Strategic sourcing of marketing content

Hanna-Maija Nyberg

was invited by Nordic and Baltic telecommunications leader Sonera to develop a new business model to bring more consistency and efficiency to marketing in 1999. Since Sonera and Telia merged, she has led Sales & Marketing Corporate Sourcing. Previously, Hanna-Maija managed McCann-Helsinki's advertising production and below the line group.

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Abstract Supply chain management is significant for brand owners simply because the global market situation requires the rapid execution of marketing campaigns. Faster time to market is essential, especially for enterprises operating in several countries or regions. Companies meet new challenges with brand consistency and cost control. Without standardized workflows and tight cost control, the campaign localization process is inefficient, takes too much time, causes uncertainty in output quality and is more expensive. There is a clear need for tools to ensure output quality and to control the costs. A unified, transparent process through the supply chain is the key to collecting the necessary information, speeding up campaign launches and gathering reliable reports for businesses' use. TeliaSonera's Marketing eTools solve the pain points in brand management, give necessary tools for operative work and bind the supplier chain in a unified, transparent and measurable workflow. TeliaSonera Finland shares the campaign creation, execution and measurement process with the partners — creative agencies, research, event and all production companies. Since beginning this workflow four years ago, Marketing eTools has provided benefits and bonuses for TeliaSonera as it has been used by both marketing and partners.

THE BENEFITS OF STRATEGIC PARTNERING

Today's global market situation challenges enterprises in a new way. The accelerated marketing cycle — especially simultaneous launches of campaigns in different market areas — poses completely new challenges for buying services and for monitoring results. The greatest challenges to a company's marketing function relate to ensuring brand consistency in all areas and all channels, management of total costs and schedules, and efficient use of available resources.

Marketing operations are often interdependent yet not systematically integrated. The result is a high degree of inefficiency and, more importantly, slow response to customer demands and market conditions. Relating these functions requires a comprehensive systems approach that manages all marketing processes: planning, project management, budgeting, scheduling, tracking/reporting, digital asset management, and uniform sourcing.

This model sets high requirements for the enterprise's marketing function: it must change its practices, review and unify its processes, create common rules both for marketing and for cooperation with all external partners, and make everyone committed to the company's way of operating. This helps the company create a model where each partner has a role defined by the service buyer, where optimum resourcing is achieved, and where the workflow has been clarified by means of predetermined responsibilities throughout the supply chain.

UNIFIED WORKFLOW THROUGH THE SUPPLY CHAIN

Marketing is one of the most variable business processes in any enterprise, both from industry to industry and company to company. The nature of an organization's marketing processes is tightly linked to their products or services, channels, markets, and brand, when compared

Hanna-Maija Nyberg
TeliaSonera Finland Oyj,
Teollisuuskatu 15,
PL 154, 00051 Sonera,
Helsinki, Finland
Tel: +358 40 5062561
Email: Hanna-
maija.nyberg@teliasonera.com

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Mobile Summer campaign 1745

Project info	Top level info
Project settings	
Project name	Mobile Summer campaign EDIT
Project level	Media
Project creator	Andrew Hannah
Products / Services	Mobile products EDIT
Country	Finland
Regions / Dealership	Sweden Norway
Overall objective	Activate SMS and MMS services in up to 20% of target group. EDIT
Main message	Sonera's new mobile services are simple to activate and easy to use.
Project timing	<u>10.01.2002</u> - <u>10.08.2002</u>
Media advertising (Top level) EDIT	
Sonera Responsible	Andrew Hannah
Channels / Types	<ul style="list-style-type: none"> • Print • Internet • TV
Target group & segment	B2C EDIT <ul style="list-style-type: none"> • Seniors • Dealers • Partners
Direct marketing (Sub campaign) EDIT	
Sonera Responsible	Jane Grey
Channels / Types	<ul style="list-style-type: none"> • e-mail • Wireless • Print
Target group & segment	B2C EDIT <ul style="list-style-type: none"> • Seniors • Dealers • Partners
Project team EDIT TEAM	
Sonera Sales & Marketing EDIT MESSAGING	
<u>Luis Red</u>	Marketing director
<u>Christine Blue</u>	Marketing manager
Ad. agency EDIT MESSAGING	
<u>Eric Orange</u>	Project director
<u>Lily Green</u>	Project director

