



# **HDMA Business Benchmarks Report Summer 2021**

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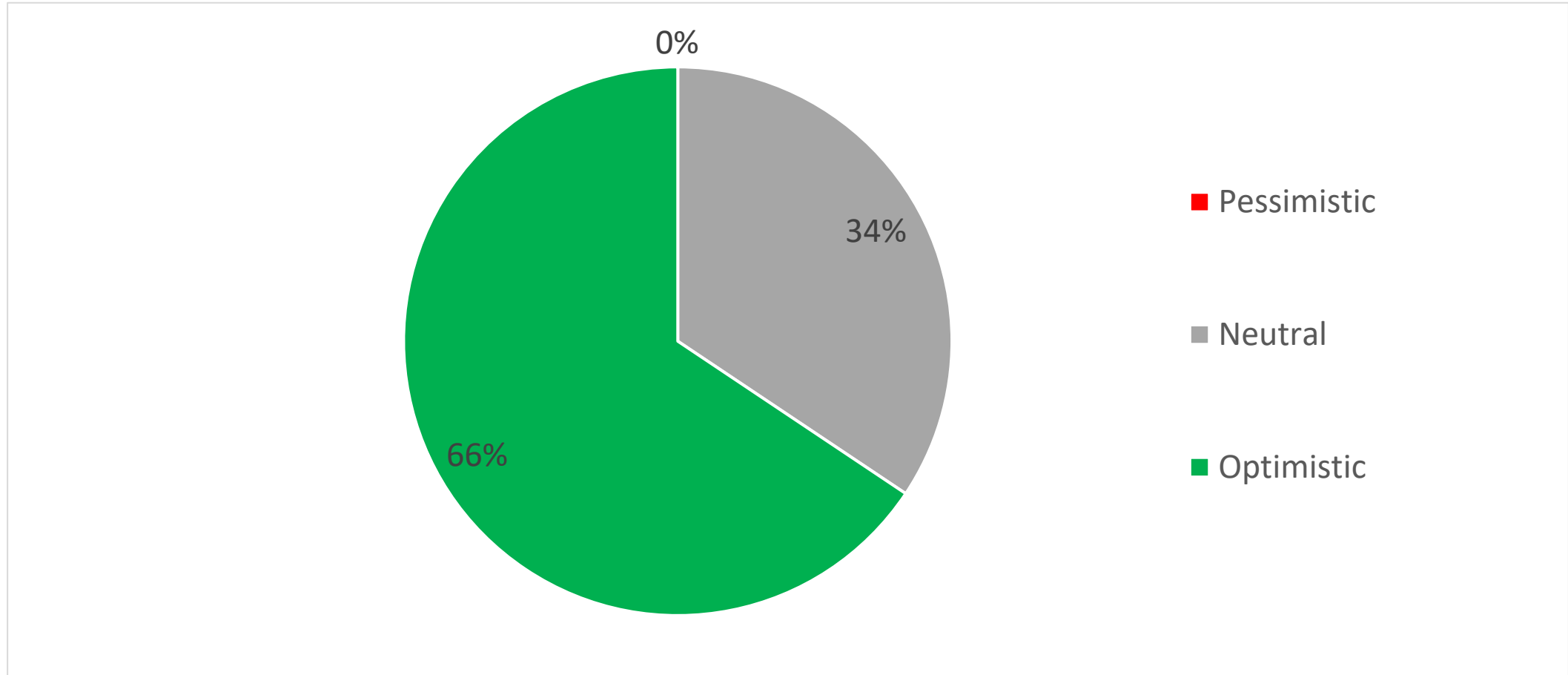
# Overview

# Notes

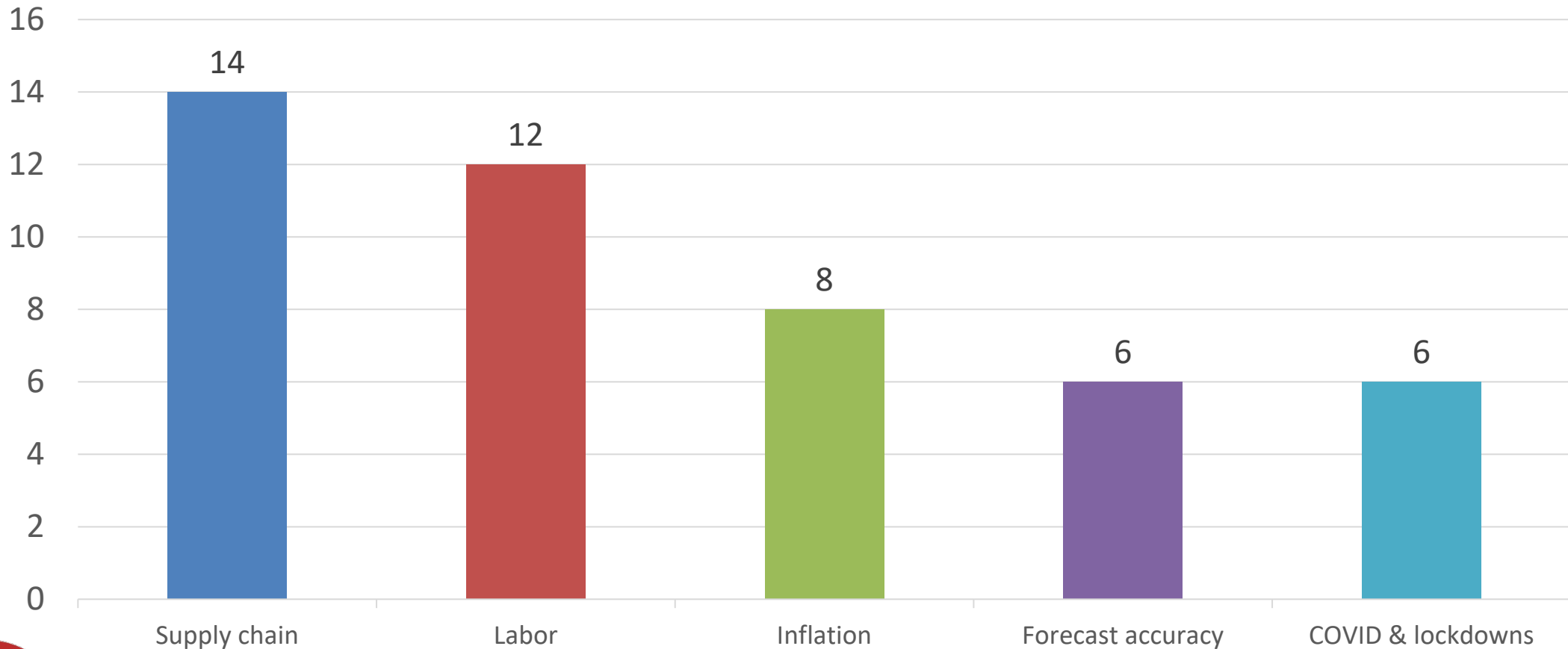
- The HDMA Business Benchmarks Report is based on survey data collected from HDMA members during July and August 2021.
- 64 individuals responded in total representing 53 unique corporate entities.
  - The larger than usual overlap in corporate entities is a result of the survey structure covering multiple areas of business operation.



