imagerelay

Why DAM ?

**The Value of
Digital Asset Management**

We understand that you may be new to digital asset management (**DAM**) and we wrote this guide to provide insight into what makes digital asset management important and how it might benefit your organization. This guide lays out the definitions, how **DAM** differs from other options, where your organization's needs might fall, deciding between brand-level or personal asset control, the various use cases of **DAM**, and how to understand the return on investment that DAM provides.

We like to start at the most obvious step: the beginning.
So, what is this **DAM** thing?

What is Digital Asset Management?

The first thing to understand is that digital asset management is both a process:

"A business process for organizing, storing and retrieving rich media and managing digital rights and permissions."

And a system:

"Digital asset management (DAM) is a content management system (CMS) that centrally stores and manages all digital files produced by an enterprise. It allows an organization to control and centralize management of digital content or data that is accessed or shared by staff members or other users."

This dual nature causes some confusion.

If you are organizing, storing, accessing, and distributing digital assets, you are engaging in digital asset management, and you're likely using some system to accomplish that activity, although it may only be folders on a desktop. Even if you are not acting intentionally with regard to your digital files, you are still engaging in some type of digital asset management (or rather mis-management) and using some system for executing that process, no matter how haphazard, ill-conceived, or poorly designed it may be.

For us at Image Relay, a definition of digital asset management is both about the process and the system because we believe that you cannot effectively manage your digital assets without giving thought to both aspects. We like to think of digital asset management as a solution. It's the integrated system that allows your process to function.

Hallmarks of DAM

A digital asset management solution must address certain core areas to have a chance at being effective.

Storage – The bits that make up your digital files have to live somewhere, so storage is fundamental to managing your assets. You can't manage them if they aren't there. This could be on a single hard-drive, on a single shared server, or duplicated among various servers and accessible via the cloud.

Organization – Library, folders, sub-folders, sections, etc. A digital asset management solution must have some type of organizational structure. Everything might be all in one folder, which is no good, or you can have a very tight structure with taxonomic rules applied so every file is exactly where it should be and nowhere it shouldn't be.

> **Taxonomy** [tak-son-uh-mee] noun.
>
> From dictionary.com:
>
> 1. the science or technique of classification.
> 2. a classification into ordered categories
>
> *It's a fancy way of talking about you structure the organization of files.

Access – The files must be accessible in some way. Again, the files could be controlled and only accessible to one individual via folders on their desktop, or may be controlled by a central manager with permissions for many individual users or teams of users.

Cloud systems provide the greatest degree of access and promote widespread adoption by making it easier for the organization to maintain and easier for users to join. Accessing the system at any time is also critical. In an emergency, the system needs to be available even if outside of normal working hours.

Security – Some security protocol exists for any type of storage, even if not intentional. At worst it just relies on luck, and at best there is a thought-out process of permissions, redundancies, and encryption that is known, documented, followed, regularly managed, and reevaluated. Access should be password-protected and easy to manage. An administrator should be able to add, remove, or limit the access of users instantaneously. The files should also be encrypted while in the system and during transfer. A proper level of security includes the AES-256 standard for files at rest in the system and a 256-bit secure sockets layer (SSL) for files in transit.

Distribution – Getting the files from their central location to other users or to another platform on which the files can be utilized is an important piece of digital asset management. At the lowest level, there is the ability to download a file, and then you may have common or more advanced functions like direct sharing with other users, branded portals, collaborative collections, or publishing to content management systems or social media platforms.

Stages of DAM

Most organizations go through various stages of digital asset management maturity, so it's important to understand where you are and choose a solution appropriate for your current stage and one that can also grow with you.

Early – Focus is on centralizing and organizing brand assets. This is the "getting your sh*t together" stage. The brand assets - your logos, collateral, product shots, forms, finished video, etc. - are scattered across various hard drives and Google Drive accounts. Getting these into one location that the entire team can access and stay "on brand" is the main challenge at this stage.

Intermediate – Focus is on sharing assets externally and managing user access. This is when brand assets are organized in a central repository and now the focus is on getting them out to the world. In this stage, your organization may be inviting external vendors to upload directly to the portal, you may have sales teams accessing files for self-service of assets, or you may work with an outside agency who needs access to all the brand files. The challenge at this stage is managing the expanding size of the team and ensuring that users only have access to the files they need.

Advanced – Focus is on managing information flow. Your organization uses the DAM for systematic distribution of assets via API and other tools, as well as using robust features to embed images in marketing and inventory websites. Files all have accompanying metadata that provides context to the files and allows for consistent descriptions and tagging across the organization. The DAM also provides auditing capabilities so the organization can understand how best to use the organization's content. The challenge at this stage is keeping all the balls in the air and understanding the use of your organization's information in a deep and actionable way.

