Cloud ERP Supports Growing Promotional Products Companies

ORACLE
NETSUITE

BryantPark
CONSULTING

Cloud ERP Supports Growing Promotional Products Companies

Cloud ERP customized for the promotional products industry can provide rapid ROI while helping companies operate more efficiently, save time and better meet their customers' changing needs.

At a glance, the promotional products industry seems straightforward enough: work with corporate clients to design logos and messaging, then place those designs on everything from t-shirts to mugs to keychains. Peel back the layers and you'll find a complex enterprise made up of many moving parts, each of which must sync perfectly with the next in order to achieve the desired results.

"Promotional products is probably one of the most complex industries I've ever worked with due to the diversification of responsibilities," said Cassius Kellogg, Director at Bryant Park Consulting, a NetSuite Alliance Partner. Those responsibilities include controlling the end-to-end process of receiving the materials or "blank goods" from a supplier, designing the logos, sending the blank goods to a decorator and drop-shipping the final products to an event, association or individual company.

Once on site, the promotional products are distributed to event attendees, customers, suppliers and/or employees. Due to the pandemic, many shipments are now going directly to customers' homes (versus events), which requires last-mile logistics across a broader swath of recipients. Other companies use the swag to incentivize their employees.

To manage their diverse businesses, many promotional products companies rely on older, rudimentary solutions like FileMaker and ProfitMaker, cross-platform relational database applications designed for small and medium-sized business. To manage their financials, most of these companies use basic solutions like QuickBooks. And while larger organizations may use Microsoft Dynamics or Sage 100 for accounting, these systems operate separately from their project, design or artwork management tools.

This guide will examine the challenges that these systems present for companies in the promotional products industry and explain the value that a cloud Enterprise Resource Planning (ERP) solution presents when organizations bring all of their core business activities onto a single software platform.

Table of Contents

Adapting to the Times

In the U.S., the promotional products industry is a $15.6 billion sector with a compound annual growth rate (CAGR) of 4.8%[1]. Made up of 40,742 companies[2] that employ about 150,000 people, the industry designs and distributes promotional products (e.g. key chains, magnets and pens) and also provides advertising-related services like sign lettering, painting services and window signs. Highly fragmented and spread across the U.S., the industry encompasses everything from smaller enterprises with 15-50 employees up to those with $10 million in annual revenues to operations with hundreds of associations and more than $250 million in revenues.

Coming off a tough year in 2020 that found most live events tabled due to COVID-19, the promotional products industry has since recovered. It's not only back to fulfilling requests for items at corporate events, but the industry has also expanded beyond these traditional boundaries out of necessity.

Personal protective products (PPE) emblazoned with corporate logos and messaging, for example, presented a new opportunity for companies in the sector, which is also offering more digital engagement tools (e.g. logos and branding for webinars and online conferences), global logistics, kitting and fulfillment solutions and back-end technology integrations (e.g. campaign performance analytics and customer data management) for their offerings.

"Distributors and suppliers have proved deeply resourceful by rapidly shifting their business models and finding new and creative ways to reach clients. If not for [its] resilience, the promotional products industry would be in a far worse place than it is currently."

Advertising Specialty Institute®[3]

Like most companies right now, those in the promotional products field are also dealing with a persistent labor shortage, ongoing pandemic impacts and the need to coordinate complex projects across remote teams. Seeking increased speed and accuracy across all projects in this environment, companies are assessing their current technology setups and looking for tools that will help them work smarter, better and faster.

[1] IBISWorld Promotional Products in the US
[2] IBISWorld Promotional Products Industry in the US
[3] Asia Central 21 Predictions For 2021

For example, the high-level coordination on a single order of decorated t-shirts includes a multitude of steps, including but not limited to:

- Taking the order for 1,000 t-shirts

- Placing the order for 1,000 blank t-shirts with one supplier

- Instructing that supplier to ship the t-shirts to a specific decorator

- Telling that decorator which file to upload into its embroidery or screen-printing system

- Requesting final products be shipped to the promotional products company for inspection

- Packaging the goods for shipment or drop-shipping them directly to the customer's location

Under each of these steps are sub-steps like reviewing artwork, making changes, receiving returned goods and so forth. Without a unified system in place to manage these steps, companies can wind up with a very complicated and disorganized process on their hands. "For best results, promotional products companies need one spot where they can see and interact with all of their information," said Kellogg. "They don't get that from their aging disparate systems."

