

15 Simple Cost-Cutting Strategies from Industry Experts

Presented by:



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A woman with her hair in a bun, wearing a yellow and black plaid jacket over a black turtleneck, is sitting in a bright yellow armchair. She is in a meeting room with a whiteboard covered in colorful sticky notes in the background. Two other women are seated around a white circular table in the foreground, one with her back to the camera. The room is brightly lit, and there are bookshelves in the background.

Optimizing Budgets

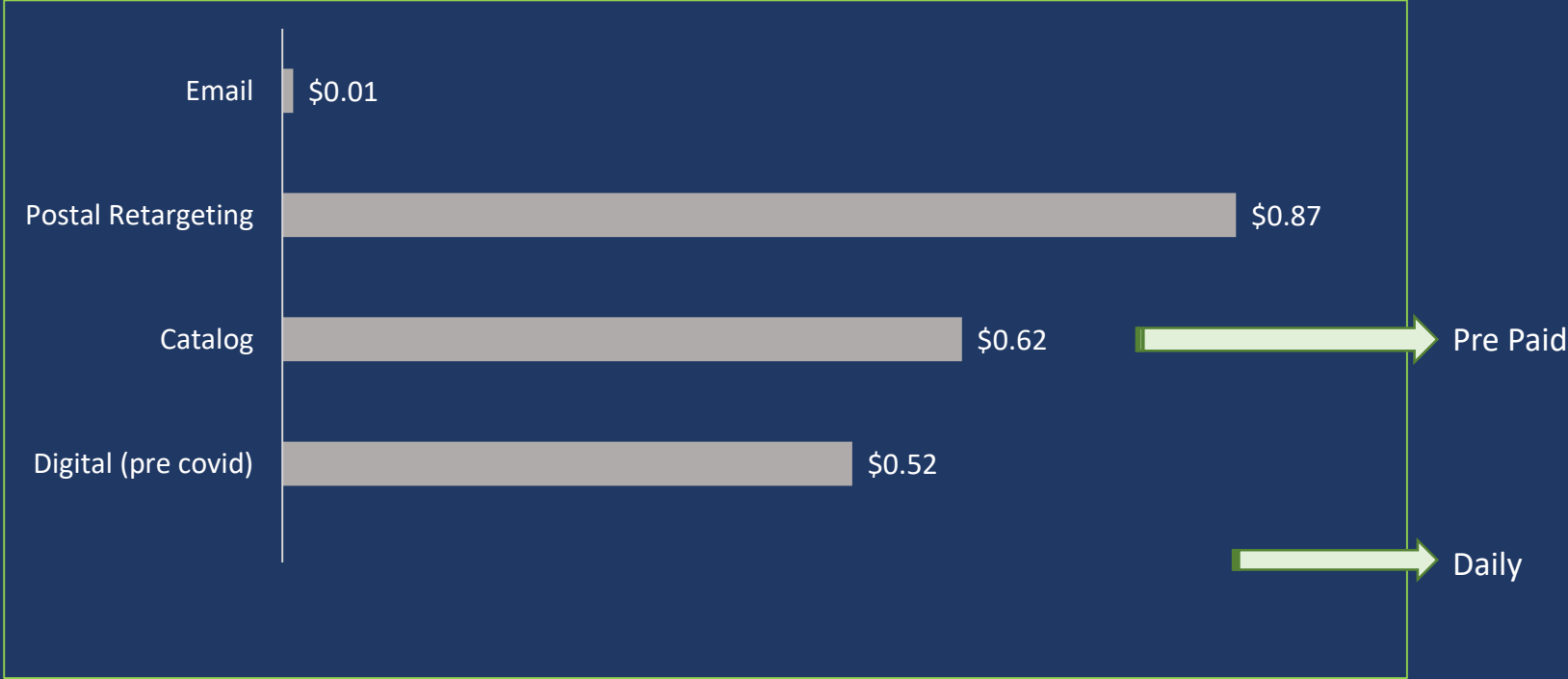
- Reduce expense and manage cash
 - Catalog / print is usually the most expensive item and it's the first to be cut or reduced.
 - Under-utilizing contribution metric.

