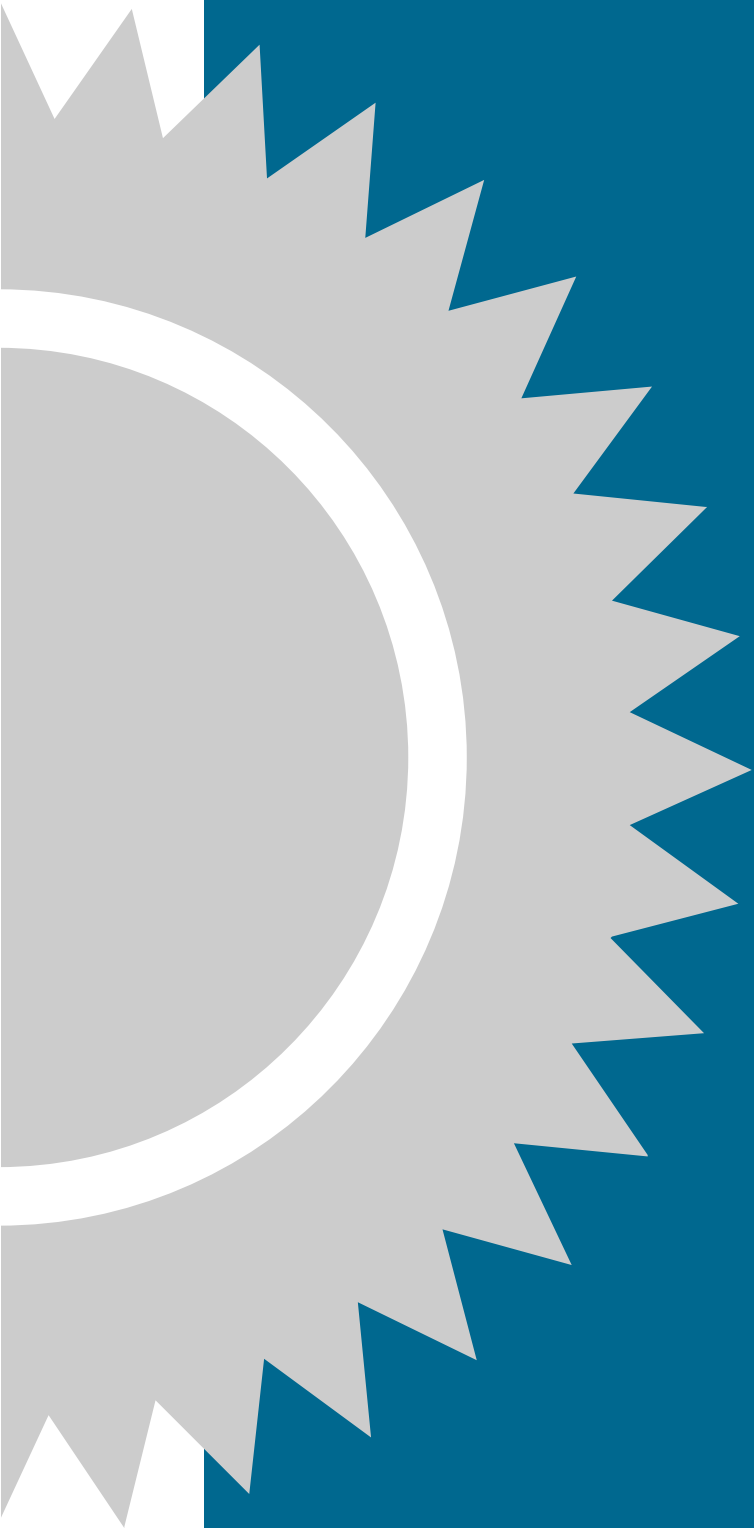


BEST PRACTICES IN DIRECT MAIL PRODUCTION



THE DIRECT MARKETING ASSOCIATION (UK) LTD

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FOREWORD

This booklet has been issued by the Mailing Houses & Suppliers of the DMA (UK) Ltd on behalf of all DMA members and their customers. Its purpose is to define a set of best practices in the commissioning and execution of direct mail production, such that supplier and client can agree on what is reasonable in any contractual arrangement and that each can, consequently, clearly understand what each party should expect of the other.

The Mailing House & Supplier members of the DMA offer a wide variety of production services, including envelope manufacture/supply, printing, computing, database handling, laserprinting and lettershop facilities. Some companies offer all these services, others specialise in one or more. For a given direct mail campaign, all the required production services may be commissioned from a single supplier, or from any combination of suppliers. The commissioning may come directly from an advertiser, or from an agency acting for an advertiser. In some cases an advertiser, or agency, may commission a production house which will in turn sub-contract part of the work. This creates a variety of possible relationships; this booklet is about the conduct of these relationships.

No two projects are likely to be the same; in particular it is recognised that some clients will require a different level of Project Management from others. Whilst such differences can be expected to be reflected in the price charged, the adherence to best practice principles in all cases is still to be recommended. Negotiations between client and supplier will continue to take place, as should competition between suppliers, but in all such cases recognition and observance of the practices contained in this publication should ensure good trading relationships and efficiencies of benefit to both parties.

The recommendations in this booklet are guidelines and not mandatory, but the extent to which a party has followed them may be considered relevant by the Authority of the DMA in any adjudication of a dispute involving a complaint against a DMA member under the DMA Code or Practice or otherwise.

NB These Best Practice recommendations are not intended to cover every aspect of relations between client and supplier, and may be supplemented and/or up-dated by the publication of addenda as time goes by.

BEST PRACTICE - WHAT AND WHY

What exactly is meant by the term "Best Practice"? It is surely reasonable that a client should receive the service ordered. If this is the case, why do we need a definition?

In any contractual situation between two parties, where one is ordering a bespoke service from the other, the arrangement will work best where each has an understanding of the other's technical considerations and limitations, be it in relation to equipment, timings or other matters. The recognition by each party of their own obligations, working to agreed levels, can do much to smooth the path of a project by minimising, or even eliminating, practices which may cause friction, delays and frustration.

A Direct Mail campaign can involve a manufacturing process and where it does certain disciplines are vital to ensure success. A number of steps - the production of envelopes, stationery etc - are pure manufacturing. Other steps are, perhaps, best defined as processes - computing, laser printing, enclosing. But the end result is a product - usually a filled envelope - for mailing.

Like any other industry, Direct Mail employs machinery and techniques and, where there is machinery, there are usually technical standards to be observed. The recognition and understanding of these standards form part of the basis of best practice.

However, it is not just in the production processes that best practices are desirable. The commercial relationship between the parties is key and here the observance of the guidelines is vital. An appreciation of who provides what, and how it should be provided, where responsibilities lie and who pays for what are all possibly contentious areas. Agreement on these matters at negotiation stage, following best practice guidelines, should avoid problems arising during the production process.

