

1. Problem Definition

1.1 Rapp Collins Worldwide

Founded in 1965, Rapp Collins Worldwide is one of the world's leading direct marketing and customer relationship management agencies. The agency is a division of Diversified Agency Services, owned by the largest media services conglomerate in the world: the Omnicom Group. With more than 60 offices in 30 countries, Rapp Collins offers a wide variety of marketing solutions through channels like direct mail, telemarketing, television and interactive media. Its healthcare division specializes in pharmaceuticals and other health-oriented companies. Rapp Collins' global presence offers a unique competitive advantage over its competitors.

The agency is located in the hectic area of Midtown Manhattan (Madison Ave and 50th street). It currently has 220 employees and occupies two floors of a 50 story building.

1.1.1 Rapp Collins and Direct Marketing

Direct marketing's two main characteristics are the directness of the message to the consumer and the generation of sales caused by a call to action. Rapp Collins defines direct marketing by achieving three objectives: Acquiring new customers, retaining customers and increasing customer value

Rapp Collins defines itself as a direct marketing agency that delivers valuable customers through creative and measurable solutions. The main challenge the company faces is to find, keep and maximize customer relationships through integrated channels at an effective Return on Investment (ROI). The agency's approach to direct marketing has been crucial to its growth. By developing a unique business model, the agency has been able to uniformly apply a methodological strategy tailored to the client's particular needs and resources. The model is composed of four main rules: define, understand, execute and refine. (Rapp Collins Worldwide, 2007).

It is impossible to provide personalized and effective solutions if the client's needs and objectives are not aptly assessed. A rich and comprehensive definition of the client's situation would start with a thorough research of the company including the product/service offerings, its history and philosophy, revenue and profit trends, its current direct marketing approach and identification of its key stakeholders. This examination, entwined with an environmental landscape analysis, would enrich the definition of business objectives. A SWOT analysis serves as the main tool that will

provide an accurate and tangible assessment of the company's situation. (Department of Strategy and Enablement, 2007)

The goal of the understanding stage is to identify actionable insights and their messaging implications. Brand planning, the driver of this stage, uses secondary and primary research for its comprehension purposes. Secondary research, the type that leverages on existing materials and by nature is more inexpensive and accessible, creates the groundwork for primary efforts. Examples include studies, articles, websites, and academic materials. On the other hand, primary research involves live and direct interaction with the target audience, and despite its high costs, it offers unparalleled insights. Focus groups, one-on-one interviews with consumers, retain-industry consultants and man-on-the-street interviews are some examples of this type of primary exploration. Research should be focused around three main questions: Who is the target? What is their desired behavior? Why should they act this way? Brand planning and the analytics department then create a hypothesis that would lead to the development of a creative brief. (Department of Strategy and Enablement, 2007)

The understanding stage is followed by execution. The main goal at the execution stage is to bring strategic insights and messaging implications to reality. This is where all of the areas of the agency come into play and orchestrate an integrated response to the exploratory findings in the previous stage. Target segments are defined, along with the appropriate message for each one. The channel that will carry the message to the target is also identified at this point. (Department of Strategy and Enablement, 2007)

Finally, the refine stage measures the effectiveness of the execution and adjusts the approach appropriately. One of the main tools at this stage is the program scorecard that, through the use of standard and ad-hoc reporting and data-driven analytics, measures the results of the execution and evaluates ROI. Enhancements such as test-learn-test, profile and model refinement and real-time and post-mortem improvements, are created in order to improve the effectiveness of the implementation. (Department of Strategy and Enablement, 2007)

1.1.2 Departments, Processes and Clients

After the creative brief has taken place, the areas involved in the development of the resulting concepts are Project Management, the Studio and the Creative, Account services and Production departments. Traffic, the area where the internship was completed, is the liaison between all the

departments mentioned above. It is responsible for every job in the mechanical stage (also known as Preproduction), from the Ok-to-set until the mechanicals are released for printing. Throughout this period, it is traffic's responsibility to ensure that all related deadlines are met and any logistical issues are resolved. There is only one person in charge of the trafficking role and it is overseen by the Project Management Department.

