA

Estimated \$20B consumed by printCafe customers

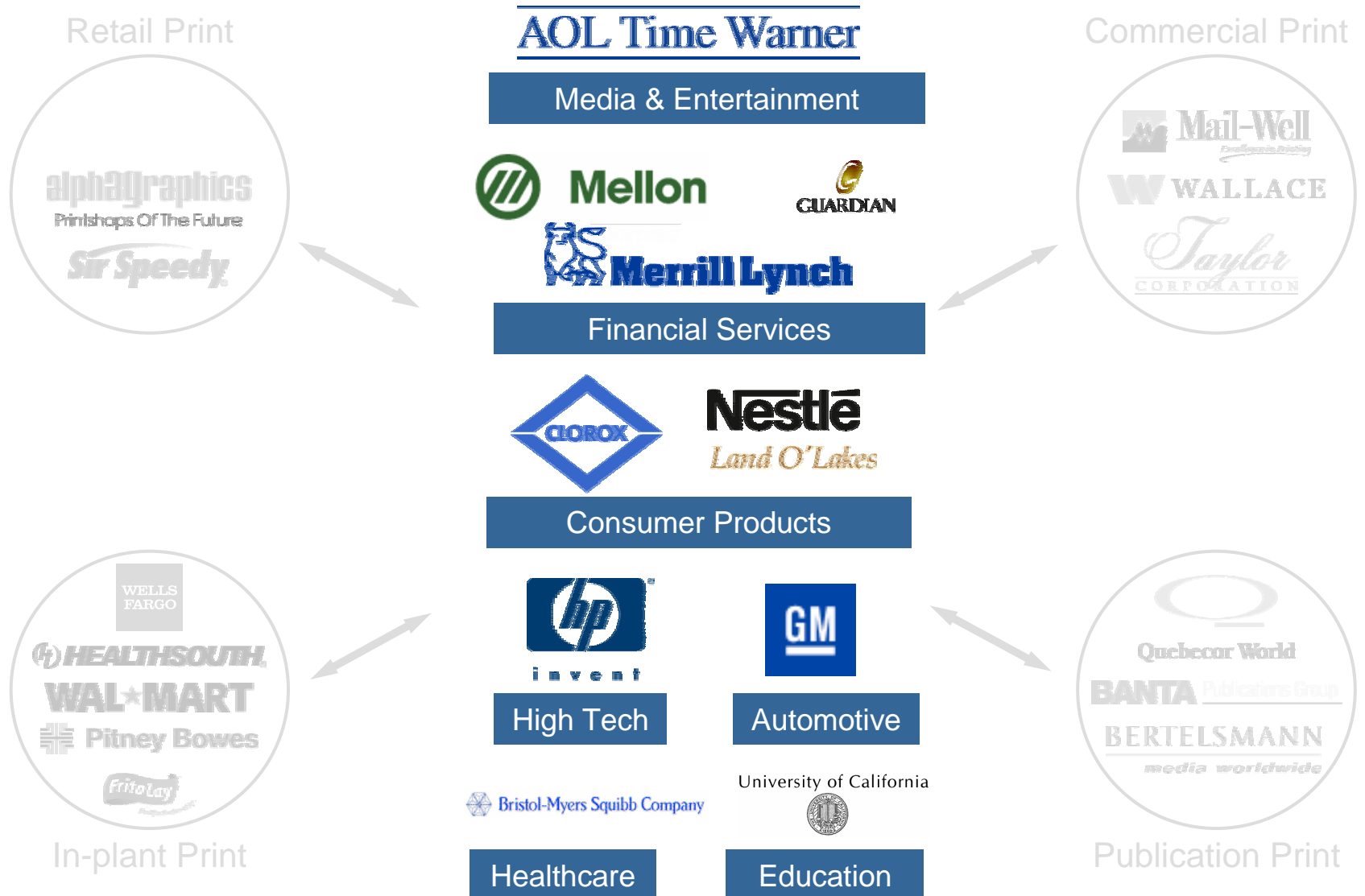
- 50 of the Fortune 1000
 - 7 of the Global 75



Complete Supply Chain Solution



Customers



Wide ranging customer environments

- Print spend: Ranging from \$7 MM to \$800 MM
- Environment: Centralized to highly decentralized
- Buy Pattern: 100% internal buying to 100% agency buying
- User base: 7 to 200+ users
- Supplier base: Strategically sourced small supply base to hundreds of suppliers
- Products: Envelopes (commodity) to complex multi-component sales kits (custom specs)
- Deployment: Single-site to multi-site global
- Integration: Stand-alone to eProcurement and ERP integrations

Best Practices Recognition...

Aberdeen *Group*

Report Highlights

- **Business Challenge:** Massive indirect spend, extensive agency involvement, no visibility...
- **Selection Criteria:** Proven solution, flexible, Ariba integration...
- **Deployment:** Pilot program led to full-scale adoption in US, then UK.
- **Results:** Average Savings = 22 %, increased visibility, increased data collection, better use of reporting tools.
- **Lessons Learned:** driving compliance requires top-down support, and increased communications between divisions and stakeholders.
- **Future Outlook:** US/UK rollout complete, now looking at total rollout to "new HP".

Print E-Procurement Landscape

	<u>Buyer</u>	<u>Printer</u>	<u>Supplier</u>
Internet:	<ul style="list-style-type: none">• Impresse• Noosh• Zeborg• Cirqit	<ul style="list-style-type: none">• Collabria• Printable• Mediatrix	<ul style="list-style-type: none">• PaperExchange• PaperHub• PaperX

Printcafe (NASDAQ: PCAF)