DIGITAL ASSET MANAGEMENT

How to demonstrate ROI and create a business case

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If your business needs a solution to manage your ever-growing library of digital files, or to replace your old, complex legacy systems, your next challenge will be to effectively demonstrate the benefits and financial advantages of investing in a DAM, also referred to as a digital media library. Given the extensive list of features and tools that will help you manage your media more effectively, there is no doubt that a good DAM will save time and money and improve data security, so demonstrating business value and proving ROI may be easier than you think.

Whatever situation you may be in, one thing's for certain. You'll need buy-in from your key decision makers, and those in charge of the budget. Creating a solid business case or proposal will be invaluable, and here's how you can do just that.

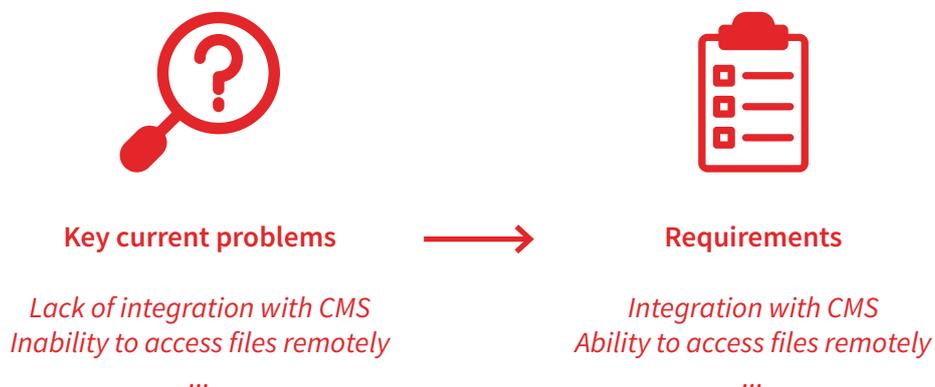### DEFINE YOUR KEY BUSINESS OBJECTIVE

Understanding what you will use DAM for will help you define the overall business objective, this could be one of the following examples:

- To manage your image library in an easily searchable database for sole use of marketing and other promotions

- To efficiently manage consent forms to comply with privacy laws

- To increase control across teams on how files are used, shared, downloaded

- A more business wide objective, such as maximizing efficiency of business processes through collaboration, workflow and systems integration

Whether it'll be used by one department or the whole business, it's important to clarify your core business need so you can be clear in your proposal.

TURN CURRENT PROBLEMS INTO FUTURE REQUIREMENTS

If you're battling the case to move on from legacy systems, or you've never had anything like a digital media library before, the best place to start is by writing a list of key current problems. This will help you identify some initial requirements.

Key current problems → **Requirements**

Lack of integration with CMS
Inability to access files remotely
...

Integration with CMS
Ability to access files remotely
...

Now you can see how a current problem helps to form a future requirement.

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> *Having everything in one easy-to-search place has certainly revolutionised the way we store and share digital files; it's much clearer now for all staff about which are the preferred assets for certain projects, and the usage and copyright terms of each asset."*
>
> Matt Griffin, Senior Digital Manager, Royal Albert Hall

IDENTIFY ALL USERS AND USER REQUIREMENTS

Your next step will be to identify any further user requirements, like being able to manage permission settings or set pre-determined download formats. You'll need to think about all the potential users in your business, as well as people who may be external, such as contract photographers or marketing agencies, and ask them what their requirements would be too. When you've made a list of all the users, including system managers and administrators, make sure you involve them in your plan. You need them on board just as much as you need those who hold the purse-strings.

Budget is important, and there's no point buying the most expensive, state-of-the-art system if your business doesn't need it, but there is a lot of sense in thinking about functionality that is not only necessary, but will help you save time and money, and therefore input to your ROI. A good example of this is the ability to automatically tag assets with a colour, for example, which will save a huge amount of manual metadata tagging.

Don't forget to define roles specific to your DAM project in your business case, so everyone knows who will be doing what during research, implementation and ongoing management of the system.

INTEGRATION AND IT

It's pretty important to make a note of systems and applications that will remain in place and may therefore need to integrate with your new DAM system. Be aware of any potential system requirements too - cloud-based solutions hosted by a supplier could remove the need for potentially expensive hardware, so consult with your IT department where necessary as this could be a cost-saving exercise in itself.

DEMONSTRATING ROI

Demonstrating ROI to colleagues and decision makers will help you put real values and business savings against your proposed benefits and enable you to take a view on the budget you allocate to the system you look to purchase. While it's not practical to document or track all of the ways organisations can save or make money by using a media management system, there are some well-known and generally accepted ways to demonstrate ROI.