# Overall, your 2022 outlook is:



# What are the three greatest challenges you face as you plan and prepare for 2022?



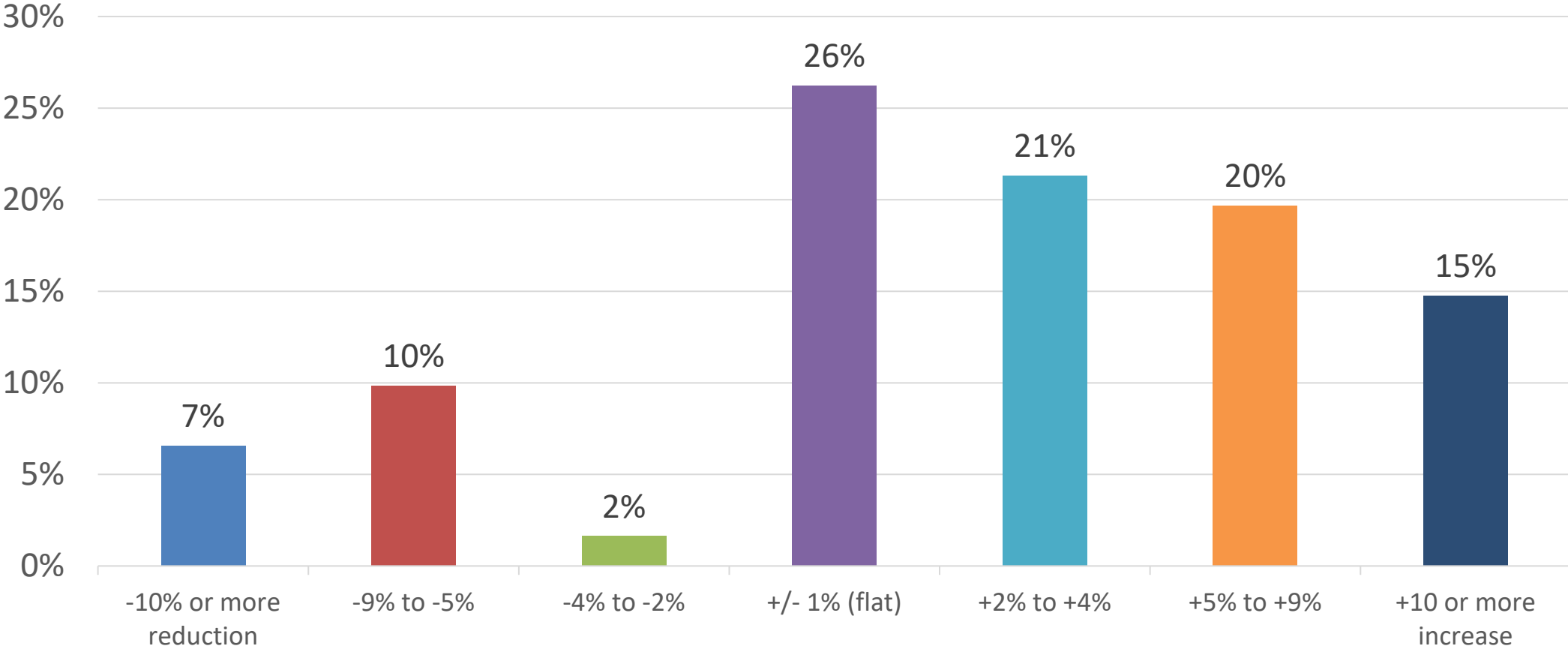
**Categorized summary of 52 challenges submitted  
Individual response text found in the Appendix**