The person in charge of the traffic position has the following tasks:

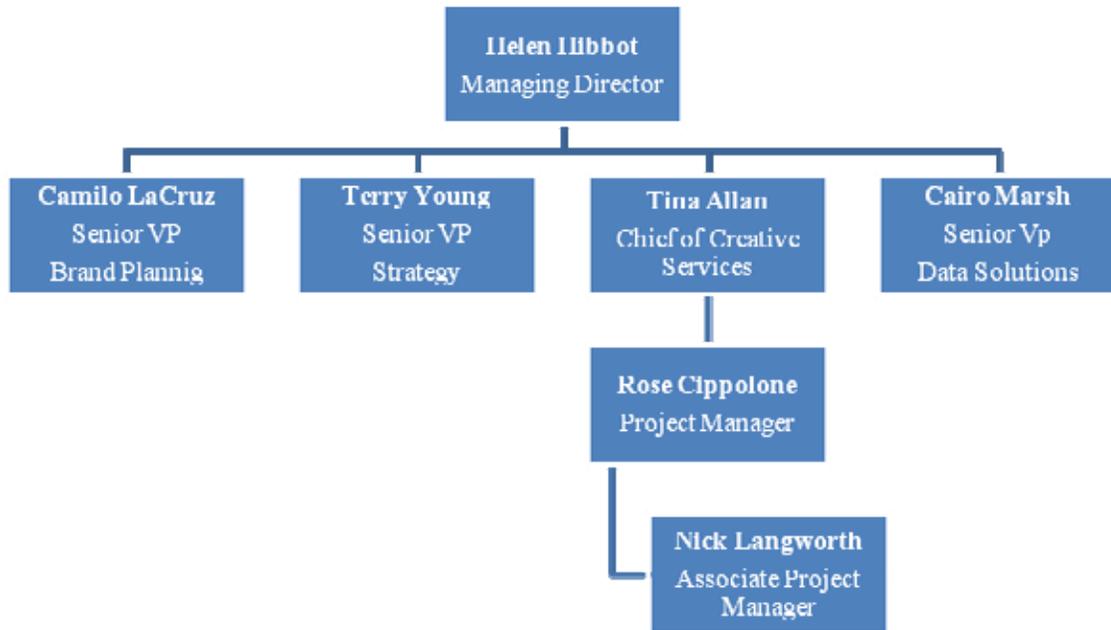
- Routing of mechanicals, colorbreaks and folding dummies.
- Keeping track of deadlines and informing of any changes or updates.
- Negotiate timelines and project requirements.
- Submit a report about the status of all the jobs that the studio is working on.
- Take care of any special mechanical requirements for the studio.

The pre-production stage features an Ok-to-set, the routing process, the mechanical release of the job and vendor-issued blues revision. Projects officially pass from the creative department to the studio in the Ok-to-set meeting. Traffic must ensure the representation of all involved parties; these include Production, the Studio, Retouching, Account Services, Project Management, Art Direction and Copywriting.

Routing is the process of physically transporting the mechanical to the team implicated in the development of the job. The studio creates a mechanical that is then transferred to its proofreaders. Traffic routes the job to the copywriter, the art director, the account executive and the production manager. They all make annotations on the mechanical and it is routed back to the studio to apply the changes in the file. The new version is printed and routed in the same way until the job is clean. Colorbreaks, a printed piece that allows verifying that colors used by the creative team are the same that will be used in the production of the piece, are routed to the Art Director and the Production Manager. These two roles also analyze and approve a physical example of the job, known as folding dummy.

Once the job is clean and approved, it is ready to release to the vendor/printer via an FTP site or a disk, usually as PDF files. The release specifications are determined by production. Blueprints are sent by the vendor as a proof of what the actual printed piece looks like, and are routed in the same fashion as the mechanicals.

