

Is A Marketing Asset Management Solution Right For My Company?



Creativity.

Execution.

Results.

Executive Summary

Prompted by growing demands from CEO's and CFO's, marketers have been working to improve the productivity of marketing for several years. Most marketers focused first on improving the effectiveness and efficiency of marketing campaigns and programs. More recently, marketers have turned their attention to increasing the efficiency of marketing operations. They now recognize that improving the productivity of marketing operations can be a powerful way to stretch limited marketing dollars.

One area that offers huge opportunities for improvement involves the acquisition, management, and distribution of marketing materials. This part of marketing operations typically produces a significant amount of waste and is filled with processes that are highly manual and inefficient.

To eliminate these wastes and inefficiencies, a growing number of companies are implementing marketing asset management solutions to streamline the marketing materials supply chain.

Read on to learn—

- Why the marketing materials supply chain offers huge opportunities for cost savings and performance improvements.
- How marketing asset management solutions work.
- What benefits a marketing asset management solution can provide.
- What factors determine whether a marketing asset management solution would be right for your company.

Why the Marketing Materials Supply Chain Matters

Marketers have been working to improve the productivity of marketing for several years, but the “great recession” of 2009-2010 brought a new sense of urgency to the efforts to make marketing more efficient. During the economic downturn, many companies slashed marketing budgets, reduced marketing department headcounts, and shifted spending to lower-cost marketing tactics and channels. The economy is now recovering, and marketing budgets are rising again, but most marketers we know are still facing heightened demands from CEO's and CFO's to maximize the return produced by every marketing dollar spent.

Early efforts to improve marketing productivity focused primarily on improving the effectiveness and efficiency of marketing campaigns and programs. Marketers began using sophisticated data analytics techniques and personalization technologies to make marketing messages more relevant and persuasive.

The dollars saved by increasing the efficiency of marketing operations can be used to fund revenue-generating campaigns.

More recently, marketers have turned their attention to improving the productivity of marketing operations. They have recognized that increasing the efficiency of marketing operations can be a powerful way to stretch limited marketing budgets. The equation is simple: The dollars saved by increasing the efficiency of marketing operations can be used to fund revenue-generating campaigns and programs.

One area of marketing operations that offers huge opportunities for cost savings and performance improvement relates to the acquisition, management, and distribution of marketing materials such as marketing collateral documents, promotional items, and point-of-sale displays. In most companies, the marketing materials supply chain is complex, fragmented, and filled with processes that are highly manual, time-consuming, and costly. Excessive costs, high levels of obsolescence waste, marketing materials that are delivered too slowly or are simply unavailable when needed, and the use of outdated materials are just some of the consequences of an inefficient marketing materials supply chain.

