Enterprise approach to MRM

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BACKGROUND

The public sector is often perceived as being leaden footed in introducing more efficient systems and it is not known for pioneering new technology. This is often the case precisely because it is public money at stake and there is risk associated with such changes.

Large public sector organisations have much in common with large companies when it comes to investment decisions, value for money and improving efficiency. The UK government, however, is promoting a 'Modernising Government', however, programme and promoting e-Government to provide better choice and access for customers.

Scottish Enterprise is a large operation with an overall annual budget of £500m and some 2,500 employees. Its remit is economic development, which covers supporting the business community, promoting skills and learning issues plus projecting Scotland's interests overseas. In order to carry out this work, it has a network of 12 regional offices and 50 Business Gateway offices in Scotland and some 20 offices around the world.

In marketing terms its remit is a tall order, considering that the customer base includes individuals in Scotland, businesses in Scotland, target businesses around the world and numerous stakeholders and partners. The marketing budget averages £14m annually and involves some 40 staff operating in five

teams. However, the important aspect of the marketing function in Scottish Enterprise is that it is fundamentally similar to that in any large private sector company.

WHEN DID SCOTTISH ENTERPRISE GET INTERESTED IN MARKETING RESOURCE MANAGEMENT (MRM)?

Scottish Enterprise completed an extensive 'business transformation' review in 2001. This was wide ranging across all activities and anticipated the move to the Modernising Government agenda. One of the major investment decisions was to acquire a customer relationship management (CRM) system for the organisation. A Peoplesoft system has now been installed. The marketing department was reorganised into a more central function and while the numbers employed were reduced, there was a move to recruit more professionally qualified staff.

One of the recommendations from the business transformation review was that we should have a central database of digital assets — a DAM. And, while there was a consensus that we could improve the marketing process, we really did not know where to start. Some of our agency suppliers were already offering forms of online approval and, in 2002, we commissioned one of our design agencies to build an online artwork review and

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approval system for our work with them.

This simple system was developed quickly and turned out to be very productive for the people who worked with this agency. We therefore decided to explore the issues further. We became aware of an MRM supplier within walking distance of our offices. Glasgow-based Connecti had recently secured a major contract with Toyota, and in 2003 we invited them to provide some consultancy. Their report was very encouraging and convinced our team we should consider systems further.

HOW DID SCOTTISH ENTERPRISE GO ABOUT ACQUIRING AN MRM SYSTEM?

The initial work indicated that a significant investment in time, people and money was required to take this project further. We recognised then that some of the main issues would be about change management and that we needed a team approach.

We decided to recruit a project manager, preferably one with experience in this area. Our tender for post resulted in us appointing Roy Dewell, who did indeed have the relevant experience. Roy has experience with DAMs specifying MRM systems and knowledge of the print process. In early 2004 we set up a steering group and a project team.

Our first task was a complete business process review of existing work processes. This involved the project team and outside suppliers mapping work processes. We scrutinised billings from suppliers to see where time was spent. This resulted in a fairly full needs analysis. In addition, we started reviewing the MRM supplier market and, based on the needs analysis work, we asked three suppliers for informal indicative quotes.

Armed with all this information we

put together an internal 'Business Case'. Our internal management processes are such that all projects requiring investment are subject to rigorous review by various panels. This includes scrutiny of the business case and overall project plan by colleagues, peers and senior management. This sounds bureaucratic, and it is time consuming, but it undoubtedly ensures a thorough understanding of what needs to be procured.

Another aspect of public sector procurement is that major purchases are subject to strict European tendering procedures. All tenders exceeding £154,000 must be published in the *Official Journal of the European Union* (OJEU). In effect this opens such tenders to a worldwide audience. Although the tendering process is lengthy, taking a minimum of 90 days, it has the advantage of ensuring that the customer gets the widest possible response.

WHAT WE LEARNED IN THE TENDER PROCESS

The tender process solicited an excellent response in terms of numbers and quality. This reassured us and should reassure others considering acquiring an MRM system.