Figure 1.1 Organization Chart



Source: Self-Elaborated

Table 1.1 Clients

Bank of America	Harrah's	NFL
Best Buy	H-E-B	Novartis
Geek Squad	Hyatt Hotels	Pearle Vision
Continental Airlines	Johnson & Johnson	Philips
Direct Energy	Kaiser Permanente	Select Comfort
DirecTV	Lens Crafters	Toyota
ESPN	Mercedes-Benz	XM Satellite Radio
ExxonMobil	Merck	

Source: Rapp Collins Worldwide Website (2007)

1.2 Symptoms, Causes and Consequences

During the course of the internship completed at Rapp Collins, the most evident and action-demanding problem was that of waste and pollution. The absence of mechanisms of control and measurement in such respects leads to the company's constantly increasing environmental footprint. While the importance of such problem will be explained further in the literature review, the initial identification of symptoms, causes and consequences are essential for a thorough analysis and pertinent solutions.

- Problem- The company's ecological footprint increases at uncontrollable levels.

- Symptoms-
 - Management's lack of information on waste and pollution generation
 - Stark notoriety of wasteful practices generated by the general activities in the office

- Causes
 - Management and staff indifference towards the implications of not controlling waste and pollution
 - Agency Operations

- Consequences
 - Social obligation
 - Efficiency
 - Reputation

1.2.1 Symptoms

1.2.1.1 Lack of Information

When trying to analyze a company's environmental footprint, there are many elements to take into consideration. The most current and actual information a company provides, the more accurate such assessment would be. As it would be considered understandable for regular employees or executive management to be unfamiliar with such information, one would expect the office management department to have, if not actual measurements, approximations at least. In the case of Rapp Collins, there is a systematic lack of information that is crucial for a basic assessment of the company's position regarding waste and pollution.

Trash and electricity are the two key issues that would roughly determine how wasteful the firm is. The office manager explained that the firm leases its office space to its parent company, which at the same time leases the floors for all its subsidiaries to a third party. The building management outsources all its trash disposal and city-mandated recycling responsibilities. Therefore the department has no estimates of how much trash is generated by the company. For the amount of electricity consumption, the figure is also unknown as the bill is included in the rent fee. While rubbish production approximations were obtained through the firm in charge of its collection and recycling, electricity consumption still remains a mystery.

Additional information that is valuable for waste measurement like amounts of printing paper and ink cartridges is unavailable since such items are bought in bulk and specific records are not kept; the amounts are so large (naturally in a direct marketing agency) that it is hard to keep track, office management argues.

1.2.1.2 Wasteful Practices

A second symptom of Rapp Collin's waste problem is a more palpable one. The garbage containers in both of its floors are constantly full. Taking a closer look into them would show how trash is indiscriminately mixed. This attribute can be found in bins in the common areas and personal cubicles. A typical employee's trash receptacle could include various one-sided printed pages, soda cans, food leftovers, the Styrofoam plate he/she ate cereal with for breakfast and the four paper cups used for drinking coffee. Food waste can also be found in the bins next to photocopier machines. Piles of Styrofoam take-out plates and plastic bags are accumulated after lunch break, when most of the employees head out to buy food and bring it back to eat at the office kitchen or their personal cubicles.

As a result of the absence of information regarding recycling, there is a practically non-existent waste separation system in the office. Three "paper only" bins were inconveniently placed in a two-floor, 160-person agency. Management's reason for such a meager recycling system is that an outside company is in charge of such responsibility. Nevertheless it is worth noting that inorganic items may become harder, if not impossible, to recycle if they are contaminated by organic waste. Paper, arguably the most prominent material in the company's waste, becomes unrecyclable if it is soiled by coffee or food residues.

