Technical Article

Case Study: How digital asset management helped Randstad integrate Vedior without choking

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ABSTRACT When global staffing agency Randstad took over Vedior, it faced an enormous rebranding and integration challenges. Since the deal was finalized, in 2008, the company has rebranded 129 Vedior labels as Randstad and the integration operation has already paid for itself. The company attributes this in part to two things: the immediate availability and use of digital asset management during the integration process and an approach to the use of DAM based on central control through decentralization and empowerment.

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It is no secret that the biggest hurdle to a successful merger or acquisition is not doing the deal – it is what happens next, and in particular getting the employees affected to think, feel and behave as one organization. The stories of mergers and acquisitions that failed or, at best, created less value than their proponents claimed are legion: Nokia's and Siemens' network businesses, Daimler Benz and Chrysler, News Corp and MySpace, AOL and Time Warner, HP and Compaq.

Research has found that about 75 per cent of M&A deals fail to deliver their claimed value, usually because of a poor cultural fit and integration issues. Both these areas are ones in which I think, at least within the marketing domain, marketing resource management and digital asset management can play a significant and positive role.

REBRANDING BUILDINGS AND PEOPLE

My basis for this point of view is Randstad's €3.5 billion acquisition of Vedior and the contribution I think digital asset management has made to the integration process. Just to be clear, I am not claiming (and do not think) that MRM

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Joost Schriever Randstad Holding nv, Diemermere 25, 1112 TC Diemen, PO Box 12600, NL-1100 AP, Amsterdam, The Netherland. E-mail: joost.schriever@ randstadholding.com and DAM form some kind of magic bullet, but I do think they have played an important role in making the merger work.

First, let me give you a sense of the scale of the task we faced with a few facts and figures. When the rebranding operation ends in December, 4 years after the deal was announced and three-and-a-half years after it was finalized, we will have rebranded 129 of the 200 Vedior brands we inherited - the overwhelming majority as Randstad, with a smaller number being migrated to our second main brand, Tempo-Team. And we did 114 of that 129 in the first 2 years. By the end of this year, 98 per cent of our revenues will be generated by our two main brands, with the remaining 2 per cent coming from a limited number of specialized niche brands. Our two main brands will cover over 40 countries (up from 20 pre-Vedior). We will have consolidated our position as the world's second biggest staffing agency in terms of revenue (up from number three pre-Vedior and not far behind the number one). And the rebranding budget of €20–€30 million will have repaid itself through savings in production costs versus what it would have cost to maintain all the Vedior brands. I simply do not believe we could have moved so far, so fast and for such a modest budget without MRM.

The other benefit of MRM has been cultural. A key element in branding is the internal organization - a strong brand begins inside. Now, we are not completely there yet in terms of being one company, but by having MRM and DAM in place, we have been able to rapidly introduce our new colleagues to the Randstad brand, story, philosophy, concept and everything else that makes us who we are. The way we use DAM has also enabled us to build a feeling of 'buy-in' rather than imposition among our new, ex-Vedior marketing colleagues, helping them make the mental migration from old situation to new. Our approach to employing DAM - treating it

as a workflow tool rather than an IT system – meant that we could immediately provide them with a host of marketing

communication tools that they could use to make the change themselves.

BUILDING THE BRAND ONE STEP AT A TIME

To understand how we have used DAM as an integration tool, you have to go back in time to its introduction at Randstad.

In essence, our strategy regarding the integration of Vedior has been an extension of our approach to using DAM within Randstad – central control through decentralization and empowerment in place of coercion. I wrote about this in a previous article for the *Journal of Database Marketing*, in 2007, but I will recap some of it here.

Randstad introduced MRM and DAM in 2002 as part of a wider strategy of building one global brand. In our case, we felt a single brand would stimulate crossselling, attract more visitors to our website (a key element in today's world of work), open the door to global sponsoring platforms and help us reduce our spending on marketing collateral. On the basis of this, we developed a strategy under which we would focus on building the Randstad name rather than approaching the market via local sub-brands and labels.

At the time, this involved a significant change of role for our marketers (just as it would for the Vedior people 6 years later). Instead of creating their own materials within a common but loose house style, their job in the future would entail adopting a global concept for local use. You could have said, and some did, that we were deskilling our marketers' jobs. But I saw it and see it as taking care of the basics centrally so our marketers have more time and resources to concentrate on innovative local marketing.

In choosing to proceed this way, we were pursuing an approach that was tailored

to our culture. Randstad is a global staffing and HR solutions company with a service mindset. This means that we need staff that can think on their feet and make their own decisions. We have good processes, but we are not a process business. Operationally and mentally, we are decentralized, with the country organizations enjoying significant autonomy. This means that for any big organizational shift, we need buy-in from our people.

Our goal when it came to DAM, therefore, was to lead people to this new way of working and new role, rather than impose it. Evolution rather than a big bang, with DAM positioned as the backbone of a new operational process that would develop from a simple storage and retrieval system (at the outset) into a comprehensive workflow tool for creating all Randstad marketing and brand assets.

AN INTEGRAL MARKETING TOOL

The system we chose was developed for us by NykampNyboer and IT specialist Capital ID and has a modular setup. This enabled us to start small and slowly lead people towards the new way of working. From a simple online brand book, we have added house style guides for print, online and housing. We have developed a guide to visual communication in the branches and a catalog of standard furniture, decorations, fixtures and fittings that can be ordered from an internal web shop, along with other items like promotional materials. This has enabled us to slash the number of our suppliers and drive down unit costs. Further, tools include templates and wizards for creating materials in each of our local languages, a database of photographs that marketers can use to create their own materials within the parameters built into the DAM system, and a best practices section so we can learn from our colleagues in other countries. We are also experimenting with printing-on-demand.