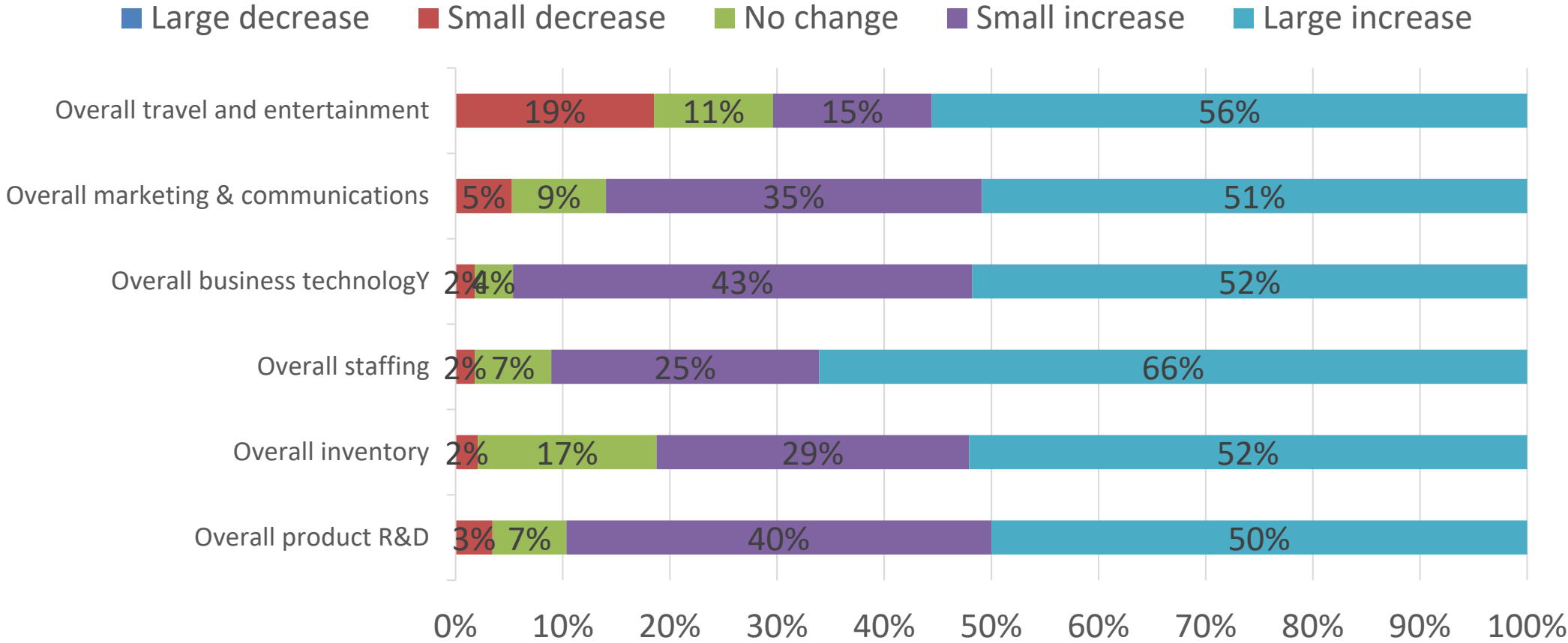
# Overall Budget and Planning

# Compared to 2019, what is your overall budget level for 2022? 2019 represents that last "normal" budget.

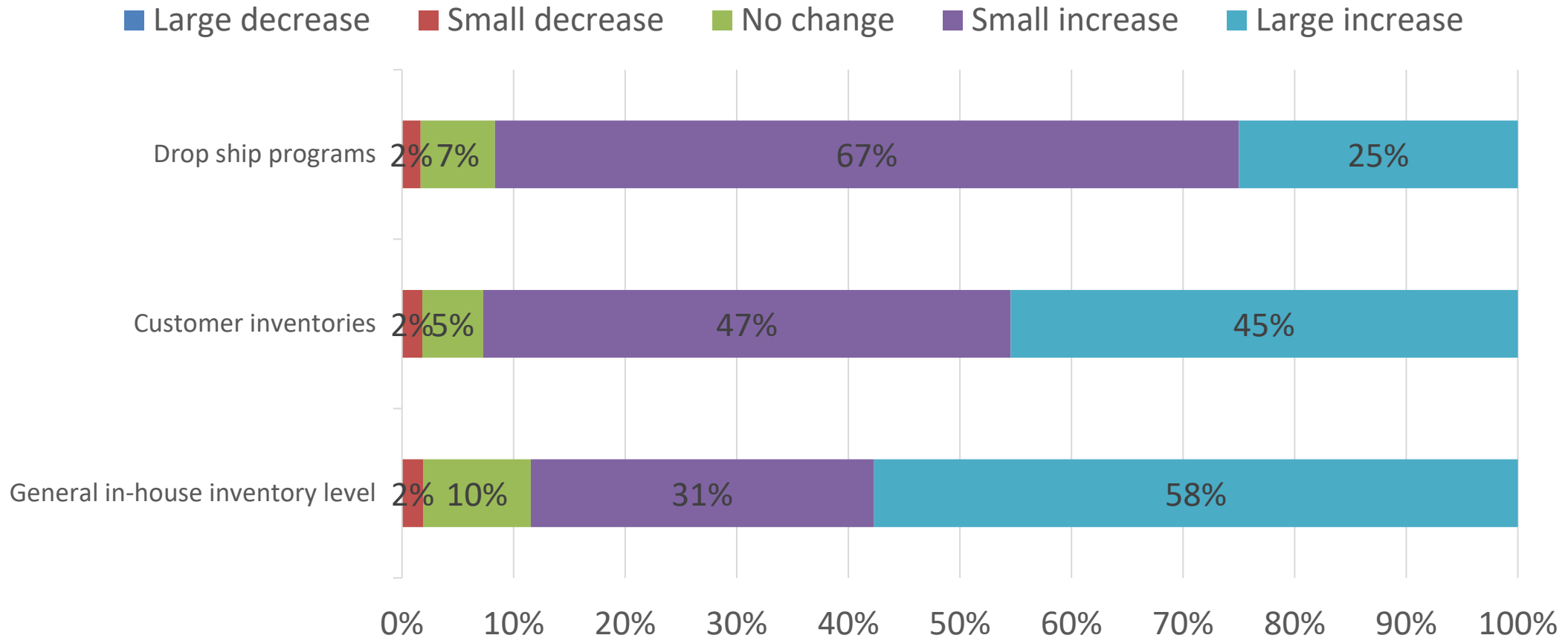




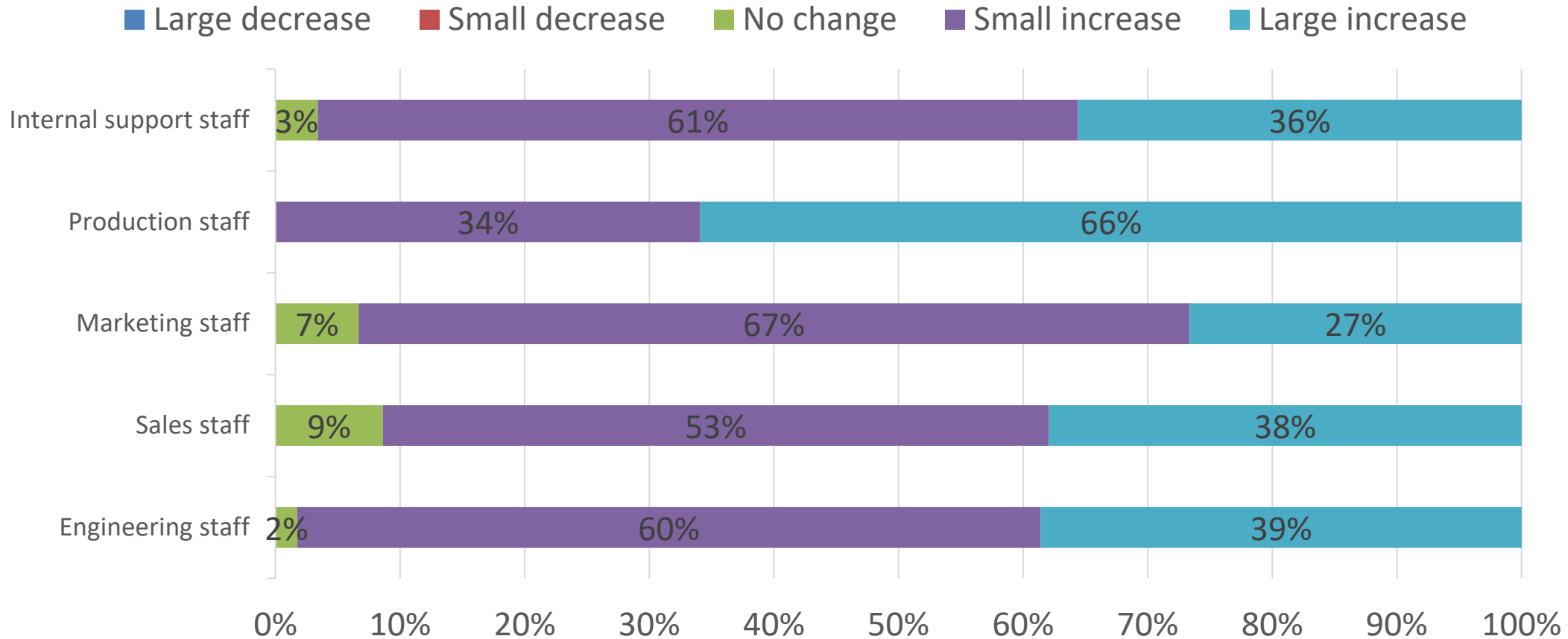
# Relative spending of projected/estimated 2022 budget compared to your initial 2021 budget before any revisions for market conditions and the progression of the pandemic.



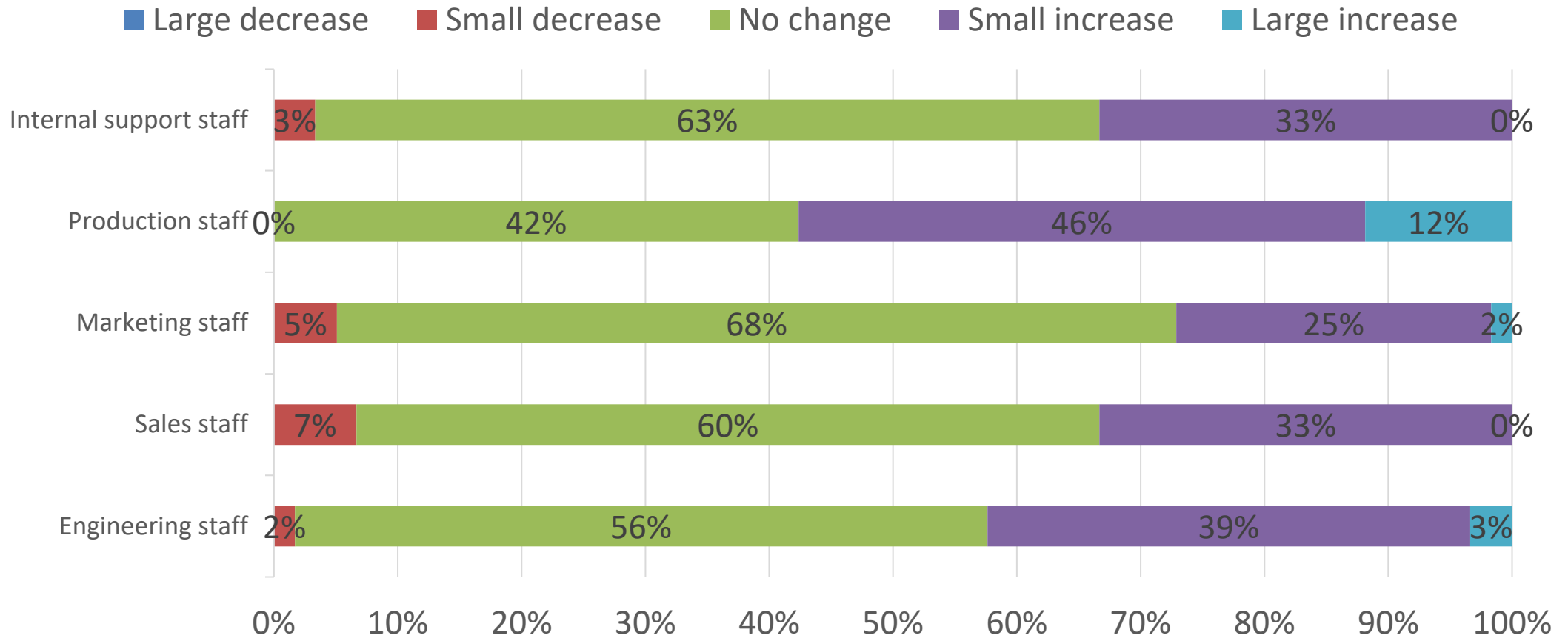
# During 2022, what changes are you anticipating in your inventory levels by category:



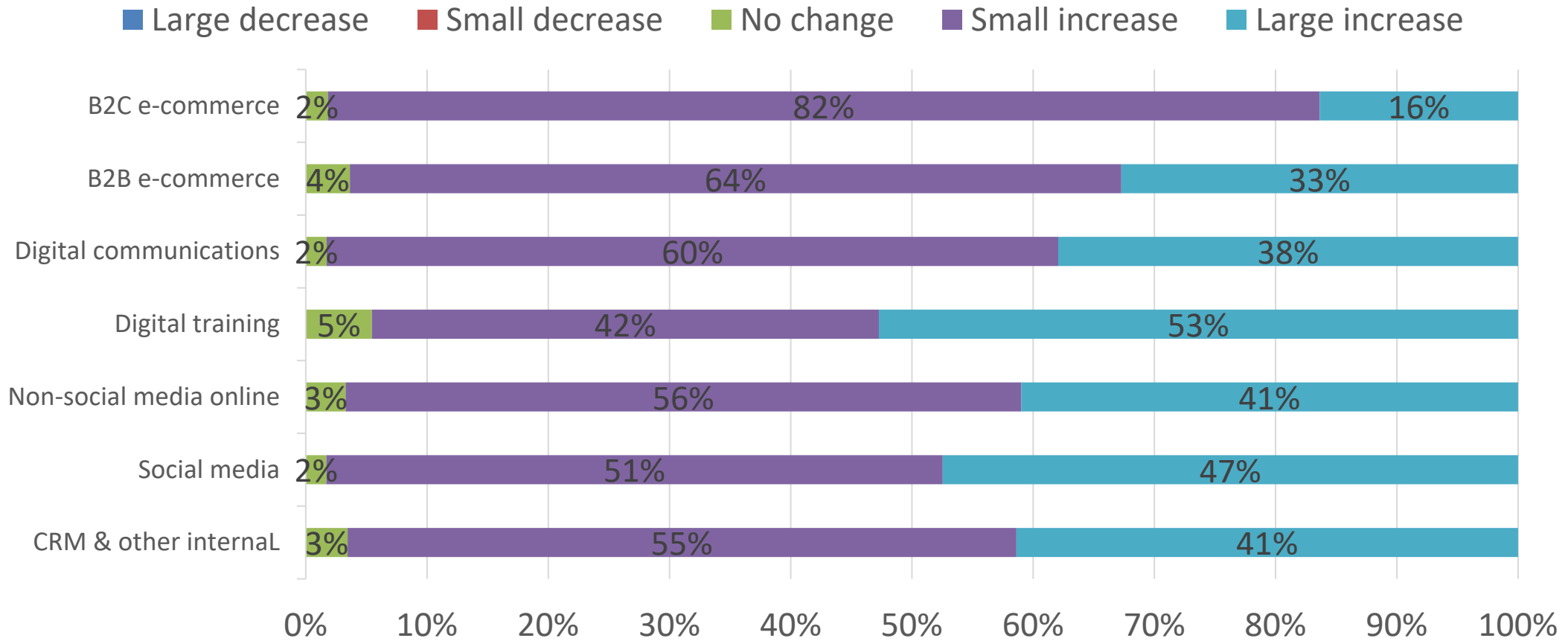
# Relative spending of projected/estimated 2022 staffing budget compared to your initial 2021 budget before any revisions for market conditions and the progression of the pandemic.



