

Streamlining marketing print procurement: raising quality, lowering costs



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UK Supply Chain Manager
Global telecommunications company

Background

This global telecommunications company offers businesses and individuals a wide range of communication services for voice, messaging and data. Printed marketing materials such as media inserts, magazines, bill inserts, welcome packs, point-of-sale materials and direct marketing play a vital role in attracting, informing and retaining customers.

The Challenge

The company had around 890 marketing print suppliers globally but no uniform print buying process. Different parts of the business followed different processes for different suppliers, using manual systems not designed for the job – mostly Microsoft Office programs and email.

In the UK, a supply-chain manager from the company’s procurement team managed most aspects of marketing-related print. She spent most of her time chasing print quotations, purchase orders, approvals and artwork; and it was all too easy to lose control if things got busy.

Everything depended on people remembering to move things along: if someone forgot to send an email approving final artwork, there’d be a delay; if someone went on holiday, nobody else could find out what was happening as the information was stored in that person’s emails.

Printers often had to compromise on quality because a delay earlier in the process meant that printing had to be rushed to meet a deadline.

The lack of end-to-end visibility also made it very difficult, if not impossible, for the supply-chain manager to pull together management information about print spending patterns. Without consolidated and accurate information about who was buying what and from where, the company couldn’t identify opportunities to purchase print more intelligently and cost-effectively.

The company needed to take control of the print procurement process to make it more efficient and generate better management information.

The Solution

The company chose Xerox to help streamline its print procurement process, improve end-to-end visibility and drive down costs. Decisive factors in this choice were our ability to roll out a consistent solution globally and meet the requirement for no upfront transformation costs.

The project started in the UK, where Xerox now manages the procurement of all print- and paper-related supplies and services for the UK marketing function.

Transparent, efficient print procurement.

22% savings on one print category in three months.

We provide three key services:

- **Advisory service.** Xerox Strategic Sourcing Consultants consult with the company's marketing team and its creative agencies on the most appropriate way of producing documents, and advise on the print specifications that affect costs and lead times.
- **Supply-chain management.** We act as the company's single interface to all its print suppliers, ensuring it gets high-quality output and cost-effective products and services.
- **Print procurement web portal.** The portal gives our customer, its creative agencies and us a common interface to the print procurement process. Initially it mirrors the company's existing processes, but provides better control and comprehensive management information. A later implementation will drive process standardisation.

We took a phased approach to the project to minimise disruption to the business and ensure that we understood the challenges of the people who would be directly affected by the coming changes. A Xerox project manager managed the entire project; the customer didn't need to appoint its own project manager.

The first phase was to shadow the supply-chain manager and then take over her job running print procurement, using her existing manual processes. Phase two saw the launch of the portal.

The print procurement process now starts when someone from marketing or an agency uploads the specifications and deadline for a print job to the portal. We then manage the quotation and printer selection process.

The portal lets everyone see the specifications, the prices, and the dates for supplying and approving artwork. It also enforces processes: no print job starts until

a PO has been raised – a requirement that was irregularly enforced before. With the portal storing the details of every job, the company has the information it needs for analysis and reporting purposes.

The Results

Although full savings figures aren't yet available, there have been some immediate wins. Over three months the company saw the cost of media inserts drop by 22%, saving £50,000. It's also benefiting from improved service level agreements which deliver better quality outcomes.

"Having dedicated print specialists involved at every stage of the process makes a real difference to cost and quality, especially for complex jobs," comments the UK supply-chain manager.

The portal gives the company the transparency and control over the print procurement process that it wanted. With a full breakdown of job timings, it shows where the process is working well and where there are bottlenecks. With a full breakdown of spending, it gives the company the information it needs to rationalise supplier management and drive down costs.

"Outsourcing to the experts has completely relieved me of what were predominantly tactical responsibilities," says the supply-chain manager. "Now I can look at the bigger picture. I can look at categories of print that have been relatively neglected, such as bills and outdoor media. And instead of rushing to meet deadlines, I can look at the overall print procurement process and work with Xerox to improve it."

The Future

Moving forward, the focus is squarely on using the management information provided by the portal to help make better purchasing decisions and improve process efficiencies for the company.

Case Study Snapshot

The Challenge

- Improve print quality and control with visibility of the end-to-end process and better management information
- Cut the cost of print procurement for marketing materials

The Solution

- Xerox print advisers to consult on document production
- Web portal to provide management information and streamline collaboration between the company, its creative agencies and Xerox
- Supply-chain management by Xerox
- Phased implementation to minimise disruption to the company's business

The Results

- Immediate cost-savings: 22% on one print category in three months
- Better-quality outcomes through dedicated Xerox print expertise and improved service level agreements
- Full visibility of process bottlenecks and complete information on print-related spending to drive process and supply-chain improvements
- The customer's supply-chain manager freed from time-consuming tactical responsibilities to focus on the bigger picture

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