



# [ MARKETPLACE AGILITY

## A BRAND POINT MANAGEMENT PERSPECTIVE

### EXECUTIVE SUMMARY

Consumer-products, pharmaceutical, entertainment and other kinds of companies face tremendous challenges today. Familiar marketing realities are changing by the day, and manufacturers, service providers and retailers now must redefine essential processes that encompass the entire life of a brand, from concept creation to in-store presentation.

These realities have been treated in detail in the Schawk® white paper, *Brand Point Management: Creating Compelling*

*and Consistent Brand Experiences*, which explains that brand point management is a powerful means of guiding a brand through today's changing environment. In the companion paper you are reading, a vital component of brand point management is explored: **marketplace agility**. When a company practices in the category of brand point management, marketplace agility is one direct, important result. And it reinforces brand point management's most significant benefits – compelling and consistent brand experiences wherever consumers interact with a brand.

When there is early communication between upstream contributors in strategy and design and downstream contributors in premedia, prepress, etc., there are significant savings of time and money.

## WHAT IS MARKETPLACE AGILITY AND WHY IS IT IMPORTANT TODAY?

A 2006 Cornell University study defined marketplace agility this way, in part:

A steady stream of both large and small innovations in products, services, solutions, business models and even internal processes that enable [a company] to leapfrog and outmaneuver current and would-be competitors...<sup>1</sup>

Several of today's business realities explain why marketplace agility is paramount.

- Many forms of traditional **advertising** can't be counted on alone to provide brand lift today. As a result, brands and retailers are turning to more sophisticated in-store promotions and presentation, innovative packaging and customized offerings. Marketplace agility makes these more timely and more impactful.
- Consumers' **consumption** patterns are changing, and they are demanding product **innovation** across the board. But there is good evidence that in the packaged-goods area (unlike healthcare, technology and process manufacturing), pure research-and-design spending does not correlate to strong bottom-line results.<sup>2</sup> This has put an emphasis on smaller, incremental innovations, in products and – increasingly – in packaging. Agility is crucial here.
- **Globalization** is causing huge changes. Manufacturers and service providers are developing audiences in new locales and increasingly decentralizing their own operations and sourcing goods and services closer to where their consumers are. These changes, along with the need to respond to changes in the availability of materials and vendor services, make agility paramount.

It is tempting to view efforts to increase marketplace agility as too ambitious and not practicable in the current economy. But the fact is, they can pay benefits immediately, and investments in areas like staff development and technology can pay benefits permanently, the more so as the economy improves.

Marketplace agility is built into Schawk's offering of brand point management services. Its offerings speak directly to the services, solutions and processes referenced in the Cornell definition above. In the rest of this paper, we will illuminate marketplace agility and place it in the context of compelling and consistent brand experiences.

## THE BENEFITS OF MARKETPLACE AGILITY

The benefits of marketplace agility include – but are not limited to:

- **Quicker reaction to consumer** needs and desires as dictated by market research.
- The ability to **beat the competition** and to **maximize revenues** in the introduction of new products or product innovations. Consumer products and healthcare products routinely report seven-figure incremental revenues for each day eliminated from the to-market process.
- The ability to **tailor revenue generation patterns** to satisfy investors.
- More economical way to **achieve sales lift** in a tough economic climate through product/packaging modification vs. full-on new product launch.
- The ability to **time and coordinate launches** in multiple markets to avoid being beaten by the competition in any market.
- Overall **cost reductions** through manpower efficiencies and the sourcing and producing of materials closer to their final marketplace.
- More **flexible and strategic media buying** thanks to quicker turnaround time and more control over the timing ad delivery to publications.

## ACHIEVING MARKETPLACE AGILITY THROUGH BRAND POINT MANAGEMENT

Schawk defines the category of brand point management this way:

The strengthening of a brand through the delivery of compelling and consistent brand experiences that create greater affinity between consumer and brand. Brand point management touches all phases of a product's life – from ideation to design to market implementation – because all phases contribute to that moment of interaction between that consumer and the brand.

We can get a clear sense of how the category of brand point management promotes marketplace agility by considering three critical components: **people, process and technology**.

<sup>1</sup>Dyer, L., & Ericksen, J. (2006). Dynamic organizations: Achieving marketplace agility through workforce scalability (CAHRS Working Paper #06-12). Ithaca, NY: Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies. <http://digitalcommons.ilr.cornell.edu/cahrswp/454>

<sup>2</sup>Jaruzelski, Barry, & Dehoff, Kevin. "Smart Spenders: The Global Innovation 1000." From strategy+business, Issue 45, Winter 2006.

