

FOCUS PAPER

A closer look at Web-to-Print: When is it worth?

Web-to-Print Part II

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The focus paper "A closer look at Web-to-Print: What companies need to be aware of" provided an initial checklist of items companies should take into consideration when using Web-to-Print, or even better, before using Web-to-Print. This paper looks at when Web-to-Print systems become worthwhile. Using a fictitious company, the Master AG, this paper gives you a potential ROI analysis for Web-to-Print.

The goal? To increase productivity!

Web-to-Print is the automation of marketing tasks which were previously performed manually. That means: less input for equal or even increased output, which in turn spells increased productivity. If manual tasks are eliminated or at least reduced, then companies free resources which can be used for other tasks or be saved entirely.

Savings potentials with Web-to-Print

One can distinguish between two types of savings when using Web-to-Print: internal and external.

Internal savings relate to tasks previously handled by employees within the company. With the help of Web-to-Print, these employees now have more time for other tasks or can spend more time on existing tasks.

External savings relate to costs which are incurred by using external services and products. If Web-to-Print can help to reduce these costs, less cash leaves the company, which can then be used otherwise for communication.

The Web-to-Print savings potentials are pronounced in trade marketing structures: centrally provided promotional material needs to be adapted individually x times, the contents vary for each dealer, even if this "only" applies to the address. The entire process from providing the layouts to booking or production of the finished promotional item is tedious and takes its time. Here the use of tools can lead to considerable savings in process costs.

Not only more cost-effective – but also better

In addition to saving costs, Web-to-Print also provides optimization which cannot be expressed in immediate financial terms, but positively affects the results of marketing and communication, thus contributing to the success of the brand.

Here are some examples:

- Uniform and CI-conform visual communication through all company units: the core elements of the brand are safeguarded by the layout-based Web-to-Print process and strengthen the brand.
- More process control: Using Web-to-Print, head office optimizes decentralized communication processes and can guide their decentralized units easier and more efficiently.
- Reduced friction in workflow: the number of queries, reviews and corrections is reduced considerably with Web-to-Print. There is a clear process sequence which is supported optimally by the tool.
- Shorter time-to-market and lead-times: Reduced communication requirements result in fewer sources of errors, requiring less coordination and fewer corrections. Hence,, Web-to-Print significantly increases processing speeds in publishing.

Business case: The Master Holding

Based on a positive business case, the qualitative improvements possible with Web-to-Print are of a supplementary nature. Beforehand, it should be determined how Web-to-Print "pays off" financially.

In the following, we will lead you through the example of the Master Holding, who are considering the use of a Web-to-Print system for their marketing department. Please note: A Web-to-Print business case is always as individual as the company itself. The following example can therefore only act as a guide for your own analysis, which should always bear company specifics in mind.

An initial review within Master Holding came up with the following results:

- Master Holding has a sales network with 550 branches in Germany.
- The company has a total of 13,200 employees.
- Communications at Master Holding are decentralized via their branches. This means, that key visuals for print communications are provided centrally and these are then adapted by the individual branches at a local level.
- Decentralized communication focuses on ads in daily newspapers: This includes monthly special offers as well as centrally originated special campaigns for specific products 4 times per year. The branches have the option of choosing products for promotion from a predetermined product range, depending on local market requirements, for both types of advertisements.
- The branches are provided with layouts for the monthly special and the quarterly special by central marketing in form of DTP files.
- Only the larger branches edit the individual contents: they have their own marketing staff skilled in the use of DTP programs. The remaining branches use service providers for typesetting the ads.
- In addition, Master Holding provides a quarterly customer magazine for use at the point of sale. This magazine consists largely of centrally defined content. Two double pages are reserved for the branches. Most branches use local service providers for typesetting these contents.
- Central communication at Master Holding is via image ads in national publications. Five different ads appear in the course of a year. An agency is commissioned by head office to create the ads. These are then sent by the agency to the publishers according to the media plan.

