How Web-to-Print Optimizes Brand Management

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Why Read This Paper

Napoleon Bonaparte once said that his army moved on its stomach. What he meant, of course, was that no army could be an effective fighting force unless it had sufficient food and other supplies to sustain its soldiers. Today, it would not be far-fetched to say that twenty-first century business enterprises move on a sea of documents and other printed materials.

Researchers have estimated that US companies use some thirty billion documents every year. The Aberdeen Group has estimated that the average company spends nearly 10% of its yearly budget on printed materials and related services. Despite the undeniable significance of print-related spending, the supply and distribution chain for printed materials in most companies is complex, fragmented, and inefficient.

Today, a growing number of companies are using web-to-print solutions to reduce the total cost of printed materials and boost the responsiveness and efficiency of the print supply/distribution chain.

Read this white paper to learn—

- **Why the print supply/distribution chain offers huge opportunities for cost savings and performance improvements.**

- **How web-to-print solutions work.**

- **What benefits a web-to-print solution can provide.**

- **What factors determine whether a web-to-print solution would be right for your company?**

Why the Print Supply Chain Matters

Researchers have estimated that some thirty billion documents are used in the United States each year. Documents are critical components of virtually every major function in a modern business enterprise, from marketing, sales, and customer service to finance, accounting, human

resources, and manufacturing. Despite the explosive growth of digital communications in recent years, many, if not most, business documents will exist in printed form for some part of their life cycle.

Given their importance and pervasiveness, it should not be surprising that companies devote substantial resources to the production, management, and distribution of printed materials. According to recent research by the Aberdeen Group, the average company dedicates nearly 10% of its yearly budget to printed materials and related services.[1]

Marketing is responsible for the single largest component of print-related spending in most companies. Other research by the Aberdeen Group found that 37% of total print expenses are for marketing collateral materials, and the percentage increases to 46% if point-of-sale materials are included.[2] A recent survey by the Chief Marketing Officer (CMO) Council found that a majority of companies spend at least 20% of their total marketing budgets on marketing materials, and almost a third of companies devote at least 30% of their budgets to such materials.[3]

In most companies, the supply and distribution chain for printed materials is complex, fragmented, and filled with processes that are highly manual, time-consuming, and costly.

Despite the undeniable economic significance of print-related spending, the supply and distribution chain for printed materials in most companies is complex, fragmented, and filled with processes that are highly manual, time-consuming, and costly. Excessive costs, high levels of obsolescence, printed materials that are delivered too slowly or are simply unavailable when needed, and the use of outdated materials are just some of the negative consequences of an inefficient print supply chain.

Research by the Aberdeen Group and the CMO Council clearly shows why the print supply and distribution chain presents huge opportunities for cost savings and productivity improvements.

➢ Nearly 40% of companies have poor visibility into print spending, and 31% have multiple functions or departments buying printed materials. (**Aberdeen Group**)

➢ Eighty percent of companies are manually sourcing at least some of their printed materials, 27% of which are sourced and procured by "whoever has the need." (**Aberdeen Group**)

➢ Because of the economics of traditional print production methods, companies tend to purchase printed materials in large quantities, which increases the likelihood that materials will become obsolete before they can be used. Marketing materials are particularly vulnerable to obsolescence. Forty percent of companies that track the obsolescence of marketing materials say they waste 20% or more of their materials. (**CMO Council**)

➢ 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. (**CMO Council**)

➢ Forty-five percent of "Best in Class" companies use Internet-based technologies to procure printed materials, but only 24% of all other firms have implemented such technologies. (**Aberdeen Group**)

➢ Just 20% of marketers have performed a comprehensive analysis of the costs and process efficiencies in their marketing materials supply chain, and only 11% have implemented new workflow systems to reduce costs and inefficiencies. (**CMO Council**)

The potential for cost savings and productivity improvements becomes even clearer when we consider the number of people, internal departments, and external business partners that procure, require, or consume printed materials and the number of unique printed materials that companies use.

➢ A company may have multiple functions or departments sourcing and procuring printed materials from dozens of external vendors.

➢ Many companies will have hundreds of employees that frequently require printed materials. In the marketing/sales area alone, a company may have dozens of sales reps and/or hundreds of sales channel partners, all of whom make frequent requests for printed marketing materials.

➢ Most large and mid-size companies will use dozens, if not hundreds, of distinct printed documents and/or other printed materials.

