



The Rise of the Digital Mailroom

A mailroom is essential for any business that needs to handle its inbound correspondence. In an age when companies must find new ways to stay cost-competitive and responsive, digital mailrooms and modern automation tools can improve outdated systems and transform manual, inefficient business processes into streamlined workflows.

Introduction

Unsurprisingly, the role digital technologies will play in the business world will intensify significantly for much of the foreseeable future. The corporate focus on digitech and the role it can – and will – play in shaping the competitive landscape has become profound. Three broad drivers of this growth include:

1 – Market Disruption: the rapid rise of tech-savvy market disruptors such as Uber and Airbnb (not to mention established disruptors such as Google and Amazon) has rippled across all sectors.

2 – Opportunity: the drive for competitive advantage has meant a greater focus by many firms on new business processes, solutions and systems.

3 – Regulation: concerns about data and information management – and how firms protect and retrieve them – continue to grow. This has placed ever-increasing pressure on companies in highly-regulated sectors, particularly those in financial and insurance services, to ensure best-practice compliance infrastructure that meets and exceeds requirements. Data and secure information management are at the heart of many regulatory developments past, present and future.

One of the critical challenges with digital adoption is the integration and digitization of paper-based information. Paper still accounts for a significant percentage of communication, from inbound mail and faxes to forms, contracts and applications. Integrating inbound paper communications, email, and electronic documents seamlessly into a business' processes has become a core part of digital transformation discussions.

The Digital Mailroom

In an age when businesses are looking at cost-effective, high-impact digital technologies to transform their business processes and make them more competitive, the importance of the digital mailroom has come to the fore. Digital mailrooms are not new – they have been established for a number of years – but the intense focus on 'digital' has placed them at the center of the current era.

Background and Research Process

Docufree is one of the leading providers of automated mailrooms in the US, working with organizations in the private and public sectors as they digitally transform their business processes.

The research in this whitepaper was commissioned by EDM Group in 2016, and focused on people who worked with or managed mailrooms and business information systems. The goal was to gauge sentiment about digitized information, usage of digital mailrooms and insights into the role that 'paper' will play in the business landscape. The following sections detail the findings of this research – and the opportunities digital mailrooms offer.

Key findings from the EDM Group survey

The EDM survey offers a unique insight into a part of the data and information sector that is rarely researched. Based on responses from stakeholders such as facilities managers, customer services managers, purchasing/procurement managers and operations managers, the research highlights the compelling opportunities – and challenges – faced by many UK businesses.

Perhaps the primary finding is that only one-in-five (19%) respondents said their business operates digitised or automated mailrooms. However, twice this number (40%) said that a digital mailroom would improve the performance of their business – just a quarter (26%) said that they felt that it would provide no positive impact.

EDM believes that the relative lack of digital mailroom adoption is an indication of the nascent state of the market; the fact that double the number of respondents believe that performance can be improved is a strong indication of the potential impact digital mailrooms can have.

The Paperless Office

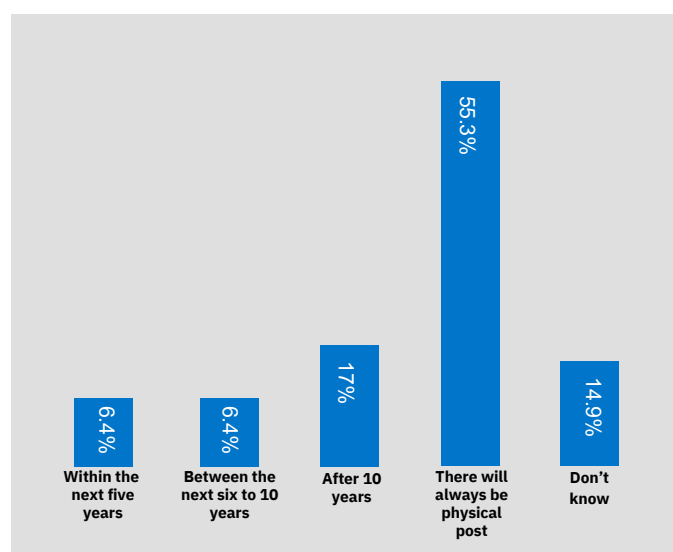
Despite the wider digitisation agenda, the survey found that physical post will always be seen as part of business communication in the minds of most decision makers: it is unlikely that the paperless office will become a reality in the near future, according to more than half (55%) of UK companies (in contrast, 13% of respondents forecast that physical post will be eliminated within 10 years).