# Relative spending of projected/estimated 2022 recruitment & retention budget compared to your initial 2021 budget before any revisions for market conditions and the progression of the pandemic.



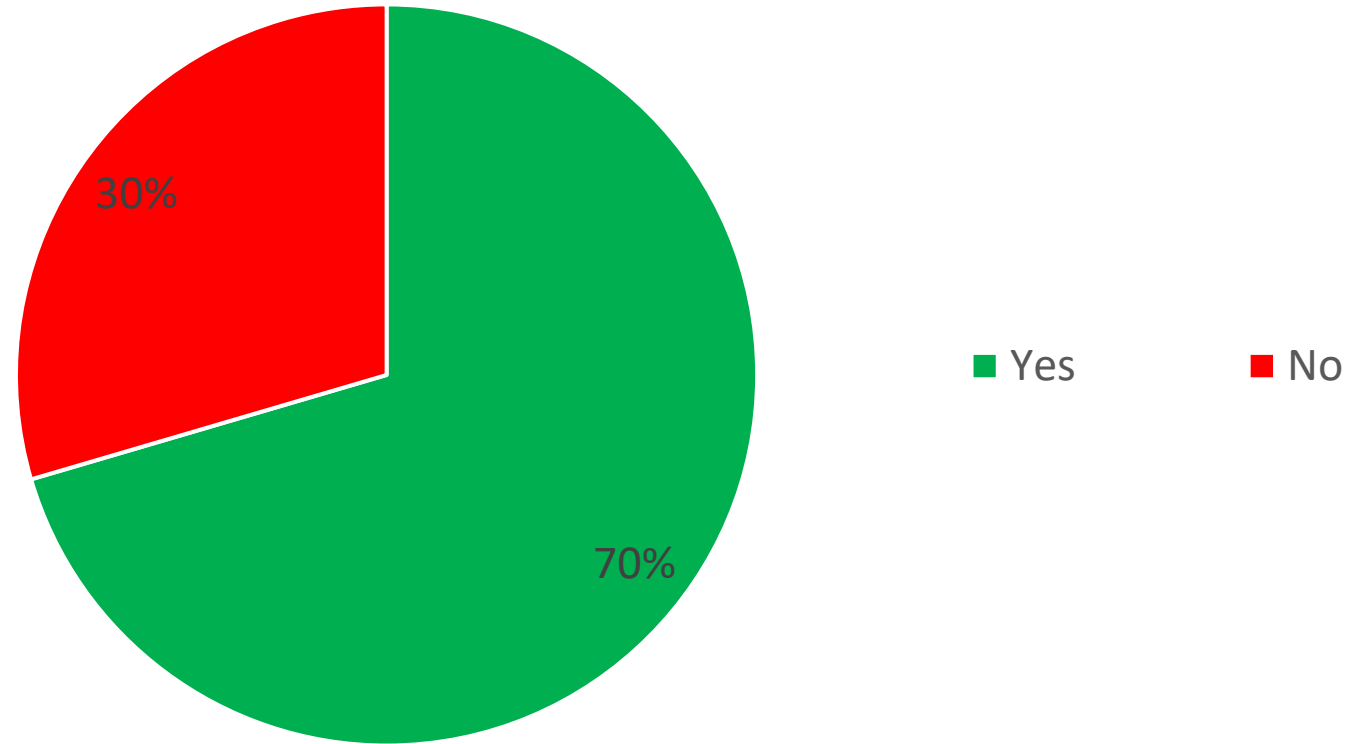
## Relative spending of projected/estimated 2022 business technology budget compared to your initial 2021 budget before any revisions for market conditions and the progression of the pandemic.