When you consider the number of distinct materials that can be involved and the number of people who either procure those materials or request those materials on a regular basis, it's easy to see that a company could be managing dozens of procurement transactions and processing and fulfilling thousands of requests for printed materials every year.

Today, a growing number of companies are using a combination of web-based technologies and outsourced services to reduce the total cost of printed materials and boost the responsiveness and efficiency of the print supply and distribution chain. You may see these solutions referred to as managed print services, collateral-on-demand systems, marketing asset management solutions, or marketing collateral management systems. In this white paper, we'll refer to this combination of technologies and services as *web-to-print solutions* or *W2P solutions*.

How Web-to-Print Solutions Work

A web-to-print solution is a suite of web-based technologies, print production capabilities, and fulfillment services that automate many of the processes relating to the procurement, management, and distribution of printed materials. A comprehensive web-to-print solution is essentially an outsourcing arrangement in which the solution provider assumes responsibility for several components of a company's supply and distribution chain for printed materials. The diagram below shows the major functional components of a web-to-print solution and illustrates how a W2P solution fits into the print supply/distribution chain.

A Streamlined Print Materials Supply/Distribution Chain
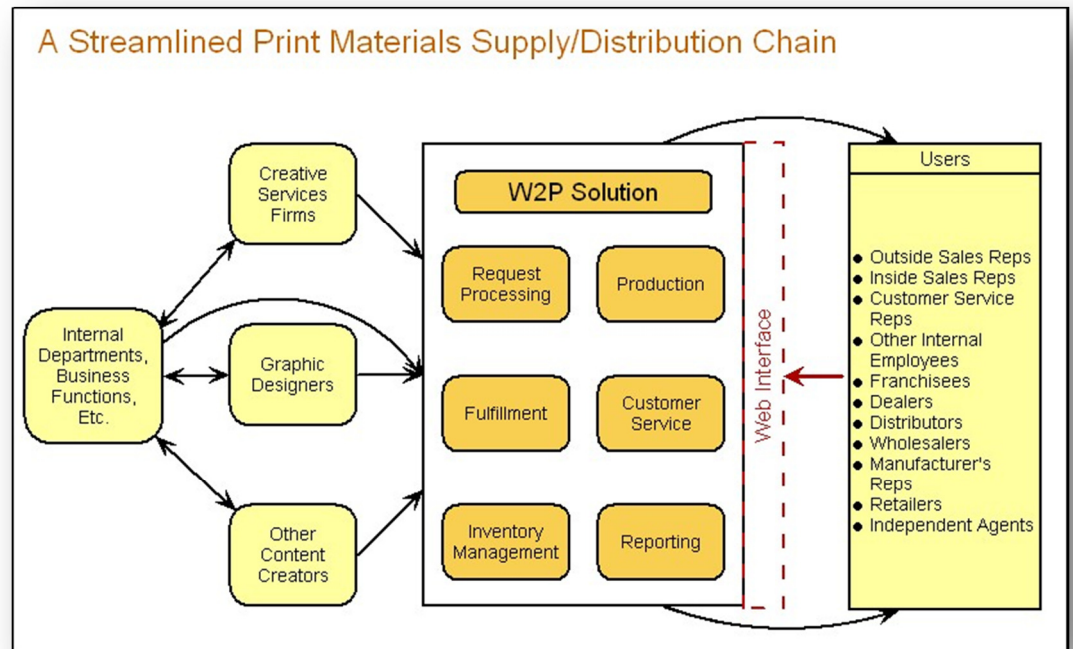
Web-to-print solutions can be used to manage virtually all types of printed materials. A *partial list* would include:

> ➢ Marketing collateral documents (brochures, product sheets, etc.)
> ➢ Promotional materials (coffee mugs, T-shirts, calendars, etc.)
> ➢ Point-of-sale materials (signage, displays, etc.)
> ➢ Print advertisements (for newspapers, magazines, etc.)
> ➢ Direct marketing materials (direct mail templates, e-mail templates, etc.)
> ➢ Business identity materials (stationery, envelopes, business cards, etc.)
> ➢ Product technical documentation
> ➢ Sales enablement materials (presentations, proposals, etc.)
> ➢ Corporate training materials
> ➢ Customer information kits

It's also important to understand that web-to-print solutions can be used to manage materials that are *not* printed prior to distribution or are *not* printed at all. Therefore, web-to-print solutions could also be described as "web-to-file" or "web-to-screen" solutions.

How Web-to-Print Optimizes Brand Management

Here's how a web-to-print solution works. A W2P solution includes an online catalog that contains digital images of the printed materials a company uses. The system also provides a central repository for those materials that can exist in digital form.

