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Major U.S. Insurance Company Struggles with Rapid Growth

A Digital Mailroom Case Study 2017

Background

In operation for about a decade, a large, U.S.-based property and casualty insurance company with a successful business model was growing rapidly, with revenues climbing nearly 40 percent a year.

As more and more policyholders were added to the rolls, the company felt the strain on its document-management infrastructure, particularly in the mailroom--the entry point for the organization's critical business documents.

The company recognized that its core competence was property and casualty insurance, not the management of mailrooms, paper documents and related business processes. Company executives understood that a this back-office function was an ideal candidate for improvement and outsourcing, i.e., turning the management and staffing of the mailroom over to a specialty service provider.

But how does a company take the first steps toward a possible outsourcing engagement? And would it make more sense to first improve the process--such as transforming it to a "digital mailroom"--before handing it off? Or could process improvement and outsourcing be handled concurrently?

All excellent questions. Uncovering the answers required a source of knowledge, experience and expertise in corporate mailroom processes. This is why the company turned to DATAMARK's team of business engineers to develop a solution for an efficient digital mailroom and a strategy for future business process outsourcing.



Client Mailroom Business Process Analysis

DATAMARK's business engineers traveled to the client's headquarters to conduct a business process analysis (BPA) of the current state of the mailroom operation. The team observed the mailroom workflow and created a process map to document each step.

The business engineering team saw that the workflow retained characteristics of a mailroom for a smaller organization, one based on a legacy of primarily paper-based business processes rather than a workflow powered by digital images of documents. Sorting and opening of mail and separation and distribution of documents was still done manually, and in many cases there was an inefficient duplication (and even multiplication) of process steps. For example, after the initial distribution to multiple departments, mail would be re-sorted, re-distributed and scanned within each department.

Also, scanning and imaging of documents typically did not occur until the end of the paper-based workflow. This ran counter to the foundational element of a digital mailroom, where scanners are used to capture documents and data at the beginning of the workflow.

As a result, the client was missing out on many benefits of an efficient digital mailroom, including:

- **Rapid and secure check-in and check-out of documents**
- **End-to-end tracking of documents, revisions and process steps**
- **Faster turnaround time for customers**

DATAMARK's business engineering team also reviewed and analyzed the physical layout of the clients' existing mail workflow. Again, the process harkened back to the days when the clients' business was smaller--sorting and opening of mail and distribution and scanning of documents was being done at each department at the clients' headquarters, rather than conducted in a centralized mailroom.

In summary, the client's mailroom retained many legacy characteristics of the company's early days, when business volumes were much lower. It was an ideal candidate for a transformation into a modern and efficient digital mailroom.



DATAMARK Presents a Solution



The business engineering team applied the lean process improvement methodology to identify and remove non-value-add steps from the mailroom workflow, and presented to the client a new process map reflecting the proposed digital mailroom solution.

The solution included building an in-house room dedicated to receiving, opening, sorting and scanning of mail, eliminating the inefficient process of handling these functions across multiple departments.

At a high level, the transformed process eliminated at least four non-value-add steps in the workflow. However, considering that the clients' existing mailroom workflow was applied across multiple departments, the new workflow proposed by DATAMARK would technically eliminate scores of non-value-add steps.

In addition, the DATAMARK team presented to the client a second option—a solution to outsource the mailroom off-site at DATAMARK's BPO delivery center in El Paso, Texas. The off-site mailroom solution would deliver additional benefits, including lower costs of operation (often 20% to 40% lower than a comparable in-house operation), quick scalability in response to increased mail volume as business grows, and the freeing-up of the clients' office space for core business activities.



Conclusion: A New Outlook on Mail Operations and a Partner for the Future

DATAMARK conducted its business process analysis of the client's mailroom over a two-day period. In approximately two weeks, the business engineering team returned with a proposed solution offering a radical transformation to a highly efficient, cost-saving digital mailroom with numerous benefits, including faster turnaround times for customers and improved document tracking and security.

By bringing in a set of "outside eyes" with a high level of expertise in mailroom operations, the client was able to better understand the issues affecting its mailroom. DATAMARK's consultation led to the opportunity for a radical re-invention and improvement of the on-site mailroom workflow. DATAMARK also informed the client of an alternative solution--outsourcing the mail operations off-site to gain additional benefits, including higher cost savings and reclaimed facility space.

Moving forward, the relationship between the client and DATAMARK opens the doors for success in the client's mailroom room operation and the potential to tap DATAMARK's expertise in other back-office business functions, including data capture, claims processing and customer contact centers.



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About DATAMARK

Celebrating its 25th year in business in 2015, DATAMARK, Inc. is a leading business process outsourcing company specializing in high-volume digital mailroom management, document processing, process improvement consulting, and bilingual (English/Spanish) contact center services.

If you have questions or need assistance in developing your organization's case for outsourcing or business process improvement, DATAMARK's business process outsourcing specialists are available for a complimentary initial consultation.

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