

LEAN DM.

ELIMINATING
DIRECT MAIL WASTE

INTRODUCING LEAN DM

The Direct Mail sector is worth ***£15.2 billion** in the UK, however despite the maturity of the sector ****20 million** mail pieces are still being incorrectly mailed each month costing businesses an estimated **£200-£300m** annually.

Lean DM is a concept developed by The Software Bureau as a systematic process for mail providers to minimise waste and maximise results of mail campaigns for their clients. At The Software Bureau we aim to establish Lean DM as the gold standard for mail producers in the UK.



*http://www.dma.org.uk/uploads/putting-price-direct-marketing_53fdb53b4863.pdf

** DMA Reaching More Consumers With Certainty

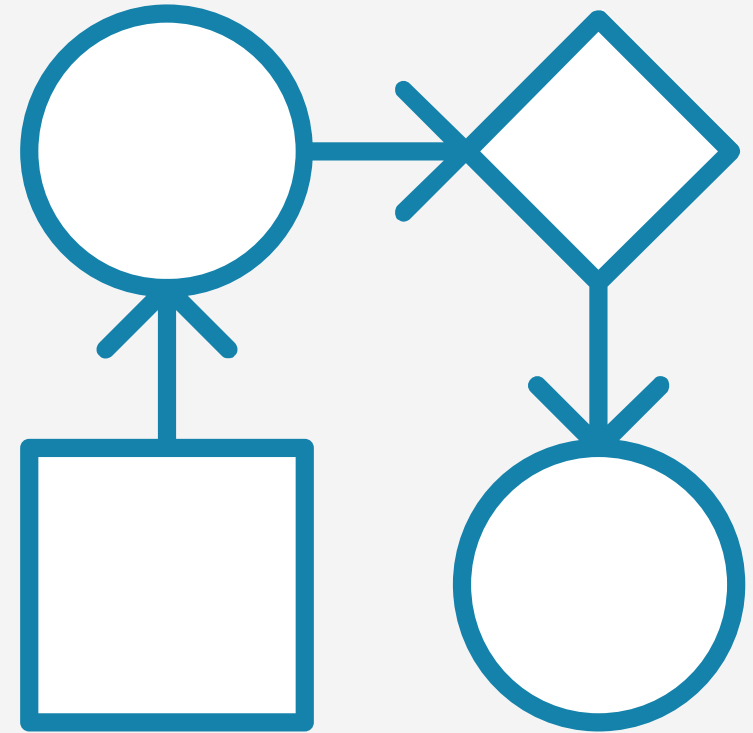
ORIGINS OF LEAN

Kiichiro Toyoda, founder of Toyota was arguably the inventor of Lean manufacturing with his 'Toyota Production System'.

As post war demand for Japanese cars was low, Kiichiro sought to transform his car company from a mass production model to a build to order concept.

To do this he focused on the elimination of waste to minimise costs and maximise efficiency of production.

7 types of waste ranging from inventory to transportation to defects were identified and systematically reduced or removed. 'Lean' transformed Toyota from a fledgling car manufacturer into one of the largest brands in the world.