BRIEFINGS AND QUOTATIONS

It is clearly important that both parties to a transaction fully understand the requirements of that transaction and that no ambiguity or unresolved details remain when contracts are signed. For this reason, it is recommended that all requests, quotations, estimates, amendments and agreements should be confirmed in writing.

Subject to the above, it is the client's responsibility to ensure that:-

- 1.1** all requirements are clearly defined.
- 1.2** all components in the project are specified, to state who is required to supply them and to define the times at which they will be delivered.
- 1.3** sufficient time is allowed in the schedule for all events to take place in their correct logical sequence, particularly where a number of third parties are involved in the supply chain.
- 1.4** what is requested is feasible in relation to the equipment which will be employed, the relative weights, sizes and to any other technical considerations of materials and products being provided, with advice from suppliers being taken where necessary.
- 1.5** the project is in accordance with all legal and self-regulation requirements, including data protection, and the British Codes of Advertising and Sales Promotion.
- 1.6** purchase orders are issued covering all the work agreed and including details of such work by reference to quotations and other documents.
- 1.7** amendments and changes to agreed specifications are agreed with the supplier when they occur and additional charges, if any, agreed and confirmed at that time.

It is the supplier's responsibility to ensure that :-

- 1.8** the client's brief is fully understood and any parts which are ambiguous or unclear are clarified.
- 1.9** the project is technically feasible; that all required operations can be carried out in the manner and sequence requested, taking into account any third party services which may be involved.
- 1.10** sufficient time is allowed in the project for all operations to take place in the required time scale, failing which the matter will be re-negotiated with the client.
- 1.11** a time scale for the acceptance of the quotation is included, with options if that time is exceeded.
- 1.12** quotations are clearly marked "ESTIMATE" where any or all of the details of the brief are uncertain or subject to change.
- 1.13** a confirmation of order, including the final understood briefing, is issued upon receipt of the client's order and before the production has started.

PROJECT MANAGEMENT & SUB-CONTRACTING

Though not always the case, it is not uncommon for a creative agency or full source supplier to arrange some or all of the required production processes on behalf of their client. Equally, a supplier might arrange to provide a project management service to a client, under which arrangement some parts of the production process are subcontracted to third parties.

In all such cases, the client should be made aware of and agree to the arrangement. Whether the client then wishes the agency or supplier to accept total responsibility for events or to take part in, for example, approval and sign off procedures, is a matter for agreement at contract stage and the responsibilities should be clearly defined at that time.

Payment for providing the service may be negotiated in the form of a management fee, a mark up on prices, a combination of both or some other arrangement. In the case of a management fee, the client may request and should be shown, evidence of prices charged by the third party and should expect not to see an additional mark up. Where this is not the case, the supplier would normally present a unit price inclusive of any mark up and should not be expected to declare his margins.

Where a supplier unilaterally decides to subcontract work for his own reasons (e.g. shortage of capacity in relation to a particular process), then any additional costs involved should be borne by the supplier and not be passed on to the client, unless otherwise agreed.

Where a supplier is undertaking print on behalf of the client, the ownership of films, plates etc, should remain with the supplier, but to be used solely for the client's purposes. The ownership of such items in a subcontract situation however, is different. Where a printer subcontracts to another printer, it is reasonable to expect the subcontractor to view the property of the films and plates as if he were an employee of the main contractor, i.e. ownership is the principal's. This makes it all the more important to ensure that the subcontract is as sound as the main contract.

It is the client's responsibility:-

- 2.1** to agree or otherwise with the proposals from the supplier and, jointly with the supplier, to ensure that all agreed arrangements, including costs, are embodied in a suitable contract.
- 2.2** to understand and agree the level of involvement of each party, particular responsibilities and lines of communication.
- 2.3** to respect the trading relationship between a supplier and a third party and, upon disclosure of the third party's identity, not to trade directly with that third party on future projects, to the detriment of the supplier.
- 2.4** not to instruct the third party directly, on changes or corrections, but to channel all such instructions through the supplier's representative unless agreed otherwise with the supplier in advance.

It is the supplier's responsibility:-

- 2.5** to identify to the client those parts of the process which it wishes to procure or subcontract.
- 2.6** to make clear the means of recompense required to provide the service.
- 2.7** to ensure that all subcontractors are reliable, are members of the relevant trade organisations where appropriate, and are capable of producing the work to the required standard.
- 2.8** to disclose to the client, on request, subject to para iii) of client's responsibilities, the names and addresses of all subcontractors and to safeguard the rights of the client to visit their premises for the purpose of sign off, quality checking or other legitimate reasons.
- 2.9** to state clearly the foreseen responsibilities in the placing, approval, monitoring and control of the work.
- 2.10** to define the level of the supplier's involvement and control in a project management situation, and to identify personnel who will be allocated to the project.



ORDERING OF MATERIALS, DELIVERY AND STORAGE

ORDERING

All paper handling production processes involve a degree of spoilage due to malfunctions of one kind or another. Printers supply materials to within an industry standard of (usually) +/- 5% of the quantity ordered, or even more in some cases e.g. 4 colour overprinting (up to 10%).

These facts are important to a client because they will influence the quantities of materials ordered to achieve a given mailing figure requirement. Where a 100% mailing must be guaranteed, sufficient extra material must be provided to enable any spoilage to be remedied. Where 100% is not required, the client must take a view on what is necessary and accept responsibility for the consequences of that view.

Irrespective of whether the materials are supplied by the client, or provided by the supplier at the client's request, the fact remains that spoils will occur. Extra materials will be needed to make good if required and these extras must be paid for by the client, either by purchasing additional stock or by agreeing to a higher unit price, to allow the extras to be provided within an agreed figure. The re-creation of spoils also involves additional costs and both these costs and those of material costs should be addressed and agreed during contract negotiations.

The level of spoils which should be allowed and paid for by the client is one for agreement. Generally speaking, an allowance should be made for each individual operation.

Good quality material within specification should cause less spoils than non standards; larger runs should need a lower percentage than small runs. Allowance should also be made for set-up and proofing, in particular where a number of mailing 'cells' or test groups are involved.

It is, therefore, the client's responsibility to ensure that:-

- 3.1** sufficient stock is purchased to allow for the re-creation of spoils to achieve the required mailing volume and for set-up and proofing.
- 3.2** material is ordered and supplied in accordance with required technical constraints.
- 3.3** samples of "non standard" materials are provided for production to the supplier prior to approval, if it is intended to use such materials.

It is the supplier's responsibility to ensure that:-

- 3.4** agreement is reached on the handling of spoils and any re-creation required.
- 3.5** materials and sizes specified by the client are capable of being processed satisfactorily.
- 3.6** any non standard materials submitted for testing are approved or otherwise and the client advised accordingly.