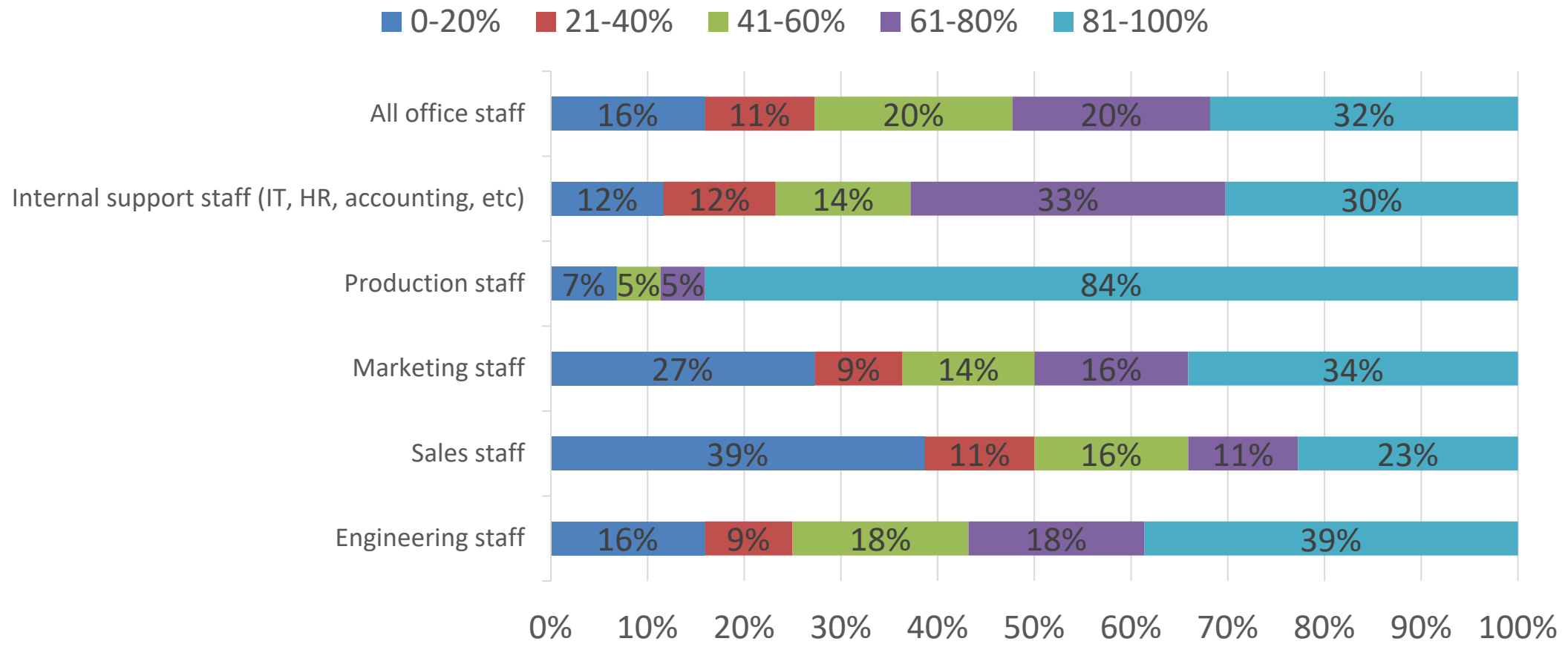


# Return to Office

# Does your company have a formal return to office (RTO) policy?

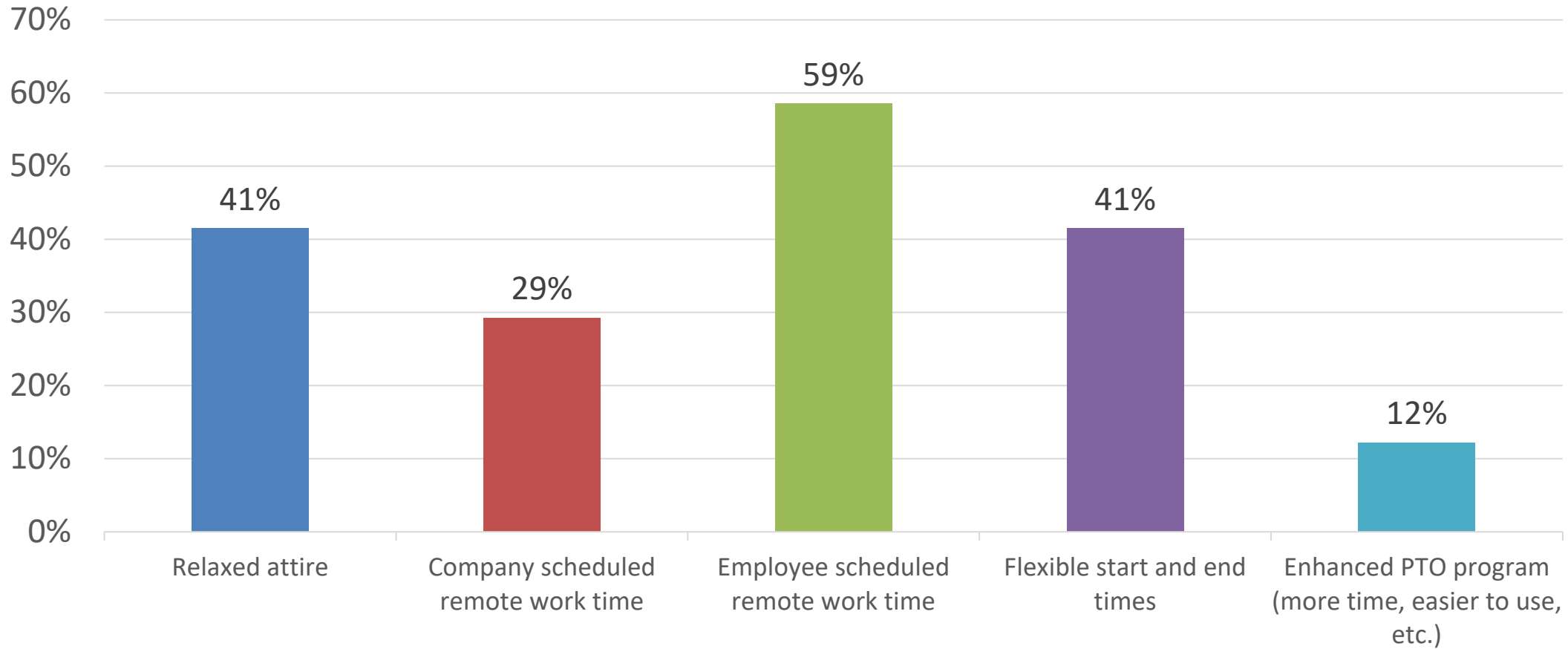


# Approximately what percent of staff operates in office on the average day?





# As part of your company's RTO, which changes have been made compared to 2019 policies? (select all that apply)

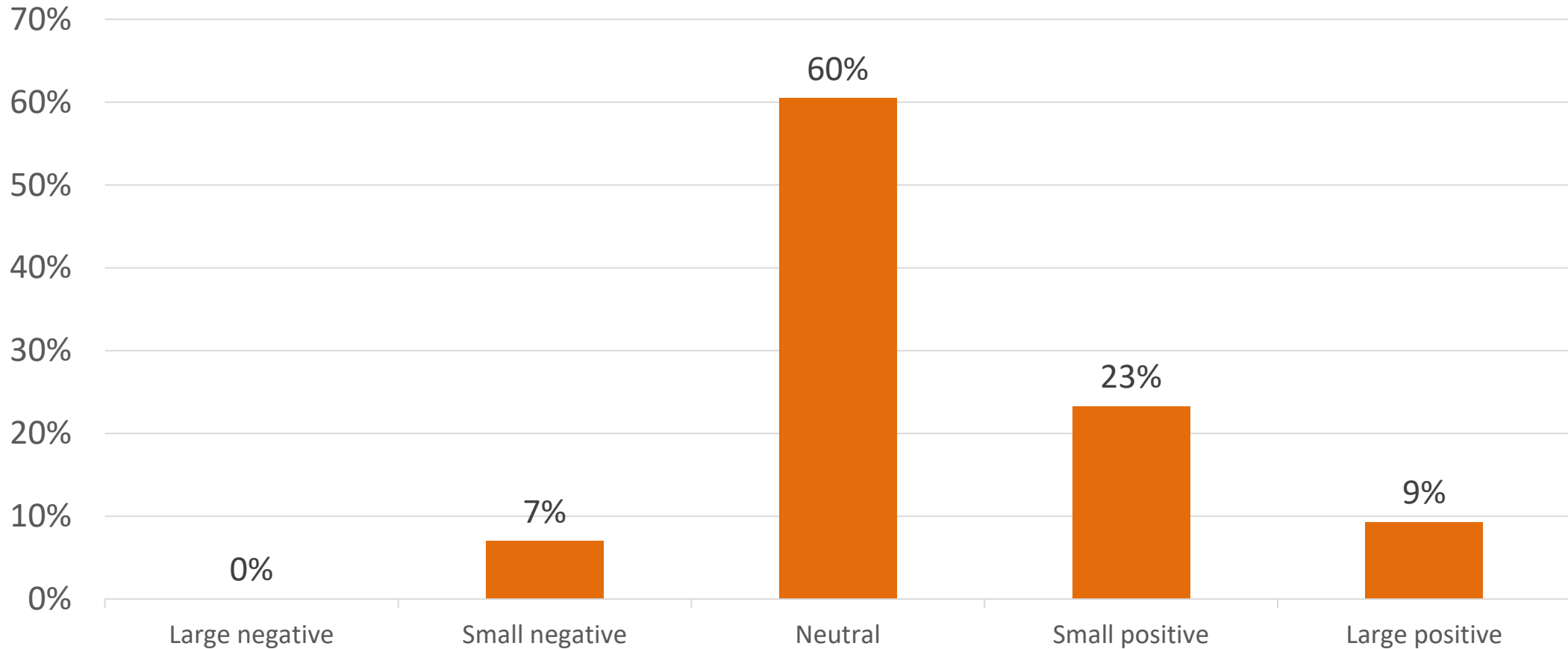


# Additional Policy Changes

- All working from home
- Allowance for full time work-from-home for specific non-production-support roles
- Considering more remote work
- Downsize HQ building
- It's in flux as both CDC and state government make changes for heat, smoke from fires, virus
- Masks, cleaning
- We scheduled A-B rotations out of the office for a few months when COVID began but returned all to work after that.
- We were generally in the office throughout the pandemic. Only change from our pre-pandemic policies would be that we've grown more flexible toward an occasional work from home day for employees who can be similarly productive.
- Wellness time away
- Work from home 2 days/week where possible



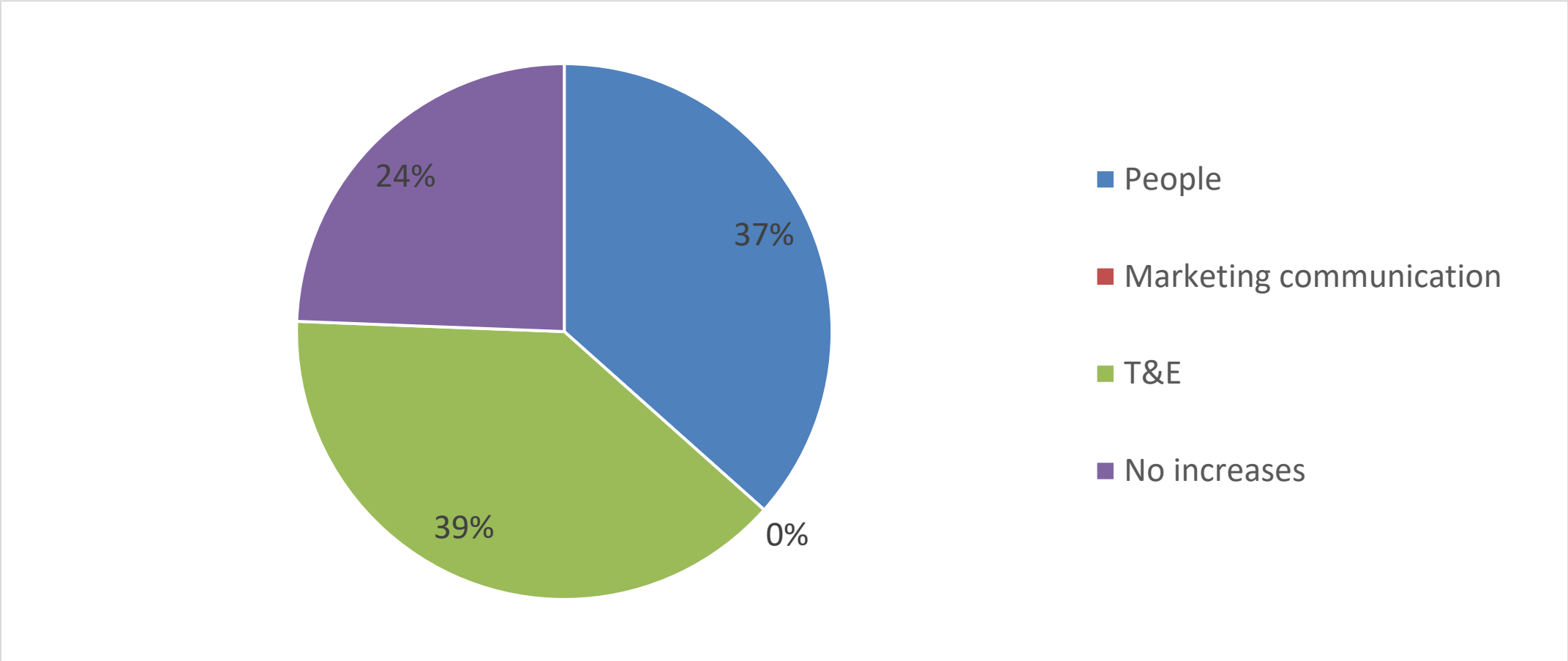
# Since it has been enacted, please evaluate your company's RTO policy on personnel recruitment and retention:



