



Successful Prinovation Project Significantly Reduced Costs Using Online Tendering and Process Standardization in Media Production and Logistics

END-TO-END PRINT E-PROCUREMENT AND PRINT MEDIA LOGISTICS

COMPANY PROFILE

Prinovation AG has provided expert advice to the media industry for many years, along with innovative solutions designed to optimize business processes in media production, and provides support for this process. Manufacturing, services, retail and print companies that manage the development, procurement and distribution of media need professional know-how to make their print and media management cost effective. The company's range of services also includes project management and training. Prinovation has been a Noosh Certified Solution Partner in Germany, Austria and Switzerland for over ten years.

CHALLENGES

- Achieve transparency in high-volume creative and print buying
- Standardize and achieve savings in the procurement process
- Optimize purchasing costs
- Implement compliance guidelines and revision security
- Achieve faster response times using automated, standardized print media planning, personalization and logistics
- Create paperless procurement and invoice workflows

SOLUTION

- System framework for all media production processes
- Integrated creative processes, external agency service providers and Media Asset Management
- Integration with media order shop, product marketing and print logistics
- Design and implement paperless tendering, procurement, stock control and invoice checking/accounting/booking
- End-to-end involvement of all external suppliers
- Interface with SAP and Media Asset Management (MAM)

OVER 5,000 MEDIA ORDERS A YEAR, INCLUDING MANY VARIATIONS

Prinovation AG has completed a successful project with one of Germany's leading insurance companies.

Representatives can order a wide range of marketing materials from an "order shop". These are then distributed by a service provider. Many of these media are available for specific products and target groups, so there are many different versions of them. The marketing and purchasing department produces and sources more than 5,000 media a year: some involve on-demand digital printing, others industrial offset, and others still are purely digital.

“The automatic workflow in Noosh eliminates manual processes in procurement management and improves communication, efficiency and speed of implementation. It has also significantly reduced our production costs.”

— CUSTOMER STATEMENT

THE SITUATION: COMPLEX, OPAQUE, NON-STANDARDIZED PROCESSES

Many of the media are very similar, but they can be highly personalized, making them complicated to produce. They are bought in large volumes by various companies in the group. If print media contain errors, or are produced in overly large quantities, destroying them can be expensive. Jakob Röschli says over 200 internal and external staff are involved in this process, including staff from the marketing, sales, stock control, procurement, production management and accounts departments. The media were obtained from over 100 creative and print suppliers, at a cost of tens of millions of euro, and each department, ad agency and printer had its own procedures and software systems, such as

- Pre-press workflow systems
- Print materials e-shops
- Logistics and fulfilment systems
- SAP MM for materials management
- Excel for framework contract terms and manual item number and version management
- SAP for purchasing, invoice approval, booking and payment
- Various redundant image databases and web-to-print solutions
- Point-to-point email communication

THE SOLUTION: PRINOVATION CARRIED OUT A CONSULTANCY AND INTEGRATION PROJECT COVERING ALL MARKETING, PRODUCTION AND PURCHASING PROCESSES

The insurance company needed a more transparent, less expensive system offering increased revision security. It therefore issued a tender for an integrated system that

- Covered the whole production and purchasing process
- Offered bidirectional interfaces to SAP, Media Asset Management, storage and logistics, and the print material e-shop
- Could be used by all the companies in the group
- Offered optimized and standardized procurement processes
- Was revision compatible
- Provided detailed reporting
- Could be used to manage tenders and auctions

After an extensive selection process, Prinovation AG was chosen from a shortlist of three to plan, adapt and implement a process platform based on the Noosh Software-as-a-Service (SaaS) solution.

“The company was concerned that it was spending tens of millions of euro on creative and print services each year, but their ERP system couldn’t provide them with a breakdown or tell them whether they were making optimum use of their suppliers,” says Jakob Röschli.

The first job was to plan and manage media requirements more effectively, and create standardized marketing procurement processes. This was done by ensuring that all product numbers and revision statuses were automatically generated by the system, the whole procurement process was managed digitally by the Noosh system, and stock levels could be viewed in real time using an interface with SAP MM.