DELIVERIES

Checking of quantities delivered is a labour intensive process, mostly achieved by weight checking. It is necessary to be certain of stock levels where a 100% mailing is required, but it may not be, at least to the same degree, where this is not the case. It is for the client to define the level of checking required and to pay for the service accordingly. Irrespective of the ultimate checking level required, it is normal to sign for deliveries as unchecked on initial receipt.

Where client or agent is supplying the materials, the supplier may quote for this service as a direct charge or possibly incorporate it in other charges. Where the supplier is providing the materials it is for the supplier to provide the service and to recover the cost involved within the price charged for the materials, or in some other appropriate way. In either case, the client should recognise that there could be a cost involved.

Checking may take one of three levels:-

- a)** 100% checking - Check each box
- b)** Partial checking - a random selection, weight checked
- c)** Sign Unchecked - accept the printers delivery note figures

Where option **a)** is taken, it is the supplier's responsibility to confirm the quantities received and to make good any subsequent shortages which occur and which had not been highlighted. Option **b)** may show discrepancies, in which case the client must assume responsibility for any further action - re-count or ignore. If Option **c)** is chosen, the client takes responsibility for any subsequent shortfall in the mailing figures. Even where the supplier is providing the materials, these decisions should be made and costed into the quotation.

It is, therefore, the client's responsibility to:-

- 3.7** decide on what level of checking is required.
- 3.8** agree on the payment method for that service.
- 3.9** accept responsibility if only partial or no checking is required.

It is the supplier's responsibility to:-

- 3.10** carry out checking in accordance with the client's wishes and to inform the client immediately of any problems encountered.
- 3.11** accept responsibility for any shortfall where 100% checking has been carried out and paid for.

N.B. Damaged goods should be notified to the client as a matter of course.

Irrespective of any of the above, the supplier of the materials should ensure the following:-

- 3.12** all materials are printed with a unique identity code and are free from defects at time of delivery.
- 3.13** all materials are labelled with the identity code and quantity and packed securely on pallets capable of being stacked two high.

3.14 boxes are palletised (unless very small quantities) and pallets shrink wrapped. Each pallet should have a pallet card attached showing:-

- Identity code • Description • Name of client • Number of boxes • Total quantity

Pallets should not contain mixed materials.

3.15 deliveries are accompanied by a delivery note showing:-

- Name of client • Number of pallets • Identity of materials • Total quantity
- Supplier's job number if available

(Where a pre-booking delivery system exists with the supplier, printers and hauliers should be advised to use it).

3.16 the goods are insured during transit. The client should also establish that goods are adequately insured while on the supplier's premises, whether under the client's or the supplier's policy.

Wherever possible, deliveries should be arranged to coincide with production requirements and should be scheduled where a project covering an extensive period is involved.

STORAGE

It is reasonable for free storage of materials to be provided by a supplier for up to one week before the start of a project and for up to one month following the final completion of the job. Outside these periods, the supplier is entitled to charge storage at their usual commercial rates.

It is the client's responsibility to:-

3.17 arrange the delivery of materials so as to minimise storage requirements on the part of the supplier but still enable production to take place and be completed within the required time scale.

3.18 respond to the supplier's advice of overs following the completion of the job and to give corresponding disposal instructions as quickly as possible.

3.19 pay any agreed storage charges in accordance with normal commercial arrangements.

3.20 pay the full cost of disposal and/or transportation involved in the return of overs or in the destruction thereof.

3.21 ensure that material supplied is packaged safely and is not, in any way, hazardous to health.

It is the supplier's responsibility to:-

3.22 advise the client of details of all materials delivered, within twenty four hours of its receipt.

3.23 advise the client of a count of overs within seven days of the completion of a job and to seek disposal or storage instructions.

3.24 arrange security destruction, if so requested, and to submit to the client a copy of the destruction certificate.

3.25 arrange to invoice the client, if so requested, at times and rates agreed, for storage and/or destruction.

COMPUTING

The use of computers in Direct Marketing is largely restricted to three main areas:-

- Maintenance of mailing files, often in a database, for direct marketing purposes.
- Maintenance of customer accounting files, which may also be used for promotional mailings and for response handling.
- The transcription and preparation of files, supplied by third parties, for a mailing project.

In most cases, these files may be held, submitted or required on:-

- Diskettes
- Magnetic tape
- Paper
- Cartridge
- Direct transfer

Translation from one medium to another is often required to achieve the end results. This may involve a number of steps, e.g.

- Diskette to tape
- Machine code to machine code
- Format (client) to format (supplier)

Paper input would require key entry to one of the magnetic media first.

There are many conventions for holding data, particularly on diskette, and each computer installation is likely to use its own formats within its files. Such formats are unlikely to be the same as those in use by another supplier and therefore, when two or more files are brought together for a common use, they need to be brought to a common format before they can be used. Appendix 2 illustrates common tape conventions.

All computer bureaux should be able to handle magnetic tape conversions and whilst most can do some diskette conversion, the sheer variety of diskette conventions is such that not all can be converted. One or two specialist companies can convert most types of diskette, but this requires specific investigation at the time. Clients should be aware of this restriction when planning to use such files. Where specialist media conversion is required, additional costs may be incurred. Attention should also be paid to the possibility of virus infection from diskettes and the means available for detecting it.

As in all other matters, the client should ensure the technical feasibility of what is planned before proceeding. Advice should be taken from the bureau concerned on whether or not the files can be processed in the proposed manner. The client should also be aware of the number of processing steps which may be necessary in order to prepare files for their ultimate purpose e.g. printing names and addresses.

The client is responsible for ensuring that:-

- 4.1** files provided by themselves or third parties are capable of being read and processed by the bureau.
- 4.2** a file layout is provided with each different format of file shown.
- 4.3** sufficient time is allowed in the schedule for all required processing to take place, particularly when obtaining files from third parties.
- 4.4** test files are provided as requested, in good time to be processed and the results evaluated before proceeding with any main processing.
- 4.5** timings agreed in advance are met unless data irregularities are discovered which need resolution.
- 4.6** any changes to instructions during the course of production are confirmed in writing and revised costs agreed as necessary.
- 4.7** files provided by them, or on their behalf, to the bureau are virus-free.

The supplier is responsible for ensuring that:-

- 4.8** it is capable of reading and processing all files to be sent to it, and for obtaining and processing any test files necessary to establish this.
- 4.9** the client is informed of any problems associated with test file processing and agrees on any remedial action necessary.
- 4.10** all processing is carried out as requested and that final output is in the format necessary for the next part of the operation.
- 4.11** the security of files in their possession is observed, and nothing is passed to a third party without the prior written permission of the owner.
- 4.12** all data are returned to the originating source after use in a manner agreed with the client; data are not held by the supplier beyond the period necessary to complete the contract unless agreed by the client.
- 4.13** the client, to the best of the supplier's knowledge, is registered under the Data Protection Act and all files, where appropriate, are MPS cleaned.
- 4.14** the supplier meets his obligations, as a list processor, under paras 5.32 to 5.36 inclusive of the DMA Code of Practice, and the List and Database Practice Rules of the British Codes of Advertising and Sales Promotion.
- 4.15** back-up files are maintained in support of any processing activity, for the period of the job.
- 4.16** files passed on to other parties are virus-free.

