

# InfoTrak

## *Information for Better Decisions*



## Identifying and Matching Your Needs to a Fulfillment Provider

Choosing a fulfillment partner is more than picking a vendor with a flashy Web site or a slick marketing pitch. Picking a fulfillment partner, as with any third-party vendor, means matching your needs to their core capabilities.

While it may seem like a “no brainer” to identify your own fulfillment needs and then evaluate vendors based on these needs, it’s often more challenging than people realize. First, identifying your own needs takes the willingness and effort to really think outside the box. Second, as if identification of needs isn’t difficult enough, now you have to prioritize these needs. (Remember, not everything is a deal breaker!) And third, creating and following a scorecard or other type of objective measurement also takes commitment and focus.

In this issue, we provide some information on why it behooves you to go through this process as well as some tips to (hopefully) make it more productive.

### Why is it so important to pick the right partner?

**Reduced Risks:** For businesses that depend on accurate and confidential fulfillment — those who are regulated by HIPAA, the FDA, Gramm–Leach–Bliley (GLB) Act, Safe Harbor, and others — finding a fulfillment partner that will help you meet your compliance needs is critically important. This point cannot be overstressed.

**Hidden Costs:** Your costs can skyrocket in ways you might not have thought of, including the cost of moving and storing your collateral, if you make the wrong choice.

**Total Customer Satisfaction:** When fulfillment is done right, you can fully realize the return on your investment — collateral has no chance of supporting sales if it is not available or in good condition.

*(continued on page 2)*

**Image:** Fulfillment determines how and when your audience will receive information. World-class fulfillment can leverage your investment to directly and positively affect marketplace image and relationships.

**Your Goals Met:** Accurate and timely information, plus fulfillment on which you can depend, can help you manage more effectively — better decisions, quicker response to changes, and more time to concentrate on your core business.

## STEP 1: Identify Needs

Identifying your own needs may be the most difficult part of the “finding a fulfillment partner” process. First, various stakeholders in your organization will have different ideas of what’s important. Second, when given a list of qualities — accuracy, timeliness, price, customer service, business management reporting — all seem important. The trick is to identify, *specifically*, what you’re trying to accomplish and how important each task is to your overall business goals.

For instance, if you’re a healthcare or pharmaceutical company, finding a fulfillment partner that has unbeatable accuracy, a documented secure shredding program, a failsafe disaster recovery program, and a company that can help you stay compliant with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) might be the critical piece of the puzzle. These characteristics are the cornerstone upon which all other fulfillment characteristics rest comfortably as “nice to haves.”

It would probably be helpful to gather your stakeholders (those who have a vested interest in your fulfillment program) and brainstorm to identify all of the relevant needs statements. Once these statements are on the table, try to discern what needs they really address and why these needs are important.

For instance, the subtext of the statement: *we need a three-hour turnaround on all orders* might really mean: *our sales force needs more lead time so they won’t need to order collateral for an overnight turnaround.*

Now, once you’ve identified the *real* issue (the need for a longer lead time) you may choose to address it for example, by recommending that sales personnel place orders 48 hours in advance. By addressing the

*real* issue you not only eliminate the need to turn around orders in three hours (although your fulfillment partner should be able to do so), you potentially greatly reduce your shipping charges by minimizing overnight freight charges.

Getting beneath the real needs and issues takes a little bit of time and thought and should not be done in a vacuum. Make sure to gather input from members of your team and *validate* your assumptions with stakeholders and end users.

## STEP 2: Prioritize Needs

Once your real needs are identified, it’s time to prioritize. While it may seem like *all* of your needs are critically important, a true evaluation that factors in your business objectives should help with the prioritization process.

Let’s go back to our pharmaceutical company example. At first glance, XYZ pharmaceutical’s marketing manager may feel that online reports and regulatory knowledge/expertise are both equally important characteristics for a fulfillment partner to offer and excel at. But after further consideration, the marketing manager realizes that while online reports are an important tool to help gauge and manage users’ behavior, **the risk of not being compliant with HIPAA regulations is by far the most compelling risk for the overall company.** Forcing yourself to really evaluate how your fulfillment needs affect your overall business needs is vitally important.

## STEP 3: Using Metrics to Evaluate Your Choices

Now that you have a list of needs, in priority order, it’s time to set up the evaluation criteria. A well thought out, documented evaluation form will help you make unprejudiced opinions of various vendors. One option is to develop a scorecard and rate your potential vendors in the areas you’ve deemed important. Your scorecard can be standard or “weighted” meaning you give more weight to areas that have more critical importance. Whichever method you use, don’t disregard your instincts. Your impression of the facility, your chemistry with the personnel, and the feeling you get about the vendors’ sincerity and ability to meet your standards cannot be overlooked.

## Some Areas to Consider

- Financial Stability**

Choose a vendor that has a proven financial success record and one that has a stable foothold in the industry. No one has to be reminded of the “dot.bomb” debacle that had companies opening shop at light speed and, in some cases, closing just as quickly. A Johnny-Come-Lately vendor, even one with a low price, is not necessarily a good bet.

- Legal Compliance**

There are several state, federal and international regulations that govern the protection and destruction of private information — and drive the need to engage a reliable, experienced fulfillment vendor. Your vendor of choice should have documented policies and procedures in place to address all regulations from HIPAA to Gramm–Leach–Bliley to Safe Harbor and more. This issue cannot be stressed strongly enough. In many industries, remaining compliant is not a matter of a “nice-to-have” — it’s critical to the image, solvency, and future of the company.

