What Happens When Your Communications Supply Chain is Placed Under a Microscope?

Seven benefits, five client success stories, and the 20 questions that come first

INTRO

Marketing execution. Print management. Channel management. Quality assurance and compliance. Inside every facet of communications are inefficiencies that can increase costs, slow responsiveness, dilute your brand, and drive down profitability.

With today's demand for greater personalization and relevance across multiple channels, these challenges can become overwhelming.

In order to most effectively address your brands' communications challenges — and to transform every customer touchpoint into a relevant one that meets their evolving needs — there are four primary communications pillars that require a much closer look:

PACKAGING
- Signage & Displays
- Folding Cartons
- Labels

MARKETING
- Brand & Creative
- Data & Insights
- Email & Direct Mail

CUSTOMER TOUCHPOINTS

PRINT
- Marketing Collateral
- Print Management
- Statements & Notices

SUPPLY CHAIN
- Kitting & Fulfillment
- Product/POP Configuration
- Sourcing & Inventory

Setting aside dedicated time to comb through your communications ecosystem to fully understand how these customer touchpoints are managed will often lead to some eye-opening issues. The kind of issues you may have been missing all along. If left untouched, they're also the kind of issues that can negatively affect speed, brand perception, and the bottom line.

PLACING YOUR COMMUNICATIONS MANAGEMENT UNDER A MICROSCOPE HAS ITS BENEFITS

Assessing a brand's communications strategy doesn't have to become a convoluted process. Generally, it contains three components:

Assessing the current state

Conducting a gap analysis

Identifying options to drive results

But is it worth the trouble?

Short answer: Yes

Long answer: Keep reading, because here's what can happen when you make this a priority.

DRIVE DOWN COSTS

Driving down costs is important — that's business 101 level info. Identifying just where and how to do it is where things can get a bit more complicated. Once the wheres and hows are located you build a plan to execute against.

The reality is most organizations have strategic plans in place to control or reduce costs. However, the reach of those plans rarely extend far enough to include the management of their print and digital communications.

An auto manufacturer's decentralized procurement model was causing problems (e.g., lack of brand consistency, standardization, and compliance). One comprehensive assessment resulted in a roadmap leading to $5.1 million in savings. Read more here.

Achieving goals in earnest becomes much more realistic when you've captured current program costs, performed a gap analysis, prioritized recommendations, and developed an internal business case and road map.

Try this: Determine how you fare against industry best practices and what savings are possible.

Ask this:

- What are the major areas impacting cost within my print and communications spend?
- Do I have the expertise, resources and time to analyze and execute an in-depth cost improvement plan?
- Do I have the proper controls and visibility into my corporate-wide spend in this category?
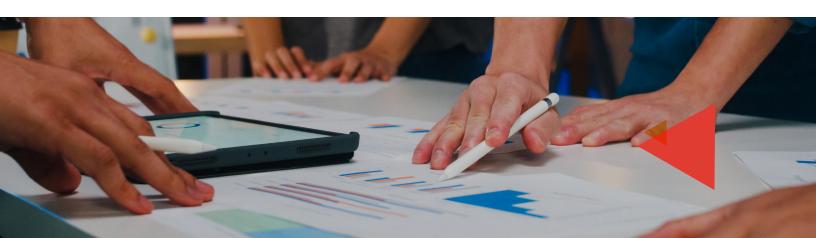
SPEED-TO-MARKET

Manual processes, lack of transparency, resource constraints, and decentralization can put a chokehold on efficiency and time to market. Within your communications programs, it's essential to automate workflows, deploy technology, and centralize your program data. This will grant you improved visibility, ultimately allowing you greater agility to changing business conditions.

How did a medical device company find a 30% annual cost avoidance with a new EOQ model? It all started with a closer look. Read more here.

The name of the game here is increasing productivity and accuracy with less resources and time. It can be done. It should be done.

Try this: Evaluate the impediments within your operational workflows that add risk, time or cost. By putting a lens on this, operational efficiency and streamlined workflows expedite time to market.

IMPROVE BRAND CONTROL

We learned this lesson long ago: You only get one chance to make a good first impression. Your brand is a representation of the company, the people, the quality and the ethics of the organization.

When sloppy design, wrong colors, old logos, and poor-quality photos are used to communicate to your customers, prospects and investors, it can have disastrous effects. Poor impressions are the sort of things that keep CMOs and brand managers up at night.

An integrated health system struggled to gain greater control and reduce costs in its print and label environment. Click here to see how RRD saved them 25% in their print spend in the first year.

Try this: It's time to run a tighter ship and manage your brand with proper controls, guidelines and processes. By centralizing content, wrapping controls around it, and developing processes that drive consistency across your platform regardless of product type or communication channel, risk can be mitigated.

INCREASE ROI

Investing in your business to drive productivity gains, increase revenue and drive down costs is necessary to thrive. Maximizing those gains with the highest returns is key to success. Identifying the right investments in people, process and technology will lower costs, increase productivity and drive ROI for your organization.

Try this: Successful organizations are looking to automate workflows, outsource non-core functions, digitize where possible and seek alternatives to the status quo.

Ask this:

- Where can technology help drive efficiencies within my environment?
- Do we have the internal means to identify and measure ROI?

