



Mail Center Services

Meeting Today's Mail Management Challenges:
Contain Costs, Boost Efficiency and Mitigate Risk

Canon

CANON BUSINESS PROCESS SERVICES, INC.

MAIL CENTER



Introduction

The mail center continues to be the organization's hub for information, express package and materials handling. As the entry point for hard copy mail and incoming and outgoing packages, the mail center's ability to deliver sensitive information is critical to profitable business operations.

Operations and facilities management leaders are challenged with the high cost of labor and office space, legacy systems, the ability to effectively track valuable parcels and constantly changing regulatory requirements. As mail volume continues to decline, the volumes of courier, package and materials handling activities are increasing. The sorting and distribution of mail remain labor-intensive processes. At a time when businesses are pressed to perform tasks in a smarter and better way, the mail center may be slow to address key issues such as increasing productivity, containing costs and adding value. The solution for meeting these challenges is for companies to significantly transform their mail center operations—yet many are not doing it successfully. We will examine why this is the case and potential ways to ease the pain.

The mail center's role within the business continues to evolve from handling incoming, interoffice and outgoing mail

to digitizing and screening mail along with ensuring security. Containing spend for print-to-mail fulfillment operations can be a challenge given the rising costs of postage and paper. Furthermore, there is an ever increasing sense of urgency if something goes wrong or a package is missing. The regulatory requirements are complex and risk mitigation for most businesses is a priority. As a result, mail centers are asked to do more with less.

To effectively support the business, mail centers must transform their operations to a digital information center. Because mail management is not typically a core competency, organizations may lack the resources and ability to keep up with the latest technologies and best practices. A high performing mail center includes a broad range of business support functions, is highly efficient and continuously improves by reducing costs and streamlining operational performance.

Comprehensive and Flexible Mail Center Services Allow for Greater Efficiencies

Every organization receives and sends physical materials. Whether they are delicate, time-sensitive letters, transactional documents, or supplies, the challenge is that they all must be delivered within time to the right destination with integrity. The mail center orchestrates, directs and controls the people processes and enabling technologies that make the entire organization more efficient.

Canon Business Process Services provides customized mail, shipping and receiving services to meet the needs of any site requirement. We serve office towers, campus settings, manufacturing plants, law firms, professional practices, hospitals and warehouses, as well as highly secure Department of Defense facilities.

MAIL CENTER MANAGEMENT	DIGITAL INTAKE CENTER SERVICES	OUTBOUND PRINT & MAIL PRODUCTION	FULFILLMENT
+ Incoming and Outbound Mail Processing	+ Digital Mail to Desk	+ Production, Print, Insert, Mail	+ Warehouse
+ Interoffice Mail	+ Digital Mail to Business Processes	+ Consulting	+ Kitting
+ Mail Screening On-site or Off-site	+ Document Imaging	+ Color/B&W Print Production	+ Inventory Management
+ Courier and Messenger Management	+ Fax Management	+ Scan, Bind and Finish	
+ Mail Center Administration Services		+ Return Mail Processing and Data Maintenance	
+ Mail Process Technology Management			
+ Shipping and Receiving			
+ Accountable Mail and Package Processing			



MAIL CENTER MANAGEMENT

Canon Business Process Services has more than three decades of experience increasing efficiency and streamlining savings in hard-to-manage, large-scale mail center operations. Our traditional mail services include:

- + Screening inbound mail and packages for security
- + Receiving business and accountable mail and packages
- + Sorting inbound mail to desk or drop point
- + Managing a closed loop accountable mail tracking process
- + Providing a collection and delivery service
- + Managing the dispatch of courier items, expedited packages and mail

MAIL CENTER ADMINISTRATION

The administration function is a key element of the Canon managed service. Our services include:

- + Managing suppliers, USPS compliance and presorting requirements
- + Budget and mail center performance
- + Staff recruitment and training

- + USPS relations, including PO Box administration, meter replenishment, and postal compliance, education and training
- + Maintaining mail stop routes and compliance policy
- + Managing procurement of mail supplies, equipment and vendors
- + Redesigning and implementing mail process changes and implementing mail technology

DIGITAL INTAKE CENTER SERVICES

Securing a company's intellectual property and mail assets has become increasingly important. Digital mail processing provides businesses with an electronic version of the hard copy document as well as a document of record within a repository that can be accessed when and if ever the business need arises.

Canon Digital Intake Centers convert physical mail into digital information and delivers the mail to employees or their workflows quickly, and at the same time, records the correspondence in a content management system. Upon receipt, the mail is captured automatically for scanning. Once scanned, the imaged envelope and its contents are sent to the content management system, entered into the workflow and

are then archived. The document images are accessed through a hyperlink contained in the email notification. Images are not attached, keeping email size and network traffic to a minimum, and employees can instantly access the scanned document via their desktop computer or smartphone. Finally, the physical mail is distributed based on business rules or destroyed.

