Bob Rose, Senior Account Executive

A little while ago I was able to catch up with Barb Wizniak, Associate Director of the National Cattlemen’s Beef Association (NCBA) and chat with her about her vision for the Association. Since Barb took the reins of the Association’s Beef Marketing & Educational Resources, she has implemented innovative solutions that include digital and web communications to help educate the 1,000,000+ cattle farmers, ranchers, breeders, producers and feeders. Below is a summary of our conversation.

Tell our readers a little about NCBA, including, your mission, your history, and the members you serve?

Initiated in 1898, the National Cattlemen’s Beef Association (NCBA) is the marketing and trade association for America’s one million cattle farmers and ranchers. With offices in Denver and Washington, D.C., NCBA is a consumer-focused, producer-
Dear Colleague,

Acquiring relevant marketing data has been the driver of our business for years. How does it relate to our buying habits? Does it accurately reflect our personal business activities? Is it properly addressed? And what happens to it after it is used?

These are just a few of the questions asked by both the service provider and the customer. As the caretaker of the data, our requirements in the receipt, use, and disposal or final disposition of data have grown significantly over the years. Without proper processes and procedures, we could not continue being considered a source of marketing or business communications for our clients. We now find it commonplace to interact with the Chief Compliance Officer, Chief Security Officer, Chief Information Officer, and HIPAA Compliance Officer, to name a few. Depending on the industry serviced, there are a number of certifications necessary to even be considered as a resource when handling client data. Those include SOC2, PCI DSS, HIPAA, and others. Once you are certified, you must conduct ongoing training of every employee who may touch, see, or walk by the data you are handling on a client's behalf. Finally – and there really isn’t a finally – you need to audit your performance as it relates to all the criteria that established you as being certified in the first place.

Mistakes are costly, as you have likely read about in our article, “How to Navigate Customer Data and Privacy.” We all know that the cost of mishandling data goes well beyond the economics of a breach. Some of the world’s largest financial institutions have learned this lesson the hard way. Fortunately, here at DMS, we have learned from others and have invested in the necessary resources and services to protect our clients from unforeseen errors.

Diamond Marketing Solutions is a certified supplier that is compliant with SOC2, PCI DSS, and HIPAA, allowing us to support our customers’ needs as a communications provider. We have our internal teams for review, as well as outside auditors who certify our compliance to all standards, giving our clients the peace of mind of knowing that we are handling their important data with care.

Accepting, processing, merging, storing, and disposing of data on our platform is the beginning. Providing clients with relevant information on their specific work is the added value that DMS brings through our own DiamondView™ network. We are able to deliver all the information required in real time, assuring our clients a secure and timely workflow by locking down the process from receipt to delivery.

It is our privilege and our responsibility to be good custodians of our clients’ data, and I am confident that this issue of Frontrunner will share how this is done as well as provide you with some interesting tips and ideas as well.

Sincerely,

Mark D. Peterson
President and Chief Executive Officer
Diamond Marketing Solutions
Postal Transparency: Keeping Track of Your Mail

Dawn Mellas, Vice President/General Manager, Fulfillment Solutions

Our DiamondView™ Mail Tracking Module lets you know exactly where your mail is in the mail stream at any time – right up to when it’s in the mail carrier’s hands. DiamondView™ mail tracking and reporting is extremely valuable for our critical communications customers, since it allows them to track their specific statement delivery even if there is commingling. For clients using integrated and multiple channels, DiamondView™ mail tracking and reporting enables coordination of online and telesales communications based on mail delivery. So now you can schedule your email deployments and ramp up your customer care center to coincide with mail delivery.

Opening a window to the post office process has never been more important than now, considering all of the proposed postal changes. Late last year, the USPS announced that it would no longer adhere to the unofficial practice of honoring advertisers’ requested in-home delivery dates. While we believe that reliable adherence to delivery standards is still the best way to consistently meet in-home dates, the question becomes, “When will the USPS achieve that goal?” Until that time, our DiamondView™ Mail Tracking Module can provide the tracking alternative needed for spotting delays during this transition.

Whether you are looking to open a window to the post office, monitor your critical mail delivery, or track down potential delays in the system, contact your DMS account executive to learn more about DiamondView™ mail tracking and reporting.