Our Stuff v. My Stuff:

Choosing Brand-Driven Organization or Personal Organization

Brand consistency is a goal of every organization. Ensuring that everyone on the team is on the same page and telling the same story is how brands thrive. But, of course, like many things, that is easier said than done. Getting to that level of brand consistency is an ongoing and big challenge for every organization and it is complicated by how each organization chooses to manage its digital assets.

There is a philosophical choice about how to manage the brand's assets and that choice is whether the company organizes digital assets at the personal level or is brand-driven in their approach. There's a fundamental difference between cloud-based file hosting built with the individual as the center (like Google Drive, Dropbox, etc.) and digital asset management solutions with the organization as the focus. It does not mean that these two approaches are necessarily at odds, however. They can work well together and serve the needs of individual contributors and the organization as a whole.

Benefits of Personal Control

"My stuff" – Being able to decide how to organize your files and workflow is great. . . for you. You can have your regularly used files immediately at your fingertips and you can control the taxonomy and folder structures that make sense for your personal workstyle.

Flexibility – When each individual gets to organize items how they want, there is no need to have each individual fit into a particular structure. This type of flexibility can be beneficial for personal efficiency.

Tends to be less expensive - Options like Google Drive or basic Dropbox are less expensive than enterprise systems, but they can get costly as an organization adds users and gets very large.

Drawbacks of Personal Control

Lack of transparency – When individuals control assets, one individual may not know that a colleague has the file they need, or it may be saved with a filename that makes no sense to the person who needs the file. Not knowing where to find something can cause significant frustration and delay.

Slower collaboration – Like with the lack of transparency, individual control can slow down collaboration because everyone may not be on the same page from the beginning. Team members have to negotiate things like file locations, naming conventions, and organizational structures instead of just getting to work.

Potential brand inconsistency – All of your team may not be on the same page if they are using their own copies of files. "Missing the memo" is easier when control is distributed and this can lead to confused brand communication.

Bad users – We always hope that everyone will be an A-player or at least a B-player, but there are many out there who don't always operate at their best. And maybe it's just part of their work — like the other worldly creative person who just can't respond to emails. With personal control of assets, these bad habits can pop up more and hurt the team from working together as best they could.

Benefits of Brand-Driven Control

"Our Stuff" – With a centralized digital asset management platform, the brand's finalized assets are all in one place. Your team can then all be on the same page working with "our stuff" instead of just their personal copies of files.

Collaboration - When everyone is working with the same files, collaboration becomes easier. There is less of a risk of miscommunication about which files should be used.

Transparency – Figuring out who has what should not happen in an organization-level system. The naming conventions, folder structures, and metadata management have been decided so it's easy for users to access the right files and understand their content and context.

Speed to Market – With organization-level management, many questions are already answered. There is less need to discuss how and where to store things and energy can be more appropriately directed toward distribution.

Reduced Turnover Costs – The costs of employee turnover are immense and it can take up to two years for a new employee to truly get up to speed. Organizing at the brand level can play an important role in easing the pain of turnover by providing institutional structure to digital asset storage and management so that knowledge stays with the organization and can be passed on to new employees.

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Who Uses Digital Asset Management

Almost any company or organization could get value from using a digital asset management solution, but there are some types of users and companies in certain industries that tend to benefit a bit more from a DAM platform than others.

There is no one size fits all solution as lots of different companies and users have a need to curate, control, and communicate their brand story. Here are some of the users and industries who use digital asset management most often.

Types of Users

Marketers

Marketing departments often need a "brand central" to house all logos, fonts, guidelines, and campaign assets. From this system they can distribute assets, collaborate in house, and work with agencies and outside vendors.

Event Managers

Event managers have to manage all types of work for the organization, supporters, and sponsors. The amount of content for internal communications and external distribution, even for a small event, is enormous, and a DAM can help keep everyone organized.

Highlighted User

Marketing Manager

Role: Creating marketing collateral and building campaigns.

Needs: Constant access to brand guidelines, logos, illustrations, photography, and video.

Value of DAM: Centralized assets organized in an easy to find way eliminates searching time and increases speed to market.

Retailers

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Product Managers

Product managers have to manage teams, sponsors, workflows, and a lot of content. They can manage this content and the important underlying metadata, like product ID, SKU, or copyright information, in a DAM.