Print is Around the Important

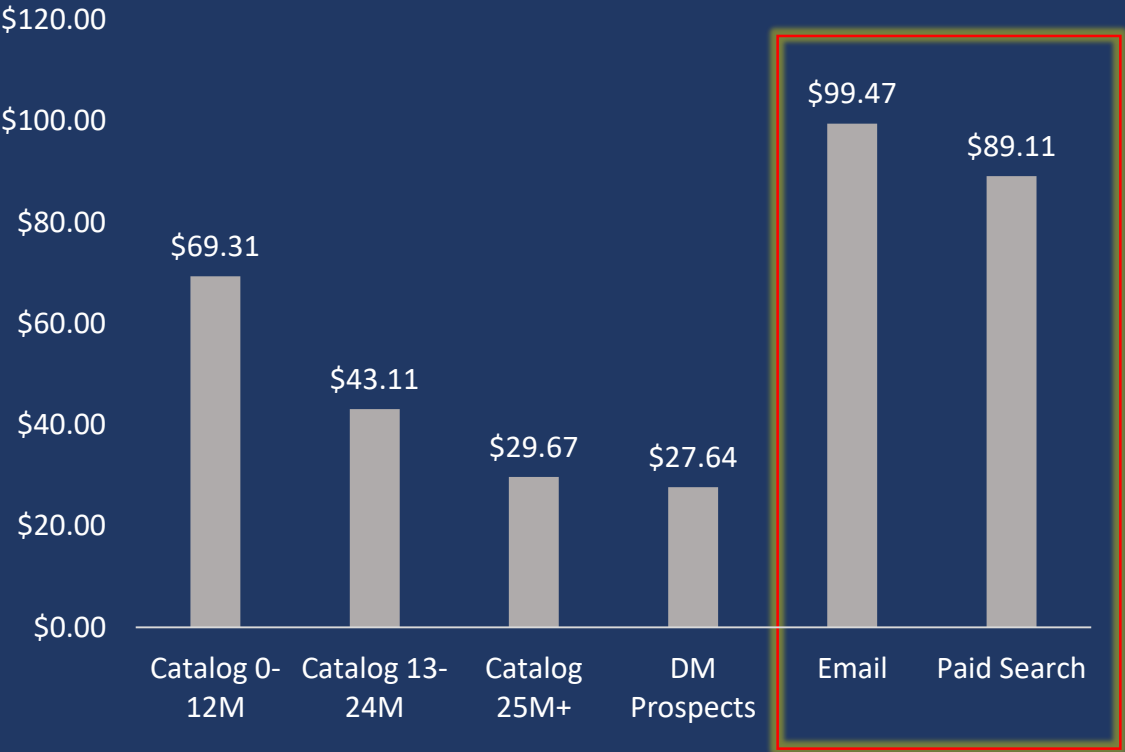
- Consumers facing an increasing barrage of emails at an average of 108 emails per day
- Digital is increasingly challenged with ad blockers and 3rd party privacy policies
- Print is providing a positive customer interaction
- While people process digital ad content quicker, they spend more time with physical paper, have stronger emotional responses to them, and remember them better
- Print is a Digital Champion - usually the largest traffic driver with top-of-funnel opportunities
- Direct-to-consumer print catalogs have proven, time and again, to raise the tide for multiple 'sales channel'-oriented boats



