



How to achieve cost-efficient communication

A Smart Communication Solution

Strålfors

“IT’S ALL ABOUT CUTTING COSTS”

THE SEARCH FOR COST-EFFICIENT business solutions is a never ending story. In times of economic decline, cutting costs and using smarter solutions become more urgent. But also, when business is growing, either organically or through acquisitions or mergers, new administrative systems have to be coordinated with the existing ones. It’s a challenge to keep control of the costs and at the same time strengthen the company’s corporate image. Cutting-edge analysis and tools are used to achieve the most cost-efficient customer communication. That’s what we call Smart Communication.

Creating and maintaining customer relations and rationalizing your document management will help you to reduce costs – irrespective of the size of your company or it’s location. We work closely with our customers to recommend the most cost-saving solutions.

When analysing how to achieve the most cost-efficient communication, we work together to consider all the steps in the documents’ entire value chain. Wrong decisions made in the beginning of the value chain may increase costs at the end. It is essential to recognize the consequences of a wrong decision in order to make the right initial decisions.

FACT:

80% of all information is still on paper.

15% of documents are in the wrong place.

30% of the working day is spent looking for information.

Source: Forrester 2009

Cost efficiency is about avoiding:

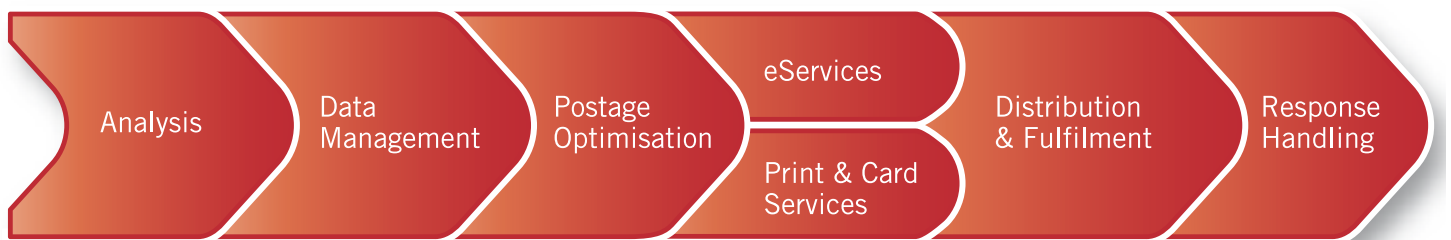
- » **UNREAD COMMUNICATION:** The document is either simply unattractive or does not even reach the reader.
- » **UNSTRUCTURED DISTRIBUTION:** Results in waste of both time and costs.
- » **INEFFICIENT MATERIAL:** The message and design is not professional and is therefore unattractive and a wasted cost.
- » **POORLY STRUCTURED ADDRESSES:** The document ends up with people who shouldn’t have it and those who should have it do not get it.
- » **OBSOLETE IT-SYSTEM:** May not be able to adapt to rapid market changes or modified customer needs and preferences.

ALL THE STEPS IN THE DOCUMENTS' VALUE CHAIN MUST BE CONSIDERED



Cost-efficient output

We have a useful model for analysing the route a document takes from a company to the end customer. Each step of the chain may contain unnecessary cost drivers. Cost-efficient output management is achieved by navigating through the entire value chain..



It is imperative to start at the beginning of the value chain. Already at this stage the decisions will affect forthcoming opportunities to cut the costs. In this model, we have identified the main cost drivers. Several details and aspects need to

be considered in order to achieve the best possible conditions for substantial cost savings. During the process, well founded business decisions regarding data management and distribution, physical, electronic or both, shall be made.



FACT:

Most companies possess between 15–40% incorrect information about their customers.

Source: PAR home page 2009

Business decisions

Where is your business heading? Business decisions vary depending on strategic direction. To some companies, being cost effective might mean moving all communication to electronic media. Others see the printed document as an effective tool that enables regular customer communication for boosting sales and maintaining customer loyalty.

A single output management issue cannot be solved by only one business decision. Several areas shall be taken into consideration at the same time.

Data management is about preparing your data to best suit your strategic intentions. A well-executed plan for data management is a gateway to cost-effective communication.

In taking time to look at the cost efficiencies from your company's wide perspective rather than in isolation, we often find that far greater cost savings can be achieved.

The next step is to make sure that incoming data can be combined. Is the data quality suitable for merging? If not, it might be worth investing in a format that enables merging of data.

Enable e-distribution when possible. However be aware that many customers prefer their invoice printed on paper – and that personalised printed communication has a far greater impact on sales and customer loyalty. In addition, you may offer your clients to choose an e-distribution solution.

We operate in a global market. Therefore it is the total cost of producing and distributing, physically and electronically, that matters. Regardless of your penetration market a global perspective shall be maintained.

Data management

We are experienced in the optimisation of document production in order to achieve cost reductions. This can be done in several ways from simply combining production batches, to improve unit cost price to real-time delivery of digital assets to elimination of costly storage of the stock.

Colour print is more expensive, although colour may enhance both sales and branding. Full colour makes different designs and contents on each document possible – several documents can be merged into larger print files.

DESIGN

Traditionally, transactional documents are not reader friendly. Redesigning a document, adding colour and personalising it can both reduce help desk calls and increase customer loyalty. Your customers might prefer receiving the information in different languages. Let them!

USE WHITE SPACE MANAGEMENT

The simplest form of white space management is to use both sides of the paper. This is usually referred to as “duplex printing”.