Figure 1: Project summary — TeliaSonera Marketing eTools system streamlines the workflow process across entire groups of users and organizations and eliminates the frequent redundancies that hinder the speed and consistency of many marketing processes

Active projects | [Published projects](#) | [Projects on hold](#) | [Cancelled projects](#)

Projects

View All projects						
Active projects				CHANGE STATUS		
Name	ID	SAP project number	New inquiry	Offer sent	Offer waiting for acceptance	Order waiting for confirmation
Q2/2002						
<u>Mobile Summer campaign</u>	1745	888888	4	3	1	
└ <u>Mobile Summer media advertising</u>	1746	999999	2	1		
└ <u>Mobile Summer events</u>	1747	333333	1	2		
Q1/2002						
<u>eSonera B2B</u>	1726	555555	2	2	1	1

Figure 2: Project structure — A listing of the number of inquiries, offers, and orders is indicated for each project and sub-project to allow production partner sales teams a quick overview of each project's status

with that of finance or manufacturing. Enterprise marketing services must easily adapt to any number of marketing organizational structures and processes.

To date, advertising agencies have taken care of the advertisers' materials, rights and purchases from subcontractors. In the future, it will be necessary for an enterprise to manage the marketing process and the supply chain to be able to leverage the measurements of advertising effectiveness — both successes and failures — in business planning.

Although companies have invested in systems for customer relationship management, enterprise resource planning (ERP), content management, and digital asset management (DAM), the marketing processes, resources, partners and measurement methods of many companies still allow the supply partners great liberty and are based on interpersonal agreements rather than on a uniform conceptual model established by the companies. Even most of the larger corporations lack commensurable tools and methods. This results in overlapping work, and costs both time and money, as previously produced information cannot be utilized further in business planning. The truth is, however, that in future, no one can afford overlapping processes, as the speed of the marketing cycle will be the most significant

competitive factor in the global market economy.

TeliaSonera's Marketing eTools system (see Figures 1–8) represents a business strategy for accelerating business process cycle times. Depending on the nature of the cycle times required for different business models, enterprises will reap the interrelated benefits of improved time-to-market, process improvements, and cost reductions. Businesses whose revenues reflect short-term marketing investments (consumer-packaged goods, entertainment, automotive, consumer electronics etc) achieve the best possible return on investment (ROI) due to the time critical nature of their operations. However, even organizations whose businesses derive revenues from long-term contracts or long-cycle infrastructure products, where time-to-market is less critical, still reap a positive ROI through process improvements and cost reductions alone.

The Marketing eTools system is an everyday tool for TeliaSonera's marketing function and its partners, and it is used for carrying out all marketing and communications projects. The system contractually ties the different parties to a process defined by TeliaSonera — a process where everyone has a clearly defined role and responsibility. The system was introduced in 2001, and since then,

Create new project (1/6)

Project type ➡ Target group > General settings > Teams > Budgets > Summary

Project wizard adapts each step based on the choices you make.
 Fill in required information, then move forward with the yellow arrows (➡).
 To modify your previous choices without losing any information, move backward with yellow arrow (⬅️).
 To cancel project creation now press **CANCEL**

Name & Level

Project name

Project level

Project type

Choose what project types, media, channels, procedures etc. will be included.
 If more than one main project type is selected, the next step will adapt to set up sub-campaign structure.

☐ **Media advertising**

☐ TV	☐ Print
☐ Radio	☐ Internet
☐ Outdoor	

☐ **Direct marketing**

☐ Print	☐ e-mail
☐ Campaign web site	☐ Wireless

☐ **Digital marketing**

☐ Campaign web site	☐ Internal web site
☐ Web Service	☐ Banners
☐ Wireless	

☐ **Dealer marketing**

☐ Campaign information for dealers	☐ Dealer templates and print elements
☐ End customer handouts	☐ Direct mail
☐ In-store materials	

☐ **Events**

☐ Exhibition	☐ Internal event
☐ Customer event	☐ Sponsoring

Figure 3: Project definition — Users can freely move backward and forward through the different phases of the project definition form without losing any input data

the cost savings and optimal use of resources achieved by the process have received ample praise not only from TeliaSonera employees but also from external partners (creative and media partners, production, research and event companies, etc).