PERSONALISED & VARIABLE PRINTING

Laser and similar printers create an image on the paper in a manner similar to photocopiers. There is a wide range of such printers available, using either flat sheet, fanfold or reels of stationery. A description of the most common is shown in Table 2 in Section 12. Naturally, not all bureaux will have all types and the client is advised to check on what is available before making a commitment.

Like a photocopier, these printers often print a full page of text at a time, irrespective of how much information the page contains. It is common for a page to contain some preprint and for laser text to fit in and be 'justified' within the preprint. However, this is by no means the only technique available and clients are advised to discuss their requirements with their supplier at an early stage.

As with most other machine processes, laser printers have a preferred range of specifications. Apart from the obvious one of paper size, such things as direction of grain, weight of paper, surface and porosity are all important. Storage, too, is of importance, as material which has been badly stored and which has absorbed moisture, or has dried out too much, is unlikely to run well, if at all. The type of pre-print process used may also be critical, particularly where scratch-off panels and other special processes are involved.

Most projects will require proofing as part of the total operation - indeed this is advised - and allowance in both materials and time should be made for this process. Proofing will normally consist of two stages; white paper proofs, produced for text checking and general positioning, and printed proofs, on finished stationery, for final, in situ, exact positioning and overall correctness. In both cases, the client should examine, approve and sign final proofs, after making any necessary adjustments.

Sufficient time must be allowed in the delivery schedule to allow the pre-print to dry properly and special note be made where infra-red (IR) drying is required. In addition to the printer's +/- 5% variation (see section 4), allowance should be made in the print order for set-up, samples made ready, AB samples, seed names etc.

The cost of proofing is normally on a "per page" basis, though, in some cases, contracts may allow for an all in price with the printing. Author's corrections are usually charged extra but setting errors by the supplier should be corrected and re-proofed at no extra cost. It is preferred that the client submits original 'copy to size', in position, on plain paper if available, from which the bureau can work with confidence.

It is advisable to provide the supplier with a quantity of pre-print stationery for testing purposes. This may be plain paper but should be of the same characteristics as the stationery to be used in the project. The supplier should then approve - or otherwise - and the client should respond accordingly if the material is unsuitable for the purpose. Once approval is given, the client is responsible for ensuring that all subsequent deliveries are of the same specification.

Note White paper testing does not always indicate the overall suitability of the paper, especially where moisture may be added by extensive subsequent colour printing.

Spoils, will inevitably occur and an allowance should be made for this eventuality when ordering stationery. A supplier should be expected to remedy spoils during the printing process, at no extra cost, so that only prime documents are finally produced. An exception to this is where continuous stationery is being produced, when erroneous documents cannot be replaced. Instead, correct versions are produced, in the run, and the erroneous documents marked and flagged for later extraction. Duplicates caused during re-starts should also be treated, as appropriate, in one of these methods.

Most laser printers will allow the printing of text in different orientations - upside down or sideways. Some can print on the reverse of the page in the same pass and some can print in multi-colours. A variety of fonts and font sizes can be combined on the same page. The client is advised to quantify these options with the chosen supplier at an early stage in planning.

The following sections define the areas in which client and supplier are responsible. In cases where the client contracts with the supplier to supply stationery and/or otherwise control the project, certain client responsibilities will pass to the supplier. Such arrangements should be clearly defined and agreed at the negotiation/contract stage.

Client's responsibilities:-

- 5.1** overall coordination for supply of text, data, files, stationery between printers, list owners, computer bureaux, laser bureaux, and any other involved parties.
- 5.2** arrangement of schedules, allowing sufficient time for all operations to take place sequentially and logically. Obtaining agreement from all parties that required time scales are achievable.
- 5.3** obtaining laser bureau's approval of stationery to be used and ensuring that the printer provides stationery to agreed specifications and in total quantities required.
- 5.4** obtaining laser bureau's confirmation of test file formats, proposed page layouts and all other page presentation requirements:- fonts, orientation etc.
- 5.5** advising all parties of any changes to specifications of files, text, stationery etc and obtaining approval from all parties that such changes are possible within the time scale.
- 5.6** wherever possible, providing each party's job number to the other, as a means of easing communications.
- 5.7** ensuring that printed material is delivered in sufficient quantity, including overs, in the recommended manner, boxed, palletised and identified or in protected reels.
- 5.8** assuming responsibility if stationery is used against the advice of the laser bureau and for the additional charges which may result as a consequence.

- 5.9 instructing the computer bureau to provide tape layouts and dumps, record quantities, Mailsort reports where appropriate and any special processing instructions.
- 5.10 providing text for setting, signatures for digitisation or pre-print, page layouts, font identities and any other information necessary for the laser bureau to prepare the job.
- 5.11 checking, approving/correcting/signing off proof copies with the minimum of delay. Allowing sufficient time within the schedules for this to take place, particularly in the event of corrections and re-proofs being necessary. Returning signed off proofs by safe method.
- 5.12 defining the type and quantities of live samples to be provided and bearing the costs of producing such samples.
- 5.13 advising the laser bureau as soon as possible after completion of the job how to dispose of overs and return data and for agreeing the costs for undertaking these instructions.

The supplier (laser bureau) is responsible for-

- 5.14 confirming acceptance of proposed schedules, subject to adherence by other parties and for defining options of late running or additional costs involved if lateness is caused by other parties.
- 5.15 providing the client with technical data, where requested, on paper characteristics, font styles and sizes available, preferred tape layouts and any other necessary advice and information.
- 5.16 setting any required pre-print text, obtaining signed off approval and forwarding to the client or pre-printer in accordance with agreed time scales.
- 5.17 testing test stationery supplied for suitability and advising the client of the results. Accepting responsibility, after approval, for the live stationery performance, provided that it is identical in every respect to the test sample.
- 5.18 receiving, and storing in a safe environment all stationery delivered. Checking quantities to the extent specified by the client. Advising the client of any apparent shortages, changes to specification or other problems.
- 5.19 providing all required confirmation of proofs on white paper and, after approval, on live stationery. Carrying out any corrections requested and re-submitting for approval. Bearing the cost if re-proofing is caused by bureau error.
- 5.20 using signed off, live proofs as sample against live run samples during quality control checking.
- 5.21 printing a sequence number on each item to aid checking and identification.
- 5.22 checking, as far as possible, the quality of preprint and advising the client of any significant problems.

