

# Calculating the ROI of a DAM solution





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# Executive Summary



When a company doesn't have a system dedicated to managing its digital creative assets, marketing can become a cost-center rather than a revenue driver. Many of these costs can be identified and directly linked to time:

- time searching for assets
- time recreating lost assets
- time wasted when assets are underutilized
- time chasing stakeholders for asset approval

Digital Asset Management (DAM) software allows you to organize and share content in one place. Once companies implement a DAM solution, they report, on average, a 50% reduction in time spent managing their creative assets.

The ROI of a DAM is then calculated by defining the amount of time currently spent on these low value tasks and the productivity savings made against the cost of the DAM. Typically we see the returns translating as follows across business size:



Calculating ROI in this manner is accurate, yet conservative as there are many intangible costs associated with poorly managed digital assets. These take the form of opportunity costs, compliance breaches and staff retention.

Building a business case for a DAM is a methodical process which is outlined in this guide. It requires communication across all areas of your business - not just marketing - as well as careful consideration of risks, vendors and implementation times.

With decreasing resources and increasing content, professional management of your digital assets not only saves on costs, it allows your team to focus on higher things. It's that kind of thinking that will ultimately add to the growth of your company.



# Introduction



This guide is designed to help marketers quantify the fiscal benefits of a DAM in the context of day-to-day marketing operations. We'll show you how optimizing the management of your creative assets within a single workflow brings a material benefit over and above the sheer relief of quickly finding a file and all its related information.

We'll also help you set the stage for a discussion with your wider management team. We'll provide you with a framework to build a business case that underscores the true value of the return on investment.



What used to take 7-10 days  
now takes **20 minutes**

**Chris Yates**

Senior Manager | Marketing Operations | Tabcorp





# Realizing the ROI of a DAM



Based on our experience servicing small, medium and large organizations, we've quantified typical time-wasting scenarios by business size, highlighted the productivity savings and offset them with the cost of a DAM.

Costs (USD)	Small Business Up to 100 employees	Medium Business 100 to 1000 employees	Large Business More than 1000 employees
Number of members in marketing team	5	20	50
Average hourly marketing compensation (USD)	\$57	\$57	\$57
<b>Hours labor without a DAM (weekly):</b>			
• Non-Marketing employees searching for assets <sup>[1]</sup>	25	250	500
• Marketing employees searching for assets	5	20	50
• Sharing and distributing assets	3	12	30
• Co-ordinating fragmented projects	5	20	50
• Double handling creative across platforms	3	12	30
• Chasing approvals	6	24	60
• Producing repetitive or single use creative	5	20	50
<b>Total labor hours without a DAM (weekly)</b>	<b>52</b>	<b>358</b>	<b>770</b>
Total labor hours without a DAM (annually) <sup>[2]</sup>	2,600	17,900	38,500
<b>Total cost of labor without a DAM (annually)</b>	<b>\$148,200</b>	<b>\$1,020,300</b>	<b>\$2,194,500</b>
Labor productivity saving using a DAM	50%	50%	50%
Reduced cost of labor when using a DAM (annually)	-\$74,100	-\$510,150	-\$1,097,250
New cost of labor when using a DAM (annually)	\$74,100	\$510,150	\$1,097,250
Avg cost of DAM implementation <sup>[3]</sup>	\$18,000	\$30,000	\$40,000
<b>Total cost when using a DAM (annually)</b>	<b>\$92,100</b>	<b>\$540,150</b>	<b>\$1,137,250</b>
Total savings by using DAM	\$56,100	\$480,150	\$1,057,250
<b>ROI of DAM</b>	<b>3.1X</b>	<b>16.0X</b>	<b>26.4X</b>

[1] Assumes 15mins/week.

[2] Based on 50 working weeks/year.

[3] Many DAM implementations require no substantial up-front costs. Organizations with large numbers of assets or complex needs may require assistance.