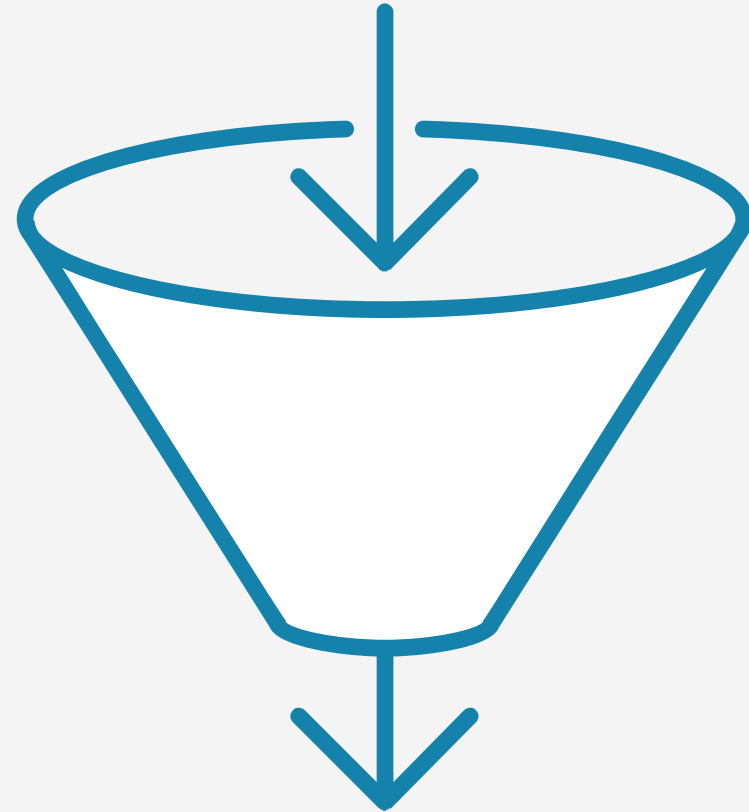


Lean DM is about the elimination of waste within direct mail campaigns

‘Waste’ defined as anything that doesn’t contribute to achieving customer campaign objectives.

