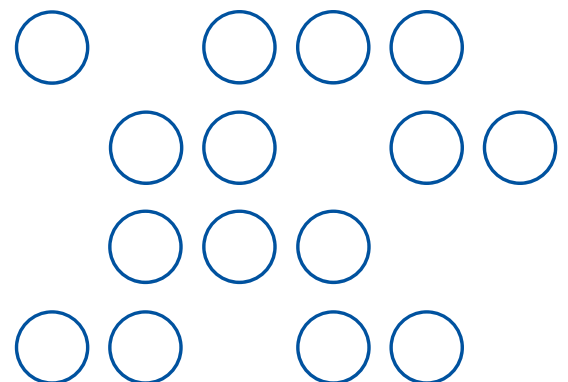




Unraveling the Collateral Management Conundrum

Everything You Probably Didn't Know About Collateral Management That Impacts Your Bottom Line





Even in this digital age, printed collateral materials remain an important part of a company's marketing mix. According to the research firm InfoTrends, corporations spend, on average, approximately three percent of their total revenues on print with outside vendors. This includes collateral as well as transactional statements and signage. That is a substantial amount of money invested in items such as collateral. Whether such a significant investment is wasted depends in large measure on how well printed material is managed. If collateral creation, production and storage are managed well, this can have a positive effect on a company's bottom line. If managed poorly, collateral ends up as an invisible expenditure that can add to the drain on a company's profits.

Executive Summary/Overview

Collateral—corporate and product brochures, cut sheets, sales kits, printed mailers, and similar materials—are important tools for communicating to all corporate constituencies: customers, prospects, and employees—plus regulators, investors, and analysts. On the desks of customers and prospects, collateral reflects the face of the brand and the company. In this age of acquisitions, compliance issues, and rising real estate costs for warehousing, it is more important than ever that organizations keep costs visible and stay in control of every facet of their collateral.

Key to increasing effectiveness and reducing waste is a company's approach to collateral management. This includes electronic fulfillment, digital migration,

warehousing cost management, brand compliance, and strategic sourcing. It covers the creation, design, production, archiving, and distribution of materials critical to building a consistent brand franchise—across product categories, cultures, and languages.

Collateral Pain Points: The Need for Visibility and Control

Even though some people still view collateral as a necessary evil, the fact is, collateral can provide highly effective sales support when managed properly. Unfortunately, most organizations look at collateral management as a hidden "have to do", not realizing how it can be used to increase customer impact and reduce overall cost.

When an organization doesn't have control over its collateral and visibility into its true costs, the following critical problems typically emerge:

- Disparate collateral that communicates mixed messages throughout the organization
- Inability to identify what collateral is available or how current it is
- Waste of both corporate funds and environmental resources associated with warehousing collateral that never gets used and becomes outdated
- Risk of non-compliance stemming from outdated collateral
- Delays in responding to customer requests because materials are outdated, lack relevant information, or supplies have run out



Document obsolescence is a huge issue. Despite the widespread use of print-on-demand (POD) technology, outdated collateral is still problematic in most organizations. Studies show, on average, 12.6 percent of print materials become obsolete before they can be used.

One of the fastest growing restaurant franchisers decided to tackle this issue—and its attendant costs—head on. They were supplying tens of thousands of restaurants with all manner of printed forms, labels, point-of-purchase displays, posters, menu boards, training materials, promotional items, gift checks, and other marketing collateral. They wanted to cut waste and maintain brand equities, while taking advantage of scale and operational efficiencies. The collateral management specialist they hired developed a streamlined workflow that gave them faster turnaround, greater spend visibility, and improved control. It included the placement of procurement specialists at four sites, each tied to a different restaurant brand under the corporate umbrella.

This integrated collateral management program includes warehousing, fulfillment, inventory management, distribution, mail, call center, online catalog ordering, procurement, supply chain management, and creative services. The company can now react faster to market changes, wherever they may be. They achieved a 10 percent net savings on an annual spend of over \$10 million, while improving brand consistency throughout their locations.

What to Look for in a Collateral Management Specialist

Many companies offer collateral management help, but they vary in their capabilities and perspectives on the problem. It can be reasonably argued that the best approach is a comprehensive one that integrates production, storage, access, and distribution solutions. It should handle complexity with a high degree of coordination, customization, accuracy, and control. The truth is, effective collateral management demands seamless integration across a company's mailstream—from document creation, to production, through storage, access, and delivery.