- Core Capabilities**

As a rule of thumb, the more critical a project is, the more inclined one is to bring in a specialist. This is true for lots of things: Bypass surgery requires a Heart Surgeon versus a General Practitioner; a General Contractor will use a Master Electrician for the wiring on a new construction job. These examples seem obvious, but what could be more obvious and more compelling than using a specialist to handle your fulfillment needs? After all, your collateral may be the first impression a prospect has about your company (and first impressions do make a difference). The timeliness of your collateral and the condition in which it arrives can protect one of your most valuable assets — your corporate image.

Vendor A				
Key Contact: Joe Smith				
Task	1	2	3	Total
Financial Stability		2		
Expertise in Legal Compliance Issues	1			
Relevant Experience/Core Competency			3	
References		2		
Operational Standards			3	
Ability to Ramp Up for Peak Cycles			3	
Behavior Management Tools			3	
Customer Service Quality/Expertise			3	
Technological Advancements/Solutions			3	
Web Interface Usability		2		
Philosophical Match			3	
Overall Impression			3	
1: poor 2: fair 3: great Total Score				<b>31</b>

Vendor B				
Key Contact: Kathy Jones				
Task	1	2	3	Total
Financial Stability		2		
Expertise in Legal Compliance Issues			3	
Relevant Experience/Core Competency			3	
References		2		
Operational Standards			3	
Ability to Ramp Up for Peak Cycles			3	
Behavior Management Tools		2		
Customer Service Quality/Expertise		2		
Technological Advancements/Solutions			3	
Web Interface Usability		2		
Philosophical Match	1			
Overall Impression			3	
1: poor 2: fair 3: great Total Score				<b>29</b>

Vendor C				
Key Contact: Michelle Kasper				
Task	1	2	3	Total
Financial Stability		2		
Expertise in Legal Compliance Issues			3	
Relevant Experience/Core Competency	1			
References		2		
Operational Standards		2		
Ability to Ramp Up for Peak Cycles	1			
Behavior Management Tools		2		
Customer Service Quality/Expertise			3	
Technological Advancements/Solutions			2	
Web Interface Usability	1			
Philosophical Match	1			
Overall Impression		2		
1: poor 2: fair 3: great Total Score				<b>22</b>

### SAMPLE VENDOR SCORECARD Fulfillment Partner

- Operational Standards**

Accuracy and turnaround are just two of the components that factor into a good fulfillment operation. Others are “dock-to-stock” time, cleanliness of the facility, and hours of operation — just to name a few more. While most fulfillment vendors will boast stellar standards, it’s incumbent upon you to ask for, and validate, the actual supporting documentation.

- Quick-to-Market Capabilities**

Most businesses are affected by some sort of seasonality or market spikes. Sometimes these are predictable and can, therefore, be planned for with manpower and physical space. However, sometimes these spikes have limited lead-time and require a vendor that is nimble and able to scale at a moment’s notice. If time-to-market is critical to your business success, make sure you fully understand your prospective vendor’s available resources.

- Customer Service**

What company is going to say they don’t have excellent customer service? None. So it’s up to you to dig a little and get the facts. There are a couple of things to look for: First, how long has the team been in place? Second, how are team members incentivized? Look for a vendor that mentors employees and treats them as partners, sharing the profits as well as the pain.

- **Business Intelligence & Behavior Management Tools**

You can't manage what you can't measure. And managing behavior — that of both your internal and external audiences — is a vital part of your job. Remember our example at the beginning of this document when we discussed requiring the sales force to order material at least 48 hours in advance to mitigate against overnight shipping charges? That type of behavior management is only possible when you have the data that illuminates the issue. However, handing you a stack of raw data with number of SKUs ordered and dates and locations is okay, but showing you how these numbers trend over time — complete with graphical representations — allows you to more easily assess the information. Take that one step further and engage a fulfillment company that will not only interpret the data for you, but also will make recommendations for real-world solutions.

- **Technological Solutions**

What's a "technological advancement" if it doesn't mean anything to your business? Nothing. Choose a company that uses technology as a tool to improve your fulfillment experience and to enhance the effectiveness and cost efficiency of your program. One example of a technological enhancement that could increase your overall program value is Print on Demand (POD). Print on Demand has a variety of benefits including decreased storage and obsolescence costs, variable data/personalization capabilities, quick-to-market ability, and more. Print on Demand is just one example of a technological advancement that a forward-thinking fulfillment company can offer.

- **Real-Time Web Interface**

A real-time Web interface is essential for busy marketing professionals. Make sure you ask your internal users to view the Web interface and test the site to make sure the overall structure is acceptable to your audience. Also, ask for and get a detailed list of the Web site enhancements you can expect, the associated costs (if any), and the approximate timeframes.

- **Philosophical Match**

This last point is less objective than the items above. It's more of a gut reaction, but, nonetheless, it's still important and a valid consideration. First, look around the facility. Is the facility clean? People usually take care of their workstation if they have pride in their work. Second, talk with the staff. Ask spontaneous questions like "What do you like about working here?" "What motivates you to come to work everyday?" Third, look for physical signs of encouragement — things like photos of employees winning awards or banners signifying a particularly good team effort. Again, a company that takes pride in its performance and employees will probably do a better job for you.

Evaluating a fulfillment partner,  
or any vendor, is an **important**  
and **time-consuming** task and  
one that should **not** be taken lightly.

**For more information on fulfillment, please contact Comac at 1-866-COMAC4U and ask for the Managing Director. Or, visit us on the Web at: [www.comac.com](http://www.comac.com).**



**Corporate Headquarters:**  
Comac, Inc.  
565 Sinclair Frontage Road  
Milpitas, CA 95035  
1-866-COMAC4U  
[www.comac.com](http://www.comac.com)