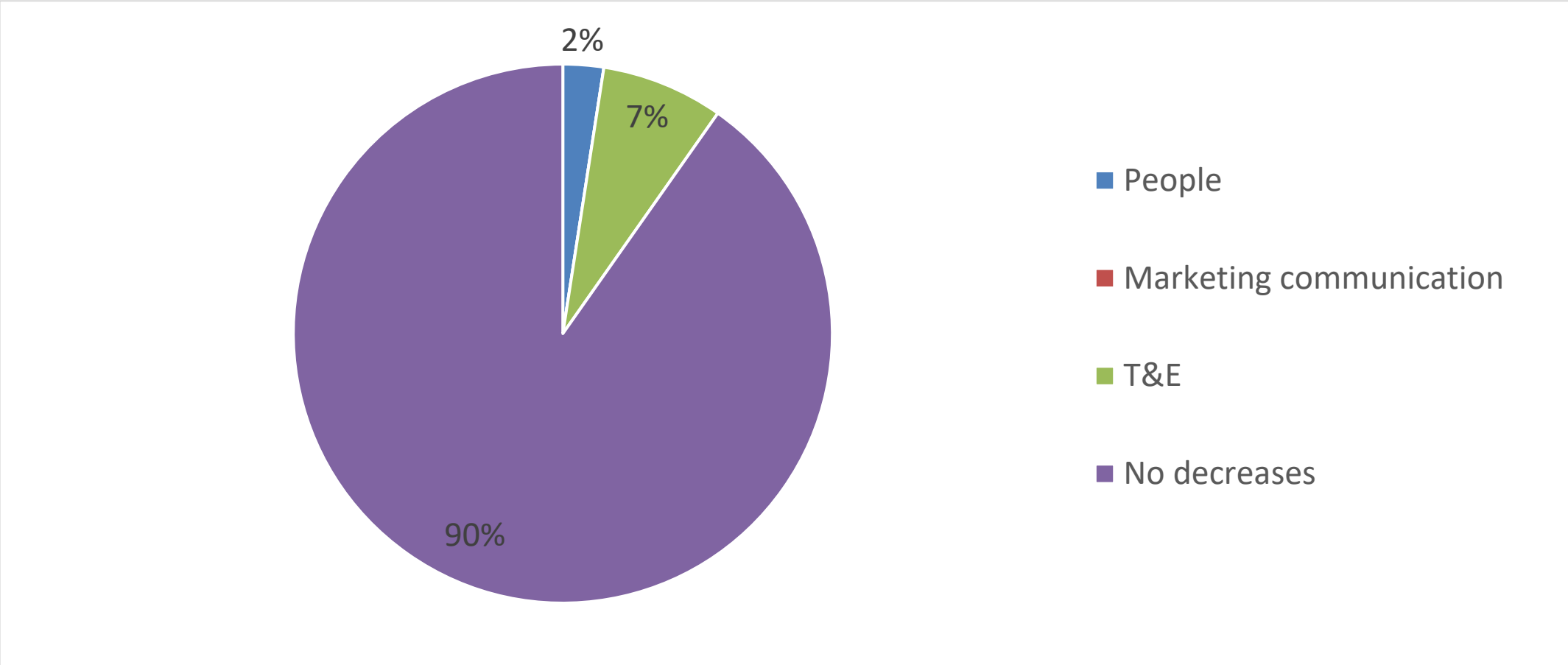


# Sales & Marketing

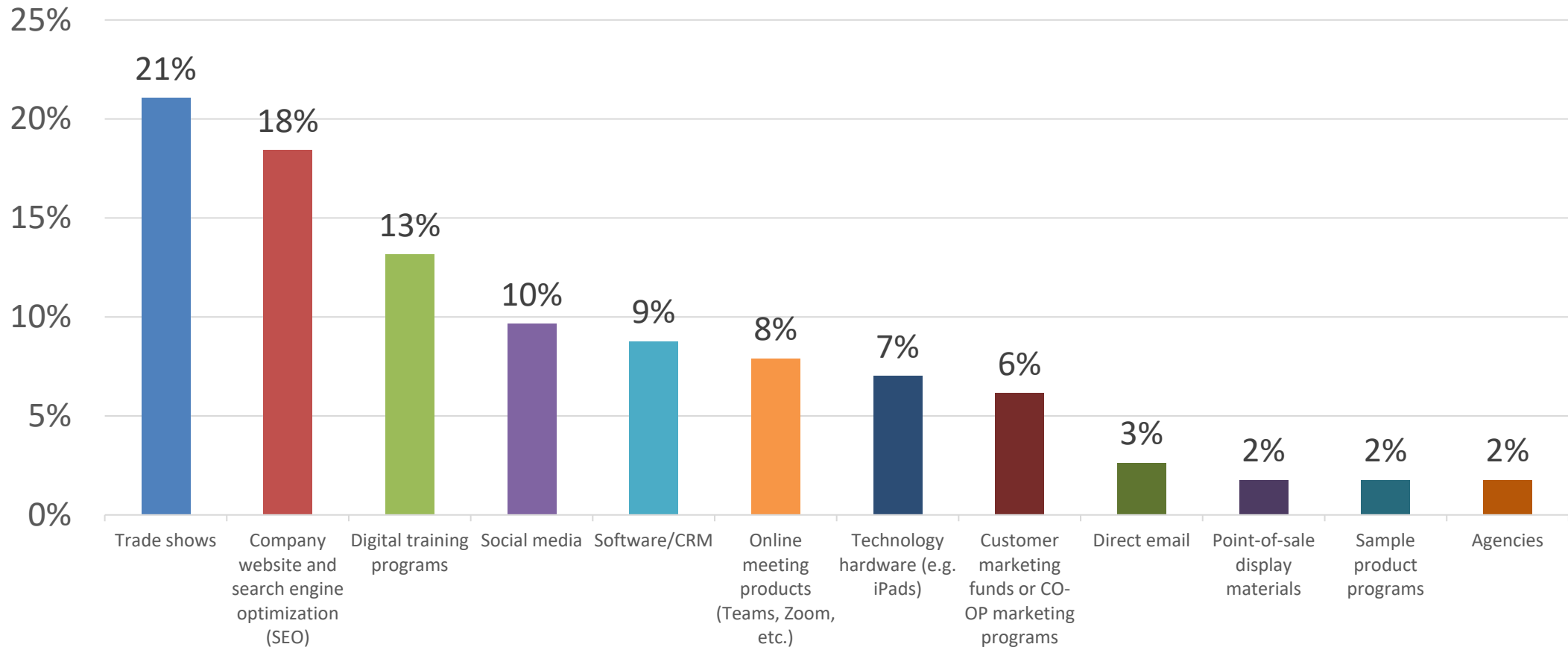
# For 2022, which item will experience the largest increase in spending?



