



Delivering Results in Today's Business World

A Quick Guide to Solutions and Services



Budco
13700 Oakland Avenue
Highland Park, Michigan 48203
888-BUDCO-40
888-283-2640
www.budco.com

Welcome to Budco!

Budco is dedicated to helping companies build strong relationships with their key business, consumer and employee audiences. We do this by creating solutions that encourage **dialogue**, or two-way communication, which is the foundation of all successful interaction. For this reason, we are positioned in the marketplace as The Dialogue Company.

We are experts in **fulfillment, direct and database marketing, and marketing analytics**. Our mission is to meet and exceed customer expectations by using multiple in-house competencies to develop and execute innovative, end-to-end business solutions that deliver Results. The insistence on **Results** is particularly important in the context of current corporate reality – diminished internal resources, the demand for value and measurable ROI for every dollar spent, and the need for continuous improvement to maintain the competitive edge.

Recognizing that each client's needs are different, Budco focuses on **custom solutions** that align precisely with strategic business goals. This approach has allowed us to create partnerships with many Fortune 500 companies, acting as a natural extension of their organizations and assisting them in shortening the distance from their marketing messages, goods and services to their customers.

This document presents an overview of the solutions and services Budco offers. As defined in our vision statement, we have a strong sense of who we are and what we do.

Budco Fast Facts

- **Founded 1982**
- **600+ employees**
- **Headquarters in Highland Park, Michigan**
- **Four facilities in Highland Park and Detroit totaling 894,000 square feet**
- **Satellite offices in California, New York, New Jersey, Florida**



The Budco Vision

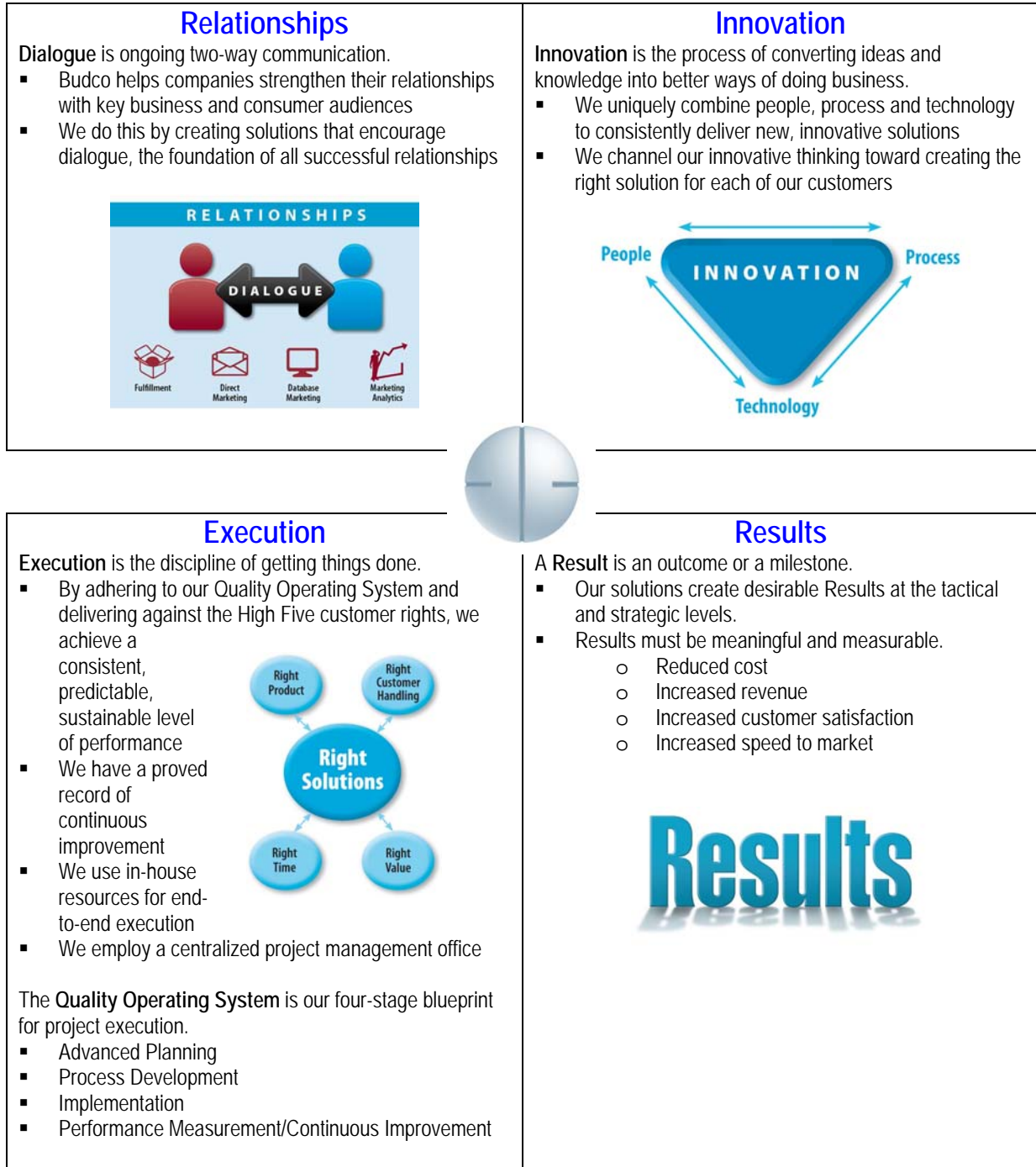
Budco is recognized as the leading fulfillment and direct marketing company in North America. We measure this leadership by:

- **Our customers' success**
- **Attracting and retaining outstanding employees**
- **Our ability to generate innovative solutions**
- **Our financial growth**



The Quadrasphere Symbolizes Our Approach to Doing Business

We frame the discussion around our logo, which we call the **quadrasphere**. The four quadrants represent the fundamental principles that drive our approach to doing business.



Fulfillment Solutions

Streamlining Ordering, Warehousing and Fulfillment Processes

Since our origins in 1982 as a warehousing and fulfillment company, Budco has led the industry in the development of **advanced methodologies for ordering, literature fulfillment, product fulfillment, product sampling and point-of-sale management**. Using our proprietary eStore 8.3 and Budco Logistics System software, we integrate all warehousing, inventory management, ordering and order processing, shipping, tracking and billing functions into a single, end-to-end platform, handling everything from individual pick-and-pack orders to large-scale distributions involving multiple truckloads. Companion services such as kitting, lettershop and finishing, and variable, personalized digital printing allow us to deliver comprehensive, customized solutions for our customers. Three core products, each yielding tangible **Results**, anchor Budco fulfillment expertise.

eStore8.3™

ONE-TOUCH • ORDERING • INVENTORY • FULFILLMENT

This **online system** serves as a **portal** for accessing and ordering business, educational, financial, informational, marketing, promotional, training and other types of materials.

- A catalog of items, with photos, pricing (if applicable), and availability, is customized to each client's brand and product offerings
- Existing eStore8.3 architecture shortens time-to-launch and lowers cost
- Both business-to-business and business-to-consumer applications are accommodated within the eStore8.3 platform
- Fulfillment, order consolidation, real-time inventory management and print-on-demand functions are included in the eStore engine and can be branded to the needs of each client

Results

The Budco eStore approach leads to measurable outcomes.

- \$8.5 million in annual cost reductions for one client alone
- 98% utilization of eStore on average among eligible users
- 90% satisfaction on average with eStore design and ease-of use

Opti-Comm™

FOCUSSED, CONSISTENT, COST-EFFECTIVE DELIVERY

As a **centralized source to collect, consolidate and distribute** critical corporate and brand communications to national retail networks on a defined schedule and frequency, Opti-Comm gets key materials to the right person at the right time.

- Communications are presented in a consistent format and predefined schedule
- Separate, individual communications to the same person/location are eliminated, reducing packaging and transportation costs
- Consolidation of "push" and "pull" orders through integration with eStore8.3 further increases efficiencies

Results

For one customer, Opti-Comm accomplishes:

- \$6.5 million in annual labor, shipping cost reductions
- 99.9% timeliness of shipments
- 99.9% accuracy of contents
- 90% of recipients more likely to review materials delivered via scheduled shipments

Opti-PostPlus™

INCREASED DELIVERABILITY • REDUCED POSTAL COSTS

To realize the **best possible mix of low-cost and speed-to-market**, Opti-Post Plus optimizes postal and small-package delivery options.