As a result, our DAM tool is now an integral and unavoidable part of being a marketer at Randstad. More importantly for this story, it has proved to be a key factor in the speedy integration of the Vedior brands.

HIGH-SPEED REBRANDING

One benefit of using DAM that we did not consider initially but which emerged along the way is that it cuts the cost and shortens the time it takes to rebrand local acquisitions. We learned this pre-Vedior, when we entered new markets by buying local staffing agencies in for us new countries. And we have seen it again with the Randstad-Vedior deal. It simply requires far less time and far less money to convert an acquired brand into another brand when, in essence, all it involves is going into a DAM system and ordering the necessary fixtures, fittings and visual elements. Of course, it is not that easy, but you get the idea. It makes it easy for local marketers charged with converting one brand to another to do so. There is no need to spend time first figuring out all the aspects of a house style. You do not have to then find local suppliers. You do not need to worry about reshooting photographs or developing new formats for, in our case, everything from window posters to job-ad cards.

Pre-Vedior, DAM cut what we spent on consultants, advertising agencies and production from 40 to 50 per cent of our marketing budget to 11 per cent. Illuminated signs, for instance, used to cost €6000 each. Using DAM, we can now order such large quantities that the price has come down to below €1000 per unit. This has obvious benefits when you want to rebrand 129 different companies.

Another benefit of a DAM system is that it enables people to immediately begin creating collateral themselves. I think this is a key benefit in a takeover situation. It gets people involved in their new brand. It encourages exploration and learning which is fun. It reduces the chance that people will feel lost during the crucial, early days of a takeover. It has also made my job easier. Yes, I have travelled a lot over the last 3 years, but that is more a reflection of the size and diversity of the Vedior organization than the complexity of the rebranding operation itself. In Australia, for example, we inherited 26 different Vedior brands. We decided to rename them all Randstad and merge them into one company. I went there three times. Once to introduce people to Randstad, our brand concept and our tools. Once to support them with their rebranding work in progress. Once to celebrate the change.

CREATING A BRAND EXPERIENCE

While I think DAM has reduced the time it would have otherwise taken to integrate Vedior, the arrival of Vedior has led us to change the way we present DAM.

Until Vedior came along, access to the information in our DAM tool was restricted to our marketers. With the acquisition of Vedior, we decided to integrate the tool into our general intranet and use it to create something that every Randstad employee can enjoy. As a result, we are now using it to share general-interest information such as our corporate story, our brand strategy, our communication concept, our house style and branch style among all our 27500 employees and we are adding videos and interactive content to turn it into a real brand experience. This has helped create a better understanding of who we are and what we are aiming for among both our new colleagues and existing Randstad staff as well.

SHAPING THE WORLD OF WORK

One consequence of the new business opportunities the Vedior acquisition has brought us has been to rethink our brand positioning. Unlike Randstad, many of Vedior's 200 brands were focused on the Professionals market or a segment within this market. This prompted us to explore ways to further leverage our brand and newfound scale. Out of this emerged a new brand positioning – what we call 'Shaping the world of work' – that is, claiming the whole sector, rather than just a part of it.

But 'Shaping the world of work' did not fit easily with the way we were communicating – particularly with the style of photography we were using. Previously, we had had a database of around 500 images. These were portraits of people of different nationalities and races, shot against plain white backgrounds. The portraits were evocative because the people were real rather than models. The context, however, was generic. You could pretty much pick and use any image you liked to create an ad or poster, say.

These images and this concept did not fit so well with a 'Professionals' audience, however, and it soon became clear that we needed something that showed people of different nationalities and races in a variety of contexts – Professional as well as Staffing, HR and our other service solutions. More country, region and even job specific.

The challenge we faced was how to achieve this while retaining a consistent, centrally orchestrated look and feel. That is, how do you create local images featuring local people in a variety of work environments without having to organize (and budget for) hundreds, maybe thousands of local shoots every year? Again, DAM has proved to be a major benefit.

These two streams came together and led us to develop a new brand and visual communication concept, with a key element being photography. The new photography concept is built around an Apple-like 'cover flow' system that enables our marketers to combine images of people and work environments around the world.

To do this, we photographed some 2000 people in the United States, United Kingdom, China and other countries, plus hundreds of 'world of work' environments such as Finance. Healthcare and other sectors in those countries. Now our marketers can create just about any image they like. All they have to do is click the person they want, click the kind of environment they want, and the system puts the two together to create an image that is theirs. And which they feel is theirs. This has made it easy for our ex-Vedior marketers (and our own people, of course) to create images that address their segments in the way they feel is best while staying within the overall Randstad look and feel. And this is just as true whether they are doing so as Randstad or as one of the remaining Randstad-endorsed labels.

This has enormous cost and time benefits. Imagine how much we save of both when our marketers do not have to organize their own shoots to obtain images that will be used, at best, just a few times. It is also greatly appreciated by the many ex-Vedior marketers who, in the past, had no budget for photography and had to resort to using stock images, or doing without images at all.

CONCLUSION

Given the experience of the last 3 years, I believe it is fair to say that digital asset management has played a key role in rebranding the Vedior network as quickly as we have. Just as importantly, I think it has played a key role in winning over the hearts and minds of the people who became part of our company. DAM is clearly and demonstrably helping us to build our brand and grow our business.

Resistance to abolishing often muchloved brands like Vedior in France, Select in the United Kingdom, Sapphire in the United States and 126 others around the world has been far less than we expected. True, this is partly because Vedior itself had begun rationalizing its brand portfolio before we took it over, but it is also because we have been able to offer brand tools and collateral from day one. And that is thanks to DAM.