Marketing Cost Comparison



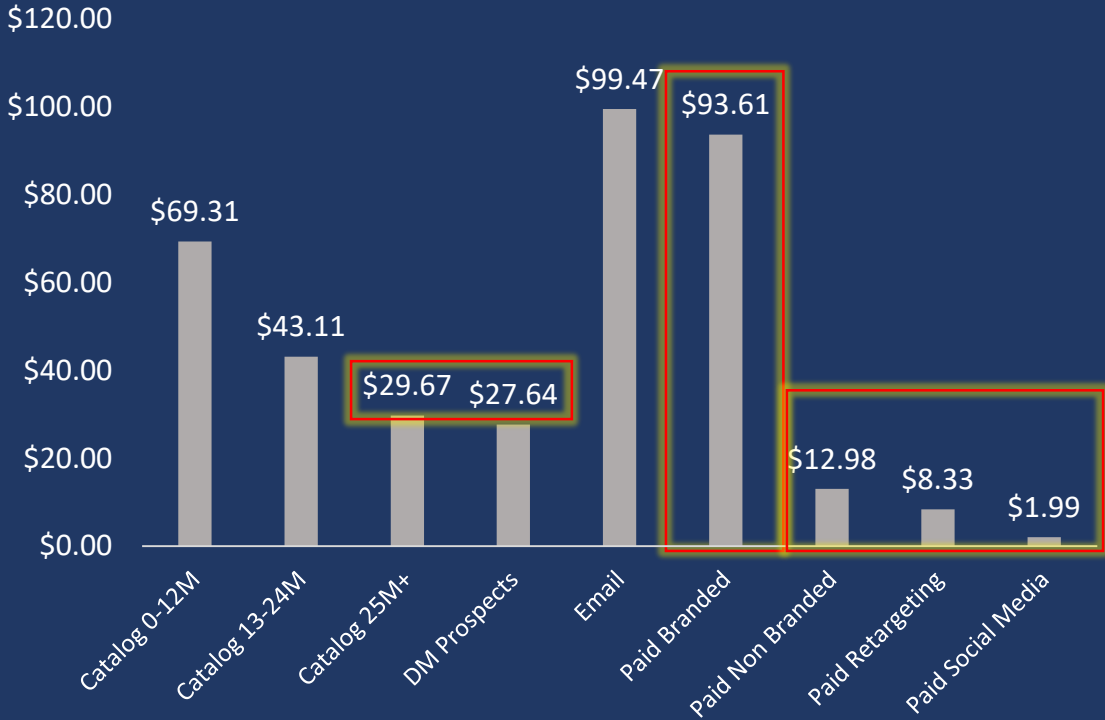
CONTRIBUTION PER ORDER - BY ORDER CHANNEL



Contribution Per Order brings in the magnitude of the campaign segment targeted (marketing cost and cost of goods).

This metric will help with your payroll and to keep the lights on – in other words -- adding top-line demand and bottom-line profits.

CONTRIBUTION PER ORDER - BY ORDER CHANNEL



Add level of granularity to your reporting KPI.

Marketing Spend goes where the dollar leads you!

INCREMENTALITY MATTERS



Longitudinal
Holdout Test
Buyers -
Random Nth

- Evaluate all channels based on profitability
- Add a mixture of direct mail options
- Double down on your best customers by adding more contacts across channels
- Continue to prospect where possible
- Find savings – there are many



A close-up photograph of a hand dropping a coin into a stack of coins. The hand is positioned at the top left, with the index and middle fingers holding a coin. The coin is falling towards a stack of approximately 15 coins on the right side of the frame. The background is blurred, showing a person's face and some greenery. The overall lighting is warm and golden.

Creative Saving Strategies to Consider

Neal Schuler, Vice President, J.Schmid

Target Creative Resources

- ✓ Review ROI on Creative
- ✓ Direct spend on the most profitable and measurable channels



Photography

- ✓ Strategically reduce shot count
- ✓ Leverage image alteration
- ✓ Super plan your shoots

Saving 2 -4 shooting days
2X a year can save 32k – 112k
+ Expenses!



J.SCHMID

Asset Sharing

- ✓ Produce assets for multi-channel use
- ✓ Create a copy library



Review Contracts

- ✓ Look for opportunities in the details
- ✓ Extend the length of an agreement for a rate reduction

A photograph of a child in winter gear sledging down a snowy slope. A large, fluffy white dog is pulling the sled. The background shows snow-covered trees and a clear sky.

Develop Effective Partnerships

- ✓ Consolidate tasks
- ✓ Look for advocates for your business

Bonus Item: Smart Versioning

- ✓ Check the data for ROI
- ✓ Find the most efficient ways to version
- ✓ Consider production timing

Save on:

Plate costs

Pre-press and proofing

Paper

Bindery



A close-up photograph of a hand holding a gold coin, poised to place it on top of a tall stack of similar coins. The background is softly blurred, showing a person's face and some greenery, suggesting a financial or business setting. The lighting is warm and focused on the coins and hand.