5 SOURCES OF DIRECT MAIL WASTE

1. Pack Design
2. Postage Option
3. Data Formatting
4. Data Quality
5. Learning



DIRECT MAIL WASTE REALLY MEANS



Poorer response rates



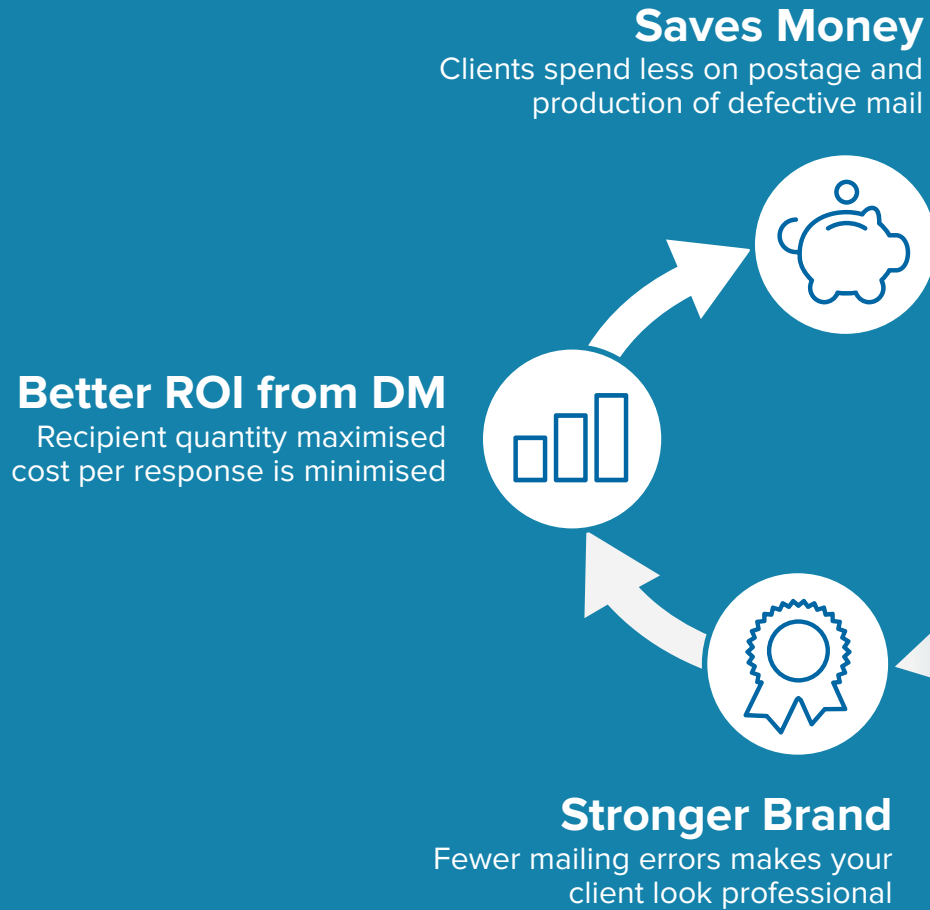
Increased overall campaign costs



Unhappy customers

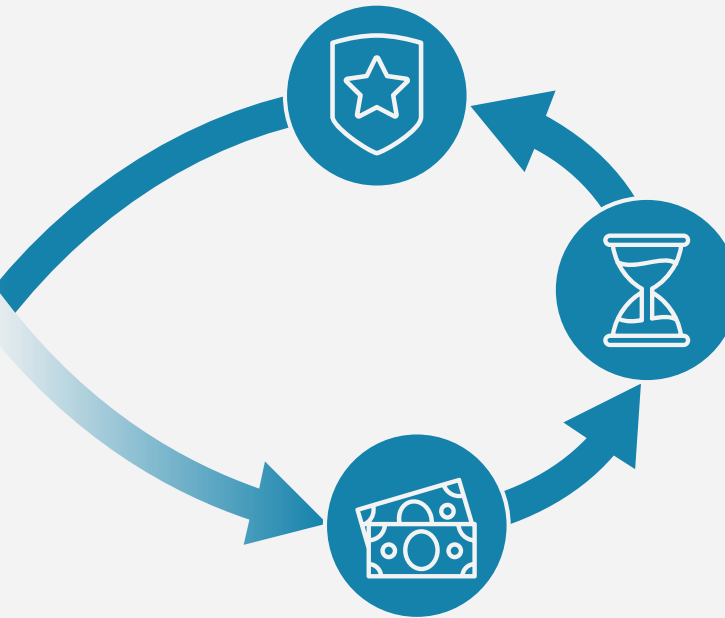
LEAN DM BENEFITS MAIL USERS

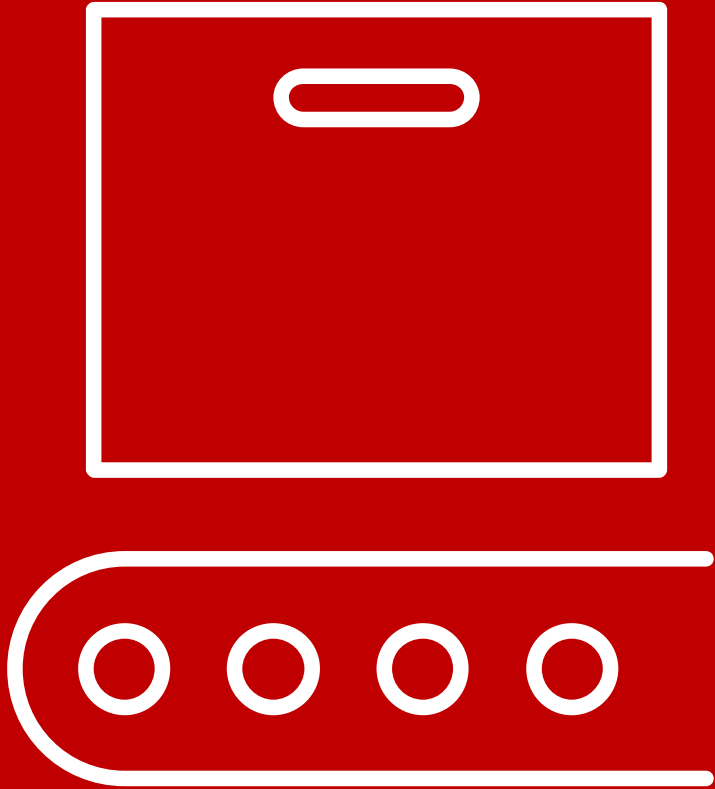
AND BENEFITS MAIL PROVIDERS



A Unique Offering

Applying Lean DM makes you stand out from competitors focused only on price



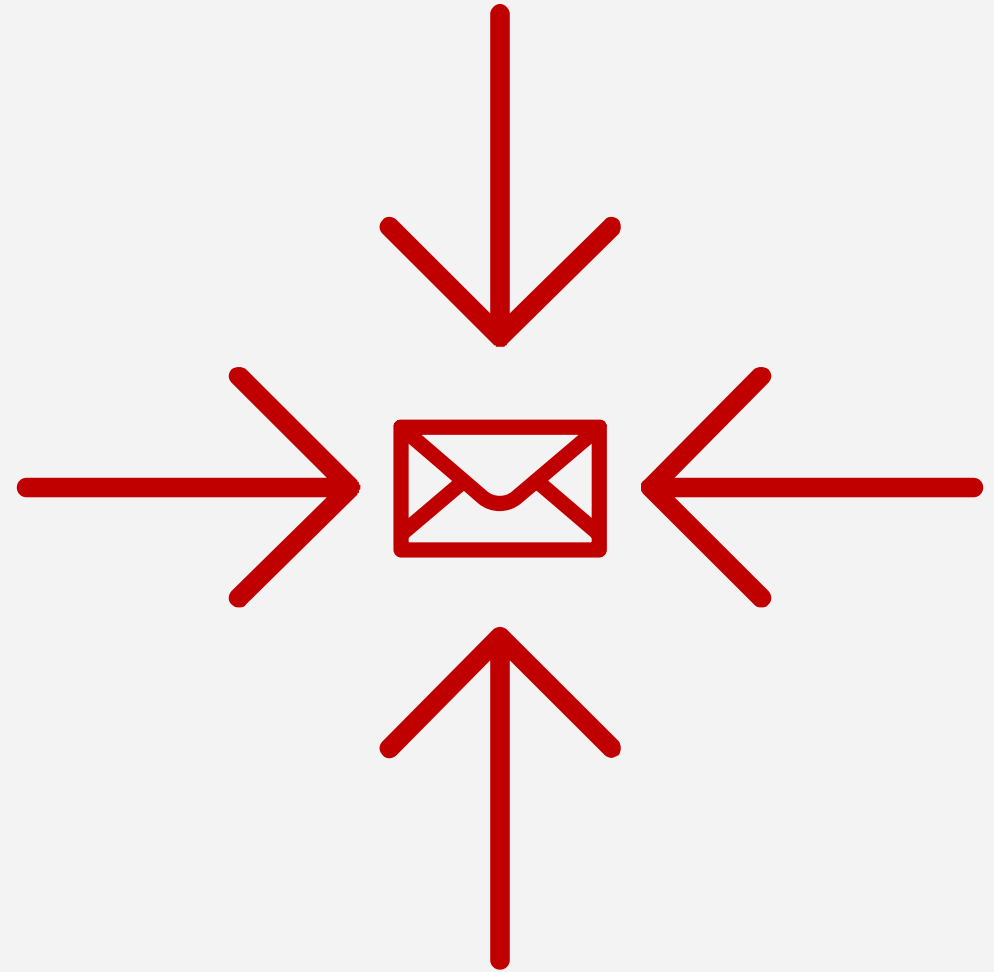


Source of Waste **Pack Design and Postage Optimisation**

PACK DESIGN

Up to *34% of postage costs could be saved by optimising the pack to maximise discounts

- **Help optimise your clients postage spend by advising on pack formats**
- **Demonstrate the cost differential between pack sizes, weights and formats**



*Difference between 2nd class high sort and low sort machine readable for a mailing of 120k+



LEAN DM IN ACTION

STORE CARD MAILING

Lean DM provider advised client how to qualify for 'Low Sort Machineable' postage rate including adjustments to pack design and selection of a more efficient postage provider

£400k p.a.

Annual postage savings for retailer



Source of Waste **Data Formatting**

OPTIMISE POSTAGE

Incorrectly formatted addresses can result in adjustment charges ranging from 13.2p to 43.16p per item*

- Ensure address data is correctly formatted
- Validate and enhance data
- Exclude mailsort rejects (poor address data)
- Generate compliant barcode data and barcode formats

* Mailmark adjustment charges



ADDRESS QUALITY

Address data files sourced from CRM and online data capture systems can often include records with an incomplete or missing address

- PAF enhance your address data and discard incomplete addresses
- Remove overseas addresses if the offer is domestic