A robust web-to-print solution will provide a flexible security model that enables the company to regulate user access and permissions at a granular level. This allows the company to determine which materials an individual user can access and what actions the user can take with respect to those materials.

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

A web-to-print solution also provides powerful customization capabilities. If a particular item can be customized, the online catalog will provide access to a dynamic template for that item. The template identifies the content elements that can be modified and may provide a set of preapproved customization options. Once a user has customized the item as desired, the system provides an online proof for review, and the user simply approves the proof and submits the order.

The W2P solution provider uses digital printing technology to produce materials on an as-ordered basis and then packages and ships the completed materials. On-demand production means that in most cases there is no need to maintain a physical inventory of printed materials. In those cases where economics don't allow for materials to be produced on an as-ordered basis, the W2P solution provider will provide warehousing and inventory management.

A robust web-to-print solution can be configured to support a company's business processes and rules relating to the purchase of printed materials. For example, if orders for materials that exceed a specified dollar value require certain approvals, the W2P solution can incorporate and enforce those rules and processes.

Most web-to-print solutions also provide extensive, real-time reporting capabilities that approved users can access via online dashboards. These reporting capabilities enable companies to monitor and track the usage (and cost) of their printed materials by item, individual user, business unit, and other criteria.

Benefits of a Web-to-Print Solution

A comprehensive web-to-print solution provides companies several financial and operational benefits. It will—

➢ Reduce the direct cost of printed materials by (a) eliminating the duplicative creative work that usually accompanies fragmented procurement practices, and (b) enabling the use of more automated print manufacturing processes.

➢ Reduce indirect procurement expenses by reducing the number of vendors and procurement transactions that must be managed.

➢ Eliminate the internal costs of processing and fulfilling requests for printed materials.

➢ Eliminate the costs associated with storing printed materials and free up valuable building space for other uses.

➢ Eliminate the internal costs of managing inventories of printed materials.

➢ Eliminate or greatly reduce inventory carrying costs.

➢ Greatly reduce the waste (and cost) of materials obsolescence.

➢ Simplify and automate the process of creating and producing customized printed materials, thus lowering the cost of customization. In addition, a W2P solution expands the degree of customization that can be done, thus allowing companies to create more relevant and effective printed marketing materials.

➢ Reduce the time required to process and fulfill requests for printed materials.

➢ Greatly reduce the use of printed materials that are outdated or obsolete.

But Is It Right for You?

You may be asking: "This all sounds great, but how can I determine if a web-to-print solution would be a good investment for my business?"

Your answer to this question will depend on several factors, but four stand out in importance. The first consideration is the level of fragmentation that exists in your print supply chain. How many departments, locations, or business functions within your company are involved in the creation, procurement, management, and distribution of printed materials? How many external creative, production, and fulfillment vendors do you use for printed materials? The more fragmented your supply chain is, the more likely you are to benefit from a W2P solution.

The second important factor is the number of requests for printed 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 W2P solution.

The third important factor to think about is the level of obsolescence you are currently experiencing. How many printed 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 web-to-print solution.

The fourth factor to consider is how frequently you customize printed materials for salespeople, sales channel partners, branch locations, employees, or customers. As noted earlier, a web-to-print solution can significantly streamline the customization process. So, if you customize materials frequently, you are likely to benefit from a W2P solution. You should also think about whether your marketing efforts would benefit from using more customized marketing materials. A W2P solution not only makes customization easier and more cost effective, it also enables more extensive customization.

The final determination of whether a web-to-print solution is right for your company should be based on a comprehensive audit of your existing supply and distribution chain for printed materials. The audit allows the financial benefits of a W2P solution to be estimated and quantified based on your unique circumstances.

If you're not quite ready for a comprehensive print supply chain audit, you can begin your evaluation process by thinking through the questions in the table on the following page. This table contains a sample of the questions that we use when performing a print supply chain analysis.

For More Information

If you'd like to learn more about how a web-to-print solution can streamline your marketing asset management, you can contact your account rep or contact HBP at 301 733 2000 and ask to speak to Patti Dumas or Bob Tapp.

Notes

1. *Printed Materials and Services Management* (Aberdeen Group, 2012).
2. *Category Spend Management: Print and Print Services* (Aberdeen Group).
3. *Understanding the Critical Factors to Achieving Marketing Supply Chain Operational Effectiveness & Optimization* (CMO Council, 2010).