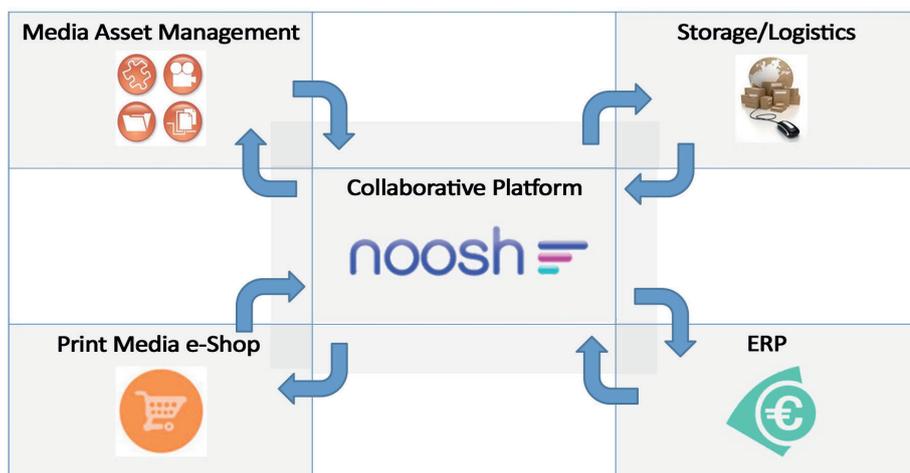
Next, key performance indicators and reporting and approval processes were set up, so that the company could decide whether to reprint material with or without changes, how many items to order, and when to order them. As a result, it saved a significant amount of money by avoiding overstocks and the destruction of outdated material.

management system. This in turn makes it possible to compare external suppliers' quotes, and makes production management much more transparent and processes more standardized. Framework conditions and routine processes can be automatically calculated and managed.

- Noosh automatically allocates project and document numbers, versions, and SAP procurement numbers. All data that is relevant to other systems is bidirectionally exchanged with those systems:
- Print media e-shop (local insurance agents order stored print media, on-demand digital media and advertising items)

“Noosh provides us with the perfect bridge between creative marketing and purchasing that uses consistent procedures.”

— CUSTOMER STATEMENT



Enterprise application for marketing production: Noosh integrates creative, tendering, logistics and billing procurement processes

ENTERPRISE APPLICATION INTEGRATION AND BIG DATA FOR MARKETING PROCUREMENT

The Noosh platform serves as a master pool for all metadata and image previews within marketing production projects. This means that the exact specifications, quantities, revision statuses and technical production data are recorded with much greater precision than in the ERP procurement

- MAM Media Asset Management (print data and images as open files and PDF documents, picture rights management, usage reference)
- Distribution services provider's SAP Logistics (fulfillment and logistics, stock management)
- SAP ERP (procurement no., purchase order, booking, payment)

“Everyone can share data on a single platform, and all the different systems are fully integrated. That results in much more reliable information that can be accessed and evaluated in real time as a system of records, forming a reliable basis for management decisions.”

— CUSTOMER STATEMENT

INTUITIVENESS AND EASE OF USE LEAD TO RAPID ACCEPTANCE

The challenge was to incorporate the complexity of the whole project management, procurement and production process into a reliable, easily learnable system that would be accepted by marketing staff, and by external agencies and other suppliers, within a secure and integrated framework. It also had to be logical and intuitive for frequent and occasional users alike, be browser based, and be convincing for creative staff who were more familiar with visual systems than ERP solutions.

For example, if the sales manager in a specialist department wants an existing brochure to be revised, the marketing project manager or stock controller creates a new project in Noosh and invites participants, to whom tasks and milestones can be allocated as part of the project management process. The system automatically adds a new version of the brochure to the existing one, and gives it a new version number. When stocks of the existing version reach the reporting level, it is immediately apparent that this will not be reprinted, as a new version will be published on date XY. The project manager commissions an advertising agency to update the copy and pictures. The rates for each framework contract are already stored on the system, and the agency charges them on a time and work basis using credit notes. Queries, quotes, orders, order confirmations and invoices are now paperless, resulting in a considerable saving both for clients and ad agencies.

Once the new version has been approved, the agency places it on Media Asset Management (MAM) in the form of open, print-ready PDFs referenced to the Noosh system. Copies of images are not produced, and the originals are always referenced on MAM. Changing the status to Approved issues a procurement order to the stock controller. This can now either be issued to a framework contractor specified for this type of brochure, or automatically generate an open or closed tender or reverse auction.

All quotes from production contractors are issued digitally by the system, making them easy to evaluate and providing an important source of information in determining which contractor is the most cost effective for particular specifications in the long term.

After the purchasing manager awards the contract, all relevant data (procurement number, cost center, order value, material number) is sent to SAP via an interface. The production agency is automatically informed, and sends the print data to the printing company, together with individual print reference lines if necessary. It is also responsible for monitoring the print quality. Noosh automatically sends the logistics and fulfillment partner a delivery notification.

When the printer delivers the items to the logistics center, they are placed in storage. The order shop automatically shows them as available for individual order.

For billing purposes, the printing company checks the work it has carried out in accordance with the tender and digital order on the system, adds any extra services it has provided and changes the status to Invoice. After a further status change by the project manager, the invoice is approved and booked on SAP without having to carry out a lengthy approval process. This also allows a higher proportion of discounted payments.