“Diamond Marketing Solutions is a great company to work with. They met every expectation from implementation to production and continuing customer support. Their staff has been very helpful and responsive to our requests.”

DUTCH POINT CREDIT UNION
Liz Mumford, Vice President Marketing/Public Relations

Dear Colleague,
I hope that you enjoy this issue of Frontrunner, and don’t forget to visit our website for additional content, white papers and case studies.

Account Rep.
name@dmsolutions.com
Postal Update: Enhancing the Value of Mail

Don Harle, Vice President of Postal Affairs

For over 20 years, the United States Postal Service was focused on using automation to improve efficiency and reliability. While its fiscal situation still requires major cost-control efforts, there is a new and significant focus on restoring mail volume by enhancing the value of mail. Here are a few of the things we are seeing 2012:

Enhanced tracking of all Intelligent Mail pieces: Mailers now get processing scan data for all pieces that have an Intelligent Mail Barcode (IMb). The traditional Confirm program has become IMb Tracking. Later in 2012, scan data will be provided for trays and pallets as they move through the system. The scans let mailers know when the piece was delivered and helps coordinate multimedia marketing efforts. The tray and pallet scans will allow mailers and the USPS to track a mailing throughout the system and take corrective action if processing lags. Piece scans are available for all IMb mail pieces, while tray and pallet scans will be for IMb Full-Service mail.

Aggressive promotions and new product offerings: Look for additional efforts around digital and social media marketing to continue. USPS research shows that direct mail and other media efforts are enhanced when used in a coordinated program. They were pleased with the volumes from last year’s mobile barcode promotion (QR code test).

“Go Post”: Designed primarily for people who aren’t home during the day, this alternate means for package delivery will be tested in the Washington, D.C. area. With banks of parcel-size lockers located in convenient business areas, someone who works in an office building could have a package directed to a nearby Go Post locker. That person would receive an email from the USPS indicating that the package is there and providing a code to access the specific locker.

Enterprise payment system: One of mailers’ most consistent complaints is the difficulty of paying for mailings – permits, fees, multiple accounts, etc. Enterprise payment will allow payments to be made to one national account via a wide range of payment methods for virtually all services, regardless of where the mail is entered. It’s being pilot-tested now with the goal of rolling it out by the end of 2012.

This activity shows an encouraging attitude from PMG Pat Donahoe and his senior management. Let’s all hope it shows positive results.

NOTE: A caution about mail delivery times
You have probably heard that the USPS will be closing over 200 (of approximately 500) processing plants this year. Service standards will change and it’s reasonable that there will be some local disruption in service during this process. The transition process will probably last 12-15 months. We at DMS strongly recommend that you use our DiamondViewSM Mail Tracking Module during this transition period to see how these changes may affect your mail delivery patterns. Your DMS account management team will be happy to help you.

DID YOU KNOW?

• Response rates can increase by as much as 34% when you combine mail with web, email and mobile communications.

• When surveyed, direct marketing professionals state that they use an average of 3 different media channels for their direct marketing campaigns.
between the regulators on the front end and the fear of litigation on the back end. Perhaps my key takeaways below may help you as well.

**MARKETING INSIGHTS**

As marketers, we are sometimes overwhelmed by the dizzying array of rules, both expressed and implied, regarding using data for our communications. We can feel stuck between a growingly interested regulatory body, such as the FTC, and the costs and fallout from litigation. This sometimes makes us stick our head in the sand or defer to the “chief legal counsel” in our companies to help sort through our risks and obligations. While the door to the legal department may be open, you need to be armed with knowledge before you enter, and it is increasingly the role of marketers to know what the risks and liabilities are.

**Ignorance is not bliss.** Knowing what the FTC is monitoring and what your potential legal risks are will enable you to create sustainable and successful multi-channel direct response campaigns that “stay within the lines” and minimize – but do not remove – your risks.

