

Grow Your Business with Data Processing Automation



White Paper

Executive Summary

As an executive in the print service provider (PSP) market, tough times have become the norm in the industry. With overall declining mail volumes, and uncertainty at USPS®, there is no time to relax in efficiently running your business. Most companies we serve in this market have spent considerable time optimizing their production operations and reducing material costs. However, the one area that seems to be cloaked in a “black box” and still operates much like it did 10 to 20 years ago is data processing (DP). Market-leading PSPs (those that are actually growing) are innovating in DP and seeing dramatic improvements in throughput and processing time. By taking a new automation approach to your DP operation, you too can achieve upwards of 90% improvement in processing times that these leading companies have achieved.

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A top strategic lever with PSP executives is cost management. Many print and mail jobs run on narrow margins, and cost management is essential to staying viable and competitive. With most of the accessible cost harvested from production already, executives are trying to find additional opportunities to provide margin cushion. Data processing is an area that has not been reengineered and revitalized in a long time. And, while it has seemed off limits due to its perceived complexity and opacity, there are real and tangible improvements in time reduction and throughput available. We work with literally thousands of PSPs, including industry leaders, and we see huge opportunity around DP for saving time and scaling without adding resources.

Since many companies use slightly different terminology, let's first define what we mean by data processing. It's the business process of taking in your customer's data, checking that it is complete and what is expected, then transforming, parsing, correcting addresses (via a CASS Certified™ service) and otherwise getting the data into the form it needs to be for printing and mailing. There is also USPS® presorting and distribution entry planning. The process ends with the output file being sent to a document composition application such as GMC Inspire or to the production floor. For jobs that require a considerable amount of DP, it can take days, even over a week, for DP departments to clear the output file.

In order to get a customer file through the process, DP teams have written custom scripts in DOS® or FoxPro® (and many other scripting languages). The process is characterized with file-in/file-out for each step, manual quality checkpoints, fixes/corrections and queues with other jobs being processed. The extended times to process jobs typically comes from these manual steps, and the larger the job, the longer it takes. When the department gets busy, bottlenecks quickly emerge and things really slow down. At this point, companies either stop taking new business, or hire additional staff.

Not only is this process slow, but there is an associated high cost. The job scripts need to be maintained and updated, human error needs to be corrected, and there is a sizable time investment to program and set-up new customers and jobs. Compounding these challenges, each DP person writes their scripts their own way, which makes reuse and job sharing across the team difficult. Our customers have also expressed that many in their DP workforce are nearing retirement age, and having a new person pick up their work is virtually impossible and cost-prohibitive.

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Top 5 indicators that automation might be right for your business:

- 1 You have a data processing department, they use custom scripting, and it takes hours or days to process any given job.
- 2 You've turned away business due to turn-around time (needs to be right now) or job data manipulation complexity (don't have the tools to get it done).
- 3 There hasn't been any significant improvements with time savings or efficiency in the DP area for a long time, if ever.
- 4 It's difficult to see or understand what process steps need to occur in DP — it's a "black box."
- 5 Growth is impeded due to DP being at capacity and requiring additional personnel to grow.

Fortunately, there is a better way. For the past year, we have been working with PSP customers to reengineer their DP processes by applying a combination of modern technology, prebuilt efficient workflows and mail-processing best practices. This approach virtually eliminates scripts, file-in/out processing and manual checkpoints. All these steps can be fully automated for one continuous flow. Here are some examples of actual customer improvements:

- A daily 60 – 75 minute job was reduced to 3 minutes
- A job that took 8 hours to program and run was reduced to 1 minute
- A frequent daily job was reduced from 20 minutes to 1 minute

These are not special, one-of-a-kind results, but rather commonplace when DP is moved to automation with lean processes, industry expertise and modern technology tools. One customer even commented that they believe they have doubled their DP capacity without adding people, and they are not yet fully through with automating their operation. These gains are realized immediately and provide a quick return on investment.

Other benefits include the ability to reuse workflows and connectors to relational databases, enterprise systems and virtually any data source. Company DP standards, which may already be in place, yet not enforced, can be used consistently on every job. Best practices for optimizing USPS discounts are built-in, quality and output reports can be automatically generated, and output files can be automatically placed in the desired folders or directories for further process automation by downstream systems.

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When deciding to automate, there are some important factors to consider:

- Change management
- Organizational impact
- Efficiency focus
- Training and adoption plan

We have found the primary barrier is people change management. This automation approach is entirely brand new to many and dictates changes to what someone has been doing for many years. You should expect resistance, which is why a proactive change management program and consideration of the entire organization is highly recommended. Staying focused on time savings and efficiency through training and executive reassurance can go a long way to help move the initiative forward. Top-down, executive and organizational commitment is essential.

As we see pockets of growth in the PSP industry, the companies taking advantage of the opportunities are aggressively adopting new ways of doing business. Data processing automation is one of the key levers you can use to help your company grow while maintaining or even reducing costs.

For more information on data processing automation, visit www.quadient.com/DPA.

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