- Increased deliverability, shortened time-in-transit and reduced transportation costs are consistent outcomes
- Least-cost analysis, zone skipping, line-haul services, pallet consolidation and other techniques are applied
- Long-standing relationships with USPS, UPS, FedEx, DHL and other carriers, plus high shipping volumes, lead to discounts
- USPS mail is verified on site for prompt entry into the mail stream
- National and international expediting services are available

Results

- Increased deliverability
- Shortened time-in-transit
- Transportation cost reduced 5% to 50%



Direct and Database Marketing Solutions

Opening and Maintaining Healthy Dialogue between Companies and Their Customers

Staying on top of targeting, delivery and understanding of the outcomes of marketing initiatives is essential to success. To aid in that endeavor, Budco **combines art and science in the form of highly integrated resources** for creative, information technology, data management, digital print production, mailing and fulfillment. The solutions we provide enable multilevel communications between our clients and their customers and prospects, thereby opening and maintaining healthy dialogue and ongoing relationships. Budco solutions can include combinations of various in-house methodologies: direct mail marketing, e-mail marketing, personal URLs (PURLs), Contact Center, and creative services. Among our offerings are two ready-to-execute products.

<p style="text-align: center;">Target <i>Connect</i></p> <p>Target Connect is a Web-to-print application that allows users to easily create effective, personalized direct marketing communications in an online environment.</p> <ul style="list-style-type: none"> ▪ With this tool, companies can maintain a consistent brand voice and image while, at the same time, empowering retail partners to localize and personalize target communications ▪ Logging on to an easy-to-use Web interface, users create text, select offers and images, marry messages to a prospect or customer list, and approve the piece for printing and mailing ▪ Many formats and sizes are available ▪ Budco produces high-quality communications pieces on advanced Xerox iGen3 color digital printing platforms within 48 hours of order placement <p>Results For a major client, Budco outputs:</p> <ul style="list-style-type: none"> ▪ More than 20 million postcards and letters annually ▪ 85% participation among authorized users ▪ Positive ROI based on user feedback ▪ Measurable sales lift of more than 7% 	<p style="text-align: center;">in2itiveCRM <small>*COLLECTING *TRACKING *MANAGING</small></p> <p>Enabling in-depth campaign tracking across multiple consumer touch points is the purpose of this sophisticated customer relationship management platform.</p> <ul style="list-style-type: none"> ▪ An extensible, Web-based data mart collects, tracks and manages communications within a given brand marketing campaign ▪ Both outbound marketing initiatives and inbound consumer responses are catalogued across multiple media types – direct mail, e-mail, Web site transactions, telephone interactions, IVR, business reply cards and more ▪ The repository of brand consumers and all their historical transactions yields rich customer profiles and a memory bank for defining and refining future campaigns ▪ Impact of media spend across multiple channels can be tracked to improve resource allocation and offers ▪ Real-time feedback is available 24/7 for rapid implementation of updates and changes <p>Results</p> <ul style="list-style-type: none"> ▪ Detailed customer relationship management and insight ▪ Increased quantity and quality of leads ▪ Evaluation of media impact ▪ Improved consumer compliance based on precisely targeted communications
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The efficacy of Budco direct and database marketing solutions is verified in the comparison of our results with industry averages. Using response rate data generated by the Direct Marketing Association, **Budco outcomes are consistently higher – from nearly 9% to more than 46%.** For example, direct mail lead generation communications generated by Budco better industry averages by 8.9%, and direct mail ordering is 10.7% ahead. Traffic-building postcards and letters produced through Target Connect register response rates 31.7% above average, while e-mail click-through rates have been as high as 46.4% over averages. Those are the kinds of tangible Results that translate into improved customer business success.



Marketing Analytics Solutions

Turning Information into Actionable Insights

Information in the form of data is plentiful – but information alone is not sufficient to drive significant marketing outcomes. Finding a way to **turn data into actionable insights** that lead to fruitful initiatives is the force driving the Ai2 Business Intelligence product offered by Budco.



