

WHITE PAPER

# Disruption in the Communications Industry Represents Serious Supply Chain Risk

How to Gain Control and Drive Efficiencies



# Protecting a Critical Revenue — Creating Capability

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## Abstract

This paper addresses the growing changes, complexity and demand pressures placed on buyers of integrated marketing consumables, and the supply-side shift from commodity-based, product-driven purchasing to outcomes-focused engagements. To maintain the integrity of work critical to achieving key business objectives, procurement professionals must identify ways to remove barriers to completion, reduce noise and minimize inefficiency. Reallocating valuable time to core responsibilities means having more energy and focus on strategic planning.

As the corporate world evolves, so must the solution. Adoption of outsourced managed services is steadily gaining prevalence as a way to identify inefficiencies and hidden costs in the supply chain, leverage buyer power and reduce total cost of ownership.

CPO's appear acutely aware of what needs to be done — better, more focused partnering with the strategic business functions; greater insights derived from analytics; and supplier relationships that are collaborative, innovative, and sources of competitive advantage — but most feel they are unable to field a team (and perhaps the tools) that can deliver those activities.<sup>1</sup>

*Deloitte, "The Deloitte Global CPO Survey 2016"*

In every industry and with any product, the communications journey is likely to be inefficient and expensive. The current state — often high-touch, error-prone and costly — is not sustainable. The challenges of today cannot exist in the world of tomorrow.



# Risk 1: Inefficient spend on print, products and fulfillment

**Did you know that for every \$1 spent on the product itself, another \$6 is spent on ancillary services? Or that the communications supply chain can represent as much as 3 percent of revenue and 15 percent of overall indirect purchases?<sup>2</sup>**

The risk is real as these inefficiencies can significantly strain your bottom line. And the opportunity for waste is everywhere — including rush fees to meet deadlines, not exploring the right balance of inventory versus on-demand, ignoring buying power by using multiple vendors and more.

Cost reduction continues to be the number one priority for procurement leaders. 78 percent of respondents in a recent Deloitte survey identified reducing costs as their top priority strategy. CFO's are being more focused on controlling costs than at any other time within the last 8 years.





## Risk 2: Poor visibility into inventory and spend



**Nearly two-thirds — 65 percent — of all procurement leaders say they have “limited or no visibility beyond their Tier 1 suppliers.”<sup>3</sup>**

Vendor fatigue is a growing concern for both procurement and marketing, especially in larger corporations that may have networks with thousands of vendors. The more vendors in an organization, the more complexity involved, the more resources utilized, the more time spent tracking spend and inventories — and the more room for error.

With each vendor having its own software programs, reporting capabilities, distribution points and constantly changing contacts, managing these networks is a significant challenge for CPOs and their teams, particularly in terms of gaining insights into inventory and distribution processes.

**High performers are two-and-a-half times more likely than their peers to have full supply chain transparency.**

*Deloitte Global Survey*



# Risk 3: Business continuity risk due to rapid industry change

With the explosion of digital communication mediums, the state of traditional marketing execution is in flux. The commercial print, promotional product, and marketing supply chain industries are in the midst of a period of rapid consolidation and subsequent capacity rationalization in an effort to drive profitability. Closing facilities and shedding less productive equipment is necessary to optimize a changing supply and demand environment.

As these market forces shift and settle, business continuity risk jumps. It is critical to understand the short and long-term prospects of your marketing execution partners to ensure continued access to the communications vehicles need to run your business. Defining contingency plans and identifying stable, flexible, and large footprint providers can help mitigate this risk

Printer consolidation has outpaced declining print sales. 22.9 percent fewer commercial print shops exist today than in pre-Great Recession 2007, with print sales only down 14.6 percent over the same time period.