There is also the hidden cost of non-compliance that must be considered in the equation as it relates to customer value. While fines may be onerous and the legal fees may seem high, the costs associated with customer defection and lost credibility in the marketplace are much, much higher. Based on a 2010 Symantec/Ponemon study, the average total cost of a security breach tops $7 million. But let’s dig into the numbers further:

1. **For the fifth year in a row, data breach costs have continued to rise.** Data breaches continue to cost organizations more every year. The average organizational cost of a data breach this year increased to $7.2 million, up 7 percent from $6.8 million in 2009. Total breach costs have grown every year since 2006. Data breaches in 2010 cost their companies an average of $214 per compromised record, up $10 (5 percent) from last year.

2. **Customer turnover in direct response to breaches remains the main driver of data breach costs.** Regulatory compliance contributes to lower churn rates by boosting customer confidence in organizations’ IT security practices. The average abnormal churn rate across all incidents was 4 percent. **What is the cost to your organization in terms of lifetime value when losing 4% of your customers?**

3. The industries with the highest 2010 churn rates remained pharmaceuticals and healthcare (both up a point to 7 percent). The industries with the lowest abnormal churn rates were public sector (less than 1 percent) and retail (1 percent). Sectors with the highest 2010 average per-record costs were communications ($380), financial ($353), and pharmaceutical ($345). Those with the lowest costs were public sector ($81), education ($112), and media ($131).

4. **Training and awareness programs remain the most popular post-breach remedies, but encryption and other technologies are gaining fast.** Training and awareness programs barely stayed in first place, with nearly two-thirds (63 percent) of respondents using them. Expanded use of encryption remained the most popular technology solution, and with 61 percent, took sole possession of second place this year.

5. Lastly, the third-most costly breach type was caused by a third-party mistake!

**SO WHAT IS A MARKETER TO DO?**

1. Make legal counsel your friend.
2. Understand the regulatory environment.
3. Be transparent with your audiences all the time – what do you have to hide?
4. Work with your teams on capturing choice options across countries, media, and products.
5. Audit your databases and work with your IT and database teams to establish parameters for data capture, hygiene, and archiving.
6. Clean out your clutter – use it, justify keeping it, or get rid of it securely.

While privacy and compliance will continue to be a very important debate in the halls of Congress, it should also be part of every company's strategic plan. This is no longer the purview of the legal or IT department, but it is now firmly on the agenda of every CEO.

In the end, marketers are not between a rock and a hard place. We may actually be in the driver’s seat.

Reference: 2010 Annual Study: U.S. Cost of a Data Breach, March 2011. Conducted by Ponemon Institute, LLC.
directed organization representing the largest segment of the nation's food and fiber industry. NCBA works to achieve the vision of “a dynamic and profitable beef industry that concentrates resources around a unified plan, consistently meets global consumer needs and increases demand.”

NCBA is the national trade association representing U.S. cattle producers, with more than 28,000 individual members and 64 state affiliate, breed, and industry organization members. Together, NCBA represents more than 230,000 cattle breeders, producers and feeders. NCBA works to advance the economic, political, and social interests of the U.S. cattle business and to be an advocate for the cattle industry's policy positions and economic interests.

What has kept NCBA relevant for over 100 years?
NCBA has continued to serve the beef industry for over 100 years as a respected trade association because it delivers services that members demand. Of primary importance is representation on legislative and regulatory issues, such as protecting private property rights, minimizing government intrusion into the beef business, and maintaining a competitive and open marketing environment. NCBA has a unique structure that represents all segments of the beef industry, from cow-calf producers to beef processors. This structure makes the organization well equipped to face tough challenges.

Does NCBA membership tend to fluctuate?
If so, what do you find are the contributing factors?
NCBA membership does fluctuate. The number of beef producers, the economy, and weather conditions are all contributing factors to changes in membership numbers. When cattle prices are good and ranchers are profiting, recruiting membership is easier than it is during a down market. When a portion of the country is experiencing extreme weather conditions, such as flooding or drought, it affects whether ranches can stay in business. The political climate can also influence membership.

How has fulfillment helped NCBA?
The Cattlemen's Beef Board contracts with the National Cattlemen's Beef Association to provide marketing and educational resources for the beef industry. One of the ways that we disseminate this information is through materials offered via our web store, which is hosted by Diamond Marketing Solutions. This online resource allows us to reach consumers, health influencers, and industry-related individuals and companies with current and relevant beef information. Offering these materials through a web store rather than through a call center allows customers to view the available items and order them 24/7.