Paper Saving Strategies to Consider

David Goldschmidt, President, Midland *National Paper*

TRIM SIZE CHANGE



1/8"
width reduction

Circulation:	500,000	500,000
Trim Size:	8.375" x 10.5"	8.25" x 10.5"
Page Count:	64 page body + 4 page cover	64 page body + 4 page cover
Square Inches:	5,276 Square Inches (87.9 inches/page)	5,198 Square Inches (86.6 inches/page)
Piece Weight:	4.6801 ounces	4.6102 ounces
Cover Stock:	70# Text	70# Text
Body Stock:	45# Text	45# Text
Estimated Postage:	\$193,339	\$191,846
Cover Paper Pounds:	15,551 pounds @ \$42.00/cwt	15,325 pounds @ \$42.00/cwt
Body Paper Pounds:	156,948 pounds @ \$40.00/cwt	154,665 pounds @ \$40.00/cwt
Paper Dollars:	\$ 68,617	\$ 67,619
Total Postage and Paper:	\$261,956	\$259,465

Potential Savings
\$1,493
\$ 998
\$2,491

BASIS WEIGHT CHANGE



Circulation: 500,000
 Trim Size: 8.375" x 10.5"
 PageCount: 64 page body + 4 page cover

Cover Stock: **70# Text**
 Body Stock: **45# Text**

Piece Weight: 4.6801 ounces
 Postage: \$193,339

Cover Paper Pounds: 15,551 pounds @ \$42.00/cwt
 Body Paper Pounds: 156,948 pounds @ \$48.75/cwt
 Paper Dollars: \$82,213

Total = \$275,552



Cover Stock: **80# Text**
 Body Stock: **40# Text**

Piece Weight: 4.2654 ounces
 Postage: \$184,480

Cover Paper Pounds: 17,772 pounds @ \$42.00/cwt
 Body Paper Pounds: 139,509 pounds @ \$52.75/cwt
 Paper Dollars: \$80,245

Total = \$264,725

\$10,827 Reduction

GRADE CHANGE

Coated and SC Web Grades

AF&PA Classification GE Brightness/Tappi T452	Grade #1 Freesheet ≥ 91.0	Grade #2 Freesheet 87.0 to 90.9	Grade #2 Groundwood ≥ 87.0	Grade #3 Freesheet 82.0 to 86.9	Grade #3 Groundwood 82.0 to 86.9	Grade #4 Freesheet ≤ 81.9	Grade #4 Groundwood 75.0 to 81.9	Grade #5 Groundwood ≤ 74.9	SCA, SCB, SMC, MFC, LWU
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Circulation: 500,000
 Trim Size: 8.375" x 10.5"
 Page Count: 64 page body + 4 page cover

Cover Stock:	70# Text Grade #3	70# Text Grade #3	70# Text Grade #3	70# Text Grade #3
Body Stock:	45# Text Grade #4 →	45# Text Grade #4.5# →	45# Text Grade #5 →	45# Text SCA++
Piece Weight:	4.6801 ounces	4.6801 ounces	4.6801 ounces	4.6801 ounces
Postage:	\$193,339	\$193,339	\$193,339	\$193,339
Cover Paper Pounds:	15,551 lbs @ \$42.00/cwt	15,551 lbs @ \$42.00/cwt	15,551 lbs @ \$42.00/cwt	15,551 lbs @ \$42.00/cwt
Body Paper Pounds:	156,948 lbs @ \$48.00/cwt	156,948 lbs @ \$44.00/cwt	156,948 lbs @ \$39.50/cwt	156,948 lbs @ \$36.00/cwt
Paper Dollars:	\$81,866	\$75,588	\$68,525	\$63,033
Totals =	\$275,205	\$268,927	\$261,864	\$261,864
		\$6,278 Reduction	\$13,341 Reduction	\$18,833 Reduction