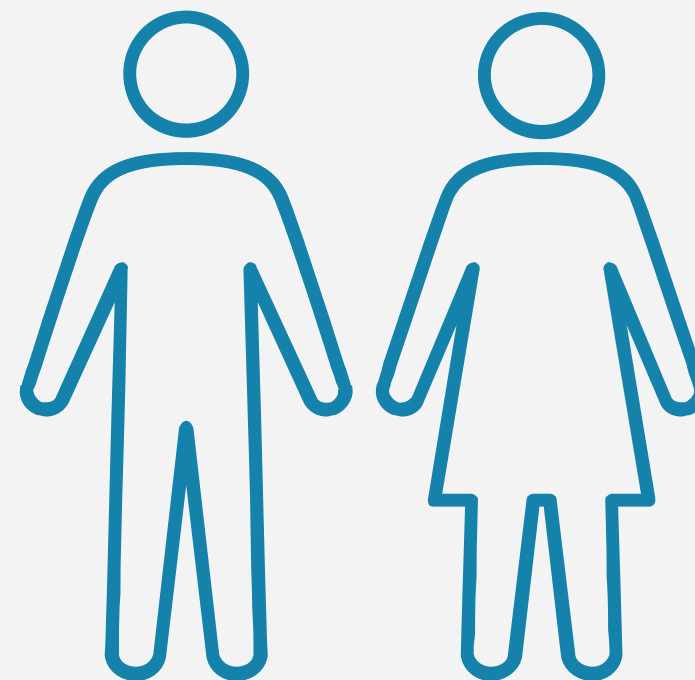


**Good quality address data
will deliver better results**

NAME ERRORS

*97% of consumers say they open correctly addressed mail

- Remove records without a name
- Identify a gender to improve personalisation and targeting
- Use gender specific selections in your deduplication process
- Identify gender conflicts between title and forenames
- Ensure name enhancements make it back to customer databases



***30% of consumers said they would be less likely to open a piece of mail if their name is spelt incorrectly**

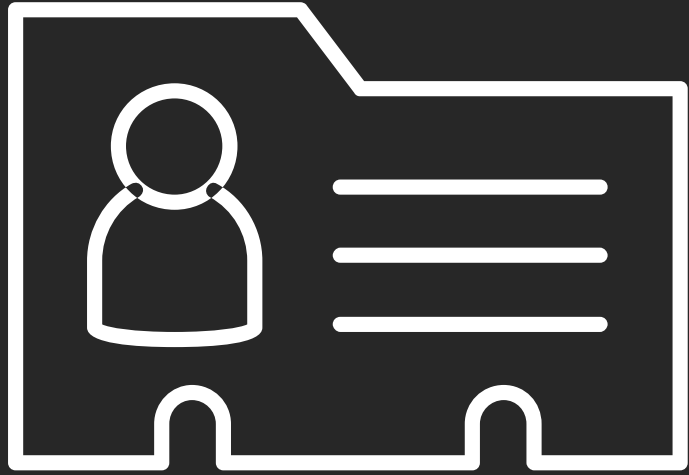
*DMA advertising mail guide



LEAN DM IN ACTION

LEGAL AND GENERAL

Sent account clerk from Leeds Sally Peacock direct mail addressed to Mrs Sex Peacock after a rogue 'x' was added to name data. With a Lean DM obscenity screen this record would have been highlighted and corrected.

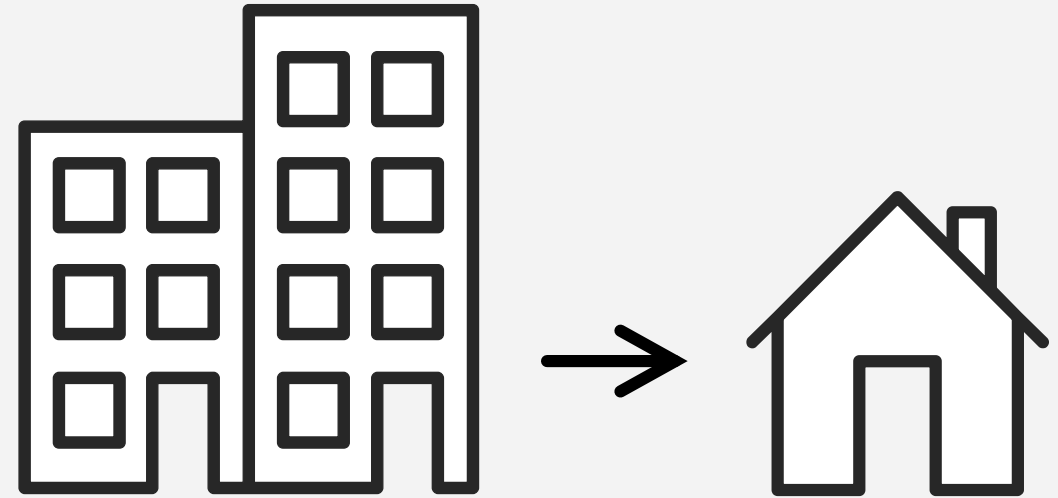


Source of Waste **Data Quality**

MOVED / DECEASED

Around *1.5 million households move and *500,000 people die each year in the UK. Mailing to these people is not only costly but reflects badly on the brand