Highlighted User

Retailer

Role: Managing retail sales of hundreds of brands and thousands of products.

Needs: Access to product imagery and information that is kept up to date.

Value of DAM: All of the information needed for inventory management and in-store promotions is exactly where it needs to be when it is needed.

Information Managers

Information managers are tasked with the management and security of the company's assets. A DAM allows for the organization of the files and the management of metadata, and perhaps, more importantly for an information manager, a DAM provides control of users.

Sales Managers

Sales representatives often have to make a presentation on the fly, and they need quick access to brand assets. They can grab assets on the go and share with a prospect or a distributor all while the central sales office works with marketing to ensure brand consistency and proper user access.

Agency Producer

Role: Manages projects for a number of agency clients, collecting creative assets and collaborating with client team and agency creatives.

Needs: A platform that users from various organizations can access for collaboration.

Value of DAM: Central location with collaborative tools, like Collections, make presenting ideas and working with dispersed teams a breeze.

Manufacturers and Distributors

Those working in manufacturing and distribution have to work with sales and may also have a network of retailers who need to self-serve for a variety of purposes. A DAM allows everyone to have appropriate access and for the company to maintain brand cohesion across a handful or thousands of users.

Human resources

Digital assets don't stop of creative assets used for selling products and services. One area is human resources where employee handbooks, company policies, and other forms can be stored and shared company-wide or with whichever groups of employees you choose.

Industries

Agencies

Agencies can function as the creative or marketing department for one company or hundreds of companies. With a DAM, an agency can manage the assets and share with clients for collaboration and approval.

Consumer packaged goods (CPG)

Product images, packaging layouts, general branding, social media posts, videos, commercials, print ads, ecommerce photos, etc. Managing all of the assets and teams involved with producing a product someone can buy in a store is a huge task that needs the right tools.

Fashion and apparel

Fashion has very similar requirements as the CPG world but perhaps even more with regards with high resolution photography. Independent photographers will need to share product photos with the company so they can be appropriately managed for the various campaigns.

Non-profits

Non-profits do a ton of marketing and communications. Whether it is for attracting donors, marketing to patrons, or directly communicating with the populations the organization serves, producing content is a top priority for most non-profits. A DAM helps the marketing and communications team create, organize, and amplify their message within a single platform.

Colleges and universities

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Hotels and resorts

When you want to sell someone on the feeling of a place, you need really great images and videos. The need to share high quality images across a number of platforms is growing. And these images need to be current and consistent! A DAM makes that easy.

Software

Software companies have product shots, how-to videos, sales decks, PPC ads, you name it. Keeping track of all that content and using each asset as effectively as possible is a big challenge and a challenge hard to tackle without a dedicated solution like digital asset management.

Healthcare

Hospitals and other healthcare organizations combine a lot of needs In some ways they act like non-profits, communicating with internal stakeholders and the communities they serve. Managing the content for all of those different uses is a challenge and one that requires that the marketing team can be on the same page working with the same assets.

Municipal organizations

Cities and towns, state agencies, and local tourism boards all must communicate with stakeholders in their communities through various channels, including print, radio, television, and social media among others. That means a lot of assets and a lot of control are needed. This makes a DAM a go-to option.

Alcohol and beverages

Alcohol manufacturers like breweries, wineries, and distilleries typically have to work through a distributor in each state as well as sometimes directly with retailers. WIth a DAM, the central marketing team can work with their regulatory team to make sure the brand assets are appropriate and then distribute them as needed to sales teams, distributors, retailers, and ecommerce sites.

Stadiums and arenas

Whether it is a game, a concert, or some special event, the teams at stadiums and arenas are producing a lot of assets to share with partners, agencies, and vendors. They need a way to easily ingest assets from a performer's management company and turn those into various print and digital campaigns.

Furniture

Some furniture companies produce furniture for their own brand for sale in their own stores. More typically, however, a furniture maker makes furniture for a number of brands that are sometimes sold at a furniture retailer under one of those brands or the brand of the store. Furniture companies need to have the ability to store and organize their digital assets and distribute them to retailers and ecommerce sites.

Any industry

As you may have guessed from the rest of the list, the benefits of digital asset management apply to almost any industry. As long as there are digital assets to be organized, stored, and distributed, a DAM can work. Industries with companies that often have more creative assets (images, videos, vector files, etc.) typically derive more value from a DAM than organizations using more text-based or document files. Even industries that one might think would not have as much need, such as legal services, are increasingly seeing the size of marketing departments and the need for creative assets grow in recent years.

How to Measure the ROI of Digital Asset Management

"What's the ROI?"