# For 2022, which item will experience the largest decrease in spending?



Please select the three (3) areas of your company's 2022 marketing plan that you project will see the largest relative increase in budget (percent growth over last year):



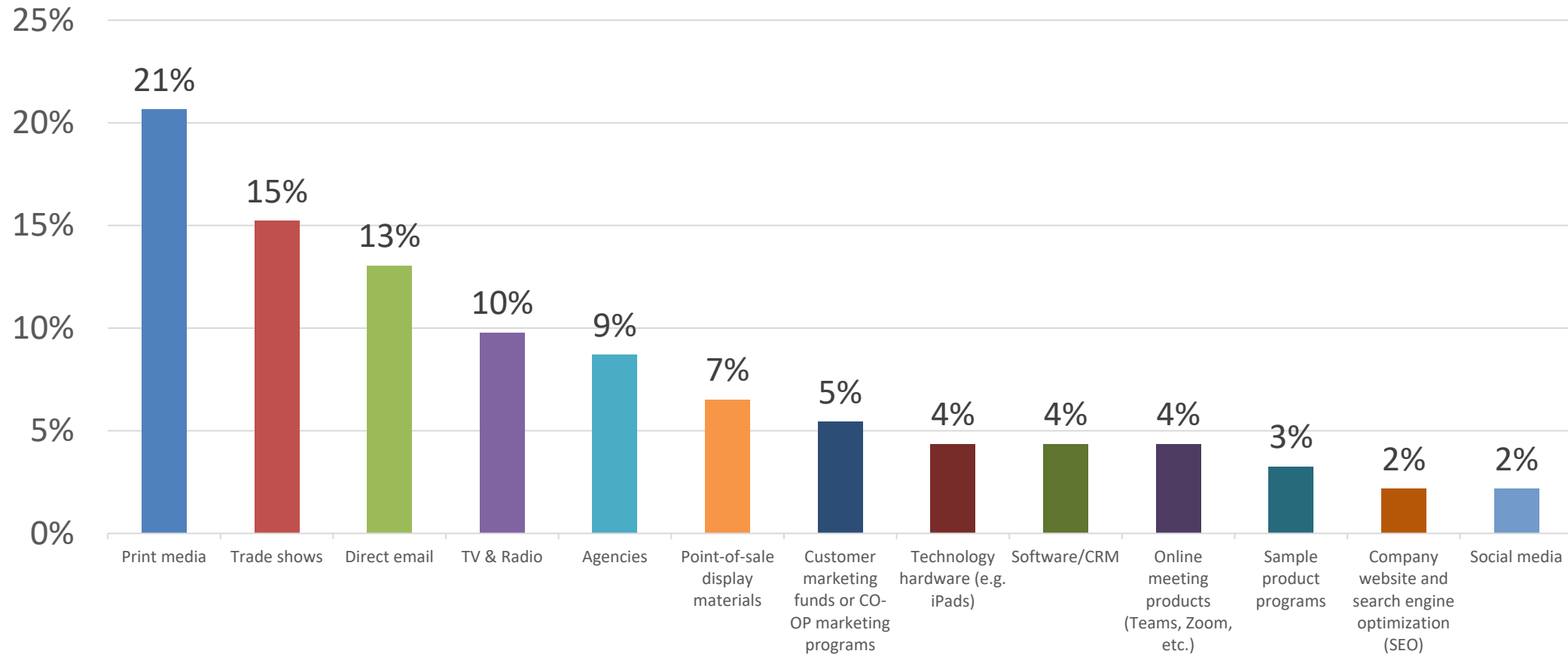
# What will drive your budgetary increases for 2022?

- Ability to travel/Customer desire to meet
- Back to normal sales demand and travel
- Better and faster communication with customers and among the employees
- Company profitability first. No increases unless profit targets are achieved.
- Driven by customer feedback
- Growth
- Heavily prioritizing customer engagement, training, and restoring effort to build relationships in person.
- Increased revenue/sales
- Increased sales and new product launches
- Industry builds
- Industry optimism, cycle recovery, inflation, RM shortages
- Market being back open vs. 1/2 year closed for travel, shows, etc.
- More sales/profit
- Need to replace production programs that are ending production in 2021-2022.
- Overall recovery of the market and searching for growth opportunities.
- People and travel
- Production wages, econ increases across the board
- Profitable sales and full cost recovery
- Sales (x2)
- T&E trade shows
- The support of sales and the support of e-commerce.
- Trade shows re-opening
- Trade show's returning after 2-year lag due to virus





Please select the three (3) areas of your company's 2020 marketing plan that you project will see the largest relative decrease in budget (percent growth over last year):



# What will drive your budgetary decreases for 2022?

- Benefits to the business
- Company profitability
- Digitization (x2)
- Effectiveness of the approach in today's and tomorrow's world
- Electronic media seems more effective than print media. Some customer marketing funds just don't provide positive results.
- Evaluating the return on investment.
- I don't believe many companies will spend money on literature everything is going online.
- Impact of additional COVID strains.
- Lack of sales
- No budgetary decreases
- Not much going down vs 2021
- Plan for 2022 to mirror 2021, but transition spending away from customer requests and into new IT investments to support our brand
- Product availability
- Reallocation of the budget to use for in person selling
- Simply a shift toward better digital communications and in person contact.
- The ability to visit customers and do training live.
- We almost don't spend on marketing
- We seem to be able to connect with customers without trade shows, but we will lose some ability to make new and unexpected connections without them.



# How are you determining which digital marketing products you will keep even with a return to in-person and which you will no longer use?

- Analysis of what our customers are allowing and what the industry will have in person versus the covid conditions.
- Assessing the value created by test programs
- Customer preference
- Effectiveness
- Impact to share and revenue growth along with brand building
- Measuring impact with sales
- No change (x2)
- Online video meetings are here to stay.
- Pretty much have decided to stop funding customer marketing programs entirely and divert all spending to directly supporting our brand.
- Really based on the products/capabilities we are actively trying to expand market penetration.
- Team consensus
- Use marketing group to do it
- We do ROI calculations on everything to determine value added.
- We see a continued usage of digital marketing
- We will continue to use non in person assets because they have become a useful tool
- Will keep all digital marketing products



# What is the single most significant driver of the changes you are making to your sales and marketing plan for 2022?

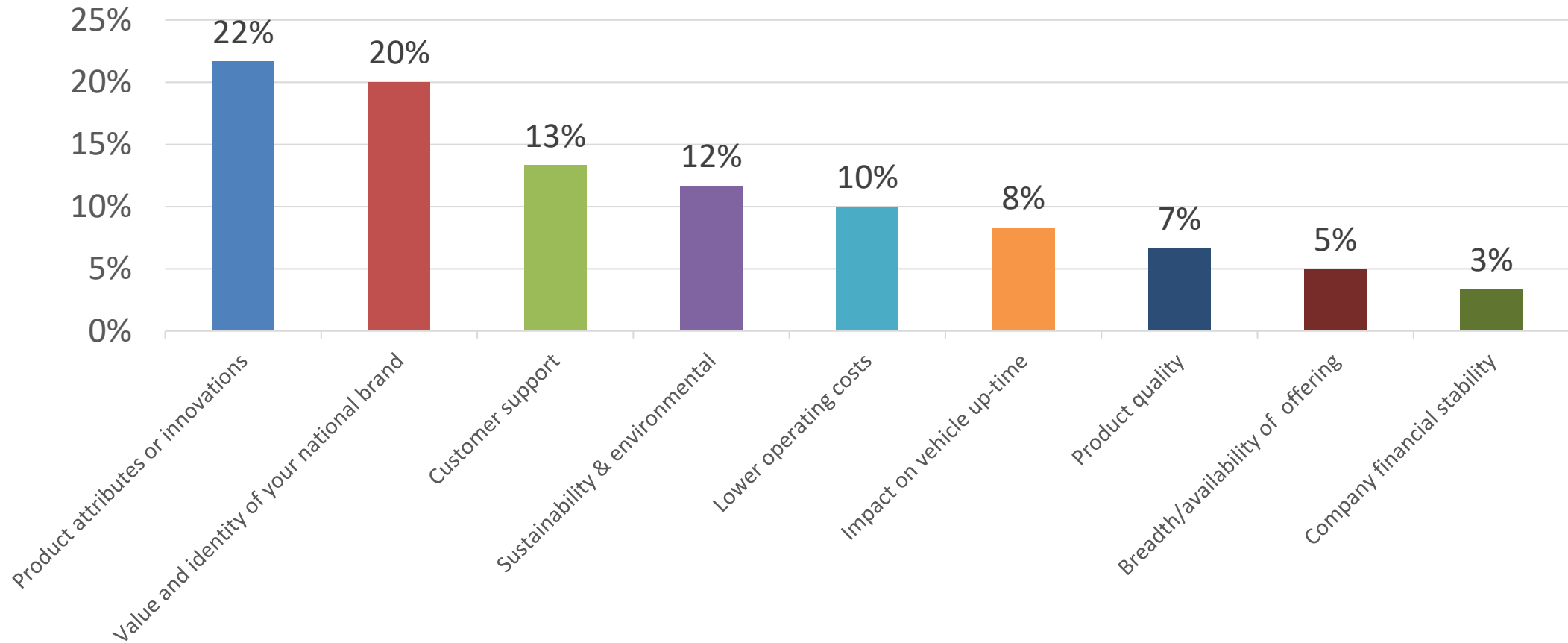
- Ability to go to customers for meetings
- Business levels
- Capacity constraints due to labor availability
- Continue to up the forecast and drive product based solely on competitors and supply chain.
- Continued reduction in "normal" T&E
- Face-to-face calls combined with ability to meet virtually and getting a good mix to manage travel budgets
- Find a ways to increase digital footprint, impressions, and sales ROI; while reducing overall expenditures.
- Forecasting
- Growth into new product areas
- Increase T&E
- Increased customer visits and field work
- Increased travel and personal sales visits
- Our changes are being timed and driven by customer willingness to meet in person.
- Planning to attend some in-person events that were previously all-digital.
- Product availability
- Reducing the number of booth displays at trade shows.
- Re-engaging the customer and online presence
- Termination of all trade shows, customer marketing support, and all T & E.
- The benefits of utilizing virtual and electronic programs
- Trade shows
- Trying to get more in front of shop owners and counter staff to train on all the new products
- Web content