The special blend of technology and process behind Ai2 is designed to **transform data into useful intelligence so that better business decisions can be made faster.**

- Better decisions lead to more effective actions in the marketplace
- Insights and understandings beyond the obvious are facilitated
- Opportunities can be capitalized on and problems resolved more quickly
- Assessments regarding progress toward meeting key objectives and goals can be accurately made
- Inventory is more precisely managed
- Excel “spreadmarts” and errors of imprecision are eliminate.
- Deeper understanding of who, what, when, why is achieved and can be incorporated into decision-making
- Knowledge of how a customer wants to be communicated with and in what channels is facilitated

Results






- Improved targeting and segmentation with better management of message content and positioning
- Prediction of future customer behavior based on past history
- Enhanced retention strategies possible

Ai2 Business Intelligence is the perfect example of a solution generated from a corporate culture that incorporates innovation as a core value. Everyone at Budco owns innovation, no matter the job description. Internally, we recognize innovation with the McNaughton Award, named for an operations team member who came up with an **inventive idea** for solving a complicated client fulfillment challenge. That was more than 15 years ago, and we have honored team members for original thinking twice annually ever since. We foster an **open environment** that encourages new ideas. In addition, formalized innovation teams, composed of people trained in creative thinking, problem-solving and brainstorming methods, meet regularly to create and analyze innovations. We apply those solutions that make a difference for our customers, both in terms of process improvements and cost reductions.



Budco In-House Competencies and Services

These resources are in place now and can be combined to deliver the solutions described in this brochure or accommodate any other specialized customer need. The fact that this **full roster of services** is housed under our **one Budco roof** allows us to operate at the highest levels of integration, delivering end-to-end oversight that is efficient from the process standpoint and highly cost-effective.

- The **Budco Contact Center** assists clients in establishing and maintaining dialogue with their customers. We employ multiple communications channels, including phone, fax, e-mail and the Web, and handle both inbound and outbound programs. 
- **Budco Creative Services** is a full-service advertising and marketing resource, offering expertise in concept development, brand management, broadcast and print production, design and art direction, and copywriting. 
- **Digital Print and Production** outputs personalized communications and print-on-demand documents in a variety of formats, in both full-color and black and white. Our department is anchored by three Xerox iGen3 color digital presses and four Xerox black and white units. We are a Xerox Premier Partner, one of only 730 around the globe, maintaining the highest standards of quality and customer service. 
- **Budco Financial Services** is our fiscal clearinghouse, handling client programs that involve credit card processing, monthly dealer/retailer billing, rebate processing, financing for purchase of extended service contracts and other financial transactions.
- **Fulfillment and Distribution** is a core competency, dating to our founding in 1982. Working in both business-to-business and business-to-consumer segments, we handle everything from bulk distribution of thousands of cartons, to order receipt, processing and fulfillment of a single item. Specialized services include consolidation of multiple orders for periodic shipment and lot/trace tracking of food and other commodities.
- **Information Technologies** is involved with every type of initiative, from a simple personalized letter, to maintaining a client database, to hosting multiple Web sites, to providing the central nervous system for all Budco operations and client assignments. 
- **Lettershop and Finishing** provides a wide range of addressing, bindery, collation, cutting, drilling, folding, inserting, labeling, laminating, shrink-wrapping, stitching, tabbing and tipping services. We house many types of specialized equipment; kiting and assembly are available in both manual and automated modes.
- **Mailing and Shipping** encompasses the processing and shipping of several million special order and consolidated packages annually and 50 million letters. We maintain partnerships with all major shipping carriers and serve as a plant-load verification site for the U.S. Postal Service. 
- **Warehousing and Inventory Management** capacity covers nearly 900,000-square-feet and features advanced techniques in bar code and radio frequency technology. The Budco Logistics System is our proprietary platform for end-to-end integration of all inventory, order processing, fulfillment and billing activities.