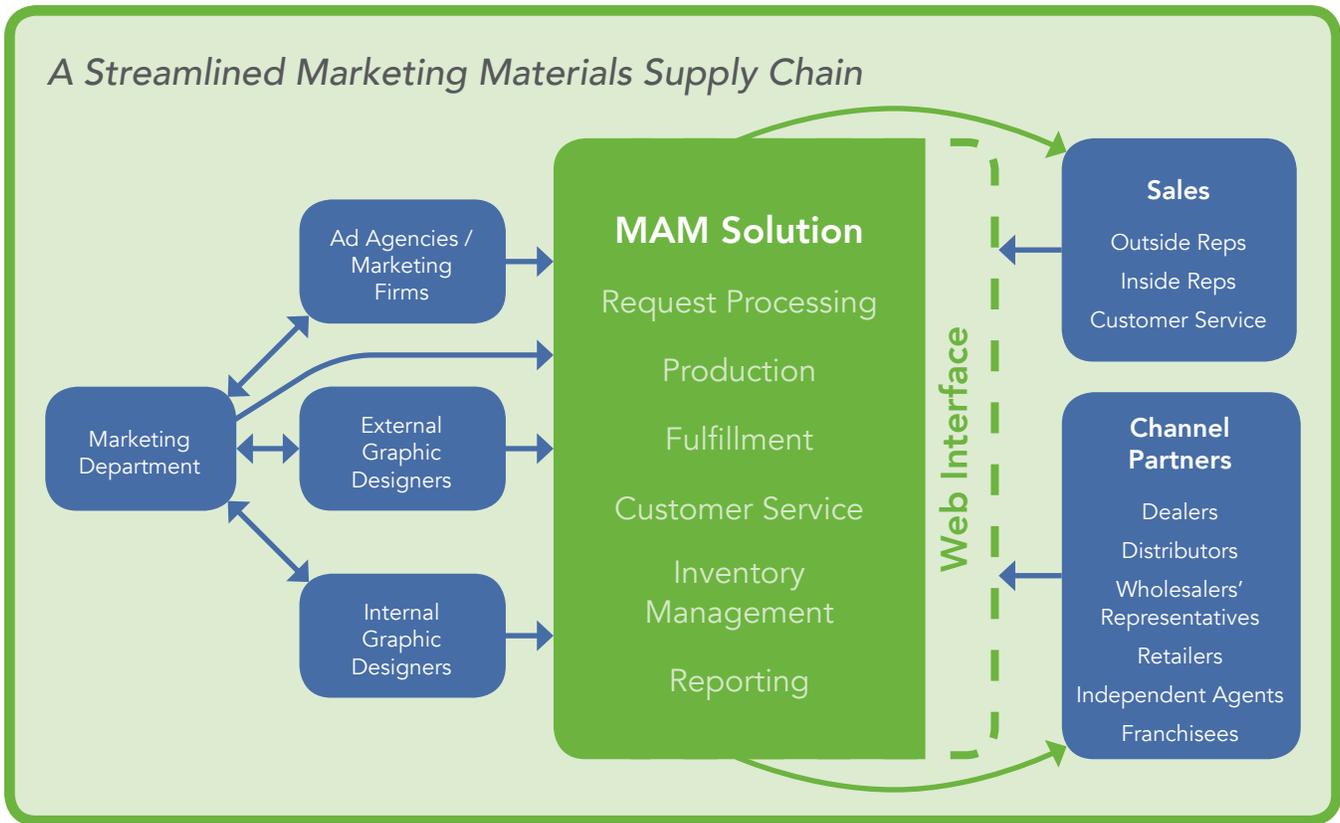
Recent research by the Chief Marketing Officer (CMO) Council clearly shows why the marketing materials supply chain represents an economically significant, and largely untapped, source of improvement opportunities.

- A majority of companies spend at least 20% of their marketing budgets on marketing materials, and almost a third of companies devote at least 30% of their budgets to such materials.¹
- Over half of the total spending associated with marketing materials often results from product obsolescence and from activities such as storage, fulfillment, shipping, and inventory management.²
- Because of the economics of traditional print production methods, companies tend to purchase printed marketing materials in large quantities, which increases the likelihood that materials will become obsolete before they can be used. Forty percent of companies that track the obsolescence of marketing materials say they waste 20% or more of their materials because of obsolescence.³
- Seventy-two percent of surveyed sales personnel admit to over-ordering and stockpiling marketing materials, and 60% of those that admit to hoarding materials say they over-order by 20 – 25%.⁴
- Just 25% of marketers have performed a comprehensive analysis of the costs and process efficiencies in their marketing materials supply chain, and only 11% of marketers have implemented new workflow systems to reduce costs and inefficiency in their marketing supply chain.⁵

The potential for cost savings becomes even clearer when we consider the number of people and firms that require or consume marketing materials and the number of unique materials that companies use. A company may have dozens of outside sales reps and hundreds of sales channel partners, all of whom make frequent requests for marketing materials. That same company may use dozens of distinct marketing materials. When you consider the number of materials that can be involved and the number of people who need those materials, it's easy to see that a company could be processing and fulfilling thousands of requests for marketing materials every year.

How Marketing Asset Management Solutions Work

The volume of transactions involving marketing materials, the growing need to customize marketing materials in order to make them more effective marketing tools, and the high levels of materials obsolescence all point to the pressing need to improve the efficiency of the supply chain for marketing materials. Today, a growing number of companies are turning to marketing asset management solutions to streamline the marketing materials supply chain. The diagram on the next page shows how a marketing asset



management ("MAM") solution fits into the marketing materials supply chain.

A marketing asset management solution is a suite of technologies, print production capabilities, and fulfillment services that automates many of the processes related to the procurement, management, and distribution of marketing materials. A complete marketing asset management solution is essentially an outsourcing arrangement in which the solution provider assumes responsibility for several components of a company's marketing materials chain.

Here's how a marketing asset management solution works. The core component of a marketing asset management solution is a central repository that contains digital versions of the marketing materials that a company uses. The solution will also provide an online catalog that contains images of the company's materials.

When an authorized user needs to order marketing materials, he or she logs into a secure website, selects the desired materials from the catalog, specifies the desired quantity of each item, and submits the order. If an item is revised or replaced, the new item is added to the online catalog, and the old item is removed. Therefore, the online catalog always contains current versions of the company's marketing materials

A marketing asset management solution also provides powerful customization capabilities. If a user needs to order an item that can be customized, the online catalog contains a template for that item. The template identifies the content elements that can be customized and provides the ability to customize the item in allowable ways. Once the item has been customized, the system provides an online proof for review, and the user simply approves the proof and submits the order.