That question. Seemingly the lifeblood of managers and the bane of employees. It's the business way of saying "show me it's worth it." For software products aimed at providing organization and increasing performance efficiency, it rightly is the most important question to ask, and "it makes my life easier" is often not a satisfactory answer.

Here's what to consider to understand the return on investment for digital asset management.

Easier to Measure Costs

We won't pretend as if these things are actually easy to measure because they are not. Easy to measure activities include things like how much money was spent on promoting a particular Facebook post. The activities below depend on the specific company and the individuals working at that company, and they are tough to accurately nail down, but there is industry research into the ranges of these costs.

Search Time

Time wasted searching for hard to find files is one of the most cited areas for the benefit of digital asset management. We don't disagree but also think this is just the beginning. According to McKinsey, 19% of a worker's time is spent searching for files. 19%! That means about one full day of work a week is eaten up looking for files. When extrapolated across an entire department or an entire company, we're talking about tens of thousands of hours each year spent searching for files.

To put some exact numbers to it, you'll first need to calculate the "fully loaded" cost of each employee. The fully loaded cost includes:

1. **The employee's salary or annual wages.**
2. **The employer's share of payroll taxes for each employee (typically 6.2% of annual wages).**
3. **The cost of additional benefits - health insurance, disability insurance, retirement contributions, and other fringe benefits.**
4. **The cost of employee training per year.**

Add all of those up and then divide by the number of hours worked per year (2000 hours would be a 40-hour work week across 50 weeks). That number represents the "fully loaded" cost of the employee per hour to the company. You can do this at the individual level, the team level, or across an entire department. Typically the "fully loaded" cost is about two times the employee's salary. Multiplying this number by the number of hours spent searching per week will give you the weekly search cost per employee. You can then extrapolate this out to costs per team and annual costs.

Weekly search cost per employee = ("Fully loaded" hourly rate) X (Hours spent per week searching)

Example:

A marketing team of six people who have an average salary of $60,000. Their "fully loaded" annual cost is about $120,000 each. They all have normal 40-hour work weeks with two weeks vacation per year.

($120,000)/(2000) = $60 "fully loaded" hourly rate per employee.

They all spend the worldwide average of 19% of their time searching for files.

(40 hours per week) X (19% of time searching) = 7.6 hours per week per employee.

This works out to 45.6 hours across the entire team per week.

($60 "fully loaded" hourly rate) X (45.6 hours per week) = $2,736 per week in search costs

This works out to $136,800 per year spent searching for assets.

Remember, this is a team of 6. For a team of 60, or 600, you can see how large these numbers can get.

Digital asset management does not promise to make these costs go to zero because there will always be some required time searching, but with properly implemented and managed digital asset management, these costs can be cut in half.

In the above example, that means an **annual savings of $68,400** on search time alone.

Fulfillment Time

Another advantage of digital asset management is its self-service nature. Digital asset management can remove the need for specific gatekeepers and fulfillment managers. A user can get what they need when they need rather than having to submit a request for an asset and then wait, frustrated, while someone else fulfills the order. In the era of cloud storage, antiquated fulfillment processes should be a thing of the past.

To calculate fulfillment costs you'll need to figure out how many downloads are made per year and the average time spent fulfilling a request. Most reports show an average of a few minutes spent per request.

Annual fulfillment costs = (# of assets downloaded per year) X ((Average time spent per request in minutes)/60) X (Employee's "fully loaded" hourly rate)

Example:

Our team from above with a $60 "fully loaded" hourly rate makes 10,000 downloads a year and each download takes 2 minutes to process through their fulfillment process.

(10,000) X (2/60) X ($60) = **$20,000 per year** in fulfillment costs.

Unlike search costs, these costs can essentially go to $0 with proper digital asset management. The only time spent is the negligible time spent processing download requests through the system, which for most downloads takes less than a few seconds.

Duplication Time

If an employee can't find a needed digital asset they will usually start by wasting time searching in the wrong places or asking colleagues who may not know where the asset is. If that fails, the employee may recreate the needed asset, and that's an expensive and sad thing. Unfortunately, it happens all the time.

This is a huge wasted opportunity of your employees' time and talents. Instead of creating new assets for your brand, they are just retracing their old steps or the steps of another employee because an asset was mislabeled, misorganized, or lost in some other way.

Calculating duplication time is "easy" as it is just the employee's "fully loaded" hourly rate multiplied by the hours needed to recreate the asset. Measuring the frequency of this across the organization
is the challenge.

Like fulfillment costs, these duplication costs should go to near $0 with proper digital asset management as no assets should be lost or too hard to find.

