



SQUARE ONE INC. CASE STUDY

OVERVIEW

Square One Direct Inc., a \$12.5 million marketing communications provider in New Jersey was experiencing growing revenues but declining profitability. They deliver a diverse set of services and needed a better way to understand their business, rapidly and accurately estimate projects, identify profitable work, and implement more efficient ways to manufacture jobs.

CHALLENGE

Square One is a well-run company which understands that carefully tracking specific costs, revenues, profitability and other metrics is essential for success. For years, staff-driven procedures and a basic MIS in conjunction with homegrown constructed Excel spreadsheets worked well. At least it worked well enough for managers to understand and track profitability. About five years ago, the Square One reached \$8 million in sales and executives noticed that costs were increasing more rapidly than revenues. Profitability was declining, and they were unsure why.

"This particular investment does not directly make us money. Instead, it gives us a closed-loop accountability system for better calculations and precise formulations of anticipated results on a more consistent basis. Our intention has always been to use this system to increase our production volume without adding any more staff, which allows us to grow and be more profitable. We already see that happening."

**Jill Townsend, Partner,
Square One**



Square One Inc. is a national marketing logistics company serving direct marketing agencies and corporate America, founded in 1994. We deliver increased response rates for B2C and B2B campaigns through secure data management, targeted messaging and multi touch programs. From automated programs to complex direct mail packages, Square One provides one-stop technical and production capabilities provide stress free relief for busy marketers, reduced program costs and rapid delivery to market. These include:

- Direct mail and email marketing services and management
- Confidential Data Environment
- Offset, digital, large format, flexography, and envelope converting

Square One staff spent considerable time using the old system to document costs for various processes, which was both challenging for the shop floor staff to collect and difficult for management to utilize. Investigative processes and tools showed them where to focus, but they were not specific enough to identify solutions for improvement. Managers discovered that:

- They couldn't identify cost factors on a job-by-job basis
- They couldn't differentiate profitable from unprofitable projects
- Accountability or consistency were non-existent – project plans were simply numbers on a piece of paper
- Every project was costed as a clean-sheet design in a system which allowed staff to enter their own numbers
- Links between cost and price did not exist
- Employees routinely made mistakes in manufacturing and purchasing due to human errors, inaccuracies, and poor organization of notes and instructions

In short, Square One, with its diverse services, volumes, and shift cycles, had outgrown its original MIS system

The company spent a year-and-a-half assessing solutions from major Print MIS providers and drilling down into the numbers to better understand their budgeted hourly rates, standards, and cost centers. Managers conducted internal

"In the last six months of 2018, as challenging as it was with all we took on, we saw profit and sales growth. That would not have been the case if we had continued with our old system – we would've been in decline."

**Jill Townsend, Partner,
Square One**

reviews of every department and significant projects. Once they had the numbers, they quickly selected Avanti Slingshot and went live with the new Print MIS system eight months later.

"I am the biggest proponent of Avanti. They've been nothing but supportive, and they're with us. As far as the support team and the training goes; I can't even imagine what we would've got with another organization. We would've been on our own. And, I've felt this way since we signed on."

**Jill Townsend, Partner,
Square One**

SOLUTION

Avanti Slingshot integrates estimating, purchasing and scheduling, accounting, shop floor data collection, payroll, shipping, CRM, invoicing, and billing more effectively than the old system:

- It provides closed-loop accountability on a more consistent basis
- It handles all the diverse cost centers, like flexography, even though each requires different models and workflows
- It significantly streamlines redundant management tasks
- Entering data is faster and less cumbersome than with the previous system and more can be captured accurately



Jill Townsend, Partner at Square One, described an example where a \$45,000 print-and-mail project run using data gleaned from Avanti Slingshot was \$4,000 cheaper to produce than by using the shop's traditional methods. She stressed that this is just one example of many projects Square One is now producing differently.

ADVICE

Townsend has some good advice for anyone considering investing in Print MIS systems:

- Never forget that this is just software. MIS systems rely on detailed information about your operation to work. Be sure to gather all the data you need before beginning your implementation
- Be willing to change. You will struggle and miss out on benefits if you try to automate the way you've always done things. Work with the system and not against it
- Your new MIS system is a significant change in the way you work, will impact your entire staff. Be sure to involve everyone in your organization in the planning, data collection, implementation, and use of the new system
- Communicate to your staff how this new system has the tools they need to do their jobs more efficiently. Be clear that a better solution does not indicate poor past performance. Your team did not have the data to make informed decisions before and this will help them perform better

RESULTS

Square One realized returns on its investment within six months:

- Captured data is now complete, detailed and accurate
- Errors arising from miscommunications have been reduced
- Informed business decisions can be made based on the profitability of any project
- Producing fast, accurate, and consistent estimates has generated higher sales
- The same staff supports more capacity

Most importantly, Square One has seen an overall 10% increase in total sales with increased profitability. Some of this growth includes anticipated work from a major client but their newfound ability to quickly and accurately estimate projects also had a big impact. Just as important, profitability, which had been lagging revenue growth, increased as well.

BENEFITS AT A GLANCE



More informed business decisions by identifying cost factors for each job and distinguishing profitable from unprofitable projects



Improved profitability with reduced manufacturing and purchasing mistakes, streamlined management tasks, and faster data entry



Increased sales due to fast, consistent, and accurate estimates



More capacity without increasing staff

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WE HAVE ANSWERS®

At Avanti, our goal is to help you deliver more jobs, in less time, with the confidence in knowing that every aspect of your shop is integrated into one powerful platform.

Award-winning, JDF-certified Avanti Slingshot® allows for the sophistication required by today's Print and Marketing Services Providers. The platform is able to manage multiple lines of business, handle large/grand format, digital and offset print, as well as mail and fulfillment workflows.

Connect islands of automation, eliminate breakpoints in your workflow, and get the information you want – when you want it, and where you want it – easily, with Avanti Slingshot®.

From order entry through to production and billing, Avanti Slingshot enables you to work more efficiently, control your costs and move more jobs through the shop with ease.

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