

## Does MRM really matter?

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## 1. Background

**Marketing Resource Management** - First I would like to explain exactly what **MRM** is.

In short: MRM can be perceived as an ERP for marketing.

It provides software infrastructure that supports marketing operations, in regard to people, processes and technology. It is also used to support marketing activities and improve marketing effectiveness.

MRM actually supports all management aspects of the production of marketing collateral, and is sectioned into several modules / functionalities, as described below:

## 2. MRM modules

### Planning and budgeting

For most large companies marketing expenses represent a significant part of the company's budget. According to Gartner, the average of marketing expenses is 5.9% of the total revenues (and only 3.4% for IT).

#### Planning and budgeting functionalities:

- Manages all budget conception processes.
- Manages allocation across the different sectors and enables pinpointing down to individual jobs within the different campaigns.
- Allows the overall budget to be analyzed in different ways so that the planned budget and expenses can be viewed by the people responsible for specific sections of the budget.
- Compares previous years vs. next year's budgets and expenses, shows growth trends etc.
- Supports competitive tendering, allowing marketing teams to receive offers from a number of potential suppliers before allocating tasks.

### **Process management**

Process management demands a significant portion of the marketing workload. Marketing activities are always “urgent” in the competitive market. The more pressure you have – the less control you are given.

#### **Process management functionalities:**

- Operating similarly to project management systems, prompting reminders when dates are at risk, and presenting outstanding actions according to various criteria (e.g. status of all tasks with a specific agency or pre-defined sector).
- Presenting images of the tracked collateral. Unlike other project management systems, MRM process management displays the best, most recent image of the brochure as an integral part of tracking.
- Prompts can be configured as email messages and sent as reminders when deadlines are nearing.
- Enables monitoring dates and reports failures.

### **Approving the collateral**

In some industries this activity is referred to as “the new PDF workflow”. Collaterals can appear in several different formats, e.g. sounds, email texts, video - MRM must support them all. Approval of collateral indicates electronic transmission of images and comments complying with the defined management hierarchy.

#### **Approving collateral functionalities:**

- Delivering copies of the images (or texts etc.) to be approved by all relevant personnel.
- Electronically adding comments to the images (to explain which changes may be required).
- Managing the approval cycle according to defined management processes.

### **Supporting the creative / re-purposing processes (DAM)**

There are more and more opportunities to re-use marketing collateral across various campaigns. Campaign management enables shorter, more focused and personalized marketing messages, which encourages the re-use of collateral. To enable this, MRM supports the Digital Asset Management system (DAM).

#### **Supporting creative and re-purposing process functionalities:**

- Stores images in their original format (the original file format is stored so that the image can be reused).
- Enable storing of any multimedia object (pictures, video clips, sounds, electronic documents), seeing as marketing teams are being required to produce collateral for an increasing number of channels.
- Normally accessed using a standard browser, so that the DAM can operate as an independent display mechanism.

### **Competitive procurement**

Collateral in the required quality at the lowest competitive price is not just cost effective collateral. Consistent quality in the required level is what is needed. According to case studies, this module enables savings of over 15%.

#### **Competitive procurement functionalities:**

- Secures competitive quotes for services and suppliers.
- Enables the re-use of information / specifications from historical data.
- Reports efficiency of supplier performance in comparison with their SLA.
- Compares current supplier delivery to prior projects, so the quality aspect can be brought into play by ensuring that only sent to suppliers delivering the right quality products and on schedule are used.
- Produces a standardized invitation to tender so that all suppliers are asked to quote for the identical service.
- Invitations to tender are sent out electronically.
- Compares responses.

### **Evaluation and reporting**

Using statistics and reports, the marketing department should be able to lower the costs and times of producing any piece of the collateral and improve the marketing department's efficiency.

#### **Evaluation and reporting functionalities:**

- All of the report data on marketing activities is being routinely collected as part of the MRM system's functionality. There should be no need to input data into the reporting system in order to produce management reports.
- Supports sophisticated 'slice and dice' reporting, offering several formats and perspectives in which to view the data.
- Pre-defined reports.
- Reports on both efficiency and effectiveness (how well, at what costs and time tables).

## **3. The benefits of MRM**

### **Increased internal efficiency**

- Fewer manual processes.
- Greater reuse of work.
- Fewer bottlenecks and better resource allocation.
- Improved project management oversight.
- Increased bench-marketing for continuous improvement.

**Lower vendor costs (“non-working costs”)**

- Fewer duplicated efforts on the part of external agencies and other vendors.
- Fewer unnecessary late fees, change order fees, and rework fees from your agency.
- Lower costs from increased vendor consolidation.

**Better marketing plans and decision making**

- Fewer unaligned marketing initiatives.
- Fewer conflicting marketing initiatives.
- Easier reallocation of resources from under-performing to performing initiatives.
- Quicker time to market using best-practices.
- More availability for creative and strategic work and less on managerial administration.

## 4. Examples

**Examples of the business impact of MRM:**

Company	Business impact
CVS (Pharmacy)	<ul style="list-style-type: none"> <li>• Reduce late project rate from 35% to 5%</li> <li>• Reduce no. of projects "trashed" (due to miscommunication) from 20% to 0%</li> </ul>
Aeroplan (Airline)	<ul style="list-style-type: none"> <li>• Average campaign cycle time reduced by 50%</li> <li>• Support of new segmentation increase response rate by 250%</li> </ul>
EMC (IT)	<ul style="list-style-type: none"> <li>• 20% improvement in productivity</li> <li>• Retired 8 processes from its systems</li> </ul>
Medco (Drugs)	<ul style="list-style-type: none"> <li>• Reduce cycle time by 60%</li> <li>• Increased mail volume by 90% (while increasing staff by 20%)</li> <li>• Reduced error rates by 66%</li> </ul>

In general, the key areas commonly used to drive business case are:

- Reduction in resource required to execute a marketing activity.
- Lowering costs associated with reworking deliverables.
- Decreased agency fees resulting from process improvement.

Our analyses show that companies using an MRM solution typically achieve the same marketing results with:

- Two-thirds of internal resource costs.
- One-half the agency expenses.
- One-eighth reduction in media, production, and materials spending.

***Bottom line: MRM can save up to 19% of total marketing expenditure, if implemented correctly and fully operational.***

## 5. Conclusion:

I should mention that MRM won't make a difference in every organization, but it will be significant in organizations facing complex and high volume marketing challenges such as:

- Large volume of marketing expenses (millions).
- Operates several offices and/or employing over 30 staff.
- Involve complicated creation and or sign off processes.
- Deliver through several Marketing Channels.
- Spend more Executive time on Meetings and reporting than on creative aspects.

In those cases, MRM will save a significant affect on the resources, efficiency and spending of the Marketing department and the entire organization, so yes: MRM does matter...

## About Synergy

**Synergy** is Israel's largest international consulting company, specializing in customer management and assisting organizations to fulfill their end-customers' business potential.

**Synergy's** uniqueness is in its team of highly experienced professional consultants who have an extensive marketing background from the service and retail industries.

**Synergy** offers its customers the most advanced professional know-how, both locally and globally, on a variety of customer management issues, thus maximizing revenues generated from end-customers.

**Synergy** is widely experienced in organizational consultancy, both locally and abroad, on all marketing, service and retention areas, dramatically improving your business results. Among our customers are local and international leading organizations in the communications, finance and retail fields.

**Synergy's** implementation approach is based on characterizing and establishing the business need, by defining a combined business, technological, analytical and organizational solution.

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