- Business cards for the 13,200 employees are also one of the centralized print products at Master Holding. Approximately one quarter of all employees order new business cards during the course of a year, i.e. some 3,300 business cards run through the layout process annually and are sent to the printers.

"What does all this cost us?" was the question raised at Master Holding

Costs for the above mentioned print products naturally exceed just layout and typesetting. However, as Web-to-Print basically automates exactly this process, the following cost considerations focus on this element. (Further cost savings are possible, for example, when concentrating printers or bundling printing data to the printers as part of the implemented system). Expenditure on the different print products varies at Master Holding. Thus the internal and external typesetting costs were determined for each print item, as were the total costs per annum.

Master Holding		
Cost Calculation for Print Publishing without Web-to-Print		
Assumptions		
Number of branches	550	
Thereof with DTP program	10%	55
Daily rate per employee	500 €	
Daily rate per service provider	800 €	
Number of ads "special offers" per branch and year	12	
Number of ads "special promotions" per branch and year	4	
Number of magazine per branch and year	4	
Expenditure per individualization of an ad "special promotions"		
Realisation through the branch itself:		
Man-day intern	0,25	
Man-day extern	0	
Costs per ad	125 €	
Internal costs	125 €	
External costs	0 €	
On realisation through an agency:		
Man-day intern	0,125	
Man-day extern	0,25	
Costs per ad	263 €	
Internal costs	63 €	
External costs	200 €	
Expenditure for creating a customer magazine		
Realisation through the branch itself:		
Man-day intern	0,75	
Man-day extern	0	
Costs per magazine	375 €	
Internal costs	375 €	
External costs	0 €	
Realisation through an agency:		
Man-day intern	0,25	
Man-day extern	0,75	
Costs per magazine	725 €	
Internal costs	125 €	
External costs	600 €	
Expenditure for changes of central image ads		
Number of minor motive changes during the fiscal year	5	
Man-day intern per change	0,25	
Man-day extern per change	0,5	
Costs for changes	525 €	
Internal costs	125 €	
External costs	400 €	


Employment ad	
Number of employment ads per year	100
Man-day intern per individualization	0,125
Man-day extern per individualization	0,25
Costs per employment ad	263 €
Internal costs	63 €
External costs	200 €

Business cards	
Number of variety per year	3.300
Man-days intern per variety	0,0625
Man-days extern per variety	0,0625
Costs per variety	81 €
Internal costs	31 €
External costs	50 €

Figure: Exemplified cost calculation for typesetting of media without Web-to-Print

When using a Web-to-Print solution to support layout work, the costs for generating print products is reduced dramatically. Master Holding also prepared cost calculations for these changed parameters: Changes in internal costs and expenditure are marked in orange, changes in external costs and expenditure, resulting in savings, are marked in yellow.

Cost calculation at Master Holding with Web-to-Print:

Master Holding


Cost Calculation for Print Publishing without Web-to-Print

Assumptions		
Number of branches	550	
Thereof with DTP program	10%	55
Daily rate per employee	500 €	
Daily rate per service provider	800 €	
Number of ads "special offers" per branch and year	12	
Number of ads "special promotions" per branch and year	4	
Number of magazine per branch and year	4	

Expenditure per individualization of an ad "special promotions"		
Realisation through the branch itself:		
Man-day intern	0,125	
Man-day extern	0	
Costs per ad	63 €	
Internal costs	63 €	
External costs	0 €	
On realisation through an agency:		
Man-day intern	0	
Man-day extern	0	
Costs per ad	0 €	
Internal costs	0 €	
External costs	0 €	

Expenditure for creating a customer magazine		
Realisation through the branch itself:		
Man-day intern	0,5	
Man-day extern	0	
Costs per magazine	250 €	
Internal costs	250 €	
External costs	0 €	

