Compassionate Outsourcing: An Innovative Way to Retain Talented and Experienced Staff

Human Resources Case Study

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Working closely with the client’s human resources department, DATAMARK offered options to manage the human side of a corporate mailroom evolution.

Background

A Fortune 200 financial services company offering insurance, banking and investment services turned to DATAMARK to create an outsourcing solution for its inbound mail-handling processes, which included document scanning, indexing, data entry, storage and payment processing.

The company’s existing mailroom, which handled mail and documents numbering in the tens of millions each year, was staff-heavy and becoming a burdensome expense. The client needed a seamless transition to a streamlined “mailroom of the future.”

Thanks to its global reach, DATAMARK was able to offer the company a number of options for the location of its mailroom operations. Ultimately, to meet the security needs of the client, the new DATAMARK-staffed mailroom was established on-site at the client’s national headquarters.

Challenge: Avoiding a Mass Layoff

DATAMARK’s business process re-engineering of the mailroom workflow reduced the amount of “touch points” needed for documents and improved the overall efficiency of the mailroom. Because of this, DATAMARK anticipated a cost-saving staff reduction of approximately 50 employees.

With 210 employees affected by the outsourcing of the mailroom, DATAMARK’s project management team worked closely with the client’s human resources department to avoid a sudden, mass layoff of employees.

The goal of both DATAMARK and the client’s human resources department was to plan for a smooth transition to a reduced workforce. Key to this was keeping lines of communication open while offering affected employees a number of options.

The conversion to a DATAMARK-staffed mailroom took approximately six months.

During that time, the client’s full-time, non-contracted mailroom employees could choose to: 1) find another job within the company; 2) accept a retirement package; or 3) accept an offer of employment from DATAMARK.

To attempt to retain experienced personnel, DATAMARK made offers of employment to all the client’s mailroom staff. As part of the retention strategy, DATAMARK’s offer included a pay incentive: employees who accepted the offers would be paid 10% more than the prevailing regional wage for this type of work.

Solution: Transition Through Attrition

As anticipated, some of the client’s employees decided to retire, some found employment in other departments, some moved on to jobs outside the client’s company, and others accepted job offers from DATAMARK.
DATAMARK’s project team had planned for this kind of movement in and out of the job market, and also prepared for normal employee attrition during the six-month changeover to the outsourced mailroom. The human resource goal in this case was a balancing act of sorts: to guide the organization to a smaller mailroom staff while seamlessly bringing in trained DATAMARK employees to replace those who left through attrition.

Working closely with the client’s human resources department, DATAMARK managed this balancing act by making sure that a sufficient number of DATAMARK employees were in the hiring pipeline. This way, if an employee of the client decided to leave the job, a trained DATAMARK staffer could immediately step into that open position. This ensured that staffing levels remained more than adequate, and ensured that there was no loss of customer service.

**Results: A Successful Transition**

Outsourcing inbound mail handling and related processes to DATAMARK ultimately saved the client significant amounts of money by reducing payroll and prevented major (and expensive) headaches had the client attempted to transition to a streamlined mailroom on its own.

Outsourcing with DATAMARK led to a nearly 25 percent reduction in mailroom staff (210 to 150). Meanwhile, efficiency and accuracy of the workflow was improved, which in turn led to a strengthening of customer service.

With lines of communication open and employee options explained clearly, DATAMARK was able to retain many of the client’s experienced, knowledgeable staffers while maintaining high job satisfaction.

By engaging the client’s human resources department and existing employees in a true collaborative effort throughout the transition, DATAMARK successfully delivered to the client a "mailroom of the future."

**About DATAMARK**

DATAMARK is a leading provider of digital mailroom management, data entry, document processing and business process re-engineering solutions for Fortune 500 companies, government agencies and other large organizations.

Founded in 1989, our company is the strategic business process outsourcing partner for Top 10 companies across several industry sectors, including transportation and logistics, healthcare, insurance, banking and financial services. With onshore and offshore centers, DATAMARK delivers process optimization, technology and Enterprise Content Management solutions to help organizations achieve efficiency and profitability in all back-office business functions.

For more information on how DATAMARK’s business processing solutions can reduce operating costs while improving efficiency, flexibility, and customer satisfaction, call 800-477-1944 or email info@DATAMARK.net.

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