Key benefits achieved by the Marketing eTools system include:

- real-time information channel for all project members;
- centralized database for compiling information on project participants, materials produced, costs, results, surveys conducted, and market analyses;
- continuous development of the process in order to support business operations, to save

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Budget		Partner costs
<Ad agency name> total		
	Accumulated	Confirmed billing
Strategic planning	12750	12750
Creative planning	101000	101000
Account management	1555	1555
Own production	1555	1555
Subcontract costs	1555	1555
Total €	118455	118455
SAP invoicing code for <Ad agency name>		
Invoicing code has not yet been allocated.		

Finland	Sweden	Norway	Denmark
Nuorisokampanja media advertising			
		HISTORY	
	Cost estimate		Billing
	hours	total	total
Strategic planning	<input type="text"/>	<input type="text"/>	<input type="text"/>
Creative planning	<input type="text"/>	<input type="text"/>	<input type="text"/>
AD	<input type="text"/>	<input type="text"/>	<input type="text"/>
Copy	<input type="text"/>	<input type="text"/>	<input type="text"/>
Account management	<input type="text"/>	<input type="text"/>	<input type="text"/>
Management	<input type="text"/>	<input type="text"/>	<input type="text"/>
Assistants	<input type="text"/>	<input type="text"/>	<input type="text"/>
Own production	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL €		0	0
SAVE ACCEPT			
Subcontract costs			
		Cost estimate total	Billing total
<company name>		2200	<input type="text"/>
DELETE ACCEPT			
<company name>			

Figure 4: Cost structure — Each partner organization is assigned a specific cost structure whenever that partner is associated with a project. Business logic reads the appropriate cost structure from the data structure and creates a cost form visible only to that particular partner and the internal project team via the partner costs interface.

resources, and to provide real-time information for planning purposes.

Partner network:

- each partner has a contractually defined role and responsibility;
- partners have received training related to the brand and the marketing concept;

- procurement process (request for quotation (RFQ) offer, order, billing);
- uniform and comparable pricing regime;
- standardized workflow.

Uniform marketing metrics:

- uniform budgeting and target-setting;

Project elements

Project images

Template jobs

Template usage

Element info

Inquiries / Offers

Job info

Documents

Final elements

Production inquiries and offers

HISTORY

1. To create new request for quotation (RFQ) for production:

NEW PREPRESS RFQNEW PRINTING RFQ

2. All production costs must be approved by Sonera.

To get approval: choose one of the offers and press the 'Recommend' button.

eTools will immediately send an e-mail request to <project responsible name> who is responsible for project budget. You will be automatically notified by e-mail when the recommended offer has been accepted/rejected.

3. Send inquiries cannot be changed.

To replace sent inquiry with new inquiry, fill in another RFQ form.

4. To view sent inquiries and arrived offers, click on file name.

Prepress inquiry	Prepress offers	Recommendation
<u>Prepress RFQ 30.5.2002</u>	<€150000> 25.5.2002	☐
Ann Black, Ad. agency	Harry Hill, Prepress company	<div>RECOMMEND</div>

Printing inquiry	Printing offers	Recommendation
<u>Printing RFQ 14.5.2002></u>	<€250000> 25.5.2002	☐
Ann Black, Ad. agency	Peter White, Printing company 1	☐
	<€230000> 25.5.2002	☐
	Elena Pink, Printing company 2	<div>RECOMMEND</div>

Figure 5: RFQ — offer — Marketing eTools sourcing processes generate inquiries based on the media type and thereby contains all necessary information for the production partners. Once the inquiry is completed the system requires three partners to be chosen from a list automatically generated from the pool of appropriate partners. The partners fill in the cost and information fields in the offer form and once an offer is accepted by the customer, it is immediately added to the accepted cost estimate total for that particular production partner as well as in the total accepted cost estimates.

- uniform effectiveness metrics means comparable group-level reporting;
- monitoring of marketing costs and effectiveness as part of business planning;
- uniform way of assessing and developing the competence of the marketing personnel.

PROCUREMENT AUTOMATION

Enterprises buy marketing services on a turnkey principle. Fragmented purchases from subcontractors are made on behalf of the enterprises by creative agencies with competence and understanding of various production techniques and their requirements. Most companies do not have marketing purchasers who master new graphic nor digital technology in all of its various forms or specialists in the field, but usually they trust the choices made by their partners. The larger the number of countries in which an enterprise markets its products, the more important the management of the subcontractor network is. An average

campaign includes 25–30 elements. If the marketing is targeted to ten countries, how the 250–300 different advertisement or brochure versions are produced is highly significant.