Quality Results Guaranteed

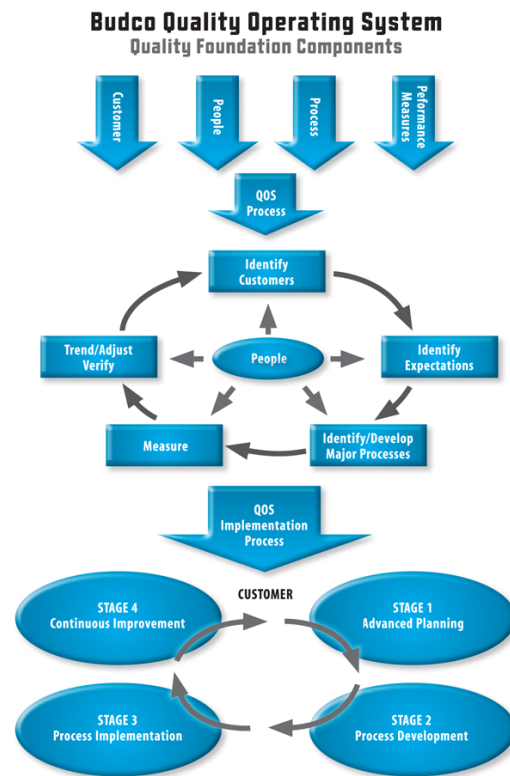
Knowing that customer expectations are high, and rightfully so, we need a methodology for ensuring that our performance consistently meets and exceeds specifications. We must make sure that nothing about our execution of business is ever left to chance. To conform to these stringent requirements, we instituted the **Budco Quality Operating System** in 1987 and have continued to adhere to this blueprint ever since for the best of all possible reasons – it works!

Four distinct **activity stages** make up our Quality Operating System:

- Stage 1: Advanced Planning
- Stage 2: Process Development
- Stage 3: Implementation
- Stage 4: Measurement and Continuous Improvement

Based on the strength of the Quality Operating System, we have been **ISO certified since 1996**. Internally, our QOS approach is supported by the Budco Quality Office, which monitors our performance and measures continued ISO compliance, and the Budco Project Management Office to manage the details of program planning, launch and functioning. Other quality-oriented standards held by Budco include GMP, FDA, SAS 70 and HIPAA compliance.

Our strength of performance, coupled with the breadth of Budco product offerings, has resulted in many **long-term customer partnerships**, some dating from our founding in 1982. Today, we work with dozens of **different client companies**, many at the Fortune 500 level, across a range of industry sectors – health care, pharmaceutical, entertainment, travel and leisure, financial services and automotive/manufacturing. Services span business-to-business, business-to-consumer, business-to-employee, and direct-to-consumer, and we are equally adept in all segments.



Distinguishing Budco Characteristics

A number of qualities set Budco apart from the competition.

- We provide a **solid roster of solutions and skills**, unmatched by other fulfillment, direct and database marketing and marketing analytics companies.
- Our competencies are **highly integrated** and completely **in-house**. Cross-departmental boundaries are non-existent, allowing us to provide single-source management of even the most complex projects.
- We are an **experienced provider across multiple industry sectors**, which allows us to cross-pollinate non-proprietary ideas while shortening the implementation curve.
- Our size is a true asset. With 600 employees, we are a **mid-size company** – large enough to provide outstanding people and services, without losing the personal attention and customer focus that are more often associated with boutique firms.
- The **Budco Project Management Office** is an essential factor in our delivery of comprehensive customer care. Highly-trained teams of professional project managers and engineers are assigned to each program, with responsibility for the coordination of internal departments and external resources, execution of work to specifications, interfacing with the client, and maintaining the metrics that track our performance.
- Our corporate culture is precisely articulated and integral to the work we do. The emphasis on **quality and accountability** are defining features of our approach.
- Everyone at Budco participates in **innovation**, which is the unrelenting search for better, more cost-effective ways to do business on behalf of our customers. Our open environment recognizes that good ideas and innovative practices can come from anyone, at any time, as we seek solutions that make a difference.



Finally, as we describe throughout this Quick Guide, the focus at Budco is always on **Results** – we deliver relevant outcomes, because we know that **Nothing Else Matters** to our clients. We understand that our work is not an end in itself but a means for assisting in the achievement of each customer's strategic business goals. Everyone is proud of our capacity to contribute to the success of our customers. At Budco, **Results** are our way of life.

For more information on Budco solutions and services, please directly contact your representative, call the Marketing Department at 888-BUDCO-40 (888-283-2640) or go to www.budco.com. We look forward to discussing how Budco can assist you in meeting fulfillment, direct and database marketing, marketing analytics and business goals.