The digital mail distribution includes the following:

- + Digital mail to desk: The physical mail is scanned with permission and delivered electronically.
- + Digital mail to business process: Designed for high-volume daily intake of documents intended to enter the business workflow. Canon can customize the data extraction and meet the requirements of any business workflow.

The benefits of the Canon Digital Intake Centers include:

- + Processing business transactions faster and at a lower cost
- + Delivering mail to remote employees faster
- + Reducing the cost of physical delivery
- + Capturing a record of inbound mail



OUTBOUND PRINT AND MAIL PRODUCTION

The creation, distribution and management of high-volume transactional mail can be challenging. Outbound mail is equally as important as inbound. Canon manages national and international mail, as well as courier, general and customer-facing mail. We start with an assessment of mail volume and devise an optimal solution based on mail types, geography and volume. Canon has the expertise to take advantage of postal savings that include utilizing USPS-approved presort vendors.

MAIL SECURITY

Threats in the mailstream can be serious, unpredictable and can impact the entire organization. Business continuity and employee safety are on the line when an incident arises.

The continuity of uninterrupted business is a high priority. In accordance with federal guidelines and training requirements, the mail personnel are highly trained in the handling, sorting and screening of all mail parcels. In addition to our specialized staff, Canon uses the latest technology in x-ray screening and remote image viewing.

The mail intercept and screening solutions can be on-site or off-site, aligning with the principles of providing security and business continuity. An off-site secure facility can act as a diverted point of entrance for all mail and parcels addressed to your offices. Providing secure mail screening at a designated safety location off-site of your core business will ensure not only a high level of security but also the maintenance of business when a suspicious package needs handling.

The Canon mail security services include:

- + Mail screening using a variety of methods including x-ray, remote imaging, sniffing, etc.
- + Package intercept
- + Design, implement and operate stealth mail screening sites

Canon mail service experts assess, design and implement the mail process and enabling technology. They oversee staff training and integration with client safety, security and disaster recovery procedures.

The Latest Mail Processing Technology to Improve Productivity and Reduce Costs

Many organizations do not have the time, expertise of resources to keep up with the latest technology. As a result, productivity and cost-effectiveness can suffer. Canon Business Process Services uses best-of-breed technology in every mail center activity to reduce the time and cost and increase precision of deliveries for physical mail, materials or digital content.

Mail tracking software provides complete custody control of all accountable envelopes and packages. The Web-based application can be customized to an organizational structure and business process as well as interface with courier and internal business systems to provide visibility into delivery status.

Automated sorting technology is end-user configurable, featuring advanced optical character recognition, barcode reading and sortation. Scalable to fit a wide range of mail volumes and space restrictions, automated inbound and outbound processing saves time and labor and provides critical volume data and significant postal savings.

Effective Management of Mail Center Technologies



Scanning and data capture services involve high-volume transactional documents that can be consolidated and digitized as they are received. From there, they are indexed and coded and then merged into the business workflows. This process of capturing the data as it is received facilitates data storage, retrieval and management.

Mail management performance is measured with our BusinessInsights platform that enable users to systematically oversee, benchmark and drive continuous improvement. Cloud-based, BusinessInsights is tailored to meet ongoing business needs.

Office print management services ensure that knowledge workers can print, copy, scan and fax from any location. Canon uses technology to monitor the equipment and supplies. The mail center services staff is on call and available within minutes should a problem be detected.

Achieve Operational Savings with Outsourced Mail Center Services



An effective mail process is essential for every organization. With Canon, organizations can significantly transform their mail processes and achieve higher performance and value by rightsizing staff, optimizing procedures and utilizing advanced technology.

Assessment starts with an evaluation to analyze existing mail processes, capabilities and technology. After the initial review, Canon demonstrates the advantages that can be gained and illustrates the overall impact our service will have on the bottom line. From this, Canon leverages years of mail center experience by providing cost-effective recommendations to overcome your mail distribution challenges.

Along with increased productivity and measurably reduced labor and postage, the cross-utilization of staff also results in lower head count. Other advantages of our mail center services include:

- + State-of-the-art technology to ensure the most cost-effective solutions
- + Productivity standards that balance process management expertise with delivery of exceptional levels of service
- + Effective automated activity and performance measurement systems to track performance against agreed-upon goals

From managing critical business information to imaging and storing data as well as services for printing production, Canon Business Process Services reduces costs while helping businesses grow in ways that are measurable and accountable.

WHAT DIFFERENTIATES CANON BUSINESS PROCESS SERVICES

Since Peter Drucker's quote "Do what you do best and outsource the rest" years ago, organizations have proven that outsourcing the mail center to a provider whose core business is mail is a smart decision. The mail process is more efficient, cost is lower and improvements through process innovation, people and technology are ongoing.

Canon Business Process Services is a pioneer and an outsourcing leader in mail management today. With approximately 15,000 mail center implementations behind us and over 800 active client sites, Canon has the experience, people, process and technology to manage small, large, simple or complex mail processes. As an industry leader in professional mail certification, Canon utilizes these skills to drive a client renewal rate over 95 percent.

