

## How combining extensive stakeholder management & its distinct value levers, Vendigital transformed publisher TI Media's cost base

**TI Media**

**T**I Media is a UK publisher which owns over 50 well-known consumer magazine brands, selling 350 million copies each year.

### OVERVIEW

**50**

Well-known magazines

**100**

Stakeholders engaged

**120**

Competitor magazines analysed

**80%**

Saving from one initiative

**£10m**

Benefit delivered

### THE CHALLENGE

In a rapidly-shifting marketplace with mounting pressure from declining traditional print & circulation revenue streams, TI Media needed to address the cost base of its core brands to enable investment in growth opportunities.

The aim; to support the business investing in growth areas, such as events and digital, by reducing costs in the core print business whilst protecting product quality. TI Media's key objectives:

- To take £10m annualised cost out of the business
- To do so without adversely affecting circulation
- To retain as many magazines in the market as possible

### THE SOLUTION

Initially, Vendigital delivered a series of projects to reduce 3rd party editorial spend. In working with TI Media, Vendigital used its three distinct levers to transform their cost base.

- **Process Change:** Ensure internal operations partner with suppliers in the most efficient way possible
- **Demand Management:** Review the driver for cost or any added complexity, prioritising value maximisation
- **Procurement:** Procure the goods / service through testing the market to maximise value

Instead of simply stripping out cost, the approach involved using industry insights to deliver sustainable benefits to the business by adapting internal processes and managing internal demand.


Backed by the CEO's approval, Vendigital arranged face-to-face sessions to bring publishing teams on board with the proposals. Where changes were proposed, Vendigital brought samples of alternative specifications, or mocked-up the proposals, so editors could see and feel the difference.



*We were already investing in new growth opportunities but in the face of a challenging print advertising market we needed to address costs in our core business to enable that investment. Backed by their deep understanding of our industry, Vendigital secured significant cost savings quickly by taking a fresh look at our processes and finding a new way to do things.*

*Their data driven approach and one-to-one engagement throughout the entire programme has helped to secure trust and support for the transformation process. Our own publishing teams are now better equipped to make decisions about their publications with a shared business understanding. Vendigital examined every area of cost within the core business methodically and found solutions where we sometimes thought there weren't any.*

*The result is a fantastic headline cost saving, which supports the continued changes and transformation.*

*Their ability to win the trust and respect of stakeholders across our business is testament to their desire to protect brand quality at all costs.* 

**Marcus Rich, CEO, TI Media**

## THE SOLUTION (CONTINUED)

Whilst delivering on its cost reduction targets, the approach to project delivery secured the trust of internal stakeholders at all levels. This made it possible to change internal processes for the better and improve demand management in ways that will continue to benefit the company as its transformation plans progress. The competitive benchmarking data was also reviewed in these sessions. Staying mindful of quality, Vendigital secured the support of editorial teams who came to understand how the changes affecting their publication were part of a wider plan to drive efficiency and value across the business.

There were also significant production cost savings to be made from improving the process of managing paginations (number of pages). Editorial teams were used to making decisions about the number and type of pages on an issue-by-issue basis. However, lower advertising revenues meant fewer advertising pages and in some cases pages were being filled with more editorial. This was driving up spend.

Vendigital created a dynamic cost modelling tool; empowering TI Media to make data-led cost-efficient decisions. Transferring skills to the in-house production team also helped this cost modelling methodology to become part of the new way of working.

This concerted effort delivered significant cost savings and, more importantly, were indicative of how wider changes to processes and demand management could deliver sustainable benefits without impacting quality.

## THE RESULTS

- Total cost reduction of £10 million
- Negligible circulation impact to portfolio (circ. data in the first half of the year matches that of the same period the previous year)
- Number of magazines and portfolio quality maintained

Built on a foundation of trust, the client-consultancy relationship also helped to make editors take a step back and revalue their products, whilst enabling them to play an active role in driving value through the production process.

These fundamental improvements will undoubtedly continue to benefit the company as it pursues further transformative measures made increasingly pressing by a publishing industry experiencing a relentless pace of change.