In a typical 8-hour work day, an employee can be seen using up to five different paper cups to drink coffee or tea. In some cases, this amount doubles as some people find it more convenient to use a second cup at the same time for insulation purposes. This behavior is prevalent even when the human resources department gives a washable thermal mug to each employee on their first day.

As it is expected from a marketing agency, photocopiers are used heavily in the firm. Employees use them several times a day for several reasons, like the distribution of reports to large groups of people. Most people disregard an option in the device that allows double-sided printing. By selecting it, paper consumption would immediately be reduced up to 50 percent.

Although an exact figure is unknown, with more than 900 light bulbs, nearly 200 computers, six photocopiers and two large refrigerators, electricity consumption at the company is undoubtedly high. Presumably a significant part of it is caused by wasteful behavior like employees leaving office lights on and, most notably, leaving computers on all night long when they depart for the day.

Large amounts of food are bought by the company on a daily basis for meetings, parties, training sessions and “Lunch and Learns”. Sandwiches, wraps, salads, pizza, snacks, brownies, cookies, soda cans and water bottles are often served for more people than the actual attendants to the gatherings. The uneaten remains are then put in the kitchen to be eaten at any time of the day by the employees. Several times a week, such leftovers are thrown away at the end of the day.

During working hours, employees use car services for work-related transportation like off-site meetings, pick-ups, vendor visits and rides to the airport. Requests for these services are done individually and in a short notice. A lot of these car rides could be done through car pooling, if they were coordinated and done with more anticipation.

With offices in Los Angeles, Dallas and Chicago, and vendors and clients spread across the United States, Rapp Collins causes a significant amount of domestic airplane travelling, not to mention the usual international flights to Europe and South America. Even when most of these trips are necessary due to the obligatory physical presence of employees, a good deal of them could be avoided by using the numerous technologies that allow effective virtual communication.

Thus, management’s lack of information regarding waste generation along with the starkly notorious wasteful practices are the most evident symptoms in the continuously increasing

avoidable pollution. These isolated actions and customs come together as part of a larger problem with serious consequences.

1.2.2 Causes

While there are several identified symptoms, the causes are significantly fewer but more complex. Beyond the cost factor of controlling waste and pollution, which would be significantly low in real terms, it is unawareness and indifference the most relevant causes for this problem. When these causes are combined with an advertising agency's inherent activities that are prone to create waste (mainly driven by paper use), the issue becomes one of large proportions.

1.2.2.1 Agency Operations

It would be unthinkable for a creative agency to have paper-free operations, especially when direct marketing is its core business. Paper is particularly heavily consumed by the creative department. This area prints many drafts before a final piece is completed. Such drafts are exchanged several times a day between all the employees involved in each project. The digitalization of drafts would not be practical because of the nature of the pieces. Quality of paper and how the final work looks physically is essential since most of direct marketing projects are mailing letters, magazine and newspaper ads, brochures, stands and posters. Photocopying and printing by the other departments for reports and general purposes also contribute significantly to the total consumption.

Intensive designing sessions in the creative department, high-volume printing and lighting for a two-story office add up to a high electricity bill. Waste from food and trash as well as the pollution associated by the travelling and commuting of more than 160 people also make the company's ecological footprint high. There is no doubt that these activities are inevitable for the smooth functioning of the agency. However, it is important not to forget the fact that most of these operations, if not all, can be optimized.

1.2.2.2 Management and Staff Indifference

Both management and staff in general don't recognize the importance and relative urgency of taking care of the matter. Despite global warming taking the spotlight in the media as the issue of the 21st century, there is notable scepticism in how individual actions make a significant overall impact. Additionally, there is also a recognizable trend among some groups in the company that have turned the issue into a political one. With certain conservative figures in politics and the media questioning the validity of global warming and dismissing various significant ways to tackle it as

economic and political threats, some employees similarly question the relevance of reducing the company's ecological footprint.