Digital asset management systems can ensure uniformity of visual and written brand materials worldwide and allow the brand to do economically what it formerly paid agencies to do repeatedly.

3

## People

The Cornell study asserts that “workforce scalability” is:

The capacity of an organization to keep its human resources aligned on an ongoing basis by constantly transitioning from one human resource configuration to another and another, ad infinitum, on a timely basis and in a seamless way.

It further suggests four dimensions in which this can be expressed: **headcount, competence mix, deployment pattern** and **employee contributions**.

Brand point management as envisioned and executed by Schawk addresses the first three of these directly. Trends in the brand-management world have contributed to positioning companies to handle a greater share of the brand-management duties for CPGs, retailers and service providers. Ten to fifteen years ago, advertising agencies were still the “brand managers” for many products. Since that time, that duty has returned to many of the brands themselves, with advertising agencies continuing with strategic, creative and executional work at the behest of their clients’ in-house brand managers.

This continues today, but additional forces are at work. In Europe – and potentially in the U.S. within a few years – the production or “executional” phase of brand management – premedia, prepress, graphics lifecycle management – is being “decoupled” from ad agencies and migrating to vendors who are wholly or in some part devoted to execution and can do it with more agility and more economically. This shifts the burden of human-resource configuration and alignment onto the vendor, who is built to react to the ever-changing needs of multiple clients.

These brand-management trends couple with other kinds of outsourcing to offer significant benefits. Brands increasingly contract with agencies to position outsourced employees within the company itself to work as teams to handle myriad brand-management functions, from strategy through execution. These employees are not only skilled in their core tasks, but their own companies have developed and taught them skills at adapting quickly to new workplaces, processes and cultures. Major retailers now reap the benefits of workers who have the familiarity and insight of permanent employees but work under finite, manageable and flexible contracts with companies.

Especially in a challenging economy, the responsibility to commit to, train and organize a large permanent workforce can inhibit the very agility that the economy now demands.

Broad economic forces and distinct trends in the brand-management services sector now encourage the use of vendors that aggregate and synthesize brand-management skills under one roof.

## Process

First and foremost, marketplace agility requires discipline on the brand’s part, and a commitment to improved internal communications. When a brand is willing to make this commitment, brand point management can reward and leverage that commitment. When there is early communication between upstream contributors in strategy and design and downstream contributors in premedia, prepress and print management, there are significant savings of time and money, more compelling and consistent brand experiences for consumers, and corresponding bottom-line benefits.

Here are many of the more specific agility benefits of brand point management services in terms of process:

- **Smoother, quicker hand-offs** between successive departments, such as strategy and design, design and production art, and production art and print conversion. This can significantly reduce the time required for a project.
- **Elimination of mistakes and missteps** due to lack of understanding of the capabilities of downstream partners and to lack of joint awareness of the project brief in general.
- **Higher-quality deliverables** due to synthesis of design and premedia services. In increasingly complex areas like package design and printing, factors like innovative substrates and new inks, new printing processes and demanding brand standards for color and image quality call for vendor synthesis.
- **Savings of time** through: **global workforces** that can work “round-the-clock” on digital elements of brand materials, such as advertisements, direct mail, signage, packaging, etc.; **global sourcing** of vendors to more closely align product, printing of packaging and fulfillment; and **integrated services** that aggregate premedia, printing and fulfillment under one roof.
- **More favorable advertising rates and delivery schedules** for ad materials to publications due to agility and solid planning, especially given the challenging advertising market for those publications.

When the brand, retailer or service provider makes a commitment to the discipline required, brand point management can reward that discipline with marketplace agility and the resulting time savings, cost savings and revenue benefits. The simultaneous approval of product, packaging and ads is perhaps a utopian dream, but it's a concept that the category of brand point management strives toward, with results. In the meantime, more compelling and consistent brand experiences for consumers are a reality.

### Technology

Technology exists today that greatly facilitates the contributions from people and processes suggested above. Foremost among these are **graphics lifecycle management** systems, which facilitate digital asset management, online proofing of images and designs, online project management and KPI (key performance indicators) reporting:

- **Online** – and therefore paperless – **proofing and management** systems streamline workflow and save resources and even flag jobs when they are “stuck” on someone's virtual desk.
- **Digital asset management systems** can ensure uniformity of visual and written brand materials worldwide and allow the brand to do economically what it formerly paid agencies to do repeatedly. The cost of these processes, such as the acquisition of a single brand image for use in a new context, is reduced enormously when all digital brand assets are available worldwide on a shared network.
- **Retail-performance and campaign-performance management systems** can give quick feedback that gives brands the agility to make quick changes in strategy.
- **Shared databases** containing worldwide publication advertising specs and proprietary printing-press specs save time and greatly improve the consistent quality of finished materials.