The Marketing eTools system provides a tool for the management of the entire sourcing process: RFQ, offer, order, confirmation and billing. The different steps of the purchase process are available transparently and in real time to the enterprise’s marketing function, where the person responsible for the campaign approves the partner’s choice and the related costs, via the system. The costs, production steps and documentation are collected in a centralized archive during the project and automatically subjected to real-time monitoring. This allows the enterprise to utilize all the information in the future without having to use the same supplier. A uniform process guarantees independence of suppliers in the production of materials.

Producing 250–300 material versions using predetermined sourcing processes within

Figure 6: Metrics and research — Marketing eTools Metrics section provides a real-time, cost-benefit assessment and efficiency reporting of all marketing projects, up-to-the-minute marketing calendar, and access to additional materials like general market analyses and research reports

centralized data system brings savings of about 30–50 per cent of production costs.

AUTOMATED CAMPAIGN REPORTS

To succeed in global markets in the future, an enterprise should define common metrics for marketing and create a concept for project workflow to which strategically selected partners can be connected. This is a prerequisite for reliable reporting that provides the enterprise's business with genuine added value and enables the enterprise to react much faster to changes in market conditions and to take the required marketing measures more rapidly. The only way an enterprise can justify the ROI of its marketing investments and react sufficiently quickly to market demands is by creating models and concepts for a uniform process from planning and implementation of projects to metrics. In the Marketing eTools system, reporting is an integral part of the process. Information is automatically transmitted to a follow-up report regardless of the point of the workflow at which the information to be monitored is entered. In most cases, information is compiled in the report piece by piece, based on the information provided by external partners. This is the case, for example, in the monitoring of partner costs. A real-time monitoring tool makes it easier to monitor costs, but its greatest added value lies in the fact that

campaign results can be integrated with business planning, ie closing the loop.

LEARNING BY EXAMPLE

The most important thing for a person responsible for an enterprise's brand to ensure is brand consistency in all marketing communications. This is definitely as important as campaign metrics, effectiveness and results for an enterprise's CMO.

How could we then ensure brand consistency in global campaigns and achieve maximum effectiveness with optimum input without a common process that originates from the enterprise and engages all partners?

The most efficient way is unlikely to be a dispersed management model. Is it even realistic in practice to expect to receive reliably reported information from different parts of the world? After all, we do tend to see things from our own perspective, making the best of them.

When I started to develop the Marketing eTools concept at the turn of 1998–99, my aim was to build a centralized picture bank for TeliaSonera's marketing function. I soon came to realize, however, that what the company needed was a shared channel for distributing information and a common communications tool. To develop the procurement competence in business units we needed a common purchaser-independent model for dealing with partners. We started to unify our processes and train our personnel, and Marketing eTools was launched in October 2001, to cover the whole marketing process — planning, projects and follow-up — and to compile all the information in a centralized database.

Today, hardly anyone at TeliaSonera would be willing to carry out a project without Marketing eTools — it is the key tool for compiling and distributing information. About 95 per cent of all marketing operations are carried out by means of Marketing eTools. The system has 700 users in Finland alone. The process will certainly develop and change according to TeliaSonera's needs, but the framework will remain unchanged: a uniform process for marketing, partnering and measuring.

Telecom News	Sonera market analysis	Brand research	Customer satisfaction
Reports			
Name	Owner	Publishing time	
Report1	Andrew Hannah	24.12.2002	
Report2	Andrew Hannah	24.12.2002	
Report3	Andrew Hannah	24.12.2002	

Figure 7: Up to date market analysis and research information for marketing management

Nuorisokampanja 1486 PRODUCTION

Project elements	Project images	Template jobs	Template usage
Job tickets			
Click on job ticket name to see details and materials.			CREATE NEW JOB TICKET
Brochure	Inquiry	Offer	Recommended to Sonera
e-Sonera brochure	Offer accepted	Order confirmed	
☐ Prepress work ☐ Printing work DELETE			
e-Sonera brochure			
☐ Prepress work ☐ Printing work DELETE			
Poster	Inquiry	Offer	Recommended to Sonera
Sonera poster	Offer accepted	Order confirmed	
☐ Prepress work ☐ Printing work DELETE			

Figure 8: Uniform processes and metrics in procurement speed up the delivery time and secure the brand quality with less money