While all the companies surveyed by EDM said that they still receive physical mail, a quarter (23%) said that this amounts to more than 5,000 items of inbound mail every month. A further quarter (23%) said they receive between 2,000 and 5,000 items a month and 35% said they got less than 2,000 items a month.

Ten of the key take-aways are:



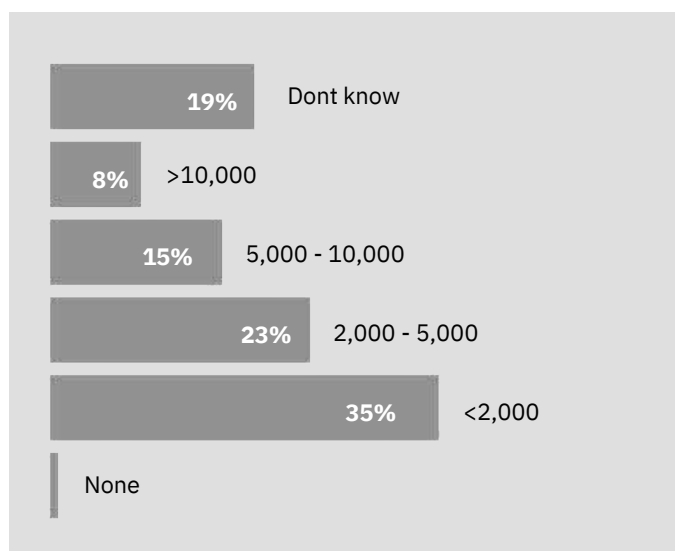
When do you predict there will no longer be any physical post for companies to manage?



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Key findings from EDM Group survey

Approximately speaking, how many in-bound items of mail (post) does your company receive each month?



In addition, 56% of respondents said their organizations receive mail at more than one location (a third (34%) said more than 10) – all of which represents a significant challenge for firms in the digital age. Indeed, the survey by EDM Group also found that three fifths of businesses (60%) still receive faxes into their mailrooms – a stark indication of the ongoing challenge of capturing information and placing it seamlessly into an efficient digital ecosystem.

And in a sign of the paper challenge, only a fifth of companies (20%) said they were currently running paperless office initiatives. Almost a quarter (25%) said they had never run a paperless office initiative within their companies while 20% had discussed the option but never put it into action.

Impact on service levels, customer experience and compliance.

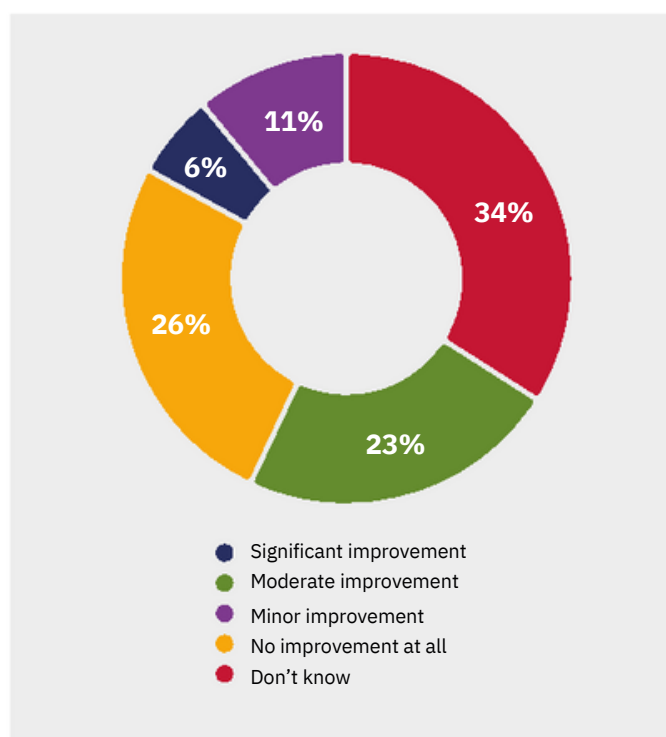
One of the most significant aspects of the digital agenda is the drive to improve customer service and relationships with key stakeholders. This also dovetails into the wider regulatory focus on