Realisation through an agency:	
Man-day intern	0
Man-day extern	0
Costs per magazine	0 €
Internal costs	0 €
External costs	0 €
Expenditure for changes of central image ads	
Number of minor motive changes during the fiscal year	5
Man-day intern per change	0,0625
Man-day extern per change	0
Costs for changes	31 €
Internal costs	31 €
External costs	0 €
Employment ad	
Number of employment ads per year	100
Man-day intern per individualization	0,125
Man-day extern per individualization	0
Costs per employment ad	63 €
Internal costs	63 €
External costs	0 €
Business cards	
Number of variety per year	3.300
Man-days intern per variety	0,03125
Man-days extern per variety	0
Costs per variety	16 €
Internal costs	16 €
External costs	0 €

Figure: Exemplified cost calculation for typesetting of media with Web-to-Print

Where exactly does Web-to-Print save costs?

The color-marked changes show that Web-to-Print systems can help companies to reduce their internal and external costs in the production of media.

Internal costs:

- The typesetting of print products requires less internal effort as it is no longer necessary to use DTP programs, and configuring the contents is only a matter of a few mouse clicks. The final product, a print-ready PDF, is available for downloading or forwarding to external service providers in a matter of moments.
- Internal expenditure is further reduced as reviews and coordination are no longer required, Web-to-Print minimizes possible sources of errors by layout-based processing. However, should an error occur, the employee can detect this in the preview and correct the error quickly.

External costs:

- The cost factor "typesetting by agency" is largely eliminated. Each employee is able to work a Web-to-Print system without requiring DTP skills and can perform the permitted changes. This is by far the largest cost saving generated by Web-to-Print and frees a considerable budget for marketing.