- 5.23** carrying out quality control checks at frequent intervals, correcting and replacing any items found to be faulty.
- 5.24** retaining confidentiality and security of client's files, data and other materials whilst on the bureau's premises.
- 5.25** assuming responsibility for any costs involved if errors are occasioned by processing before receiving client's sign off approval.
- 5.26** securely packing, boxing, palletising and shrink wrapping all completed materials. Numbering and identifying each box with details of:-
- Client
 - Job name
 - First and last sequence numbers
 - Name of mailing house
 - Name of laser bureau
- 5.27** preparing despatch documentation showing:-
- Name of client
 - Addressee
 - Number of pallets and/or boxes
 - Total quantity
- 5.28** sending on with the stationery any associated reports, Mailsort labels etc.
- 5.29** disposing of overs and return files, data etc, in accordance with the client's instructions. Arranging provision of a Certificate of Destruction if requested.

MANUFACTURE AND SUPPLY OF ENVELOPES

Modern envelope manufacture is a high speed, high tech operation and is normally extremely efficient. Because of the speed of the manufacturing process, it is difficult to spot any occasional problems and such things as unglued seams or flaps may remain unseen until the inserting process. Whilst manufacturers should be expected to remedy such defects at their expense, clients should be aware of the possibilities and of any delay which may occur as a consequence. Early inspection of materials is recommended.

Different inserting processes use different kinds of envelopes. Some will require the flap up, others the flap down. Most will require the flap on the long edge but this is not so important where hand inserting is required. Most inserting processes require at least a clearance of 5mm each side and at the top of the inserted pieces. Paper weight should be considered in relation to the number and weight of the inserts, with 80gsm recommended as a minimum, increasing if the contents are bulky. Window position and size should be such that the address can be clearly seen even if the contents move up or down or to one side.

Envelopes may be bought off the shelf or made to order. If the former, the purchaser should allow 10% extra if the envelopes are to be overprinted but should then expect to receive the exact quantity ordered; in the latter case, manufacturers will provide within a tolerance of plus or minus 10% (sometimes 5% sometimes higher on very small production runs). Whilst the purchaser will pay for the exact quantity received, over or under, a shortage may be critical to the campaign and this possibility should be considered when placing the initial order.

Window envelopes bought off the shelf will have a restricted range of sizes, colour, window sizes and positions. With bespoke envelopes the range is wider, but the client is advised to establish, both with the manufacturer and his designers, that what is available is compatible with the design features of the mailing address piece.

The mailing house, also, should be consulted to ensure that there are no technical problems caused by the proposed design. Printing on envelopes may take place during manufacture for bespoke envelopes or by overprinting for "off the shelf" stocks. Ordinarily, given that the paper stock is the same, the former method is cheaper, but where time is critical or required quantities are smaller, the latter solution may be preferable.

Quality versus price versus time may dictate the method of printing to be used, with the option of Litho, Flexo or inkjet, before during or after manufacture to be considered.

Ready made envelopes, with their seams and flaps in place, will not present the same, smooth, flat surface for printing as is the case during manufacture. Also, this printing process is often "flexo", and these combinations may result in a print impression which is not as crisp as a flat litho print, and in which fine detail may be obscured.

The client should consider this implication in choosing his preferred route. An additional consideration is that finished envelope size and window positions may vary by plus or minus 2mm and this may be important to the over print design.

It is the client's responsibility to ensure:-

- 6.1** that sufficient stocks of envelopes are ordered to meet the minimum mailing requirements, taking into account the manufacturer's tolerance, set-up and possible spoilage factors, plus a further allowance if overprinting stock envelopes.
- 6.2** that all dimensions of the envelopes ordered are correct and have been agreed by the mailing house as acceptable.
- 6.3** that sufficient time has been allowed in the schedule for the manufacturing process.
- 6.4** that proof copies are provided and checked and to pay the costs of such proofing.
- 6.5** that the surface and texture of the envelopes ordered is capable of being overprinted with the process chosen, to the level of quality required and that advice is taken from the manufacturer if necessary.
- 6.6** that the size, shape and design of the chosen envelope is within Royal Mail tolerance for the service to be used.

Should any production difficulties occur as a result of the client not observing the above, then the client should be responsible for any delays and/or additional costs which may occur as a result.

The supplier is responsible for:-

- 6.7** providing technical advice to the client, if requested, and for advising the client of any incompatibilities, inconsistencies or other manufacturing problems which may arise as a result of the client's instructions.
- 6.8** delivering to the client or to the client's subcontractor, the agreed minimum quantity of finished envelopes, after taking account of industry agreed variations.
- 6.9** ensuring that all finished envelopes are boxed, palletised if of sufficient quantity; securing palletised material; identifying the contents by labelling boxes and stating quantities by labelling pallets.
- 6.10** making good for no extra charge any proven shortfall on agreed minimum quantities or on material found to be faulty during later processes.

MAILING HOUSES

Most mailing houses will offer the services of guillotining continuous stationery, folding and inserting by machine and/or hand. Some will also offer addressing facilities either from self adhesive or cheshire labels or through the use of ink jet processes.

The range of machinery in use is wide and whilst some are almost household names - Bowe guillotine, MBO folders, Philipsburgh inserters are fairly common - many others are in use and may well have their own technical restraints and requirements.

When planning a mailing campaign, the client should take into account the equipment which the chosen mailing house uses, and ensure that it is capable of handling documents in the way envisaged. It is strongly recommended that this be done at an early stage, before the designs are finalised. Some required processes may need to be subcontracted and it is for the client to approve of this practice during contract negotiations.

Mailing houses reserve the right to use machine or hand enclosing techniques according to the individual requirements of each job. Hand enclosing may be carried out on site or through a managed team of homeworkers. If the client has any special requirements with regards to the method of enclosing, then the onus should be on the client to declare them.

It is advisable to provide the mailing house with a dummy mailing pack in order to allow them the opportunity of testing it and feeding back any comments. If the comments are unfavourable, the client should discuss the reasons with the mailing house and attempt to find a satisfactory solution. If, against best advice, clients wish to proceed with the original designs, they must be prepared to accept consequences.

The client should produce a mailing schedule which should allow sufficient time for all processes to take place consecutively and logically. As some processes operate faster than others, care should be taken when using an overlapping timetable to ensure that one process is not wildly out of step with the others.

Set-up, proofing and spoils all play a part in mailing house operations. These are referred to in Section 3, but it is worth repeating that the elements of stock levels, timings, re-creation and costs require particular attention and agreement during negotiations on mailing house services.

All machines will have a preferred material specification in terms of size, paper weight, tolerances, types of envelopes etc. These will not be the same for, say, all makes of inserting machine and the client should check on these features before committing to final designs. Appendix 3 illustrates the sort of questions which should be addressed, though this is not necessarily all. As ever, contact the mailing house for advice.

It is usual to expect the client to sign off first samples before production commences. Sometimes the client may devolve this responsibility to a mailing house representative, but in either case, provided that production is maintained in accordance with the sample, the client accepts responsibility.

The client must ensure that the mailing house is provided with all necessary documents - bag labels, Mailsort reports etc. These would normally be expected to be delivered, by the supplier concerned, together with the addressed material. (Where computing and address printing is controlled by the mailing house, it is then the responsibility of the mailing house to secure these documents.)

