Chapter 18
Virtual package management

The only thing that saves money is efficiency, and package goods companies have rarely won awards for efficient marketing departments.

Several years ago a company’s marketing department could create a brand and promote and disseminate its information through printing suppliers and advertising agencies.

It’s not that simple today. With the proliferation of branded products, and the speed needed to get to market, and the need for the brand information to be disseminated nationally and very often worldwide, you can’t do it the old way.

So how did manufacturers try to become more efficient? They started putting their brand information on their websites and emailing their packaging and brand information to printers, design agencies, ad agencies, retailers or anyone who asked for their products. This handcrafted information turned into an impossible enterprise for a lot of companies, with low efficiency, high cost and substantial production errors.

How was this solved? A new industry was formed to focus on creating value by leveraging technology for package goods operations. The industry is based on outside vendors who, through web-based technology, manage the brand components regionally, nationally or worldwide for package goods companies.

What is this industry called?

Although this book calls it ‘virtual management’, there are hundreds of different names used to define it. Gartner, a leading technology analyst, calls it ‘marketing resource management’, some call it ‘integration management’, some call it ‘web-based knowledge management’ and some call it ‘digital asset management’.

But it all adds up to virtual management – and package goods companies can use it as a way to get information out to the world more cost-effectively, accurately and efficiently.

When do you need virtual management?

Almost every package goods company needs it in one way or another.
If a company is introducing a brand new product and needs to gather information about the product to inform customers, its sales force, along with its own finance, legal, marketing, sales, manufacturing, channel management, this company needs to find an efficient way to get out the information.

If a company has hundreds or thousands of packaged products, it needs an efficient way not only to get the brand information to all the constituents, but also to update this information quickly, easily and cost-effectively on an ongoing basis.

**The three systems**

Which virtual management system is best for you?

They each have a different specialty, and each marketing department or package goods company has to decide which is the best fit. With some companies, they may need more than one virtual management system in place.

For this book, we’ll break them down into three types of systems. Each system is an offshoot of a marketing resource that has existed for years:

1. *Offshoot of the product catalog* that used to disseminate information about products and brands to retailers and the printers and agencies associated with these retailers.
2. *Offshoot of the converter or printer* whose main customer was the package goods company.
3. *Offshoot of the design and branding agency* who provided consulting and art work for their package goods clients, which was used by converters and printers for their packaging and advertising.

**Offshooting the catalog**

Go to a large retailer’s website, let’s say Target, and you’ll start to get the picture. These retailers are maintaining an aggregated catalog with information from thousands of suppliers. Look at all the brand information and the product description they maintain. And the odds are that each of those suppliers is giving information to all the other retailers.

So companies like HAHT Commerce, according to Rowland Archer,