

Production Outsourcing

- Our Experience



Background

- In 2005 the weekly creative services at ThisWeek Community Newspapers group was merged with the parent daily group
- Brought to light the key issues
 - We created more ads from scratch than the daily group
 - Total ad touches were about 350 to 400/week
 - Turn time was compromised: our ads were put in queue with daily and turn times were not met consistently
 - Realtor ads were late and filled with errors
 - Quality was compromised; many customer issues; unbearable
 - Competition for resources: recurring theme in a consolidated environment
 - We needed a fix

Options

- Developed a plan to move creative services back to our operation
 - 2006 benchmarked cost of ad services with industry peers
 - Studied other weekly and small market papers
 - Built plan to handle to reclaim creative services and reduce costs 20%, which we knew we could exceed
 - Just before we were to present the plan, corporate decided to outsource
- Outsource considerations
 - Savings
 - Belief that internal management was not efficient
 - Department would have had to be rebuilt internally: the external solution would free our internal team from managing the business and not this production center
 - Credibility of vendor: worked with Advo and other high production ad sales orgs
- We were an early adopter, not consistent with our culture

Issues at Changeover

- We are not a beta culture; we violated our rule and regretted it
 - Internal processes were broken
 - We insisted on owning the software and hardware: Let the vendor integrate.
 - We insisted on having staff on site to oversee work process and interface with our staff
 - Vendor was not as prepared as their man on the street said they were
 - We asked them to cut over 8 weeks early; they said yes and were not ready
 - We had a full fledged disaster
 - Every conceivable problem
 - Ad errors of every imaginable flavor; copy, design, late, corrections with new errors
 - Ad insertion problems: wrong ads; no ads; wrong versions of ads
 - We wrote off a ton of business to maintain advertiser relations
 - They persisted and did not appear to improve short term
 - Vendor put every resource on staff
 - We had 4 full time employees on site at our location to facilitate work processes
 - Nothing seemed to be working and it looked like we couldn't define the problem as step one to fix it

Persistent

- But no one gave up
 - Vendor brought in an expert to manage the day to day
 - They did not have the staff competence on site that was required: so they fixed it
 - After about 8 weeks things stabilized and improved
 - More discipline, better reports, clearer communication
- Now:
 - The process is remarkably smooth; we seldom have a process problem
 - Errors and write offs are too few to mention
 - Electronic proofing works beautifully
 - We recently cutover to a new ad entry system: from GEAC to Mactive. From an ad serving point of view, there were no issues.
- Vendor is very responsive, and a good partner

Work Flow

- Sold or spec ad to production
 - Info scanned and sent overseas
- Within 24 hours electronic ad proof is sent to sales rep and assistant
 - Sent via email
- Ad changes/corrections made electronically
- Revised Proof is sent after corrections made
 - Usually within 4 hours
- If correct, ad now requires electronic approval
- Ad sent to pagination

Outsourcing Ad samples

The collage contains four distinct advertisements:

- Real Estate:** An advertisement for 'The McCurdy Team' featuring a photo of a man and the text 'Real Experience Real Marketing Real Estate Refinement'. It includes a grid of house photos and contact information for Kurt's 24-hour team of professionals.
- Community Calendar:** A 'Peckerington Community Calendar and Chamber Events Spotlight' featuring a calendar grid for July events, including 'Laura's Loft', 'England', and 'COLUMBUS'.
- Grocery Flyer:** A 'KELLY'S MARKET' flyer for 'Father's Day 2009!' with various food items and prices, such as 'Meat Ground Chuck 4/\$5.00' and 'Grocery' items like 'Bananas 88¢' and 'Coke 2.28'.
- COLUMBUS:** An advertisement for 'COLUMBUS' with the tagline 'Proudly serving the Citizens of Fairfield County' and a list of services including 'COLUMBUS' and 'GO For Your Goals!'.

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- Flooring:** An advertisement for 'IC FLOORS' with the text 'Floors Designed for Style... Floors Done for You' and a photo of a living room.
- Art Gallery:** An advertisement for 'Euans-Art Gallery' with the phone number '614-475-7677' and the website 'www.euans-art.com'. It features a photo of a man playing a trumpet and lists services like 'Personalized Pet Portraits' and 'Fine-Art Photography'.
- Dance Center:** An advertisement for 'CUTTING EDGE DANCE CENTER' for 'SUMMER CAMPS 2009'. It lists various camps like 'VIDEO POP STAR', 'TITUS AND THE ARKS', and 'HOPDOWN THROWDOWN', with a cost of \$130.
- Restaurant:** An advertisement for 'FOOTBALL, FOOD & FRIENDS!' in Westerville, Ohio. It features a map and lists several bars and their offerings, such as 'BARON'S STEAK HOUSE', 'LARRY'S B'S', and 'SPORTS BAR'.

Advise and Observations

- Make sure your internal processes are well managed before you outsource
- Give up the belief that you'll sacrifice quality
- Demand at least one on-site resource person
- Listen to their recommendations: they have tons of experience
- Biggest value for sales reps: nearly every ad turned in for design by 4 p.m. is returned with an electronic proof by 8 a.m. the next morning. This is huge. Electronic proofing is fabulous.
- Vendor has added a creative services director: to help us get agency quality design for important clients. Just started.
- The design group from another business under our responsibility is now run into the group: vendor did it with no additional cost and not a single issue.
- Now...we've asked to be the corporate test department for web ad design: we like the service.

Savings

- 2006 – 2008
 - 41% Net Savings