The mailing house can expect to receive addressed material correctly boxed, labelled and otherwise identified. Deliveries should, however, be checked for continuity of boxes, contiguous ranges of sequence number and total quantity. It is not possible for the checking of "in box" details, unless first and last figures indicate some anomaly. For this reason, it is recommended that all boxes be marked with first and last reference numbers and total quantity.

Arrangements for postage may be to the client's own account or through the mailing house's account. In the former case, the client should ensure that sufficient dockets are provided to the mailing house for the purpose, whilst in the latter, funds to cover the gross postage required should be lodged with the mailing house in time to clear before posting date. (In this case the mailing house should ensure that a copy of the postal docket(s), authenticated by the Royal Mail, is given to the client). When actual charges are eventually received from Royal Mail, the mailing house should notify the client, and refund the difference between gross and net postage.

In the event that such funds are late, or fail to clear, the mailing house may reserve the right to hold the mailing until the matter is resolved.

If the client requires the re-creation of all spoils, the decision on when to do this may depend on the quantity, size of the total mailing, time scales and what needs to be done to re-create. It is likely to be less expensive to re-create all spoils at one time at the end, particularly where laser printing and computing are involved, than to do them, say, every day. The client should arrange this with the mailing house and the actual agreement should be reflected in the prices charged. In any case, last spoils are unlikely to be corrected until after the completion of the mailing and allowance should be made for this and any extra postage on those items which may occur as a consequence.

The client is responsible for:-

- 7.1** ensuring that all time scales in the proposed schedule are realistic and achievable and for obtaining confirmation of such from the mailing house and other suppliers in the chain.
- 7.2** any additional costs and/or delays incurred as a result of late deliveries of materials and mailing components.
- 7.3** agreeing all technical specifications for materials with the mailing house.
- 7.4** providing trim and folding guides, sample enclosing packs and any other instructions necessary for the mailing house to fulfil its obligations in good time for an evaluation to be made and for such advice as may be provided.
- 7.5** any additional costs incurred through using unapproved or damaged materials despite best advice.

- 7.6 supplying all necessary documentation (including a mailing/plan schedule), reports and labels to support the mailing unless this responsibility has been contracted to the mailing house.
- 7.7 supplying blank postal docketts if required or lodging sufficient funds to cover postage with the mailing house in good time.
- 7.8 checking and signing off first samples in good time for production to continue as scheduled. Assuming any waiting costs if delays in sign off cause machine down time.
- 7.9 accepting the costs associated with the re-creation of spoils including any extra postage charges which may occur on late re-creations.
- 7.10 providing prompt instructions on the disposal of overs and the costs associated with their storage or disposal, including the provision of a purchase order to cover the costs.

The mailing house is responsible for:-

- 7.11 examining the client's proposed mailing components in relation to the equipment to be used and for advising the client as to their suitability or otherwise.
- 7.12 providing samples of first off production to the client for approval, working to examples provided by the client. Ensuring that production quality is maintained in accordance with such approved samples.
- 7.13 checking, as far as possible, the correctness of delivered addressed materials and advising the client of any apparent discrepancies.
- 7.14 maintaining agreed production schedules, subject to full compliance by other parties and other contractual disclaimers.
- 7.15 using best endeavours at all times to retrieve late production situations where such occurrences are due to failings by themselves or third parties.
- 7.16 completing and submitting to Royal Mail all documentation necessary for the mailing; for labelling bags, cages and any other containers with full details of the contents; and for ensuring that mailings are released only at times and under such conditions as are stipulated by the client, including signed release instructions where required.
- 7.17 ensuring that the client receives proper proof of postage.
- 7.18 providing the client with daily and/or periodic production statistics.
- 7.19 re-creating and re-processing spoils in time scales which may minimise any additional charges for processing and postage to the client.
- 7.20 providing the client with a count of overs within seven days of completion of the mailing and for dealing with overs, including confidential destruction if requested, in accordance with the client's instructions.
- 7.21 arranging suitable and secure transportation (if required within the mailing process) to any other mailing site, sub-contractor or homeworker's residence.

POLYTHENE ENCLOSING

Most of the considerations which exist in conventional paper enclosing, as described in the section on mailing houses, also apply to polythene enclosing. Frequently, the same supplier will offer both services.

There are, however, some additional considerations where polythene is concerned, and as always, the client is advised to discuss the project at an early date to obtain approval of his specification and plans.

This section, therefore, should be read in conjunction with that on mailing houses, but the following additional points should be considered.

- orientation of inserts - landscape or portrait.
- what effect does the final fold have?
- will cross or reverse hoppers be required?
- is reverse seal required?
- is addressing required before or after wrapping? Is the orientation suitable?
- weight and type of film to be used and sealing requirements.
- who is supplying the film? Who is supplying the origination?

Having received approval on the technical specifications, it is then the client's responsibility to ensure that all subsequent materials conform or to accept any additional cost which may be caused by non-conformity. Where the client has contracted supply to the mailing house, the responsibilities obviously fall to the mailing house.



LEGAL MATTERS

Clients are responsible for ensuring that all advertisements, mailshots etc issued in their name meet all current legal and code or practice requirements. In particular, the provisions of the British Codes of Advertising and Sales Promotion and the DMA (UK)'s Code of Practice must be followed both in letter and in spirit. Clients must also ensure that the arrangements for the collection, processing and storage of personal data comply with the Data Protection Act 1984.

Where the advertisement relates to an investment product falling within the scope of the Financial Services Act 1986, the creative agency and mailing house must ensure firstly that the client is properly authorised under the Act by a Self Regulatory organisation (eg SIB, PIA, LAUTRO, FIMBRA, IMRO etc) and secondly that the final copy has been 'signed off' by a responsible official of the authorised agent. Failure to do either could result in the agency or mailing house committing the criminal offence of publishing an unauthorised advertisement.

Contractual arrangements between client and supplier should be made in writing and all commercial arrangements and agreed conditions included in that written contract: In particular, the use and security of confidential data supplied should be addressed as should all other matters relating to the processing of the client's project.

A client will usually require some form of legal commitment by a supplier safeguard confidential information provided to the supplier for the purposes of the performance of the contract.

The essential elements of such commitment are:

- all data, whether in hard copy or on computer disc, supplied to the supplier for the purpose of the project in question shall remain the property of the client and shall be deemed confidential.
- such confidential data shall not be disclosed, or allowed to be disclosed, by the supplier to any other party (including sub-contractors) except with the prior written consent of the client, nor will it be used by the supplier or sub-contractor for any purpose other than the project in question, either during or after the project.
- when not in actual use the confidential data shall be stored in a secure place.
- the confidential data must either be returned to the client on completion of the project, or termination by either party, or in accordance with any other demand which does not prejudice the supplier's contractual rights.
- the above restrictions should not apply to any of the confidential data which become available to the supplier from any other legitimate source, eg by being in the public domain, through no fault or act of the supplier or his agent.
- sub-contractors must give the same undertakings.