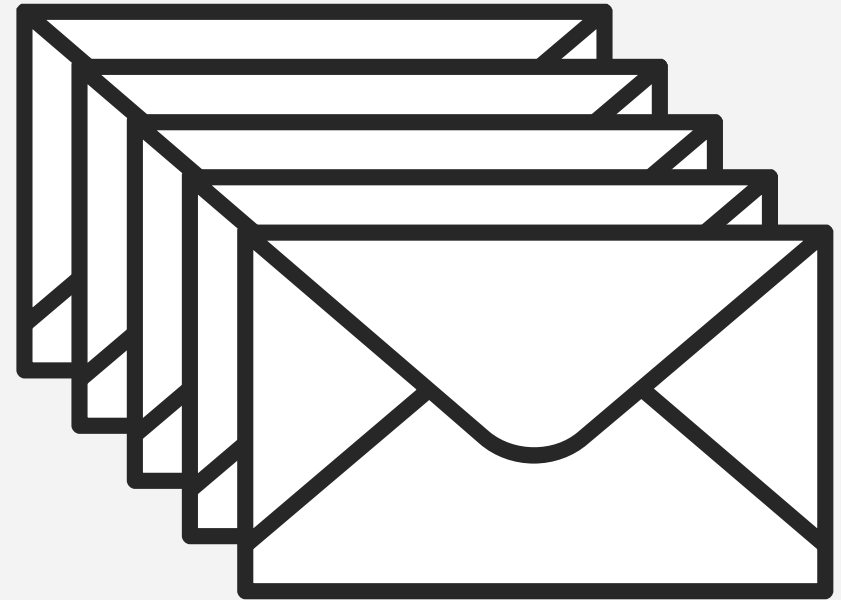
- Ensure you Trace and Suppress data to avoid losing touch with customers and missing opportunities
- Educate customers about the value of Data Hygiene
- Update client databases



*Admail Guide from Direct Marketing Association

DUPLICATES

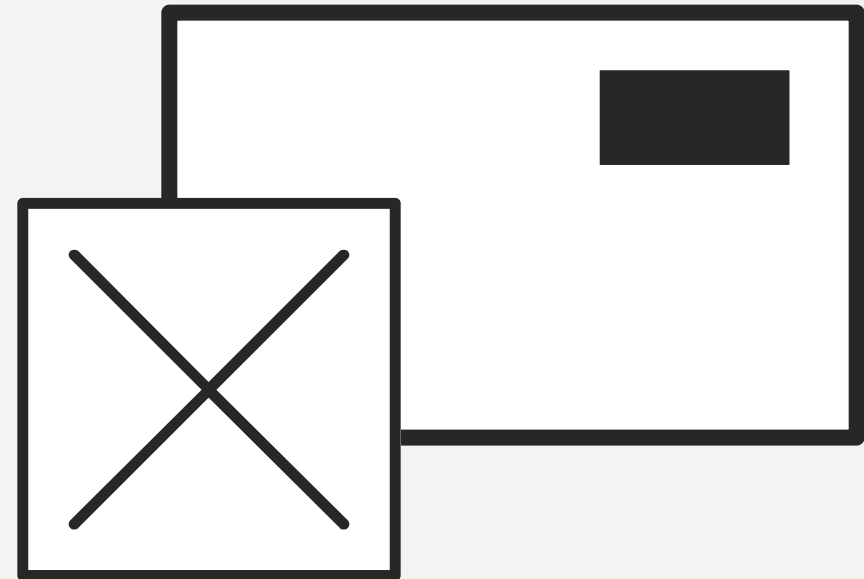
- Identify the correct level of deduplication required
- Use alternative data anchors in your matching such as; DOB, Tel No.s email
- Build deduplication rules in consultation with your client
- Fine tune your results



NO MAIL PREFERENCE

On average*40% of returned mail is due to recipients wishing to opt out from mailings

- Ensure clients maintain permissions and preference settings within their CRM
- Always, screen cold data against Mailing Preference Service
- Develop & Host suppression files of returned mail on behalf of clients
- Pass MPS matches back to the data providers



*DMA Advertising Mail guide



LEAN DM IN ACTION

IRISH WATER

Widow receives multiple offers from Irish Water addressed to her late husband with initials 'RIP' next to his name. A deceased suppression file would have prevented this from occurring.