# Costly Problems DAM Systems Solve



Right now, any expenditure on even the smallest piece of software needs to pay off. A Digital Asset Management system is a substantial piece of software. It's a platform that centralizes creative assets with a customized workflow to get legal and brand approved creative to market quickly, and that requires a reasonable investment. Given this, the direct financial advantages need to be not only evident, but significant.

Here are the key pain points that can help you determine a DAM's ROI, along with an estimated calculation based on our experience across thousands of organizations.

## Taking too long to find content

For marketers and creatives without a Digital Asset Management system, one of the most frustrating parts of the day is the time it takes to dig an asset out of shared drives and email chains. And when/if the file is found, there are usually unanswered questions around provenance that affect usage rights, as well as technical details that relate to quality and method of production. This starts a whole other hunt for intel.

Often it takes so long to find an asset, you could have recreated it in the time it took to search. Adding to the pressure is the relentless content cycle with ever shrinking deadlines.

## Laborious distribution of creative assets

When one or two people in your organization are deputized to act as creative asset gatekeepers, it creates a whole lot of unnecessary lag time, irritation, and back and forth for both the sender and the requester.

Organizations without a centralized, permission-based DAM system for approved content are busying their staff with low value tasks, and at the same time, adding unnecessary steps in what should be a self-serve process.

## Time wasted connecting the dots

When collaboration starts chewing up the hours, it's usually because teams are working across isolated workflows with inconsistent processes. This makes things hard to traffic and trace as there's no overarching visibility. You end up with conflicting understandings of the brief, lost feedback, versioning nightmares, missed deadlines, budget overruns and important details that can be as simple as consistent file naming.



# Costly Problems DAM Systems Solve



## Hours manually repurposing creative assets

When you're on version 12 of a suite of banner ads, having to roll out 20 iterations manually is a colossal waste of time – especially when it is something that can be automated with pre-sets in a DAM.

## Decentralized creative assets

DAMs integrate with third party software like Adobe and stock libraries. Without DAM, there's a lot of unnecessary uploading and downloading of creative files that just does not need to happen. The hang time runs into hours, particularly when it comes to large video files.

## Hours spent chasing approvals

When there is no single source of truth for mark ups, versioning and approvals, team members end up in feedback loops re-visiting comments across multiple contexts. The time spent piecing together email trails and chasing approvals across departments and time zones drains resources and leaves your organization open to errors.

## Producing repetitive or single use creative

Designers don't go to art school to spend hours a day updating things like price points or addresses on collateral. These are functions that can be performed by anyone with a keyboard and access to an editable pre-approved template. Creative time is expensive, and on top of that, waiting for a designer to get to your job can result in missed opportunities.





# Qualitative Benefits



Some ROI is difficult to quantify. DAMs bring considerable financial benefits that cannot be directly attributed to time, yet they have the power to wipe the floor with the basic gains delivered by saving time. There are important benefits outside productivity boosts that can't be immediately quantified. They are ironically things that can bear more weight than all other ROI measures combined.

## Seizing opportunities

Everyone knows being first to market helps mow down the competition. Cutting production and approval time allows you to capture revenue faster by getting the jump on emerging opportunities and sudden shifts in customer behavior. A DAM's ability to distribute curated collections of assets easily also increases the likelihood of brands having increased uptake on social and earned media.

## Compliance safety net

Regulatory compliance and rights management breaches can cripple a business. Fines run into the millions and reputational damage can take years to recover from. When your assets and supporting information is loosely managed, it's frighteningly easy to unintentionally fall foul of managing your obligations.

## Staff retention

A CMO once offered \$1M cash to anyone who could find the full set of creative assets from a past campaign he wanted to re-run. Now that's quite a return on investment...even if they took a year to find.

But if this is happening on a continual basis, it becomes a joke with no laughs. It's hard to retain good people when they are not provided with the right tools to do their jobs.





# How to Build a Case for a DAM system



Constructing a rationale for a DAM involves outlining the potential benefits, costs, and risks. Below is a step-by-step guide on how to create a compelling business case. Although it may seem onerous, it is a short-term process for long-term benefits.