*Printing Impressions Magazine*





# The Solution: Expert assessment from Taylor Communications

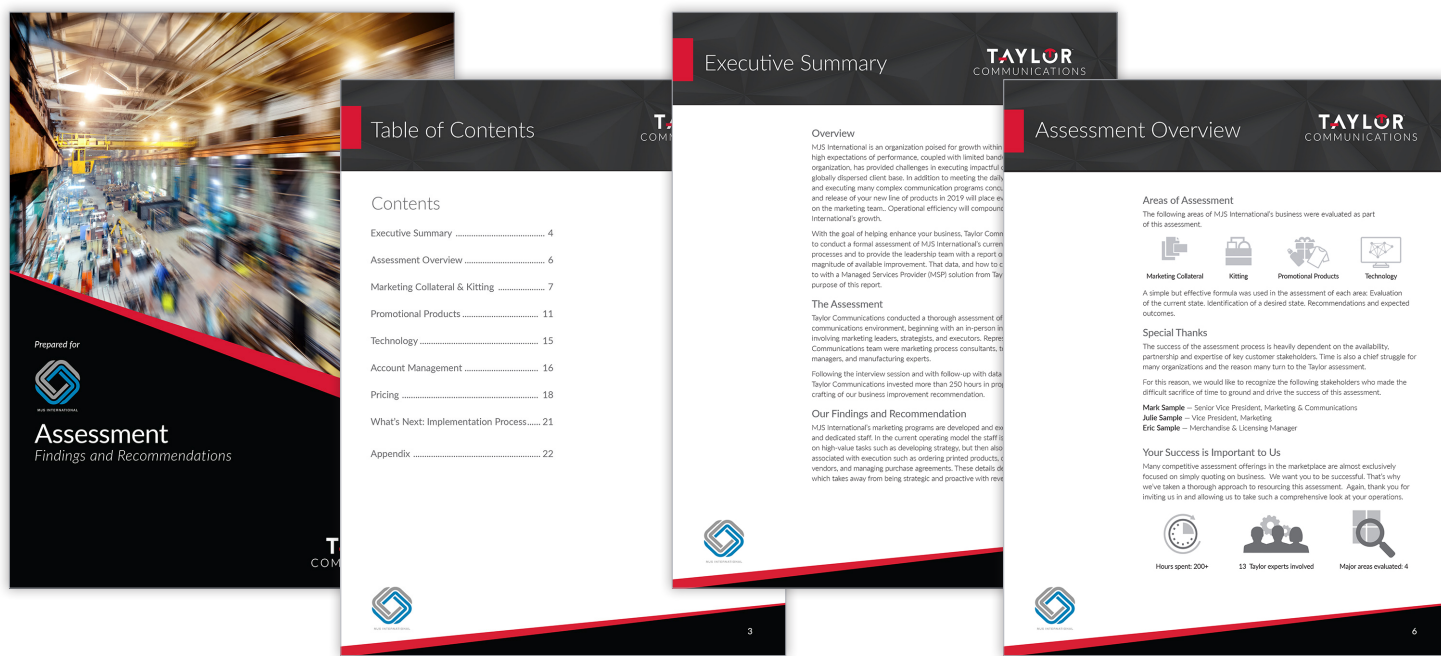
**“Increasingly, organizations are handing over responsibility for other competencies, either in full or in part, to an expert third party with the expectation of achieving greater efficiency.”<sup>14</sup>**

So, where do you start? How do you begin to examine how you can minimize spend, create measurable return, maximize resources and still keep your sanity? All while trying to manage risk, maintain quality, and learn new technologies?

Let the experts at Taylor Communications assess your communications footprint and spend. Our seasoned SME's will take the time to learn about all areas of your business and marketing communications execution — leveraging proven solution experience to evaluate the people, processes and technologies in each area. From there, we will evaluate the results and share recommendations on hard and soft cost savings, increased marketing efficiencies and how to leverage superior technology to drive an improved day-to-day experience while enhancing transparency.

The no-obligation Assessment process is non-intrusive and highly efficient. Our experts will work collaboratively with both those who own the P&L for the business, along with the day-to-day executors of communications programs. From beginning to end the Assessment process is transparent, comfortable and fun. Most importantly, it culminates in an easy to understand report on the clear wins available to our clients and how to realize them immediately.

If the Assessment identifies opportunities where Taylor Communications can help save money, enhance transparency and keep you ahead of the curve in the constantly changing communications environment, we will look forward to partnering with your business to implement a Managed Services Program solution that meets your goals and fits your business.





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## A blue wine tumbler with a silver rim and the MJ28 International logo. The logo consists of a stylized blue and silver geometric design above the text "MJ28 INTERNATIONAL" in silver capital letters.

Enjoy your drink at any moment.  
18/18 stainless steel vacuum  
insulation, which allows your b  
24 hours and hot for at least 6  
also prevents condensation on  
tumbler. Perfect accessory for  
on lid. Wide opening for comf  
Durable powder spray color. 1

Product Size: 3.31" x 4.45"  
Product Colors: Black (BK), Gray (GY), White (W), Process Blue (B)  
Minimum Quantity: 48  
Price: \$

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Sport-Tek PosiCharge Compel soft cotton hand merges with wicking performance in this tee finish. 4.7-ounce, 100% spun PosiCharge technology Soft for comfort and relabeling Dry

**Product Size:** XS, S, M, L, XL  
**Product Colors:** Black, Carolina  
Deep Red, Forest Green, Neon  
Purple, Silver, True Navy, True  
**Price:** \$ S-XL, \$ 2



Great for the beach or as a gym tote, this mesh bag allows for sand to easily fall through the bag and allows your items to stay fresh and clean. Zippered main compartment and large front slash pocket. 11" handle drop height.

Product Size: 21" x 15" x 6"  
Product Colors: Black (BK), White (WH), Royal (RYL)  
Minimum Quantity: 48  
Price: \$





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  - 2 KeyPoint Intelligence
  - 3 Ibid
  - 4 Siemens Financial Services, "Outcomes and Opportunities: How finance-enabled business models are developing to drive effective organizational and digital transformation" (<https://www.siemens.com/content/dam/internet/siemens-com/global/products-services/financing/pdf/sfs-whitepaper-2017-outcomes-and-opportunities.pdf>)
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