When purchased by brands and retailers, these systems have incremental costs up-front, but they're proven to begin paying benefits immediately and to pay for themselves quickly through the elimination of work steps, increased marketplace agility and the strengthening of the overall brand experience in the marketplace. When used by vendors, such as printers, design agencies and premedia companies, they confer benefits to clients without direct cost to those clients.

### Skill, Relationships, Synergy: Agility in Brand Point Management

A major food manufacturer found that its artisanal flower brand was dropping quickly in the marketplace – to third overall – after a redesign that was too dramatic and caught loyal customers off-guard. The company came to Schawk for an adaptive redesign and got much more.

Schawk's adaptive-redesign experts returned to the brand's core visual assets and very quickly executed a redesign that both refreshed the look and adhered to the imagery that conveyed the reassuring message of top quality.

With each day crucial, Schawk carried the project through all premedia stages and leveraged printer relationships to have the packaging printed quickly and at higher quality than the previous agency had. Schawk and its printer partner understood the challenges of printing on the demanding substrate of flour packaging, and the results were superior.

Quickly back in the marketplace, the brand began a return to the No. 1 spot nationally. And the company asked Schawk to extend its redesign to all of the brand's SKUs.

Skill, relationships and the ability to synergize among several creative and executional phases allowed Schawk to bring impressive agility to a brand that needed it. This is one benefit of Schawk's delivery of brand point management.

## SCHAWK AND MARKETPLACE AGILITY

How does marketplace agility relate to Schawk? In every way. Schawk has more than 3,000 employees, in 153 offices on four continents, representing expertise in virtually every phase of a brand's lifecycle, from strategy to design to printing and print supervision. These **people** not only have honed their skills to Schawk's stringent standards, but they have developed industry relationships that they leverage for client benefit. Through their experience with brands, retailers and agencies, they are attuned to needs and processes, and they function as insightfully as those companies' own employees.

These people are steeped in Schawk's superior **processes**, which link all of Schawk's services seamlessly and create agility as diverse groups anticipate project needs and collaborate in the execution. Schawk is uniquely in sync with marketplace trends today. As brands choose to outsource strategy and design functions, Schawk can fill those through its many specialized, integrated competencies. As the production element is "decoupled" from ad agencies – already a strong trend in Europe – Schawk is positioned to provide a vast array of those integrated services, globally, with proven time and cost savings for clients.

Schawk can tie everything together with BLUE™, its sophisticated graphics lifecycle management **technology**, now employed by a wide array of Schawk's Fortune 500 clients and agencies and by Schawk itself. BLUE eliminates and prevents operational inefficiencies that can get in the way of agility and of compelling and consistent brand executions – and it confers direct cost benefits at virtually every stage of a brand's graphics lifecycle. Schawk's other enterprise offerings, encompassing retail and campaign performance analysis, offer similar benefits.

Schawk's delivery of brand point management services leads directly to marketplace agility. And as this paper has shown, marketplace agility directly promotes more compelling and consistent brand experiences for consumers – and bottom-line benefits for brands and retailers.

# SCHAWK!

Schawk, Inc., (NYSE:SGK), is a leading provider of brand point management services, enabling companies of all sizes to connect their brands with consumers to create deeper brand affinity. With a global footprint of more than 60 offices, Schawk helps companies create compelling and consistent brand experiences by providing integrated strategic, creative and executional services across brand touchpoints. Founded in 1953, Schawk is trusted by many of the world's leading organizations to help them achieve global brand consistency. For more information about Schawk, visit <http://www.schawk.com>.

Visit [www.brandsquare.com](http://www.brandsquare.com), powered by Schawk, to participate in a one-of-a-kind, exclusive online marketing community. Registration is fast, free and easy. As a registered member, you'll have access to news and trends from leading blogs, magazines and webcasts. You will also be able to ask questions and join threaded discussions on hot topics. All this and more at [www.brandsquare.com](http://www.brandsquare.com).

© 2008 Schawk, Inc. All Rights Reserved. No part of this work may be reproduced in any form without written permission from the copyright holder. Schawk is a registered trademark of Schawk, Inc. The Schawk logo is a trademark of Schawk, Inc. BLUE is a trademark of Schawk, Inc.