

CASE STUDY

Redesigned for Better ROI

Challenge: Expand service capabilities, improve distribution systems and reduce waste

Solution: Revamp fulfillment processes

Results: Improved ROI and support for sales team

Preventing waste is paramount when creating an efficient marketing fulfillment program. For Columbia, S.C.-based Colonial Life Supplemental Insurance, revamping collateral management processes maximized the company's existing investments, saved money, improved productivity and boosted the bottom line.

In the fall of 2005, Colonial experienced distribution channel growth after integrating new product lines. As a result, the existing document system and resources began to buckle under the boost in fulfillment requests. The company decided to implement a strategic collateral management program using a Web-based solution from Iron Mountain Fulfillment Services Inc.

The new program was designed to broaden service capabilities and support distribution systems, says Tom Bise, Colonial's assistant vice president of marketing communications, advertising and incentives. Because the system is scalable and can grow with the company, Colonial gradually expanded to a 24-7 fulfillment operation, decreased its overall warehouse footprint for reduced storage fees and eliminated more than 2,000 low-usage forms, according to Bise.

Using specific reporting and tracking features, the turnkey ordering system helped to improve Colonial's

ROI through the ability to track daily, monthly and year-to-date usage by region, form and total value of materials. According to Bise, "This allowed more accurate trending data to be used for establishing true reorder points and print expense projections by form and state."

Adding a virtual library for the company's collateral files improved ordering, pricing tracking and delivery. "In addition to improving search function accuracy, adding thumbnails, PDFs, product descriptions and positioning tips ensures the correct material is ordered correctly the first time," Bise says, thus reducing waste in



inventory and shipping expenses. The addition of e-mail confirmations and order tracking information also helped to streamline the ordering process by placing order tracking in the hands of the sales department.

Colonial follows strict regulatory business rules, and the new system "allows for easy file imports and regular file maintenance updates," Bise says. "Our system feeds are profile-driven on individual state licenses, training program completion, position within the sales hierarchy and product availability by state. Security and access are based on individual profiles."

When choosing a fulfillment partner, Bise suggests marketers look for one that has "the right decision makers involved throughout the process." He also says marketers working to improve their collateral programs should "complete ongoing material

audits. Make the review of usage trend reporting a habit and implement a process to regularly identify materials that can be made obsolete ... " Before integrating any additional materials into your program, he suggests marketers "always ask if it can replace an existing item," then dedicate a resource for tracking, reporting and ongoing document assessment.

Through revamping Colonial's fulfillment processes, Bise learned how to effectively negotiate for the best line-item changes. "When negotiating pricing structure for warehouse fees, fulfillment/line item charges and print-on-demand unit pricing for black-and-white and color documents, calculate annual volume increases that are in line with product line and corporate goals," he says. "Always include quarterly reviews and adjustable rates as part of the contract. This is a win/win for your company and your partner."

While the new system significantly improved Colonial's ROI, its implementation was not seamless. The biggest challenge the company faced was conducting business through one online ordering system and warehouse while building another platform with a new business partner. How did the company get all team members on the same boat? Creating a quarterly employee incentive program based on collective scores using the program's separate internal facility auditing process and evaluation standards helped to expedite the transition, Bise says. "Tying incentives into expectations ensures everyone has skin in the game when it comes to the service-level agreements. An incentive program is a model worth exploring."

—Kate DeBevois