improving the way businesses interact with customers and the processes by which they manage – and retrieve – customer data and information.

The study by EDM found that just 16% of respondents believe their organization ‘always’ meets its mail service levels – 57% said their mail service levels were ‘mostly’ met. In addition, some 13% said that more than 10% of inbound mail is incorrectly allocated.

Around one third (30%) said that delays in processing inbound mail have a negative effect on their performance or reputation while two fifths (40%) stated that mishandling mail has a negative impact on customer service levels. However, 29% also said that mishandling has a negative impact on compliance and the same number (29%) said that mishandling has a negative impact on data and information security.

To what extent would automating your mailroom improve your organization's performance?



Digital Mailroom Case Study

Docufree's Digital Mailroom and Claims Processing Solution Increases Customer Satisfaction while Lowering Cost

Overview

The largest North American insurance company had multiple regional mail processing centers handling incoming correspondence in various media formats and types including paper, faxes, emails, attachments, USBs, SFTP and checks. It was faced with enormous pressure to become more efficient and reduce administrative costs while providing necessary document processing services to its business units. Although these mail processing centers had admirably stayed on pace — despite costly equipment and technology investments and increasing labor costs — they could not meet the ever changing service level requirements of the business units they supported and remain cost competitive.

Challenge

With a manual process of receiving correspondence, claim processing turnaround and response times were extensive. High level of errors were made due to lack of quality assurance checks and the number of employees needed to support operations was elevated due to the manual and time consuming paper process. The firm needed to improve efficiency and tracking, tighten turnaround times, ease work distribution and reduce costs.

Solution

The client's mailroom processing center was relocated to a Docufree site in Pennsylvania. Barcode technology was incorporated into the process to track each mail container and verify turnaround times at each point in the process. Documents are scanned and imaged via high-speed IBML production scanners, and data is captured and indexed by OCR technology. The digital mailroom process allows the client to extract usable data from all types of unstructured documents.

The software extracts information such as the claimant name, date of birth and social security number (SSN), and uses those attributes to find the unique claim related to the correspondence. Data is then sent to one of over 140 queues and validated against client-specific tables, ensuring that documents are forwarded to the correct department for further processing. The data is exported into TrustFlow's proprietary cloud-based document hosting and workflow solution — EDMonline™ — for client use. Turnaround time from mail receipt to export of data is 24 hours or less.

Results

By outsourcing their mailroom and claims processing systems to Docufree, the client now receives images of its inbound mail within 24 hours of receipt. The client reported the following significant benefits of using Docufree's digital mailroom for insurance claims processing:

- Lower processing costs and improved turnaround times reduced state-imposed penalties for slow claims payment.
- The consolidation of facilities lowered the client's overhead and operational costs. Reporting and search capabilities enabled through use of Docufree's digital mailroom solution allowed for insights into claims and status. Confirmation of receipt to clients via text and email resulted in higher client satisfaction and overall operational visibility into the entire claims process across the organization.