COMPREHENSIVE DOCUMENTATION, AND RELIABLE FORECASTING AND REPORTING

All process stages are documented on the Noosh system. Services from external providers are shown and analyzed by project, and by service type and component. Prinovation provided a high-quality database that can be used to evaluate and plan the ideal order quantities (print on demand versus serial production and stock status), normal service hourly rates, production times, quantity bands etc.

Because transparent tender data is available on the Noosh system, it is possible to see the cheapest market price in each case, carry out extensive evaluation, and issue tenders on a case-by-case basis, allocating particular products to contractors who specialize in them. Noosh also allows orders to be bundled. Prinovation achieved benefits for both parties, resulting in a significant reduction in print costs for the insurance company. It also offered cost benefits for the production contractor by concentrating on the most cost-effective products for its machines, and by processing orders paperlessly.

FAST, MEASURABLE COST SAVINGS

Even without the internal process cost savings, reduced error rate and improved communication, Prinovation helped to achieve rapid amortization of the initial system investment and annual hosting and SaaS charges by improving the procurement process using tenders and special framework contracts. "Our marketing media is becoming increasingly personalized, and we need to respond more quickly to competitors' quotes," said the stock controller in the client's procurement management department. "We're also seeing increased requirements in terms of automation, revision security and corporate compliance."

ABOUT NOOSH

Noosh is a highly successful international procurement portal allowing print and online media buying projects to be tendered, ordered and managed via the internet. It reliably manages large purchasing projects and improves the efficiency of the procurement process in terms of cost and delivery times and quantities. Cooperation between the relevant staff of the company, its associated businesses and external service providers has become much simpler.

Noosh Inc. was founded in 1999 by its current CEO, Ofer Ben-Shachar. Based in Mountain View, CA, it has over 10,000 active users managing more than 5,000 suppliers and an annual print transaction volume of more than \$1.7 billion a year.

BENEFITS OF THE NOOSH PLATFORM IMPLEMENTED BY PRINOVATION AG

- Concentrates on the best suppliers for each specific product
- Single system for all project and procurement data increases transparency, predictability and accuracy
- Full role-based visibility for all media buying projects - plus real-time status reports, process updates and cost analysis
- SaaS system can easily be adapted to changes in third-party systems using open API interfaces
- Marketing and purchasing managers receive detailed, flexible reports on projects, media usage, budgets etc.
- All media-specific procurement processes, such as quotes/auctions, orders, invoices, reporting and compliance guidelines, are standardized and simplified

- Key suppliers are integrated within the online process workflow and can operate more proactively, communicate more simply, and reduce errors and process costs
- The visual integration of the Media Asset Management system prevents errors and image duplication. All media and images are correctly referenced and remain within the client's control
- Data redundancy and double inputs are prevented because all relevant ERP systems (production workflow, Media Asset Management, purchasing, tenders, materials management, the order shop and external stocks) are integrated via bidirectional interfaces
- Access to Noosh is entirely browser based, making it independent of specific hardware and operating systems.

“Just having a great system was not enough - all the processes had to be optimized and standardized if the project was to be a success.”

— JAKOB RÖSCHLI, PRINOVATION AG

The SaaS model achieved savings in procurement and operating costs, and Prinovation administers the whole of the IT and provides other services such as maintenance and updates. Checking job order costing before invoices are issued makes it significantly easier to approve invoices, allocate them to cost centers and pay them. Real-time stock levels on the shop order system and automatic delivery notifications to the media logistics provider prevent questions from arising and reduces e-mail correspondence.

- High standard of quality, low error rate and improved cost efficiency by standardizing production for everyone involved, and specified on a standardized basis for all external production contractors
- Improved processes as a result of centralizing specialist purchasing for different companies within the group, without losing the close relationship with the service provider
- Tens of thousands of documents, images and online and print media are easier to manage, particularly because of the large variety of items
- As the system integrator, Prinovation has used open APIs and standard interfaces to make the system scalable and allow changes and expansion
- Highly flexible software architecture adapts to users' needs
- Drastic reduction in the quantity of overstocked or outdated media that is destroyed. Integrated stock management and order history allows much better forecasting and a cost-effective combination of print on demand and industrial series production.
- Significant saving in process and production costs compared to before - despite lower proportion of complaints and quicker response times
- Revision security and implementation of compliance guidelines as a result of secure rights and roles system, comprehensive quote and change history, and integrated tender and auction management
- Secure, legally binding item version management
- Can enter complex company framework conditions on the system for automated calculation purposes
- Highly transparent budget and project management
- Prinovation has created standard processes and provided advice and training concerning the implementation of the system
- Similar projects can be bundled together

“The combination of automatically calculated framework contract rates and current tenders makes Noosh unbeatable as far as customers are concerned.”

— OFER BEN-SHACHAR,
NOOSH INC

AN OVERVIEW OF THE NOOSH PROCUREMENT SYSTEM MODULES

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