ACCELERATE DIGITAL MIGRATION

Digitization of manual processes and hard assets drives efficiencies and improves client responsiveness. Automation of manual workflows will lower the carrying costs and risk of managing and distributing traditional print communications. This will also enable your brand to communicate in alternate channels that match a customer's preferred method (e.g., email, mobile, social, direct mail or print).

A nonprofit educational organization needed help outsourcing to reduce costs and sustain a stable growth trajectory. An in-depth analysis identified nearly $1 million savings in the first year alone. Click here to see how.

Try this: From this perspective, investments in the digital experience yield improved customer acquisition costs and new channels that are better supported. Effective organizations are utilizing technology to migrate offline processes, aggregate and organize content and deliver their message with more efficiency through digitization.

OPTIMIZE THE SUPPLY CHAIN

Many organizations rely on traditional procurement processes like formal RFPs and bid requests of pre-defined specifications. While this practice is not wrong and can yield some important benefits, there are greater savings and benefits to be gained by understanding all of the cost drivers and workflows across the supply chain.

A major U.S. home warranty company eliminated 100% of their inventory costs with a detailed communications assessment. Click here to see how.

It's widely acknowledged that only 15% of program costs are derived from product, while 85% of costs are tied up in managing the program supply chain from creative design, procurement, supplier management, and warehousing through delivery (e.g., freight, postage, and obsolescence). Designing a process that allows your organization to capture, categorize and rationalize communications supply chain costs is paramount.

Try this: If organizations wish to reduce total program costs, it's important to know standard RFP processes just don't go deep or broad enough. Hiring outside consultants are expensive and don't provide actual execution of ideas.

Ask this:

- Do I understand all the cost inputs within my communications supply chain?
- Do we have the expertise, time and resources to impact these costs?
- Do I have too many suppliers servicing the same categories?
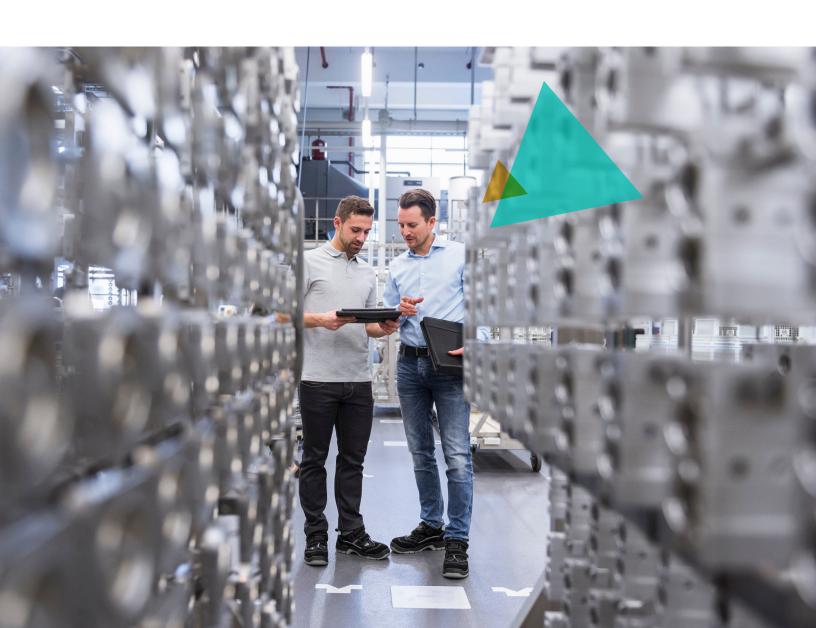
INCREASE VISIBILITY TO SPEND

Today, complex communications supply chains, decentralized procurement models, and large supplier pools can limit visibility into category spends and program costs. It can be difficult for organizations to take action without transparency into true costs.

Try this: Unfortunately, general ledgers are fraught with inaccuracies and are severely limited in understanding true category costs. Only with a grass roots assessment can organizations gather the necessary information to capture, categorize and rationalize those supply chain costs.

Ask this:

- Do I have a full understanding of my communications' category spend?
- Does the organization have a defined plan to manage and reduce those costs?
- Does the organization have the right measurements in place to monitor cost reduction achievements?

IN THE END

Trying to put a dollar amount on your brand's communications is no small feat. Your ledger says one thing. Your roster of suppliers might say another.

A comprehensive assessment of your communications supply chain can be a highly-effective and risk-free next step for lowering your total cost of ownership. Welcome side-effects often include:

- Cost savings

- Identification of best practices

- New concepts and innovations

- Accelerated cycle-times

WE'VE COVERED A LOT — ACHIEVE IT ALL

Where the traditional RFP process can be time-consuming, limited in scope, and cost prohibitive, RRD's Communications Management Assessment minimizes these variables while unearthing ways to improve organizational performance over the long-term.

Backed by decades of experience, RRD's assessment process has proven that a collaborative approach between two organizations — combined with a consultative framework — can yield significantly more value through operational and production efficiencies than an RFP centered around item specifications.

For more about RRD's risk-free assessment and to learn how it compares to the traditional RFP process, visit: rrd.com/spend-consulting