Canon continues to innovate. Canon has the commitment and invests in reshaping the mail center for the twenty-first century. Today Canon has transformed the communication hub of the organization to meet the growing digital needs of clients. As envelope volume continues to decline, Canon is taking on more of the business process and administrative workloads close to core operations increasing client value beyond cost reduction.

Client Experiences Using Canon Mail Center Services



The following are three case histories that highlight the challenges or related issues your organization may be experiencing. The case histories are offered to help demonstrate how teaming with the right outsourcing provider can help you meet the many complex challenges associates with today's mail center operations.

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CASE HISTORY: U.S. FOOD MANUFACTURER INSTITUTING MAIL TRACKING

A major U.S. food manufacturer addresses an ongoing business challenge of effectively and consistently tracking packages, mail and valuable documents to the final delivery points. With multiple gaps in the mail and package receiving process, accurately tracking and delivering more than 13,000 courier packages and 500 letters daily were consistently compromised.

70%

improvement achieved in mail
and process tracking capability

The company's leadership asked Canon to identify actions to increase productivity and accountability while reducing errors in the mail center's shipping and receiving operation. Canon Business Process Services' Best Practices team implemented a Six Sigma Kaizen Event to launch an improvement project that focused on developing a solution. Canon crafted a continuous improvement plan to improve package handling, eliminate duplicative efforts, update software and train employees on proper processes for handling and delivering packages.

Overall, Canon surpassed client expectations and delivered significant, measurable results that include: 100% accountability for packages received into the dock at all times; improved accountable mail process tracking capability from 30% to 100%; enhanced efficiency in the receiving area through redesigned workflow; increased employee productivity, empowerment and training; and timely and accurate delivery of packages.

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CASE HISTORY: FINANCIAL SERVICES COMPANY STREAMLINING MAIL CENTER SERVICES

A leading financial services company seeks higher efficiency levels in package tracking, inventory control, and document and records management. The ecommerce side of the business realized rapid growth that ultimately highlighted serious inefficiencies impacting the business's revenue and customers. Canon Business Process Services took the initial steps of: assessing the optimization of the 11,500 packages a day that fed into the supply chain management system supporting customer service and order processing; reengineering corporate mail to reduce labor, postage and courier expenses and automate the capture of documentation; managing



the warehouse of 50,000 boxes; turning the corporate switchboard operation into a customer service center; and restyling the corporate reception area to better welcome visitors.

\$1.5 million saved in mail labor costs

Canon provided an innovative approach to solving operational problems. The results are significant in terms of cost savings, productivity gains and improved customer satisfaction levels:

- + The cost of shipping and couriers from the home office hub dropped by 24%
- + In the mail center, implementing best practices saved \$200,000 per year in postage expenses, and process reengineering saved another \$1.5 million in indirect labor costs
- + The mail center now also serves as a customer service center, providing fulfillment for the catalog and advertising department, at a rate of 16,000 items per day. This eliminated the need to expand the fulfillment facility at a cost of millions of dollars
- + The reception and switchboard costs were reduced by 17%, becoming a coordinated reception and corporate contact center that answers 3,000 calls per day

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CASE HISTORY: TELECOMMUNICATIONS COMPANY IMPLEMENTING MAIL PERFORMANCE MANAGEMENT TOOLS AND METHODOLOGY

A U.S.-based telecommunications giant with 46 corporate locations nationwide was experiencing rising costs and unpredictable mail, shipping and receiving performance. Canon Business Process Services gained control of the mail center operation and implemented the BusinessInsights performance management Web-based solution. The BusinessInsights tools and methodology enabled the client to reduce its courier costs. Using BusinessInsights to analyze three years of historical data enabled Canon to clarify critical patterns of expenditures across months and geographies. Canon then launched an initiative to streamline operations and reduce costs utilizing Six Sigma principles.

\$500,000 saved in year one

By standardizing mail processes and performance across locations, the telecommunications company was able to realize meaningful results and value with:

- + Control of its outsourced mail services through standardization of processes and procedures across all corporate locations
- + Performance visibility across all 46 sites through an interactive tool. Managers across the nation review an executive scorecard, which includes measures such as cost per piece, cost per customer and cost per square foot. Performance is consistently reviewed to deliver continuous improvement across the locations
- + Savings of \$500,000 in the first year after implementation with more than 10% savings per month across all sites on average



CANON BUSINESS PROCESS SERVICES, INC.

Advancing Business Performance to a Higher Level

1-888-623-2668

Canon Business Process Services, a wholly owned subsidiary of Canon U.S.A., offers managed services and technology for information and document management, business process outsourcing and specialty workforce services. We help clients improve operational performance while reducing cost and risk. Canon Business Process Services has been named a Global Outsourcing 100 Leader by IAOP for the past eleven years and recognized in the Gartner Magic Quadrant for Managed Print and Content Services for five consecutive years. We have also been acknowledged by CIOReview magazine as a "20 Most Promising Legal Technology Solution Provider."

Learn more at cbps.canon.com and follow us on Twitter @CanonBPO.