Harder to Measure Costs

These costs are much harder to measure because there are more moving parts and many more unknowns. Unfortunately, these costs can have a much greater impact on an organization than some of the easier to measure costs.

Companies and organizations spend millions upon millions of dollars creating digital content for all aspects of their operations. In-house teams, agencies, third-party partnerships all spend hours and hours pouring their creative energy and time into creating content for your brand. But if the marketing team can't find the assets when they want to use them, all of this investment could be for nothing.

Sometimes assets live as attachments in one person's email, or on a thumb drive, or DVD, or on a person's desktop and that person recently left the company. It's very easy for things to go missing without proper digital asset management. And missing assets means more time spent searching, more time spent duplicating assets, campaigns run without the best assets, and many lost opportunities.

Without digital asset management, managing the lifecycle of an asset is nearly impossible and assets tend to be more regularly underutilized. The specific costs are hard to measure because you may not know what is missing but these costs can be enormous.

Using the Wrong Assets

Imagine going in to an important meeting with a critical retail partner to discuss your brand's 2018 product line. You have a polished presentation ready to go and you've completed your introduction and are about to put up the first slide of your 2018 products. You click the button on your wireless presenter remote and the slide goes up. Before you realize what's happened, you look out and see the face of one of your colleagues. The color has drained from her face and her eyes are as big as saucers. You then turn back to the screen and you see it. You're not showing this important partner the 2018 product photos. You're showing them the 2017 photos. Ouch.

There's no great way to proceed.

Admit the error in the moment and you still look bad, continue the pitch as created and then follow up after the meeting with updated images also doesn't look good. At worst there is lost business and at best there is a lot of wasted time cleaning up for sending the wrong assets. The costs of using the wrong assets in a situation like this varies and can range from wasting a few hours of an employee's time to clean up errors, impossible to measure harm to your reputation, and the high costs of lost business. In each instance, it might be $100 lost or it might be tens of thousands or more.

This presentation example may seem far-fetched but we've seen it happen and can tell you that it really shakes up the company. A more common example, and one that is likely even costlier, is feeding incorrect assets to an ecommerce site. You may have thousands of people buying a product based on product photos that are incorrect. It's not too hard to picture the damage something like that could do.

Brand Weakness

Most companies spend lots of time and sometimes many millions to develop their brand and brand assets. Getting everyone on the same page to tell a consistent brand story is critical to ensuring the success of the brand. Sometimes the best intentions don't lead to the best results and that brand consistency suffers.

This may be the hardest to measure impact of poor digital asset management.
If you have an easy way to measure the strength of your brand, then I recommend you drop what you are doing and start a company selling brand measurement services. You'll make millions in no time.

Even without an easy way to calculate, we believe the potential brand harm is easy to understand. The best case scenario is missed opportunities for a cohesive brand story, and the worst case scenario is a confused brand that loses your company goodwill and customers.

So what's the ROI?

Like with all things, it depends. The makeup of your team, the quality of your internal processes, and the quality of communication within the organization all impact the costs described above. As we've shown, even for small teams, the costs that could be saved with digital asset management are (very conservatively) in the tens of thousands of dollars per year and can easily grow into hundreds and hundreds of thousands of dollars per year for large teams or companies using outdated processes.

Digital asset management systems can range from as little as about $1000 per year for a limited product for a small team to as much as $10,000+ per month for
a sophisticated enterprise solution used across a company.

Here's one last equation.

ROI = (Gain from investment - cost of investment)/(cost of investment) *Expressed as a %.

And here again is that small team of six marketers using Image Relay's Professional product and considering only their search and fulfillment costs.

Gain from investment = $68,400 saved in search costs + $20,000 saved in fulfillment costs = $88,400

We're proud of numbers like that and they are the reason why our clients have rated Image Relay as the digital asset management software with the highest ROI.

Cost of investment = $9,000 ($750 per month)

ROI = ($88,400 - $9,000)/$9,000 = **882.22%**

All your digital assets.
All your product information
All in one place.

Meet Marketing Delivery: the world's first fully integrated marketing solution.

Finally, all your digital assets and production information in one place for fast, seamless creation and delivery. No more chaos. Just your stories, your products, and limitless growth for your businss.

"You guys might as well be wearing capes, because you're heroes around here."
- Ben & Jerry's

"Image Relay allows our company to keep our digital assets extremely organized in a central location that can be accessed by all of our customers across the world. It's easy to use, easy to understand, and is the best solution out there for Digital Asset Management. Period." - REMO

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