The fact that these causes are rooted in the culture of the company, adds to the complexity of the issue. People in the company are indifferent to the levels of waste generated by their daily office activities and are unaware of the consequences of being pollutant as individuals and as a company. Part of this lack of awareness is motivated by the reluctance to change habits that challenge personal comfort zones. The company's financial manager finds it illogic to stop buying paper cups for coffee in bulk since they do not represent a significant cost. At the same time, most employees consider uncomfortable to start using a mug that will require rinsing after each use when they can just throw the disposable cups in the bin. The same cycle is repeated with the many other symptoms in the same fashion, confirming the existence of a culture of apathy towards the issue.

1.2.3 Consequences

As part of a collective society, companies are in many ways citizens too. These entities are entitled to rights but are as well subject to obligations. Nevertheless, just as with individuals, there are certain moral and ethical expectations that do not have to take the form of regulation in order to be considered serious or relevant. Today Rapp Collins is generating levels of waste and pollution that could be reduced through changing the way it does its business. It is a moral duty to minimize individual and communal impact on the environment. Human civilization has reached a point where it has to recognize that it is not the only species on earth and that the planet is not a supplier of endless resources. A point of no return will eventually be reached and the consequences will be severe and irreversible. People and organizations will be judged for what stance they had towards an issue that required will and prompt decisive action.

A company that doesn't have control over the waste it produces could doubtfully be considered efficient. In the long term, a poor trash disposal system contradicts the tax-minimizing corporate instinct. Especially in New York City, where waste is exported to out-of-state landfills, excess trash is directly translated into higher taxes. Since the closure of Fresh Kills, the city's landfill located in Staten Island, the costs for waste disposal have increased from USD \$42 to USD\$70 per ton. Forty-seven thousand tons of waste are exported every day, at a cost of \$3,290,000. Additionally, the city is subject to laws and restrictions from the importing states (Pennsylvania recently imposed a \$4 per ton tax on all of the waste that it imports) (Waste Export, 2006). Increase in traffic, which has a positive correlation with businesses' productivity rates, is inherent with the increase of waste

production. Outbound truck trips per year to the City's bridges and tunnels have increased by 264,000 (Seldman & Lease, n.d).

For Rapp Collins, an industry leader and a company that is constantly striving to achieve maximum efficiency in its everyday activities, waste is a problem. While the company's position with this issue might not translate directly into any short-term recognizable risk, it certainly exhibits its approach towards an ever-challenging global concern. Considering the company's current growth levels and its projections, waste generation levels will increase proportionally. Should Rapp Collins not take proactive measures to manage waste more efficiently, future actions will require more resources and larger efforts. Furthermore, a passive attitude towards an unprecedented momentum in social and corporate awareness regarding pollution and waste will eventually take the shape of a lost opportunity.

The global trend for the "greening" of businesses is irreversible. Large corporations, usually characterized for having a preference on cost-cutting policies over environmentally sound ones, have shifted their business approach to please consumers that have become stricter in demanding less pollutant products and services. General Electric, Toyota, Wal-Mart and even the oil giants Shell and BP, have recently engaged in more eco-friendly strategies. Rapp Collins' reputation for being a cutting edge and modern firm could be at risk. With competitors vying for market share and better brand positioning, the company cannot hesitate in reaffirming its leadership role by seizing the opportunity to become the greenest direct marketing agency in the industry.

As of now, the company still has a long way to go. Other agencies have already taken the initiative by creating the Green Marketing Coalition. The organization, conformed by direct marketers and some of their corporate clients, has been setting certain standards in both their mailing practices and company operations. Despite criticism from environmental groups for not establishing measurable goals, the coalition is the most significant collective action by direct marketers aimed at "greening" their businesses. The objective is also to be able to share ideas even with agencies across industries, the founders claim. With direct marketers like the Seattle-based Hacker Group (who spearheaded the coalition) and MSP, Rapp Collins' leadership has fallen short of any contribution to making the industry a more sustainable one. (Deutsch, 2008)