Marketing Efficiencies: Maximizing Budgets With Print Supply Chain Solutions

Marketing budgets are often on the front line of budget cuts and reallocations. The Association of National Advertisers' (ANA), "2013 Recession Survey" found 82 percent of marketers are trying to find ways to cut cost this year; and, CMO respondents to a recent CMO Council survey listed business performance and revenue optimization as their top priorities.

Marketing Efficiencies:
Maximizing Budgets With Print Supply Chain Solutions

Marketing budgets are often on the front line of budget cuts and reallocations. The Association of National Advertisers' (ANA), "2013 Recession Survey" found 82 percent of marketers are trying to find ways to cut cost this year; and, CMO respondents to a recent CMO Council survey listed business performance and revenue optimization as their top priorities.

"Automation of the print supply chain has the potential to deliver high ROI, while offering a better service to the field."

As budgets alternately shrink and expand, shift focus, and require more ROI analysis, marketing departments continue to look for operational efficiencies that maximize spend. This thrusts marketing to the forefront of innovation, in search of solutions that comply with the mandate to do more with less – without sacrificing the power of marketing.

Achieving operational efficiencies through supply chain innovations is the next frontier for marketing. Once limited to manufacturing operations and exclusively managed by centralized corporate groups, supply chains have proliferated due to decentralized operations and increased enterprise awareness that all sectors of business operations utilize supply chains, including marketing. Increasing numbers of field offices and channel partners and broad geographic coverage coupled with the rapid pace of product innovation is adding complexity to the global print supply chain, leading to longer lead times, a rapidly multiplying number of print suppliers, and rising print-relaated costs for shipping, warehousing, fulfillment, and labor.

The challenge for marketing is to cut costs, while building strong global brands and providing critical levels of support for geographically dispersed field offices and channel partners.

Automation of the print supply chain has the potential to deliver high ROI, while offering a better service to the field. Print supply chain management platforms provide marketing organizations with greater control over processes and brands while delivering significant savings.

This paper addresses the operational efficiencies organizations realize by automating and streamlining the print supply chain, and presents HubCast's unique print supply chain management solution, which meets organizations' need for brand management, cost control, and simple, broad-based user access.

Non-print Costs
The average company spends about three percent of its gross revenue on production and distribution of printed materials; while nine percent of marketing program budgets are allocated for print materials, second only to the budget for

online advertising.[1] Yet, for every $1 spent on print, organizations spend another $8 to $14 on the print procurement process[2] including shipping, warehousing, fulfillment, and obsolescence.

The "Define Where You Streamline" report from the CMO Council revealed 46 percent of marketers manage the production, storage, fulfillment, shipping, and obsolescence of more than 500 marketing SKU's, while an average of 14 percent manage more than a 1,000 skus. The same report found 32 percent of respondents believed established vendor and supplier relationships and loyalties were a significant contributor to supply chain costs and ineffectiveness.

Shipping with HubCast

Shipping cost with traditional print supply chain

HubCast has developed a print supply chain management platform that addresses these inefficiencies by streamlining and automating the print procurement process, including and integrating it with critical business workflows, providing significant cost reductions across all processes, including:

Print Supply Chain: Pricing, scheduling, pre-press,printing and finishing, shipping and delivery of high quality print

Workflow Automation: Document storage and management, ordering, user authentication, permissions, inventory management, and reporting

Note - i would re-do the chart from the original exel file

By streamlining these processes and reducing process and supply chain costs, the HubCast platform is able to deliver significant cost savings to customers.

In-Country Print Production Reduces the High Cost of Shipping

Shipping is by far the largest non-print expense. The traditional print procurement process calls for printing in bulk quantities, storing inventory in a central location, then picking, packing, and shipping smaller quantities to offices and events when needed. Based on our analysis of customers' previous print procurement costs, this add as much as 47 percent to the cost of each printed sheet. (see Chart) When multiplied by dozens, if not hundreds of pieces of marketing collateral, the cost savings from streamlining the distribution process is significant.

Printing Supply chain Item	Item Cost	Traditional Print		HubCast	
		Quantity	Extended	Quantity	Extended
Per Sheet cost of Sell Sheet	$0.14	10,000	$1,400	10,000	$1,400
"Maverick" Buying	21%	1	$294	-	-
Managing multiple vendors	13%	1	$175	-	-
Waste due to obsolescence	16%	1	$224	-	-
Sheet printed incorrectly	14%	1	$189	1	$189
Prepare and proof documents	35%	1	$490	1	$490
Purchasing admin costs	$125	1	$125	1	$125
Storing inventory	19%	1	$266	-	-
Fulfillment – non shipping	26%	1	$361	-	-
Fulfillment - shipping	61%	1	$858	8%	$112
Total Cost			**$4,382**		**$2,316**
Per Sheet Cost			$0.44		$0.23
Savings Per Sheet ($)					$0.21
Savings Per Sheet (%)					**47%**

Chart: Average cost savings for 4-color print with HubCast.

Sources:Cap Ventures, Aberdeen,NAPUPIA, JC Bradford

---

1 2012 State of Marketing, CMO Council, p18
2 Sources: Cap Ventures