Full Visibility Into Status-Based Information

With multiple successful NetSuite implementations for promotional products companies under its belt, Bryant Park has a deep understanding of the ERP and industry best practicess. Using NetSuite as a foundation, the company builds custom project records that drill down into the information most relevant to sales reps and account managers (i.e. where is my purchase order? Has the blank goods shipper sent the product to the decorator? What is the tracking information for the final shipment?).

"We give companies full visibility into status-based information," said Kellogg. Armed with these insights, companies can ensure that their goods get from point A to point B on time.

Organizations can avoid these missteps by leveraging standard NetSuite inventory status metrics combined with the tailored promotional products project record for full visibility of all active processes with various suppliers.

For instance, a company that's shipping business cards, mugs and pens to a single-day industry conference can't afford for a shipment to be one day late—lest it miss the entire event.

Bryant Park also developed a custom-built commission engine. For example, reps may receive different compensation based on whether their customer ordered online (with no human intervention) versus if they consulted with the rep before placing the order. Bryant Park also helps companies better manage project quotes, which are generally based on data provided by the ASI, ESP or Sage promotional products search platforms.

"Sales reps use these platforms to quickly locate the best vendors for their blank goods, versus having to find them on their own," Kellogg explained. "Once they receive a quote from the supplier, that information is integrated into a quote within NetSuite with the click of a button." Rather than creating distinct stock keeping units (SKU) for those items in NetSuite, Bryant Park's customization utilizes product lines that are then filled in with data provided by the product search platforms. "That way," said Kellogg, "your item master doesn't become completely overblown."

Running Multifaceted Operations

Using the SuiteSuccess methodology— a preconfigured platform customized to a business' specific needs—Bryant Park typically takes about four to six months to get a new promotional products company up and running on NetSuite, including training. Once in place, the ERP produces an almost-immediate return on investment (ROI) for companies that previously relied on disparate aging systems.

"Having everything interconnected drives the biggest ROI for companies, followed by a reduction of errors in an industry that's historically prone to mistakes, missed deadlines and late shipments," said Kellogg. By providing definitive, line-by-line order details that include exact shirt sizes, colors and thread counts, for example, NetSuite removes the guesswork that can lead to errors in the production or delivery process. Using a parent-item structure, NetSuite groups all the goods on a single page for easy viewing, review and editing.

Sales reps that used to rely on sticky notes to manage orders experience some of the biggest benefits of moving to NetSuite. When they no longer need steps sequenced in a vertical arrangement of the sticky notes on their desks— or nonstop phone calls to check on expedited projects—sales reps can focus on what they do best: getting new business.

Being able to click a tracking number and get a shipment date in NetSuite frees up substantial time reps once spent on the phone, while the ERP system integrates with ASI, ESP and Sage's promotional products search platforms.

"This increases efficiency throughout the day," said Kellogg, "and eliminates the need for constant copy-and-pasting and email follow-ups."

NetSuite Pays for Itself

With the emphasis on virtual events expected to continue, and with attention on personalization increasing, promotional products companies are well positioned to help event organizers, corporations and associations come up with new ways to engage members and customers.

Using cloud ERP software that's been adapted to their specific needs, promotional products companies can address the complexities of their industry while equipping sales reps with the tools they need to sell more products. Those that ignore this need and continue to operate on disparate aging systems and sticky notes will quickly fall behind the rest of the pack.

"For any promotional products company that wants to continue growing, NetSuite is the top choice among ERP systems. It not only helps organizations change their processes, but it also gives them a system that will immediately improve ROI. It's a no-brainer; NetSuite pays for itself."

Cassius Kellogg, Director, Bryant Park Consulting

ORACLE
NETSUITE

www.netsuite.com

Infonetsuite_WW@oracle.com
877-638-7848