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These include:

- **Searching for media files**
Studies have shown typical marketing communications (Marcomms) staff spend on about 10% of their time on file management tasks and using a DAM can save as much as 70% of that time.

- **Reformatting for multi-channel**
Automatic and assisted reformatting of assets for print, press, social media, intranet etc., can save as much a 70% of studio costs on typical projects.

- **Reducing duplicated files and associated effort**
In a typical organisation the web site duplicates files stored on the drives used by marketing staff: both teams update, refine and use the files. With a media management system there is the potential for all staff to share and use one central store or media files, saving duplicated effort and storage space.

- **Reusing media files**
Since a media management system makes it easier to find media you already have, you spend less on the acquisition and generation of new media and avoid re-licensing the same file more than once.

In some organisations measuring the potential ROI will be difficult: there may be too many different types of users or scenarios to model, or cost information may not be available.

ROI CALCULATIONS MADE SIMPLE

You can't put a meter on each employee and monitor the time they spend on file management tasks. Detailed surveys across many different types of role (intern, exec, experienced staff, new staff, etc.) can be too time-consuming and unreliable to consider if you work in a large complex organisation.

But where possible, put a measure against the benefits you've defined in your business case. If the benefit is 'saving time', expand on that by putting a specific example 'tagging whole image folders at a time will save each member of the creative team (10 staff) a minimum of 2 hours every week – 20 hours/week.' In this example you then have a very tangible benefit which makes for a stronger business case.

In some scenarios you won't be able to apply a measure where the benefit is more like 'sharing images instantly, without leaving the system.' There are obvious benefits there, as it's probably a quicker and easier way of working than you're used to, but it's difficult to apply exact figures to it. Similarly, something like 'maximizing value by reusing and repurposing media rich assets,' is difficult to attribute a value to before the system's in place, but in this example you can apply an objective. So, it then becomes, 'reduce new media spend by 20% by reusing and repurposing assets.' Put like this, colleagues and decision makers will be able to put real values and business savings against your proposed benefits.

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TIME REDUCTION AND MONEY SAVERS

1. Searching for media files

One of the main reasons for getting a centralised DAM system is due to media files being distributed in different places so nobody can find the right media at the right time. DAM systems have been shown to reduce the time spent by users in searching and locating files.

According to research from GISTICS:

- Creative professionals spend an average of 1 out of every 10 hours of their time on file management. That includes searching, verification (of permissions for example or quality), organisation, back-up and security.

- The average creative person looks for a media file 83 times a week and fails to find that asset 35% of the time. DAM solutions will drop that figure to 5%.

YOUR TURN: Do your own research to find out how much time your team spends looking for files. Estimate the annual average time per job role, multiply by the number of staff in the role and the average salary. Experience shows that time savings of as much as 70% are achievable. This won't be 100% accurate in all situations, but neither will it be 100% misleading. It is not difficult to send a mail to selected staff asking them to tell you how much time they spend and give you some examples.

2. Reformatting files

Modern multi-channel marketing increases the likelihood that your Marcomms team need to reuse the same media files in multiple shapes and sizes to suit the requirements of each of the channels in which you are active. Typically, frequent reformatting tasks include:

- **Scaling** - reduce the overall size of an image or photo
- **Cropping** - remove parts of the image or photo so it fits a different space on the page
- **Custom presets** - speed up editing and publishing for social media and websites

These are simple tasks so there should be no need for professional creative staff, but in many companies that's exactly what happens. Sometimes, the staff involved will be expensive because they work for an external advertising agency. If marketing staff can perform all of the above operations themselves and be able to publish directly to Facebook, Twitter, their CMS and the web with just one click, that could be a huge saving of studio costs, whether in-house or outsourced. From experience 70% of costs associated with re-production tasks on typical projects, using such features can be achieved.

YOUR TURN: Find out how much time and money your team spends on routine repurposing of media files.

3. Duplicates

It's very common to have duplication issues caused by media files being distributed over lots of drives and PCs. The greatest duplication of media files in your organisation is likely to be that between your web server and the network share your

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marketing people use. The duplication across these two silos will be at 80% or more. Not just file duplication, and not just duplicated storage space but duplicated work - and a tendency for inconsistency. Web developers, PR staff, communications and agency staff will crop the same images, sometimes for the same campaign and not be aware that someone else is doing just the same thing! Your DAM will host your images and provide several ways for the web team to get hold of files without any physical duplication at all. You can save disk space, reduce duplicated work, improve consistency and streamline the effort involved in adding content to your web site.