Another alternative is to make space for promotional messages in a transactional document, known as Transpromo. The marketing department will finance parts of the transactional volumes. Or, sell “the white space” to a third party to finance mailing costs, Co-marketing.

UPGRADE ADDRESS MANAGEMENT

Incorrect addresses are costly. Returned mail units shall be handled and postage is wasted. We offer efficient address cleansing, done either per batch or directly into your customer database.

When planning campaigns, a smart solution is to match existing databases with our target addresses. Duplicates and deceased persons will be filtered, which saves costs as well as loss of goodwill.



Postage optimisation

Postage optimisation is reached by taking the correct business decisions and utilizing functionality in data management. We have long-standing know-how and all necessary tools to assist you with postage optimisation.

Merge the data to take advantage of postal discounts. Most postage optimisation can be done early in the value chain before the actual document is produced.

Three things affect the cost of physical volumes for any chosen distributor:

- » Volume – a larger volume means higher postal discounts
- » Weight – majority of distributors charge per mail unit plus total weight
- » Sorting – presorting depends on a distributor

Volume: Merging smaller volumes into larger batches will cut costs. Merged files become one print file. This means that print attributes such as paper and envelopes must be the same. More volumes can be merged by switching to colour, regardless of design.

Weight: A simple way of reducing weight is to switch from simplex to duplex. Or carefully designing your document and using white space management. Is there empty space on the document for information that usually comes in a separate enclosure? Instead of printing the whole specification, can a recipient collect the specification online with a personalised URL?

Sorting: Each distributor has its own sorting rules and different sorting alternatives. Better control of address data can generate higher sorting level and better accuracy.

CO-SORT TO REDUCE POSTAGE

Merged data enables co-sorting. Co-sorting is when two or more documents are enclosed in a single envelope. When co-sorting you save postage and also gain customer approval. To be able to co-sort a common identity in each of the documents is necessary.

ENHANCE CO-SORTING OPPORTUNITIES

We have developed a model for companies that have several customer databases (and no common identity for customers appearing in more than one data base).

By running the volumes through the model we process past address data to create a super-id for repeated customers.

E-DISTRIBUTION

E-distribution is generally cheaper than physical letters. If your main focus is to cut costs we recommend a gradual switch to e-distribution. There are several different e-distribution channels. We offer e-billing, e-mail, SMS, secure eBoxes (Denmark and Sweden) and e-archiving. Which channel to use is, of course, each individual's personal choice.

Our modern platform makes it easy to handle your e-billing. The platform enables you to save money and use various media features. A printed document can have one layout while the electronic document has another.

Electronic communication via e-mail and SMS is rapidly growing in almost every market. Our tool gives you full control of content, design and distribution. You can create interactivity, keep track of response rates and improve your customer intelligence.

Our electronic archive solution brings all documents together in one single place and guarantees secure storage. The system is accessible online 24 hours a day.

Remember though, it is important to make sure that your recurrent customer communication is not interrupted. A physical letter tends to create greater value than an e-mail. If your purpose is to win new customers, or up- and cross-sell towards existing customers, we probably would recommend the physical version.

DISTRIBUTION

A part of postage optimisation is a selection of the right distributor. Analyse the total cost of print and distribution. The right distributor can cut costs by using centralized printing and international distribution.

We have printing offices in central and northern Europe. We collaborate with the international distribution company Direct Link to offer customised economy-scale solutions.

Communication Consulting

Our mission is to help you create profitable customer relationships. We understand your customer communication challenges. Knowing the customer's life cycle is essential when addressing the current state of the customer. Our consultants have deep knowledge and experience of customer

communications, which is important when establishing smart communication solutions to help you create more efficient, profitable and loyal customer relationships. Your solutions will be tailored made to suit your communication needs and will bring real value to your multi-channel direct communication.

MORE INFORMATION:

How to bill and inform effectively – An inspirational brochure about how Transpromo can enhance sales and build customer loyalty.

How to create and retain loyal customers – An inspirational brochure about how loyalty programmes can build long-term customer relationships and maximises your long-term results.

How to increase sales – An inspirational brochure about how relevant communication both can make existing customer buy more as well as generate new customers.

Detailed product descriptions of Stralfors' range of innovative e-distribution solutions are also available.

**“I CAN RECEIVE UP TO
THREE DOCUMENTS
FROM THE SAME BANK
ON THE SAME DAY!”**

Interview with customer conducted 2009

FACT:

9% postage discount
for volumes over 500
units in Norway.

Source: Calculation based on the
Norwegian Post's figures



More cost-efficient communication

The search for cost-efficient business solutions is a never ending story. When business is growing, either organically or through acquisitions or mergers, new administrative systems have to be coordinated with the existing ones. It's a challenge to keep control of the costs and at the same time strengthen the company's corporate identity. Or, for that matter, getting more cost-efficient in times of economic decline. We offer cutting-edge analysis and tools to achieve the most cost-efficient customer communication. That's what we call Smart Communication.

Welcome to Stralfors!



Denmark

+45 33 86 86 86
info@stralfors.dk
www.stralfors.dk

Finland

+358 20 740 4100
backoffice@stralfors.fi
www.stralfors.fi

France

+33 1 47 47 96 00
contact@stralfors.fr
www.stralfors.fr

Norway

+47 23 25 85 00
infolog@stralfors.no
www.stralfors.no

Poland

+48 52 33 18 166
info@stralfors.pl
www.stralfors.pl

Sweden

+46 8 508 830 00
info@stralfors.se
www.stralfors.se

United Kingdom

+44 1209 312 800
sales@stralfors.co.uk
www.stralfors.co.uk