Source of Waste
Missing Feedback Loop

RETURN HANDLING

Don't lose contact with valued customers and learn from the mail that gets returned

- Pool mail returns and screen regularly against Home Mover trace data
- Maintain a suppression file on behalf of customers
- Use marketing automation to update customer data via alternative channels



Set up fields

On data errors: Stop and show errors

Import to field: Business Phone Email

#	Business Phone	Email	First Name	Home Phone	Last Name	Lead Source	Organization Name: ID	Organization Name
#1		andy@dover.com	Andy		Dover			
#2		aalston@thepinnadew...	Scott M		Alexander			
#3	(408) 221-8791	art@vision-webs.com	Gary		Chamberlain			
#4	(408) 221-8798	asgeir@gamestodin.is	Eric		Tinjim		001A000000XGJIA0	Scott M Alexande
#5	(408) 221-8802	bozomilutinovic@gmail...	Anita		Aars		001A000000XZJZIAS	Gary Chamberlair
#6	(408) 221-8803	a1@lugh.com	Caroline		Clear		001A000000X2jbiAC	Eric Tinjim
#7	(408) 221-8806	admin@hot-ipods.co.u...	Deborah		Abadi			
#8	(408) 221-8807	antonvolney@hotmail...	Menter, Nicholas Hoad		Lissa		001A000000X2hwIAC	Caroline Clear
#9	(408) 444-2480	akandelaki@yahoo.com	Matthew		Amy		001A000000XZIVIAS	Deborah Abadi
#10	(408) 444-2482	adils@atmedia.com	Eugene		Ampofo			
#11	(408) 444-2502	bitterinn@gmail.com	Arlinda		Amos		001A000000X2j1IAC	Matthew Amy
#12	(408) 444-2505	admin@authentigizmo...	Ruth		Amore		001A000000X2i6IAC	Eugene Ampofo
#13	(408) 444-2509	alfedemelmac@gmail...	Shawn		Ammon		001A000000X2k4IAC	Arlinda Amos
#14	(408) 444-2533	elana@divadata.com	Richard		Ames		001A000000X2iEIAS	Ruth Amore
#15	(408) 444-2543	admin@quittingdyesca...	Mary		Amel		001A000000X2jAIAS	Shawn Ammon
#16	(408) 444-2544	amrizal.nugraha@medc...	Ekuwa		Amegor		001A000000X2jdiIAC	Richard Ames
#17	(408) 444-2553	admin@widescreen-wor...	Dennis		Ambo		001A000000X2jMIAS	Mary Amel
							001A000000X2i0IAC	Ekuwa Amegor
								Dennis Ambo

LEAN DM IN ACTION

AA DATA BREAKDOWN

45% of AA's database could not be PAF verified while 2% of those AA claimed were verified were incorrect. A thorough data cleansing campaigns resulted in cost saving of at least £2.8 million.

3.5m

Records found to contain data hygiene errors.

MAIL PROVIDERS THAT OFFER LEAN DM



Develop new chargeable services



Offer something unique

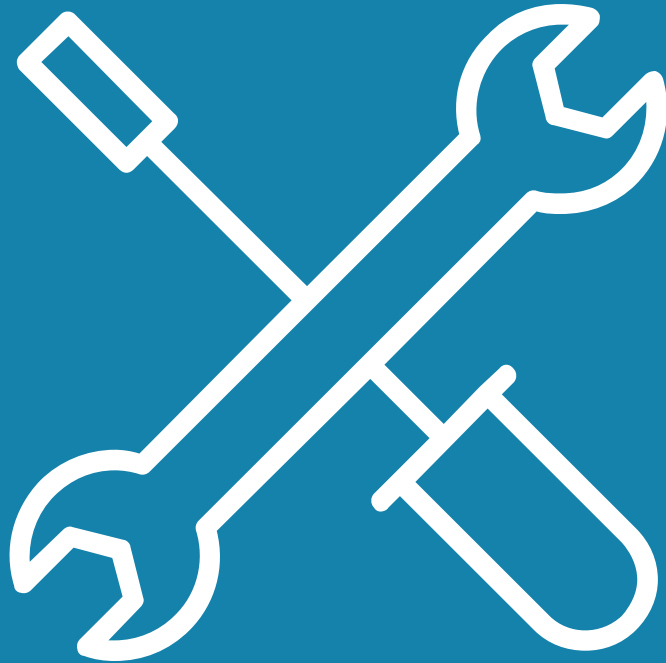


Have more satisfied clients

... so where do you start?