YOUR TURN: Talk to your web team to find out how much space is used by media files on your webserver and elsewhere and estimate the costs of maintaining the space, including backups.

4. New File Creation and Acquisition

Quite simply, if media files are easier to find and reformat, it follows that there will be some reduction in the need for new media to be created or acquired.

YOUR TURN: Work out what you spend annually on this: use the DAM as the motivation to implement greater fiscal control on new asset creation and acquisition. Target a percentage saving. You probably won't make your target initially, but you can calibrate your target after some experience and bottom-out your media budget.

MEDIA MANAGEMENT COSTS

Listed below are the typical costs incurred for DAM acquisition. Obviously, the cost of the DAM system license itself will be a major cost. The cost of some solutions can be surprisingly high, but there are many good and reasonably priced solutions in the market so obtaining a healthy ROI over a standard 3-year period is more than achievable.

The system manager can potentially be a large cost too. According to the DAM Foundation's salary survey, the mean reported salary for Digital Asset Managers is $82,198 USD per year. However, more typically the DAM is looked after by a small team, often marketing.

You'll need to calculate how much time staff will need to spend on the new DAM system - training, setting it up and then the ongoing curation. This depends on the volume and usage of media files but you can use the following benchmark estimates.

Once-off Staff Start-up Costs:

1 person-week to select a system → **1 person-week to train** → **1 person-week to setup**

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Ongoing Staff Costs:

1 min

per new / changed media file*
(using a combination of auto, bulk and individual file tagging techniques)

10 min

per new or changed user requiring access to the media server

*Note: The amount of time you estimate for tagging files does depend on how many legacy files you have but also on how much unique tagging each file requires. The more files within the same folders and collections have the same metadata, the less time it will take to tag them. **Try it out:** view an image, write a caption and some keywords and time how long it takes. Another factor affecting the estimate for the time and cost of entering metadata is the staff you use. It's very common for organisations to hire graduate interns or temporary staff for the one-off task of getting legacy files updated. This might reduce the cost per hour and total cost significantly, when compared to the conservative estimate we have used, as long as the content is fairly accessible and does not require a specialist metadata editor.*

Other Costs:

- Software licensing fees (sometimes a one-off payment, sometimes annual)
- Support and maintenance (typically an annual payment)
- Hardware on which to install the software (primary and backup) - not necessary if you use a hosted service in which the vendor makes your media library available on the web and takes care of the hardware and backups needed
- Infrastructure - rack space, network equipment, bandwidth, electricity, cooling, security - not necessary if you use a hosted service
- Professional services - typically an implementation project or some bespoke software development, but also sometimes installation and integration with legacy systems
- Training
- Staff to maintain and support new system
- Documentation of processes and procedures

Armed with the above information, and an outline of anticipated timescales, you should have all you need to present your business case or proposal. Use the quick check-list to make sure you've covered the essentials. Your business case will also be a priceless resource when you come to meet suppliers, as it'll act like a brief, and enable them to see exactly what you need. It can be difficult to be exact about timescales and any training required before you've chosen a solution, but it's useful to have an idea. Contacting a few suppliers and asking a few questions may give you enough information for now. Knowing whether training is included will help you plan for extra costs and knowing how much is required will also help you plan your implementation when the time comes.

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QUICK CHECK-LIST

• Key business objective
• Current system and usability issues
• List of users, system managers and roles
• User requirements and functionality
• System requirements and integration
• Benefits and ROI
• Costs
• Budget
• Timescales
• Training
• Customer service expectations

HOW DO I FIND THE BEST DAM SOLUTION FOR MY BUSINESS?

With your document in hand, and your budget approved, you should be ready to start researching potential solutions. Use search engines, visit supplier listings, check out supplier websites, go to martech events and read professional magazines for recent product releases. Most importantly, see who their clients are and what they're saying about them. Reviews and case studies are key to identifying a good supplier who will not only meet your requirements but provide an honest and reliable service too. Keep checking back to your list of requirements and use it as a score card against possible solutions.

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About Third Light

Third Light is a global software company based in Cambridge, UK. Our next-generation digital media library, Chorus, simplifies the storage and management of digital media files, or 'digital assets' and is accessible from anywhere and on any device. Powerful, robust and secure, it empowers marketing and content professionals to build a searchable library where they can collaborate and share digital media more efficiently.

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Excellent ★★★★★ ★ Trustpilot

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