COST ANALYSIS

	Current Catalog	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Print Quantity / Circulation	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Paper - Body	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss	50# Grade #4 Gloss
Paper - Cover	70# Grade #3 Gloss	80# Grade #3 Gloss	70# Grade #3 Gloss	80# Grade #3 Gloss	70# Grade #3 Gloss	80# Grade #3 Gloss	70# Grade #3 Gloss	80# Grade #3 Gloss
Trim Size	7.25 x 9.5	7.25 x 9.5	7 x 10	7 x 10	7.25 x 10.5	7.25 x 10.5	7.25 x 10.5	7.25 x 10.5
Page Count	44+4	44+4	44+4	44+4	44+4	44+4	40+4	40+4
Square Inches	3,306 Sq In	3,306 Sq In	3,360 Sq In	3,360 Sq In	3,654 Sq In	3,654 Sq In	3,350 Sq In	3,350 Sq In
Difference to Current		0 Sq In	54 Sq In	54 Sq In	348 Sq In	348 Sq In	44 Sq In	44 Sq In
SqIn/Page	68.9 SqIn/Page	68.9 SqIn/Page	70.0 SqIn/Page	70.0 SqIn/Page	76.1 SqIn/Page	76.1 SqIn/Page	76.1 SqIn/Page	76.1 SqIn/Page
Difference to Current		0.0	1.1	1.1	7.2	7.2	7.2	7.2
Piece Weight	2.8768 oz.	2.9232 oz.	2.9238 oz.	2.9709 oz.	3.1796 oz.	3.2309 oz.	2.9232 oz.	2.9745 oz.
Estimated Postage	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500
Body Pounds	63,804 lbs.	63,804 lbs.	61,671 lbs.	61,671 lbs.	63,804 lbs.	63,804 lbs.	57,940 lbs.	57,940 lbs.
Body \$/cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt	\$40.00 /cwt
Body Stock	\$25,522	\$25,522	\$24,668	\$24,668	\$25,522	\$25,522	\$23,176	\$23,176
Cover Pounds	8,943 lbs.	10,220 lbs.	8,645 lbs.	9,880 lbs.	8,943 lbs.	10,220 lbs.	8,943 lbs.	10,220 lbs.
Cover \$/cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt	\$42.00 /cwt
Cover Stock	\$3,756	\$4,292	\$3,631	\$4,150	\$3,756	\$4,292	\$3,756	\$4,292
Total Postage and Paper	\$138,778	\$139,314	\$137,799	\$138,318	\$138,778	\$139,314	\$136,432	\$136,968
Per Piece	\$0.463	\$0.464	\$0.459	\$0.461	\$0.463	\$0.464	\$0.455	\$0.457
Difference to Current		\$536	-\$978	-\$460	\$0	\$536	-\$2,346	-\$1,809
Unit Difference to Current		\$0.002	-\$0.003	-\$0.002	\$0.000	\$0.002	-\$0.008	-\$0.006
% Difference to Current		0.4%	-0.7%	-0.3%	0.0%	0.4%	-1.7%	-1.3%

ACTIVELY MANAGE

- Build a Relationship with a Paper Expert
 - Access to Industry Forecasts, Updates, and News that Can Impact your Bottom Line
 - Knowledge of Options, New Grades, and Quality Changes
 - Knowledge of the Market Sweet Spots to Negotiate Pricing and Contracts
- Know Your Paper Mill and Where Your Paper Comes From
- Actively Manage Your Paper Grades
 - Take Control of your Quality and Consistency to Maintain your Brand Image
 - Fit your Environmental Story
- Control Your Costs to Create Accurate Forecasts and Maintain Budgets



A close-up photograph of a hand placing a gold coin on top of a stack of silver coins. The background is blurred, showing a person's face and some greenery. The lighting is warm and focused on the coins and hand.

Packaging Saving Strategies to Consider

Eric Lockovitch, Vice President Sales, Midland Paper, Packaging & Supplies



DIM SHIPPING COST

- Custom box made around product
- Small to large volume options
- One size doesn't fit all
- Labor, materials, and DIM savings



MAILER AUTOMATION

- In-line processing options
- Paper versus plastic
- Reduce material cost and labor

SEND A MESSAGE



- Next Box Out Technology
- Print on paper, plastic and foam
- Improve brand experience



UNBOXING OPTIONS

- Color paper dunnage
- Compostable air pillows
- Reduce labor and maintain experience





GIFT WRAP DEMAND

- Large increase
- Labor intensive
- Limited automation



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THANK YOU!