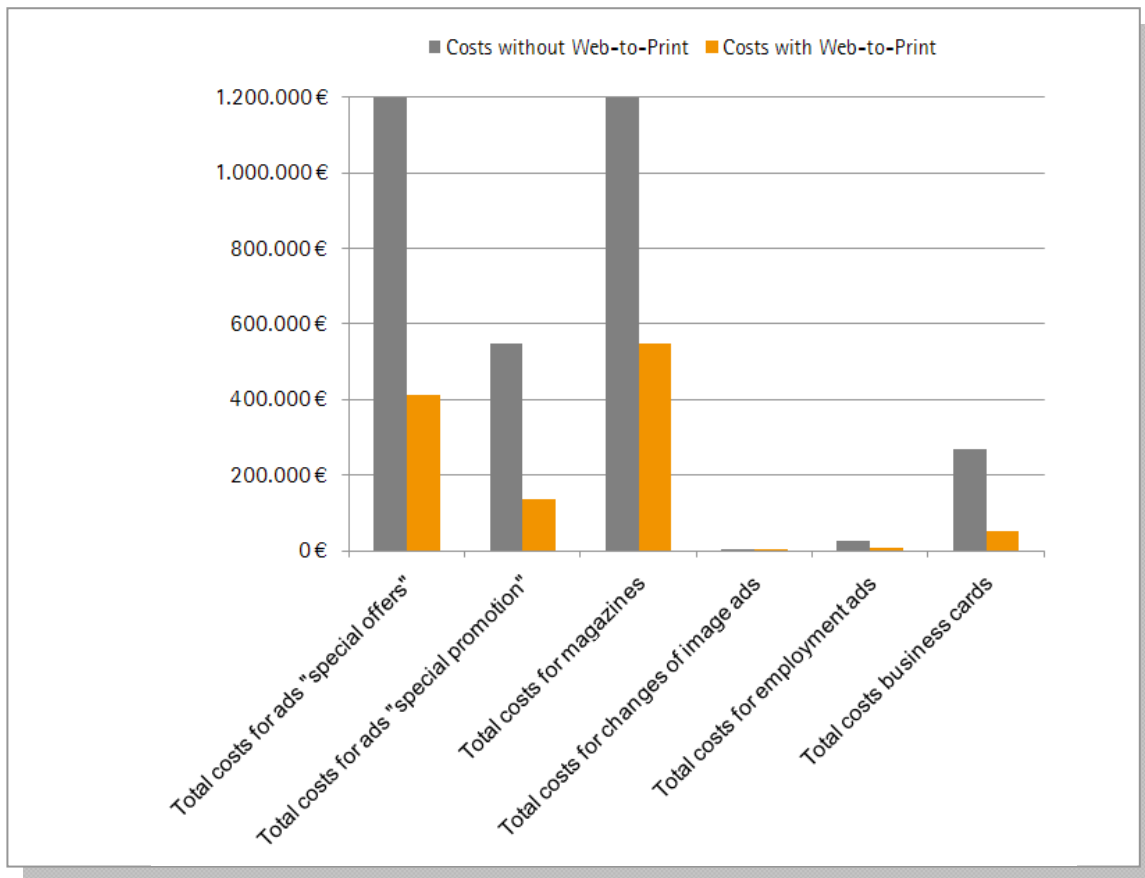


Figure: Cost savings due to Web-to-Print

Goodbye agencies? No!

It is often suggested that Web-to-Print makes life difficult for agencies as there is less work for them to do. It is true that typesetting of simple texts is now eliminated. However, as substantial budgets have now been freed within the company, these can be used for other or additional communication measures, from which the commissioned agencies profit at the end of the day.

And in most cases it is the agency's job to enter the layouts for the print products into the Web-to-Print system and to store the CI guidelines. These costs need to be taken into account when developing a business case for the use of Web-to-Print: Depending on the supplier, the systems available on the market sometimes require programming by the software provider. More flexible solutions, including BrandMaker, allow provider-independent management of print layouts in the system. Depending on the complexity of the layout, entering and testing can be a matter of minutes (e.g. for simple ad layouts) or can take two to three man days (e.g. in the case of comprehensive brochures). The more often these layouts are used later on, the lower the setup costs.

When is Web-to-Print profitable?

- Number of variations of a layout: The more individual variations of a print product that are generated on the basis of a single layout, the greater the savings that can be achieved with Web-to-Print. In the case of Master AG the costs for image ads are relatively low due to the small number of variations, even without Web-to-Print. Any savings are therefore hardly worthwhile. In contrast, the savings for business cards are relatively high as the number of variations is correspondingly high.
- Reusability of layouts: The longer and more often a layout is used, the greater the profit for the company when using Web-to-Print: If we are talking one-off jobs, i.e. individual and different ads, then Web-to-Print is not really appropriate. However, as successful brand management is usually built on continuity and a uniform image, the reusability of layouts is often a given.
- Communication frequency: The higher the frequency, the more often a company can benefit from simple and fast generation of its print materials using Web-to-Print.
- Usability for different materials: Once a Web-to-Print solution has been installed, it makes sense to use it for all suitable print products of a company, thus maximizing the increase in productivity.

Think beyond Web-to-Print

Companies, who aim at optimizing their media management in the long run, should think beyond Web-to-Print and consider a marketing platform with which they can manage their entire marketing resources, such as media data, marketing plans and service providers centrally. For example, a media database can be linked directly to the Web-to-Print module to act as single source for all media production as well as a central media pool – both for employees and external service providers such as agencies and printers.

About BrandMaker

BrandMaker is a Marketing Resource Management (MRM) system, which provides a broad spectrum of solutions: Offered are solutions for marketing strategy (scorecards as "guide rails" for marketing) and management modules (for example, software for integrated market planning and budgeting); as well as modules for marketing implementation and for optimization of the creative supply chain (job management, review management, media asset management, a web-to-print module, event planning, and a module for creation of online media). The system has a modular design and is applied according to the individual client requirements. The software is developed and marketed by the company BrandMaker GmbH. BrandMaker solutions are in use successfully in marketing departments of companies of varying size and in various corporate sectors – for example at EnBW in the energy sector, Commerzbank AG and DekaBank in the financial sector, at international service providers like Ernst & Young and companies from the producing industry such as ZF Services GmbH. The software company for optimized marketing processes has about 150 employees across Europe.

<http://www.brandmaker.com>