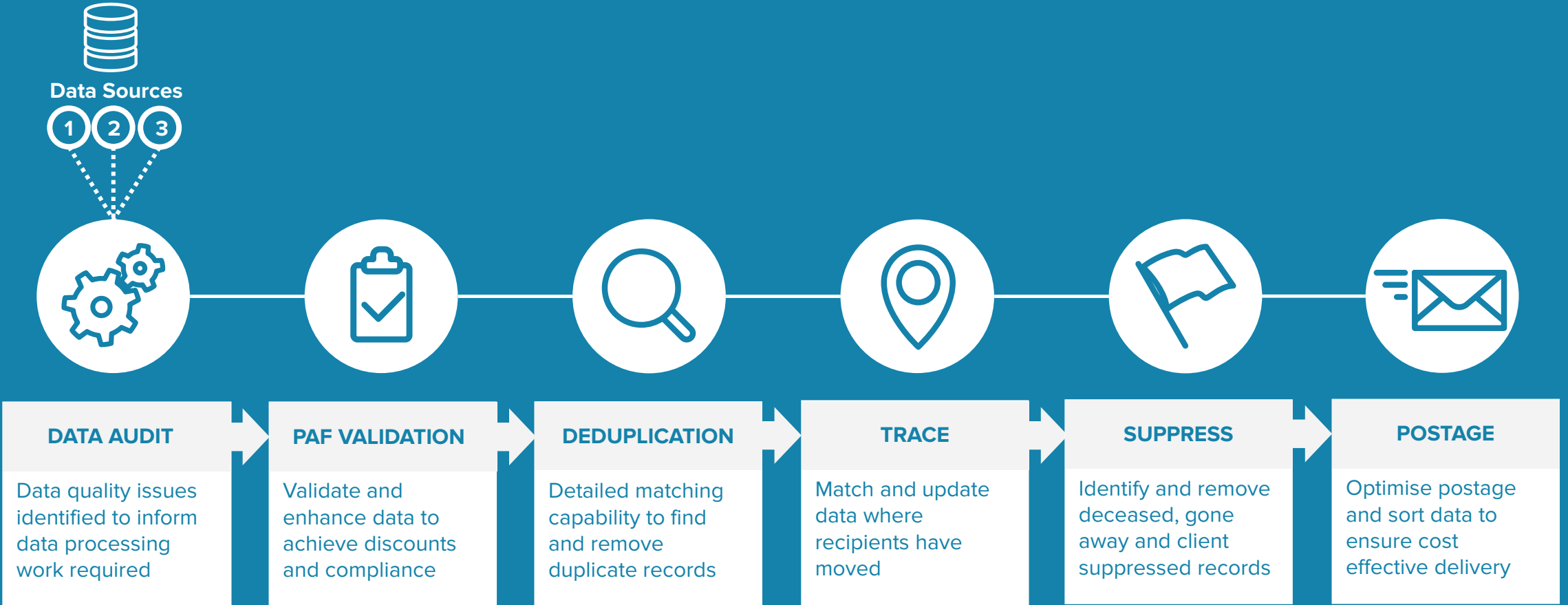


Introducing Cygnus Your Lean DM Toolkit



Cygnus makes it simple to design Lean DM data processing workflows to eliminate waste

TYPICAL CYGNUS LEAN DM PROCESS





“Since investing in Cygnus we have grown revenues & profits and enhanced our relationships with our clients furthering our marketing services offering.”

Jude Whitford, Managing Director
Pepper Communications Ltd

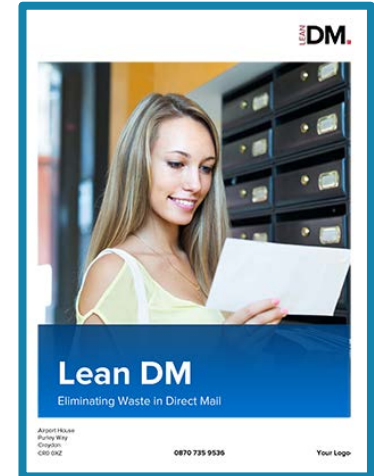
GETTING STARTED WITH LEAN DM

Lean DM is an opportunity for forward thinking mail producers to create a new, chargeable service and provide that lynch-pin for winning new clients.

To get started with Lean DM why not register for a [Lean DM demo](#) of the Cygnus data processing suite or [download the free Lean DM product sheet](#) to help you sell the concept to your clients.

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