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# Customer Analysis Overview

Quick Serve  
Restaurant  
Agency

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## Business Impact

- ✓ Revenue
- ✓ Cost Savings
- ✓ Productivity

## Business Description

From glue to paint to shoes to toys, this multi-million dollar advertising agency will market it, advertise it and get it off the shelves. Focusing on the retail market, the company offers complete advertising and marketing services. This includes traditional advertising services, such as print and television ads, and online marketing services such as Internet and e-mail campaigns.

In an industry whose fortune rises and falls with the economy, the ability to streamline operations and optimize costs is critical to winning new business and retaining existing accounts. To add to the complexity, the agency needs to constantly bring fresh marketing ideas to the table and produce materials for new products and product lines.

This agency began working with Serigraph to solve problems it had with one of its accounts, Burger King (BK). The supply chain that was in place for print materials was far too complex. Costs were spiraling out of control while quality, delivery, and most importantly, sales were slipping. The agency needed someone to come in and help reverse the trend, improve print merchandise and get the supply chain and costs back on track.

## Critical Business Issues

- ✓ Year-over-year sales declining (previous 4 years)
- ✓ Every dollar spent must increase sales
- ✓ Lack of quality and accuracy and late deliveries are consistent problems
- ✓ BK questioning cost structure of present merchandising material suppliers
- ✓ Multiple vendors with overlapping services in merchandise material creation and delivery supply chain

## Results

Prior to working with this agency and Serigraph, BK was working with an agency that used many different vendors for point-of-purchase and test market print materials. The old agency didn't want to rely too much on one vendor, so it used seven

vendors scattered across the United States for point of purchase (POP) merchandising and test market print materials.

Working in this way diversified but complicated deliveries and created an unsustainably expensive production and delivery model. BK was not pleased with performance or price. So the agency looked for ways to cut costs and tighten up the supply chain. As a result, all seven vendors were consolidated into one: Serigraph.



[For Burger King] everything we produce has to increase and drive sales. It must be accurate, appealing, on time and increase traffic!

- Sr. Vice President

How was it possible to consolidate all of this work under Serigraph?

First, there was a vendor that made all of the window clings for BK. Traditionally, these window clings had to be silk screen printed. Serigraph, using advanced technology, produces these window clings digitally, reducing the cost of production.

Second, the old agency spread the printing work across multiple vendors because it didn't want to rely too heavily on any one vendor. Serigraph now handles the volume of all of these vendors and produces the finished goods from a single, centralized location. This simplified the supply chain and cut transportation costs. But most importantly, Serigraph demonstrated the stability that BK and the agency needed to see to be comfortable consolidating seven suppliers down to one.

Third, there was a vendor who was used primarily for "local option printing" for BK. Local option printing is a service that franchisees use if they have a unique offering, such as bags of ice, and they need POP signage for that specific offering. Serigraph was also able to incorporate these time-sensitive, often last-minute requests as well.

Serigraph helped further consolidate by winning the "Trans-Light" signage for BK's internal lighted menu-boards and drive-through lanes. Consolidation of print, fulfillment and Trans-Light signage in addition to Serigraph's innovative approach

reduced the overall BK spend by 35%. Franchisees' costs have also gone down, improving relations with franchise owners.

Limited-time-offers (LTOs) are a key growth strategy for BK. And they are producing exciting results. LTOs increase same-store sales and allow BK to test products being considered as permanent additions to the menu. In the past year, chicken fries were offered as an LTO. Chicken fries were a great success and have been added to the permanent menu. LTOs are promoted with Serigraph-produced in-store signage, creating awareness and increasing per-customer, per-visit spend.

Many factors are contributing to BK's recent success including higher quality and lower-cost professional print merchandising. These have helped reverse the declining sales trend and increase same-store sales, resulting in year-over-year sales growth.

Each franchise location gets a kit that may consist of window clings, merchandise promotions, new Trans-Light signage and LTOs customized for restaurant configuration, location and time of year. Opportunities for mistakes are exponential. Quality and competitive price aren't valuable if the right product doesn't arrive on time to help drive sales. Serigraph delivers, contributing to BK and this merchandising agency's recent success.



There were times when we would make last-minute changes and get some extreme demands from BK. [Serigraph] would always manage to work miracles.

- Sr. Vice President

## Metrics

- ✓ After years of declining sales, BK's business is growing
- ✓ LTOs contribute to year-over-year sales growth
- ✓ Saved 35% on annual signage and POP costs
- ✓ Reduced supply chain complexity
- ✓ Consolidated seven vendors into a single, centralized production and fulfillment source
- ✓ Improved quality, delivery timeliness and accuracy
- ✓ Eliminated late shipments

- ✓ Lowered franchise merchandise spend (cost), improving relationships with franchisees