# Brand and Identity

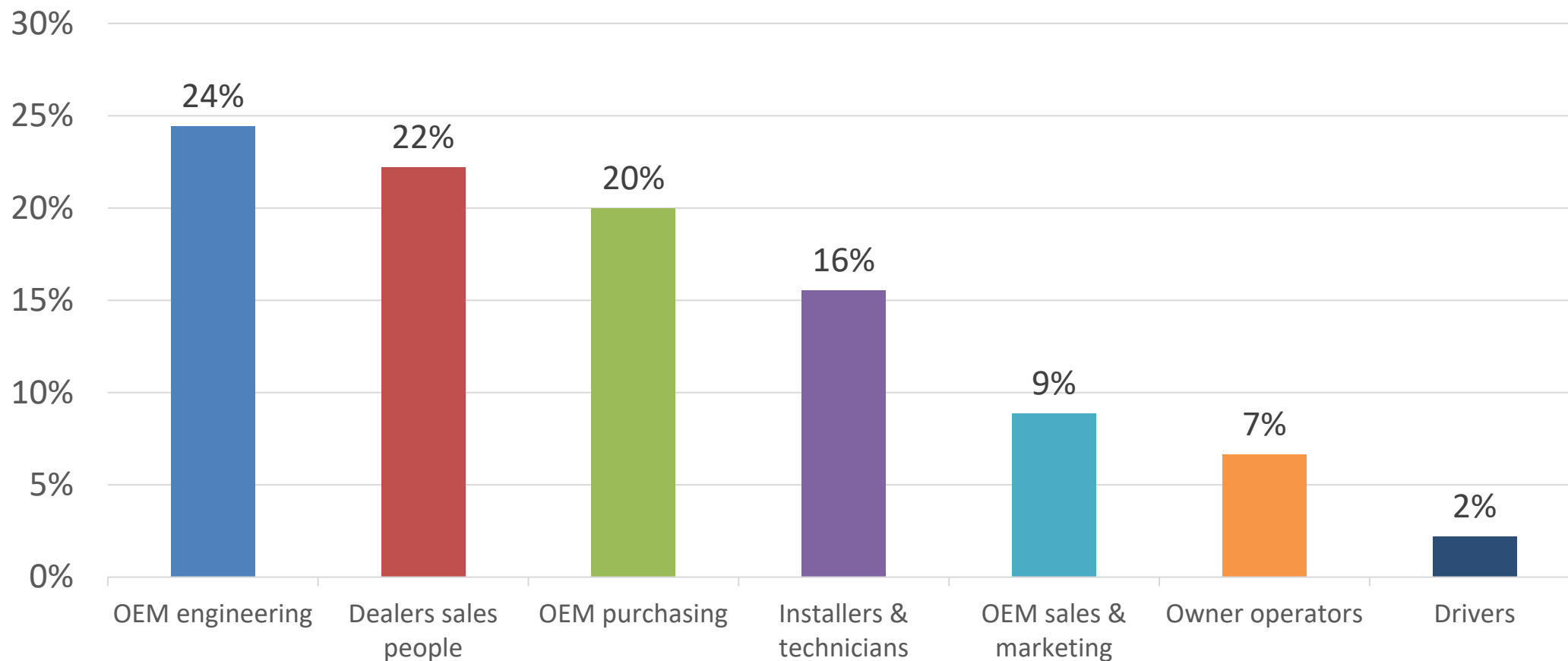
# What are the three (3) primary branding campaign elements your team is focusing on in 2021?



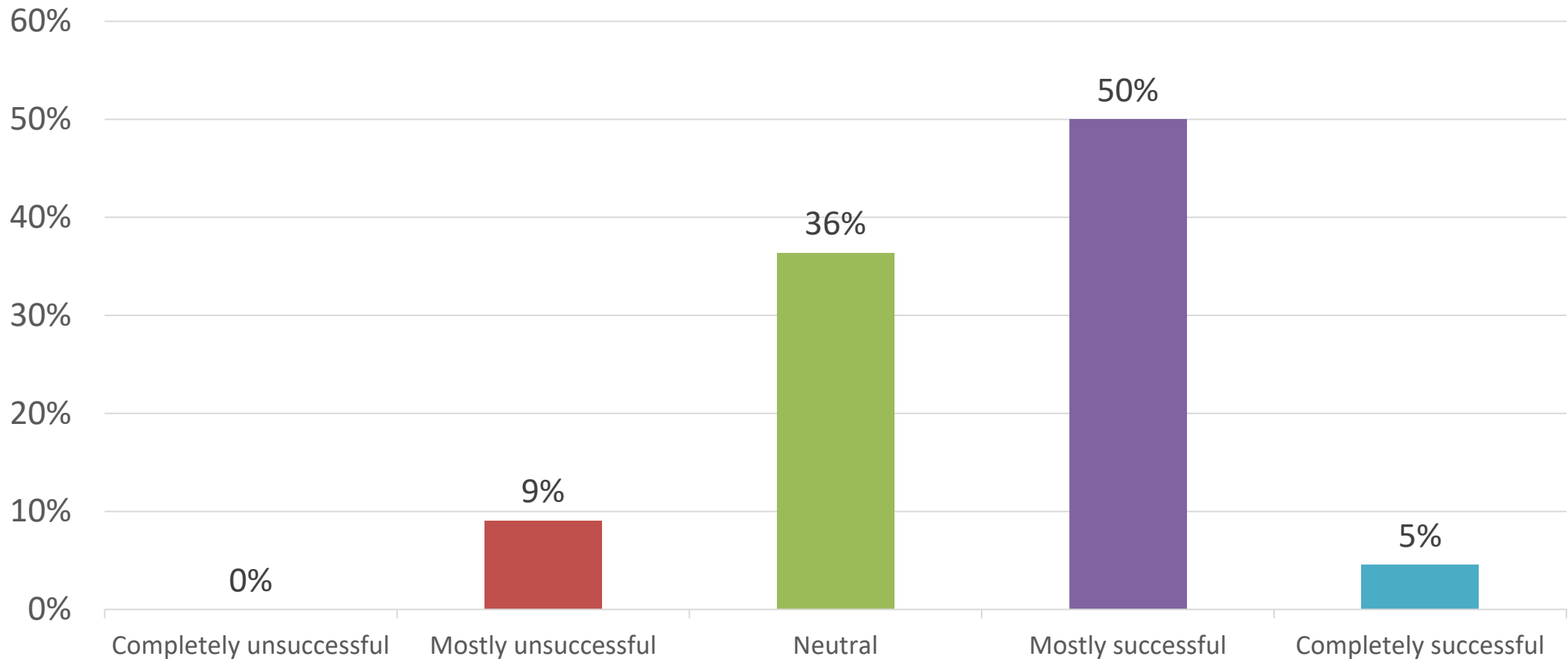
Other: Fuel Savings



# Who are the three (3) primary targets of your 2021 marketing activities?



# How successful have your 2021 marketing efforts been in establishing your brand through digital communications?







# Appendix

# What are the three greatest challenges you face as you plan and prepare for 2022?

- Ability to fill open positions
- Ability to recruit new team members
- Accurate customer forecasting
- Any potential impact of COVID-19 (second wave)
- Attract and keep operators to the production line
- Availability of components
- Availability of production people
- Budget constraints related to headcount and other internal resources
- Continued supply chain constraints: Tier 2 and 3
- Continued uncertainty regarding the pandemic (both supply and demand)
- COVID
- COVID 19 Protocols
- Customer interface
- Customer inventory plans
- Employees
- Escalating raw material costs
- Filling vacant positions
- Finding employees for production
- Forecast accuracy
- Forecasting
- Future demand
- Hiring enough production folks
- hiring production labor
- Inability to convince non-sales personnel of the value of in-person travel.
- Inflation
- Inflation



# What are the three greatest challenges you face as you plan and prepare for 2022?

- Inflation
- Labor shortages
- Labor shortages
- Logistic delays
- Logistics
- Market changes due to COVID
- Market demand: What will it be?
- Material and freight impact
- Overall inflationary environment
- Product availability
- Raw material availability
- Raw material availability and cost
- Raw material costs
- Raw material shortages
- Raw materials
- SCM constraints
- Shifting from supply chain to business growth with customers pricing
- Supply chain availability
- Supply chain challenges.
- Supply chain related impacts on OEM production
- Supply chain shortages
- Supply chain volatility going into 2022
- The ability for our customers to find people.
- Uncertainty of ability to travel
- Uncertainty of return of lockdowns due to Delta COVID variant.
- Yoyo reactions to COVID environment and consistent policies



# Thank You

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