When it comes to hiring a vendor to help manage collateral, these are the key capabilities to look for:

- The ability to provide a portal to allow users immediate access to the most current versions of the collateral they now need
- Wide print procurement capabilities, including an understanding of the applications and benefits of print-on-demand and digital variable print-on-demand
- The ability to service a company's needs both locally and nationally, and provide both cost control and convenience
- An in-depth understanding of and experience in end-to-end processes

Key elements of a comprehensive collateral management solution should also include digital document libraries, just-in-time printing and warehousing, and accurate and efficient delivery across multiple channels.



The need for a fully integrated solution was demonstrated by a large, non-profit educational organization that had become a victim of its own growth. With offices around the world, this organization found that maintaining its brand identity, as well as the integrity of its core messaging had become increasingly difficult. In addition, individual chapters needed collateral customized to the programs they were supporting, as well as to the local language. Staff was also limited. Pitney Bowes implemented a flexible, web-based solution. This enabled the organization to better manage their entire document lifecycle process, providing improved efficiencies and better support for their corporate office and worldwide chapters.

The organization's web portal now offers 24/7 job submission, while a user-friendly online catalog provides collateral templates that maintain corporate branding while meeting local needs for images and language. Users also minimize re-work and obsolescence costs with a preview option that lets them carefully review each piece before finalizing an order. The user controls the order within brand and messaging guidelines, while the vendor takes care of printing and distributing the order, using their expertise to reduce costs and ensure system security.

See More, Save More, Do More: Collateral Management Benefits

With the visibility and control collateral management provides, a company can gain powerful advantages:

- Visibility into how much is being spent on collateral across the organization and by whom
- Visibility into when ordering peaks occur for specific pieces of collateral
- Visibility into the impact changes such as an acquisition can have on brand communications

With this visibility, an organization can exert effective control over all processes related to the creation, production, archiving, and distribution of collateral, resulting in these additional benefits:

- Cost savings—tighter control over printing gives companies the ability to use just in time, print-on-demand, and digital variable printing solutions that can cut costs substantially.
- Reduction of waste—both financial and environmental resources can be preserved through tighter control over print quantities—printing only what is needed when it is needed.
- Output management—better control over print output further controls print costs.
- Management of the customer experience—more effective collateral management gives a company more control over the customer experience, promoting their most up-to-date capabilities, providing personalized communications versioned to customer needs and preferences—everything from the right paper to the right graphics to the right message.



- Compliance management—greater control over collateral can assist compliance efforts by tracking inventory so that companies are not using materials that are obsolete.
- On-time fulfillment of up-to-date materials—better control over collateral results in quicker customer response and a more satisfying customer experience.

Collateral is evolving from static materials with generic messaging to highly versioned and personalized communications. These types of collateral are making it possible to create true, distributed 1:1 customer marketing. Going forward, a significant benefit of efficient and effective collateral management is that it provides a company with a solid foundation for 1:1 marketing.

In a recent survey conducted by Pitney Bowes, 56 percent of consumers had a high preference for personalized direct mail, with messages and offers uniquely designed to reflect their needs and interests. A striking example of this involves a major U.S. auto company who wanted to improve responses to inquiries captured at car racing events. They had been using traditional pick-and-pack operations to send customers generic car and truck brochures. The collateral management specialist they hired developed a workflow that could accept a daily stream of highly versioned and personalized content. This workflow could then drive print-on-demand production based on a prospective buyer's interest in a specific model and color. The response piece could even include copy on the race attended.

It should not be surprising that customer traffic at some dealerships surged by more than 30 percent, driven entirely by this 1:1 mail piece program. Each customized mailing was actually less expensive to produce and deliver, saving advance printing, warehousing, and pick-and-pack labor costs.

Concluding Thoughts

Effective collateral management gives a company visibility into its print spend, gains the organization more control over its projects, and promotes a more consistent brand experience. To be as effective as it can be, though, collateral management needs to be approached as a complete solution—one that integrates personalization, print-on-demand capabilities, just-in-time warehousing, and mail management services. The end result of such a comprehensive approach will make an organization's response and fulfillment mechanisms more effective while lowering its overall collateral costs.



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