The marketing asset management solution provider uses digital printing technology to produce marketing materials on an order-by-order basis and then packages and ships the materials. On-demand production means that, in most cases, there is no need to maintain a physical inventory of marketing materials. In the few cases where production economics don't allow for materials to be produced on an as-ordered basis, the marketing asset management solution provider will usually offer warehousing and real-time (or near real-time) inventory tracking and reporting.

Benefits of a Marketing Asset Management Solution

A well-designed marketing asset management solution provides companies several financial and operational benefits. It will—

- Eliminate the internal costs of processing and fulfilling requests for marketing materials.
- Eliminate the costs associated with storing marketing materials and free up valuable building space for other uses.
- Greatly reduce the waste (and cost) of marketing materials obsolescence.
- Simplify and automate the process of creating and producing customized marketing materials, thus lowering the cost of customization. In addition, a marketing asset management solution expands the degree of customization that can be done, thus allowing companies to create more effective marketing materials.
- Reduce the time required to process and fulfill requests for marketing materials.
- Improve the sustainability and reduce the

carbon footprint of the marketing function. Because marketing materials are produced on an as-needed basis, far fewer materials must be scrapped due to obsolescence. This reduces the unnecessary use of natural resources and lowers energy consumption.

But Is It Right for Me?

You may be asking: "This all sounds great, but how can I determine if a marketing asset management solution would be a good investment for my business?"

Your answer to this question will depend on several factors, but three stand out in importance. The first important factor is the number of requests for marketing materials that you receive, process, and fulfill on a regular basis. This is a critical factor because the number of requests you process drives how much you are currently spending on these activities. And the more you are spending, the more you are likely to benefit from investing in a marketing asset management solution. Several factors will usually influence how many requests you handle—the size of your sales force, the number of sales channel partners that you work with, and the number of distinct marketing materials you use.

The second important factor to think about is the level of obsolescence you are currently experiencing. How many marketing materials do you throw away each year because of obsolescence? How much did you spend for those wasted materials? If your rate of obsolescence is high, you are more likely to benefit from a marketing asset management solution.

The third factor to consider is how frequently you customize marketing materials for salespeople and/or sales channel partners. As noted earlier,

manual customization is costly and inefficient, while a marketing asset management solution can significantly streamline the customization process. So, if you customize materials frequently, you are likely to benefit from a marketing asset management solution. You should also think about whether your marketing efforts would benefit from using more customization. A marketing asset management solution not only makes customization easier and more cost effective, it also enables more extensive customization.

The final determination of whether a marketing asset management solution is right for your company should be based on a comprehensive audit of your existing marketing materials supply chain. The audit allows the financial benefits of a marketing asset management solution to be estimated and quantified based on your unique circumstances. Fischer Group can perform a marketing supply chain audit for your company, and if you would like to learn more about this service, please contact Scott Burford at 707-745-8151 or by e-mail at scott.burford@sbfischer.com.

If you're not quite ready for a comprehensive marketing supply chain audit, you can begin your evaluation process by completing the questionnaire that starts on the following page. Just answer the questions, calculate your total score, and then see how beneficial a marketing asset management solution might be for your company.

Fischer Group also offers an *MAM Opportunity Assessment* that is designed to provide a preliminary estimate of the major cost savings that you could achieve by investing in a marketing asset management solution. The *MAM Opportunity Assessment* develops preliminary cost savings estimates based on your answers to a questionnaire, industry best practices, and

our past experience. There is no charge for the *MAM Opportunity Assessment*, and if you would like to obtain an assessment for your company, please contact Scott Burford using the contact information provided above.

For More Information

If we can help you evaluate whether a marketing asset management solution makes sense for your business, or if you'd just like to know more about how marketing asset management solutions work and what benefits they provide, contact Scott Burford at 707-745-8151 or by e-mail at scott.burford@sbfischer.com. To download a PDF of this executive summary, please visit our website at www.smartstorepro.com.

Notes

1. *Understanding the Critical Factors to Achieving Marketing Supply Chain Operational Effectiveness & Optimization* (CMO Council, 2010).
2. *Define Where to Streamline* (CMO Council, 2009).
3. *Understanding the Critical Factors to Achieving Marketing Supply Chain Operational Effectiveness & Optimization* (CMO Council, 2010).
4. *A Straight Line To The Front Line: Unraveling and Understanding the Conflicts Between Sales and the Marketing Supply Chain* (CMO Council, 2011).
5. *Define Where to Streamline* (CMO Council, 2009).