Key Performance Indicators

- 10M images processed per year
- 24-hour turnaround time from receipt of mail

It is clear that data has become the fuel of today's digital economy, while customer behavior is dictating the way they want to be communicated with. The substantial rise in the use of mobile devices, the development of apps and similar tools, and exponential growth in e-commerce traffic show just how powerful these trends have become.

As such, EDM ardently believes that automated mailrooms should be seen as a fundamental part of a digital transformation agenda that is increasingly being felt across the UK business landscape.

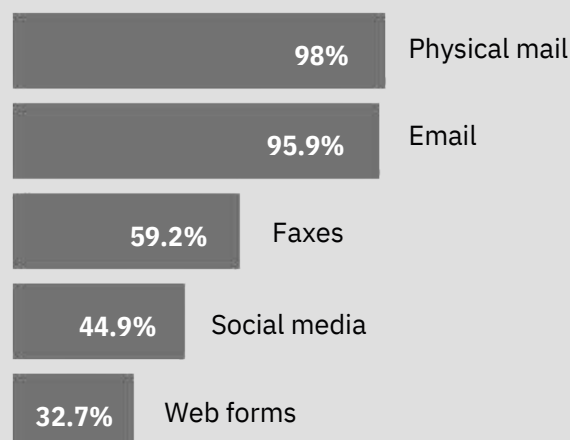
The majority of businesses in the UK are now undergoing a 'Digital Transformation' program, and this will enable real opportunities to bring businesses closer to their customers. However, the problem with that is that it only addresses digital channels. If they do not solve data capture across every channel at the same time, they cannot achieve complete information. Ultimately the legacy channels, such as inbound mail, can become more and more expensive to service as they switch interaction from analogue to digital. And, as the research outlined above shows, a business' customers may take a very long time to move over.

If a business can get data capture working like a well-oiled machine across every channel, with context, accuracy and speed, they can leverage closer relationships with customers, and improve efficiency – resulting in a more fluid organization. More importantly they can create real competitive advantage.

This is not just digital transformation, this is business transformation.

Every organization should capture data and documents from every channel of communication in real time as part of their digital transformation roadmap. Without this there is a significant risk of snail mail – and even email – preventing true digital transformation.

Which of the following mail formats do you receive?



Summary

The unique research by EDM Group highlights the central role that digital mailrooms can play in a fast-evolving business landscape. While a number of firms in the UK are clearly already benefiting from this technology to some degree, it is clear that significant numbers are not – leaving them at risk of poor information management and at a steep competitive *disadvantage*.

This Insight paper has been published at a time when many UK firms are focused on how digital technologies can help transform and improve their businesses – not just make them more efficient and customer focused but also develop data-driven insights and meet increasingly strict regulations such as the General Data Protection Regulation (GDPR), which enters into application in May 2018.

Digital mailrooms are the bridge between the paperbased processes that companies will continue to deal with and the demands to digitally transform business models. Digital mailrooms are highly efficient, cost effective ways for businesses to digitise their customer communications – dramatically improving data capture and information management as well as customer service and compliance.

As indicated by regulations such as the GDPR, businesses need to get a lot smarter with regards to information and data – the risks of not doing so are becoming significant, including the real threat of financial and reputational losses. Digital mailrooms are the best way for businesses to meet these new demands and at the same time use digital information to become more competitive.

Docufree's digital mailroom transforms paper, electronic media, attachments and more into usable electronic formats. Important information can then be extracted and uploaded into our hosted document management and workflow solution – EDMonline™ – or imported into the client's desired system.

Along with handling inbound mailrooms for clients in highly-regulated industries, Docufree's team also manages robust outbound communications, print and mail projects. Docufree can also send and track time-sensitive messages, documents and business correspondence electronically through our digital presentment solution, MailHub. With MailHub, messages can also include digital document signing capabilities to help fast-track critical processes.

Paper may never truly disappear, so using the right blend of tools and technologies to make it more easily absorbed into digitized processes is critical.



Could a digital mailroom be valuable within your business?
Request a no-obligation, custom ROI analysis to find out.

Contact

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