What kind of fulfillment do you currently need, and which objectives are being met?
Along with our web store, DMS offers us kitting, mailings, and storage. Their ability to provide a wide range of services helps us with our goals of storing and disseminating marketing materials within our scope and budget.

From handling the distribution of your pharmaceutical samples to safeguarding your health or financial data, Diamond Marketing Solutions has the necessary compliance.

It all starts with our Chief Information Officer, functioning as the corporate compliance officer, whose responsibility is to monitor compliance changes, oversee outside audits, and maintain our compliance integrity on an ongoing basis.

Data Security Compliance
• SOC 2 (this replaced SAS 70)
• PCI DSS (Payment Card Industry Data Security Standard)
• HIPAA (Health Insurance Portability and Accountability Act)

Pharmaceutical Distribution
• We are licensed for wholesale drug sample distribution.

Training on FWA (Fraud, Waste, and Abuse)
• DMS provides annual training and education to all employees regarding how to detect and report FWA based on the criteria provided by the Centers for Medicare & Medicaid Services (CMS).
• DMS verifies that no employee is on the OIG list (Office of Inspector General). If found to be, that employee is removed from providing any services related to Medicare Part D.

Compliance and certification may vary by location. Please contact your Account Representative for additional information.

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How has NCBA partnered with DMS?

Diamond Marketing Solutions has been our fulfillment and warehouse provider for the past five years. About two years ago, it became clear that NCBA needed a web store to provide our customers the next level of service. Since we had already partnered with DMS, they understood our needs and our goals. It was a logical step for us to use DMS and their IT department to design and host this site.

We presented their IT staff with unique specifications, such as various pricing levels based on a customer profile. This didn't turn out to be a problem for them, as they helped us find a solution that has worked perfectly.

Why is NCBA moving into the vast world of print on demand (POD)?

The new POD portal designed and serviced by Diamond Marketing Solutions allows our customers to customize and print materials on an as-needed basis. POD gives them the unique ability to order and stock materials on their terms. Customers can order materials on their schedules, in the quantities they need, without worrying about storage costs or having the materials sit on their shelves and become obsolete.

Some added benefits of this feature are that there's a smaller cash outlay when purchasing print materials. and we are able to save on storage. It allows us to offer a variety of materials that we may not want to stock, but our customers still have the option of using them.

Many of the materials are printed with NCBA contact information on them. Our state beef councils and affiliates can customize the materials with their contact information to give them a more personal touch. With a variety of pricing levels and added options like premium coating and shrink-wrapping, customers can get a uniquely printed item without all the hassles and costs of pre-flight approvals and press checks. Everything is essentially done for them – they just need to log in, choose their item, and add any options. They can then expect their expertly printed materials to arrive in as little as three business days.

What’s next for NCBA?

NCBA is always looking for new and innovative ways to disseminate materials and information. We are looking to the future and will be partnering with DMS to enhance our web store and utilize new technology that will increase our ability to improve our services to our customers. We are confident that the team at DMS will help us find ways to do this in a cost-effective and timely manner.

How does NCBA give back?

Through the recent addition of the Employee PhilanthroBEEF Program, NCBA has been giving back in many ways and not just in Denver. During 2011 NCBA staff participated in numerous charitable efforts including:

- Donation of funds benefiting the Navajo community in New Mexico
- Donation of funds, non-perishable food items, and volunteer time benefiting Food Bank of the Rockies and Capital Area Food Bank
- Donation of funds and non-perishable food items benefiting Senior Support Services of Denver
- Donation of funds benefiting Kenyan Orphanage Project
- Donation of volunteer time benefiting AgrAbility, the Listen Foundation, and the Cancer Support Community Center
- Donation of gifts benefiting Denver’s Christmas Crusade for Children

Would you recommend us to other associations and companies?

Diamond Marketing Solutions has exceeded our expectations with their customer service and support. We would highly recommend them to organizations and companies of all sizes for meeting their fulfillment and marketing needs. They have an outstanding team of highly professional people who take the time to understand your business needs.

The number one reason that we would recommend DMS is their staff – they truly care about their customers and meeting their needs.
Sample, we hope that you enjoy this issue of *Frontrunner* which is chock full of communications solutions.