The client might also require that the confidential data may be accessed only by employees who have signed a separate confidentiality undertaking.

Clients may also require suppliers to provide them with an indemnity in respect of loss or damage consequent upon any breach of the above conditions. Such indemnity should be covered by insurance so as to protect the assets of the supplier. Indeed all mailing houses should give serious consideration to taking out Errors and Omissions Insurance Cover (sometimes referred to as Professional Indemnity). Apart from pure commercial considerations, matters of procedure should also be covered by the contract. The variety of such matters is too wide to give an exhaustive list here but should always be viewed in the light of what is reasonable for either or both of the two parties in a particular circumstance. Some of the more common points of issue are as follows:

It is reasonable for:-

- 9.1** the client to expect his work to be carried out in the manner and within the timescale and costs agreed.
- 9.2** the client to request, and the supplier to afford, access to production areas for the purpose of validation and checking of work processing at all reasonable times
- 9.3** the supplier to keep the clients advised of progress and any problems encountered and to discuss possible solutions with the client
- 9.4** the supplier to supply at his own expense any remedial work necessary to redeem problems of lateness or quality caused by his own deficiencies.

It is unreasonable for: -

- 9.5** the client to expect the supplier not to undertake work of a similar nature to his own, at the same time, provided that sufficient safeguards are provided to respect the confidentiality of both.
- 9.6** the client to expect his own work to receive absolute priority over all other work of other clients in the supplier's plant, unless undue lateness has been caused explicitly by the supplier.
- 9.7** the client to expect the supplier to redeem lateness of production caused by the client's own deficiencies, at no cost to the client and to the detriment of any other client's work.
- 9.8** the client to expect the supplier to make available personnel and facilities, at unsociable hours, for the purpose of audit and checking unless the reason be caused by the suppliers own deficiencies.

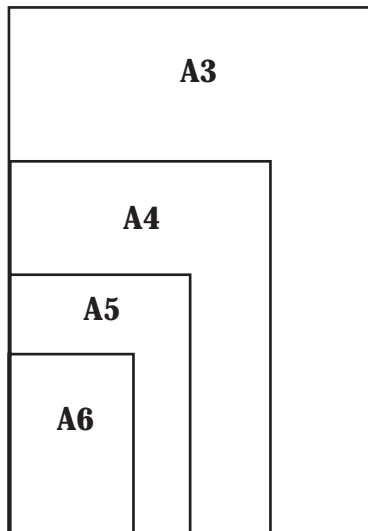
Clients are recommended to deal with mailing houses which have met the stringent criteria laid down by the Direct Mail Accreditation and Recognition Centre (DMARC) and which have accordingly been granted 'Recognised Supplier' status. Additional comfort may also be gained from the fact that a mailing house is also a member of the DMA (UK).

In some cases it is possible to be quite precise in the dimensions or other criteria covering materials and machines. In others, however, it is not possible and a range of options may be provided by the supplier. In all circumstances, the client is advised to check details with his suppliers, before committing to designs.

STANDARD PAPER & ENVELOPE SIZES

SHEETS

- A6** 148mm x 105mm
- A5** 148mm x 210mm
- A4** 210mm x 297mm
- A3** 297mm x 420mm

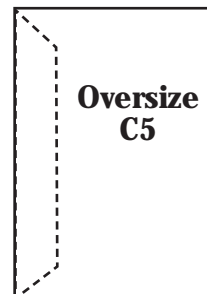
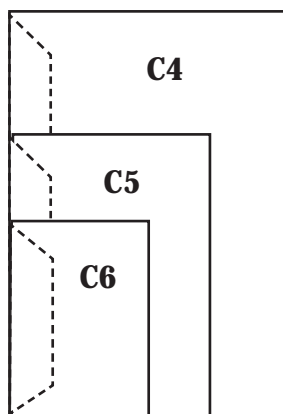


ENVELOPES

Wallets

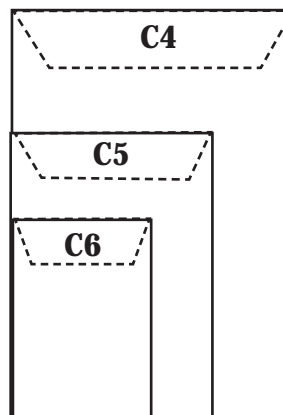
- C6** 114mm x 162mm
- C5** 162mm x 229mm. **Oversize C5** 162mm x 238mm
- C4** 229mm x 324mm
- DL** 110mm x 220mm. **Oversize DL** 114mm x 229mm

Machineable Wallets



POCKETS

- C6** 162 x 114mm
- C5** 229 x 162mm
- C4** 324 x 229mm
- DL** 220 x 110mm



LASER SHEET SIZES & COMPUTER MEDIA SPECIFICATIONS

Laser Printing (Standard, or more common, specifications)

Maximum Sheet Size		Min/Max Paper Weights
Flat sheet	216mm x 355mm (A4) 363mm x 432mm (A3)*	80gsm - 200gsm
Continuous fanfold	355mm (drop) 457mm (width)	70/80gsm-160gsm
Reel to reel	N x 457mm wide	70/80gsm - 160gsm

* Maximum image area 297mm x 420mm

Computer Tapes

Packing density	800bpi 1600bpi 6250bpi
Record length	Specify
Block length	Specify
Code convention	ASCII or EBCDIC

Diskette Confirm compatibility with bureau.**FINISHING, MAILING AND MATERIALS CONSIDERATIONS**

Guillotine	Maximum/minimum widths available Maximum/minimum drop available Required finished dimensions Fanfold or reel input	Specify Specify
Folders	Maximum sheet size available Number cross and parallel folds available Slitters/perforators available Finished size required	Specify
Labelling	Cheshire/hand/ink jet Size of labels available Maximum print times available	
Mailing Machines (Inc Polythene)	Number of stations available Maximum/minimum envelope sizes On line folding/cutting available Matching available. How many stations Envelopes - flaps up or down	
Materials	Minimum/Maximum paper weights Minimum/Maximum sizes Envelope tolerances Paper surfaces (for addressing e.g. inkjet)	

GLOSSARY OF TERMS

Batch Control Control data which describes the groups of data for the purpose of summation.

Bleed Printing carried off the edge of the page.

Body Copy Text filling the areas below the headline.

Böwe(ing) Finishing of continuous computer stationery by use of Böwe machinery. Böwe is a proprietary name.

Bpi Bytes per inch. A measurement of the density with which data is recorded on a computer tape.

BRC Business Reply Card

BRE Business Reply Envelope.

Bursting Act of separating continuous stationery.

Business Reply Licence Licence issued by the Post Office to use business reply facilities (also see BRE + BRC).

Camera Ready Copy Copy or artwork assembled in readiness for process camera prior to plate making.