Scottish Enterprise is used to fairly large tenders and procurement exercises. We know that getting a well defined brief and being extremely explicit about what and how we want bidders to respond is of key importance. It helps us compare like with like. We based the brief on a work process requirement rather than a technical system requirement. The OJEU tender process sets certain parameters that need to be followed, but which help concentrate the minds of bidders. For example, we made it clear that we would weight price versus quality in the ratio 30:70.

Figure 1: Some of the companies that expressed an interest in tendering for Scottish Enterprise's marketing research management operation

The brief itself, in addition to corporate information such as company history and financial strength, sought answers to over 200 simple questions about system features which could be answered simply such as yes, no or available in the future.

The tender process started in August 2004 and generated interest from 30 companies who were asked to complete a pre-qualifying questionnaire (see Figure 1). This resulted in 12 companies being sent the full tender. It would be fair to say that all the known main suppliers in the market responded. The evaluation process narrowed the offerings down to three companies who matched in excess of 90 per cent of our needs. Suppliers and reference sites were then visited and we concluded our decision process in April 2005 by selecting Assetlink to run a pilot programme of all modules.

We think it reassuring for the marketplace that we considered that seven companies could have fulfilled most of our fairly demanding requirements. However, some suppliers had big gaps in their capabilities. In comparing prices

among all 12 bidders, we found that total prices for three years of operation of our specified system ranged from £68,000 to in excess of £600,000 (see Figures 2–4). We are unable to reveal supplier names, but more details of our relative scoring of requirements and price comparisons are recorded in a presentation given at a recent MOM conference and on our website (see www.scottish-enterprise.com/mrm).

WHERE WE ARE NOW AND WHAT ARE OUR PLANS

We have called our MRM system 'Brand Seer' (the name of an ancient Scottish soothsayer). This name reflects the importance attached to the management of our brands. In August 2005 we started a pilot programme for Brand Seer and that work concluded in November 2005. We adopted a narrow but deep approach, testing all modules of the system thoroughly but with only a small part of the business and with a limited number of selected marketing executives and suppliers. This went remarkably well,

Figure 2a: Functionality scores for final seven companies

Figure 2b: Functionality scores for final seven companies

with no major problems, but did amass a list of minor operational issues which are being discussed with Assetlink. During the pilot programme we also loaded over 2,000 images to the DAM. The challenge here is ensuring that agencies and other image owners attach the required metadata.

At the start of the pilot we carried out a time-sheet measurement exercise, asking all marketing staff to measure how they spend their working day. We repeated this in October 2005 and will do so again as we roll out the system.

We are keen to assess the improvements in operating efficiencies, not just as part of our commitment to Modernising Government, but also to help us plan our next steps with Brand Seer.

Full implementation commenced in November 2005, and we plan to complete by June 2006 at the latest.

We are very conscious that the new system is principally a change management programme. We have attempted to involve as many marketing staff in the project as possible over the last 18 months, and many of them have

Figure 3: Costs for pilot

Figure 4: Costs for three years operation

helped in the selection process. This means that staff are well acquainted with what is coming. We have spent time briefing our suppliers and it is encouraging that they are all broadly supportive — and some enthusiastic — about our system. We have set aside resources and time to work and train these partner suppliers.

We are already beginning to see operational benefits and costs savings. The marketing executives involved have been able to manage more projects and,

in some cases, have been able to re-purpose leaflets and posters without involving the design agency. There have been zero courier costs for the pilot area. In the coming months we will be exploring how we integrate Brand Seer with our other in-house systems.

SUMMARY

Since we started looking at this project, we have seen a much matured market, with many able suppliers, with numerous

installations. We have taken a rigorous approach to defining our own requirements and planning for a full implementation. We hope other public

sector bodies will follow us and reap the benefits that hundreds of private sector companies are enjoying in the MRM space.