## 1. Understand your organization's needs:

- Identify the pain points and challenges your team and the wider organization faces when it comes to efficiently producing content.
- Outline how these challenges are impacting productivity, collaboration, branding, and overall operational efficiency.

## 2. Define objectives and goals:

- Clearly state your objectives.
- Align them with broader organizational objectives such as cost reduction, improved collaboration, faster time-to-market, and enhanced brand consistency.

## 3. Quantify current issues:

- Use data to quantify the current challenges and their financial impact on the organization.
- Estimate the time wasted searching for assets, duplicated efforts, missed opportunities, and potential legal risks due to disorganized assets.

## 4. Highlight potential benefits:

- Identify the benefits a DAM system can bring, such as improved efficiency, streamlined workflows, faster content distribution, enhanced collaboration, compliance safeguards and consistent branding.
- Use case studies or examples from similar industries to illustrate the positive impact of DAM on other organizations. DAM vendors and peers are a great resource here.



# How to Build a Case for a DAM system



## 5. Financial analysis:

- Estimate the potential cost savings by calculating the reduction in time spent on asset search, manual tasks, and operational inefficiencies.
- Include projected ROI figures, considering both direct and indirect financial gains.

## 6. Costs and investment:

- Outline the upfront and ongoing costs of implementing and maintaining the DAM system.
- Include implementation costs, training time, and any required infrastructure upgrades.

## 7. Risk assessment:

- Address potential risks associated with the implementation, such as resistance from users, technical challenges, or integration issues. Involve your team and IT.
- Have strategies to mitigate any risks to ensure a smooth transition.

## 8. Timeline and implementation plan:

- Research the steps involved with buying a DAM and draft a timeline detailing the stages of implementation - from vendor selection to training and rollout.
- Show how the DAM will be integrated into existing workflows.

## 9. Comparative analysis:

- Compare the costs and benefits of implementing a DAM against the status quo or alternative solutions.
- List how the DAM's advantages outweigh its costs.



# How to Build a Case for a DAM system



## 10. ROI calculation:

- Calculate the potential ROI by comparing the estimated benefits against the total investment.
- Present a snapshot of the ROI calculation, highlighting the financial gains.

## 11. Tailor your communication by stakeholder:

- While the ROI on a DAM will be instantly understood by marketing, it's often difficult to demonstrate it to other areas of your organization, such as management, IT and procurement.
- Talk to them in their language and address concerns relevant to them. E.g. Management will want to know about how it will help sales conversion and cost reduction, IT will want to know about SSO, whether it's secure and what data savings can be made from existing infrastructure.

## 12. Conclusion:

- Summarize the key points of the business case, emphasizing the most compelling reasons for adopting a DAM system.
- Reinforce the alignment between the DAM solution and the organization's long-term goals.



# Content vs Resource Growth



Your content will grow, but your resources may not. We're all asked to do more with less, and the reality is that's unlikely to change. Even if your budget allows additional staff hires, it is not the answer when it comes to exponentially expanding creative asset libraries and complex brand and compliance guidelines. Adding team members without a foolproof Digital Asset Management system is like putting more fuel in your car and expecting it to go faster.

The tech is there for the taking. Let it do the QA and heavy lifting so your team can set their minds to ideas that can drive your business.





# Want to know more?



IntelligenceBank is a platform that helps marketing teams get brand and legal approved content out the door faster.

We do this through digital asset management, briefs and campaign workflows, proofing and mark-up tools, creative templates, disclaimer engines, online brand portals, and reporting tools that work together to simplify and automate all your brand, creative and marketing processes.

Designed by marketers, for marketers, we help maximize creative efficiencies through a single source of truth. Everything that happens within IntelligenceBank is tracked and monitored for auditing, regulatory and compliance requirements.

IntelligenceBank's beautifully designed platform is used by over 400 brands with 800,000+ users in 55 countries. IntelligenceBank has offices in the US, Canada and Australia.



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