Is a Marketing Asset Management Solution Right for Your Business?

Answer These Questions to Find Out

1. How much do you spend per year with production suppliers for marketing materials, (marketing collateral documents, direct marketing materials, promotional items, and point-of-sale materials)? (Do not include amounts paid to "creative" firms such as advertising agencies, graphic designers, etc.)

- a. Less than \$25,000..... **1 point**
- b. \$25,000 - \$50,000..... **2 points**
- c. \$50,001 - \$100,000..... **3 points**
- d. \$100,001 - \$200,000..... **4 points**
- e. Over \$200,000..... **5 points**

_____ **My Score**

2. How many salespeople and/or sales channel partners (resellers, dealers/distributors, wholesalers, etc.) do you support with marketing materials?

- a. Less than 25..... **1 point**
- b. 26 - 50..... **2 points**
- c. 51 - 100..... **3 points**
- d. 101 - 200..... **4 points**
- e. Over 200..... **5 points**

_____ **My Score**

3. How many distinct marketing materials do you use? (This question refers to the number of distinct marketing items, not the quantity of each item used. For example, you may use 2,000 copies of a given product brochure in a typical year, but the brochure counts as one item.)

- a. Less than 25..... **1 point**
- b. 26 - 50..... **2 points**
- c. 51 - 75..... **3 points**
- d. 76 - 100..... **4 points**
- e. Over 100..... **5 points**

_____ **My Score**

4. How many production suppliers do you use for marketing materials?

- a. 1 - 2..... **1 point**
- b. 3 - 4..... **2 points**
- c. 5 - 6..... **3 points**
- d. 7 - 8..... **4 points**
- e. Over 8..... **5 points**

_____ **My Score**

5. What percentage of your marketing materials do you throw away or stop using each year because they become obsolete?

- a. 5% or less..... **1 point**
- b. 6% - 10%..... **2 points**
- c. 11% - 15%..... **3 points**
- d. 16% - 20%..... **4 points**
- e. Over 20%..... **5 points**

_____ **My Score**

6. How many requests/orders (from salespeople and/or sales channel partners) for marketing materials do you receive, process and fulfill?

- a. Less than 10 per week..... **1 point**
- b. 10 - 25 per week..... **2 points**
- c. 26 - 50 per week..... **3 points**
- d. 51 - 75 per week..... **4 points**
- e. Over 75 per week..... **5 points**

_____ **My Score**

7. On average, how long does it take to fulfill requests for marketing materials (from order receipt to shipping)?

- a. Within 24 hours..... **1 point**
- b. 1 - 2 days..... **3 points**
- c. Over 2 days..... **5 points**

_____ **My Score**

8. How much time do you spend managing your inventory of marketing materials?

- a. Less than 30 mins per week..... **1 point**
- b. 30 mins - 1 hour per week **3 points**
- c. Over 1 hour per week..... **5 points**

_____ **My Score**

9. How many square feet of building space do you devote to the storage of marketing materials?

- a. Less than 50 **1 point**
- b. 51 - 100..... **2 points**
- c. 101 - 150..... **3 points**
- d. 151 - 200..... **4 points**
- e. Over 200..... **5 points**

_____ **My Score**

10. Which of the following best describes your use of and/or need for customized marketing materials?

- a. Do not use & have no need..... **1 point**
- b. Occasionally use, but this is not a major area of need..... **2 points**
- c. Occasionally use, and need to use more often. **3 points**
- d. Frequently use customized marketing materials. **4 points**
- e. Frequently use and need to customize more **5 points**

_____ **My Score**

_____ **My Total Score**

What Does My Score Mean?

If your total score is less than 15

It is unlikely that your company would benefit greatly from investing in a marketing asset management solution.

If your total score is between 15 and 35

There is a strong possibility that your company would gain significant benefits by implementing a marketing asset management solution. At minimum, you should perform a more thorough analysis of your existing marketing materials supply chain to obtain an estimate of the value that a marketing asset management solution could create for your business.

If your total score is more than 35

A marketing asset management solution would almost certainly produce substantial benefits for your company. It is highly likely that your company is facing the marketing supply chain issues that a marketing asset management solution is designed to address. You should perform a comprehensive marketing supply chain audit to identify potential cost savings and performance improvements.



We integrate creativity and customer care in a full commitment to client satisfaction, earning the loyalty of our clients, the respect of our peers, and the reputation of a company known for excellence.

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