

Case Study: CMC

Communications Management Company, London

Summary

CMC specialise in providing communications management services to many of the UK's leading banks, investment management, insurance, retailers and professional services companies. They have a print spend of approximately £18m with an additional £2m on data management, print and web design and artwork services.

Of the print spend, approximately 35% is produced by CMC's in-house digital print capability, 15% at client based print rooms, 40% is outsourced to a roster of six preferred suppliers and around 10% spent with a further 30 approved suppliers for ad hoc or specialist requirements.

The company operates in a highly competitive sector, dominated by a few large competitors. In spite of this, CMC have achieved significant year on year revenue growth and simultaneously increased profits per annum over the 3 years. The 'procure-to-pay' software solution which they deployed has undoubtedly been a contributor in this success.

CMC now has over 20,000 users in 40 countries using the solution.

The Current Service

Being in a highly competitive environment CMC have actively invested in a software solution capable of managing their complex and changing printing requirements. The software application is a well know brand that is becoming a standard application within the print sector.

Following an exhaustive two year process of requirements analysis, market research and product and provider evaluation, management insisted that a thorough business case be developed, with clear objectives for the project team. As part of the evaluation process, CMC documented their requirements as:


- A proven print procurement solution (not a production MIS).
- Browser based to allow multi-site clients, managers and suppliers to interact in one system.
- Each user to see personalised information relevant to their role.
- Fast, secure and scalable to cope with high volumes of transactions and users.
- Capable of handling a broad range of print and related services e.g. a business card, documents, variable data, complex direct mail, point of sale, capability to handle design, artwork, pre-press, data preparation, collation instructions, stock management, complex delivery instructions.
- Intuitive and easy to use, especially for 'non-skilled' customers and suppliers.
- Flexible to be tailored to specific processes and requirements including integration with procurement, production and accounting platforms.

Once selected, CMC implemented the software in a carefully planned phased deployment. Management wanted to evaluate the benefits and ensure user adoption at every stage of the implementation.

Initially this started with rolling the software out to users to enter print specifications, issue Request-for-Quotes to profiled suppliers, evaluate supplier prices with various production options and create a customer quote in a single process. By reducing the administrative processes involved, CMC reduced the pressure on an already overworked team of four and enabled sales and account management to respond more quickly to clients.

Software capabilities were extended to further remove administration from the process and achieve greater cost reduction by allowing CMC to manage the entire process automatically, including issuing the purchase orders to relevant suppliers, handling of deliveries and the resultant complex management information and reporting.

The software capability also enforces brand



compliance by allowing users to personalise pre-authorised brand compliant artwork such as business cards, point-of-sale and marketing literature. Recent developments have automated the process of importing client supplied data (e.g. names, product details, prices, product pictures) which populate specified fields within brochures, catalogues and direct mail.

Authorised users enter complex print specifications into their personalised interface which interrogates each and every production process at each and every supplier on the roster before returning the lowest five prices (print and paper price, with paper specifications) to produce the job, whether litho or digital. CMC benchmark every price gained from a marketplace of over 120 printers using the pricing engine. CMC then have the choice of negotiating with their approved supplier or inviting the lower price supplier to go through the supplier evaluation process.

As the key business processes within CMC have been automated and bottlenecks removed, the profitability of the company has grown by eliminating waste. The new business teams are able to demonstrate proven cost reduction, efficient management and deliver comprehensive real time management information for a wide variety of job types. Critically, CMC's employees have eliminated many of the repeat or administratively intensive processes to spend more time with clients or applying the brains to deliver added value, so the client satisfaction has increased.

The Journey to the Current Service

CMC was a niche financial corporate communications group based in the south east but servicing predominantly international financial services companies and professional services in the City of London.

CMC recognised that the market for communications was changing (particularly in print) with new technologies and an increase in other communications

channels. It re-invented itself over a period of five years into a full service provider of communications services to become a major player. This strategy required a fundamental shift in approach and culture combined with a clear vision and investment in best-of-breed technology.

Management identified significant opportunities to grow revenues by 'cross selling' within its customer base of international financial services companies and professional services companies by re-engineering the processes involved in procuring, managing and paying for print and related services. This meant a long hard look at where inefficiencies and bottlenecks occurred and not being afraid of streamlining the processes.

By taking a phased approach to implementing technology, CMC have carefully managed the transition to a highly efficient scalable business. Initially focusing on major bottlenecks of production administration, and then engaging suppliers. Deploying software to customers was essential to eliminate re-keying and lock in key accounts. As volumes and value have grown the reliance on the software has increased so investing in business continuity has increased in importance. At each and every stage management information and clear business goals for the next stage have been defined.

Clearly vital to this process was ensuring that the employees throughout the business were actively engaged and embraced the changes required. Going even further the management team have secured lasting collaborative relationships with both clients and stakeholders.

CMC have implemented technology which is successful for all employees including management, sales, account management, customer services, estimating, production, warehouse, accounts.

Positive Messages from this Case Study

Key benefits achieved:

- Revenue increase
- New business wins
- Increased share of customer's spending
- Higher retention levels
- Margin improvements
- Best practice process compliance leading to efficiencies
- Deskilled process allowing high cost employees to be released from administrative tasks
- Real time management information enabling better and faster decision making based on facts
- Reduced time to market allowing quicker response to client requirements
- 80% reduction in estimating administration
- 75% reduction in invoice reconciliation administration
- 18% supplier cost reduction from reduced supplier costs, better purchasing, and administration costs

Service improvements:

- Brand compliance
- Consistent service levels within their clients

The Future

CMC are already seeing considerable revenue growth and improved margins through a process of continual improvement. This process of closely aligning procurement software with evolving best practice business processes is currently being extended into integration with digital asset management, soft proofing capabilities and content management.

Issues

One of the initial concerns was the cost of keeping the technology solution at the leading edge for the highly competitive market the CMC work in. This has proved to be expensive, but the consequences of doing nothing would have been far more wide reaching. The added expense has been recovered through great levels of business and a reduction in work processing personnel and therefore costs.

Acknowledgement

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