Cheshire Label/Cheshire Machine A variety of address label which is computer impact printed on plain paper, cut and glued by a Cheshire machine onto an envelope.

Chromalin A photographically produced colour proof.

Concertina Fold Folding which resembles a concertina.

Continuous Stationery Paper produced in a roll or fanfold presentation with sprocket guide holes for use on a computer printer.

Copy The generic term used to describe the text contained in marketing materials.

Cross Folds Folds which are at right angles to the direction of the feed.

Data Processing The execution of a series of systematic operations performed on data by a computer.

Deduplication The matching and elimination of identified or near identical names and addresses from a single computer file

Density The number of characters contained in a specific area of a magnetic tape.

Dummy A preliminary stage in print design to show in advance the size, shape, form and general style of a piece of printing.

Enclosure(s) Item(s) in a direct mail package.

End Fold A folded or saddle stitched booklet which has an additional folded edge on the short side. (Landscape).

Fan Fold A fold which gives the same effect as a fan.

Flat Art Work Origination material prepared or pasted on board ready for camera.

Floppy Disk A small, flexible plastic disc which stores characters magnetically.

Folding Guide Printed marks on stationery indicating the fold lines to the clerical staff or folding machine operator.

Gatefol A fold which turns in on itself from both edges to the centre.

Gsm Grammes per square metre. The metric term to evaluate paper weights.

Gutter A gap between two printed sections on the same sheet.

Hard Disk Term used to distinguish from floppy disks. Generally high capacity, high speed.

Homeworkers Those who undertake work at home. Often used for work which is non machineable.

Household Distribution A type of service, where literature is delivered to the target recipients by hand, rather than being stamped or franked and sent through the post. Also known as door-to-door or house-to-house).

Impact Printing Printing characters in the manner of a typewriter using a hammer system.

Inkjet A type of printing process using a jet stream of ink droplets.

Inner (Inner Envelope) an envelope included in a mailing for use by the recipient.

Insert A promotional piece which is placed loose or bound-in to each edition of a magazine issue, or other publication.

Key coding Where a reference code of either numbers, letters, colours or other markings are printed onto a response device in order to identify the source of enquiry.

Key To Disk Entering information via a keyboard entry system directly onto the disk of a computer and not via tape.

Kurt Rudy A type of automatic labelling machine similar to a Cheshire.

Laser (Printing) The main technique used for the production of personalised letters. It relies on a laser beam ionising the paper to attract carbon molecules.

Leading Edge (Lay Edge). The edge of a sheet or leaflet/booklet that goes first into the processing machine.

Letterpress A printing process in which ink is transferred to the paper by direct contact with the type or block.

Letter Shop An American term to describe a mailing house.

Litho (Lithographic Printing) A high quality printing process during which an image is transferred from plate to paper via an intermediate cylinder.

Machinable (Envelopes) Envelopes with suitable specification and design to be able to run on an automatic enclosing machine.

Mailsort (1,2,3) Generic name for pre-sorted mailings for which the Royal Mail offer discounts. There are three service standards: first class, second class and a slower bulk rate.

Make Ready The preparation time in setting up a machine before actual production can commence.

Merge & Purge The deduplication process, often undertaken at a computer bureau, that is aimed at matching name address records in order to find and remove duplicates

Merger Attachment to a finishing machine, such as a continuous stationery burster or guillotine, which merges two separate forms (sheets) together to make one entity.

Multi Mailer (Mini Mailer) A mailing that contains a number of loose single-page promotional sheets.

OCR Optical Character Reading. The interpretation of characters by a computer which scans the text and translates this into electronic data.

Off Line A computing term meaning the entry of information away from the processor by tape or floppy disk.

Offset (Offset Litho). A method of printing from etched plates using ink and water in which the image is transferred from plate to rubber to paper.

OMR Optical Mark Reading. Use of marks such as dots or bars which, when positioned on a sheet of paper, break a light contact and indicate a certain function to the machine

On Line A computing term meaning the input terminals or access points are linked direct to the processor which allows access to the computer immediately.

Outer The container for a mailing piece e.g. outer envelope, polybag or wrapper.

Outworker See Homeworker.

Overlay Where artwork is produced in layers, each one indicating a different colour for that part of the artwork or sometimes different types of copy on the same base design.

Overs Once a job is completed the material that is left over unused.

PAF Postal Address File. A Royal Mail product that lists all domestic and business addresses known to the Post Office.

Pantone International colour matching system embracing a range of printing and Graphic art products. Proprietary name.

Paste Up The affixing of illustration and type galleys to a paste board to form artwork ready for photography and printing.

Peel Offs Self adhesive address labels of various sizes.

Perf (oration) The punctuation of paper by dots or strip holes arranged in continuous lines at close intervals to facilitate the removal of a part of a form or card.

Phillipsburgh (Inserter) An American built inserting machine.

Picking Line An arrangement of picking bins/shelves into a continuous line, either straight or curved, in code or product reference sequence.

Pitney Bowes Inserter A brand name for a range of mailing equipment.

Plate In Lithographic printing an image is etched onto metal (or sometimes plastic) 'plates'.

P.P.I. Printed Postal Impression. This mark applied by the Post Office removes the need for the application of stamps.

Pocket Normally applied to envelopes and indicates that the flap is on the short edge.

Polylope A Polythene mailing bag sealed by a gummed flap (proprietary term).

Postcode The code provided by the Post Office to describe a small group of addresses (typically 12) that are usually in the same street. The first part is called the outward code, describing the broader location, and the second the inward code.

Postcode Sort The mailing and bagging in Post Code sequence.

Premise Code The last 2 digits of the Royal Mail barcode indication house number or name.

Pressteam A Royal Mail product offering a range of services for large volume periodical posting contracts.

Proof A printed sample of work, to be checked for errors in reproduction that need to be corrected prior to printing.

Reel Fed Machines which accept reels of paper or polythene, rather than flat sheet or fan fold.

Scamp An idea that had been drawn up roughly. Also known as a rough or 'scats'.

Sheet Fed If paper or other material is cut into flat sheets, the subsequent processing is carried out by feeding these sheets individually.

Spot Gumming The application of a spot of glue/gum which only lightly attaches one piece of material to another, often to facilitate removal.

Station Points on an enclosing or filling machine which can accept material.

Stuffer A promotional piece of literature normally supplementary to the bulk of the promotional package.

Trannie Abbreviated form of transparency (or film) that can be used to make prints or from which colour separation is to be carried out.

Visual As layout, indicating the position of illustrations, headlines etc., only usually in colour.

Wallet (Envelope) A type of envelope whose flap lies on the long edge.

Window Envelope Envelope which has a portion cut-out to reveal the name and address (or other information) printed on the enclosed material.

Z-Fold A fold which looks like a Z also known as a zig-zag fold.

Zip Envelopes Envelopes opened by perforated flap mechanism.