



DIGITAL MAIL: Enabling Business Continuity

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About the Authors

Tim Osman

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With more than 15 years of experience in both Sales and Marketing, Tim began his career at OPEX® as an Account Executive, in which he successfully implemented solutions for customers in major financial institutions, healthcare, and utilities. He was later promoted into a leadership role within the Marketing group – responsible for guiding and implementing marketing strategies. During this time, Tim and his team were instrumental in the successful launch of several new products and marketing initiatives.

In Tim's current role as a Strategic Alliance Manager, he works closely with OPEX® channel partners to identify and assist in providing customers complete solutions for payment processing, mail automation, document scanning, and digital mail applications.



Vaske Progri

Founder & CEO, Eco-Mail

Jay is the founder and CEO of Eco-Mail, a state-of-the-art enterprise digital mail solution that empowers organizations to eliminate physical mail infrastructure by combining distribution, extraction, and integration functionality into a single platform.

He has 30+ years of management experience leading the design, development and implementation of financial products. Prior to founding Eco-Mail, Jay was a Managing Director in Morgan Stanley's Prime Brokerage business, where he led the development of their client-facing applications, proprietary multi-currency portfolio accounting system, and a complete re-engineering of all of their client management workflow systems.

When Jay founded Eco-Mail, his goal was to reengineer the way physical mail was processed and create a solution that started in the mailroom and ended with digitally extracted data being delivered to existing systems – “as though the data had originally arrived in a digital form.”



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Introduction

This eBook will examine the following topics:



Digital Transformation Strategy: How are current state-of-the-art digital mailroom solutions used to solve the mail delivery problems and why these systems are an important strategic component of your long-term digital transformation strategy.



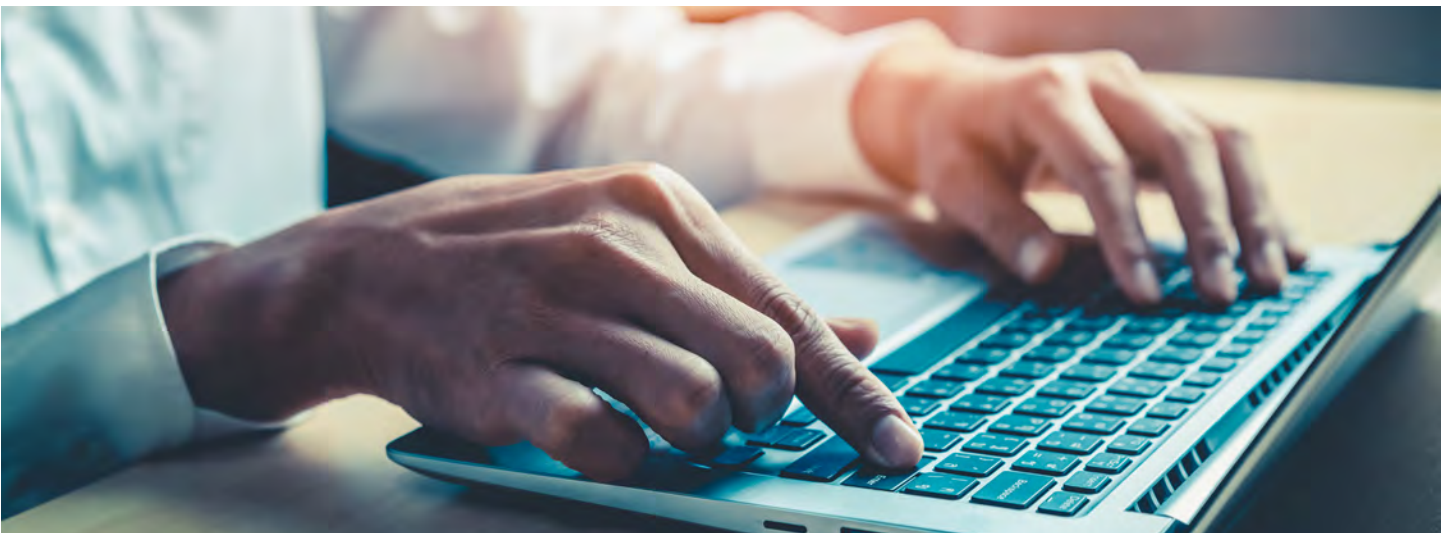
Workforce Issues & Client Demand: Historically, digital mailroom technology has been driven by efficiency and cost reduction. However, in today's current environment, a natural byproduct of these systems is the ability to help you address workforce issues and meet client demand - both of which are key components for maintaining the continuity of your business.



Audit, Compliance, & Security: Digital mail solutions vastly improve audit, compliance, and security problems related to physical mail - and can be done whether you are processing the work in your office or remotely.



Economics: In addition to helping you solve all of your immediate problems, implementing a digital mailroom provides a true return on your investment.





Chapter 1

What is a Digital Mailroom?

Based on recent data, businesses still receive more than 26 billion pieces of mail every year.¹

Physical mail may be going away, but it is going away very slowly. Mail is going to be with us for many years to come, and it needs to be sorted and delivered effectively. A digital mailroom converts physical mail into digital form and ensures that the right recipients receive the right content quickly, efficiently, and in a secure manner.

Until recently, digital mail was considered merely a component of an organization's entire digital transformation strategy. And, for many organizations, the digital mailroom was considered a nice goal to pursue... someday.

The drive towards digital transformation was mostly about big data, information governance, the Internet of Things, and AI in data management and workflow. But at its core, it was really an economic decision. And, when instituted as part of a digital transformation strategy, digital mail was departmental (reserved for those who received the most mail) – it was not often implemented enterprise-wide.

Digital mail is now rising to the forefront, becoming a

requirement for businesses to address risk management and risk mitigation concerns. Digital mail is now an enterprise-wide decision: every department that processes transactional mail needs a digital solution, and they need it now.

Receiving and processing mail is vital to any company's ability to continue operating with some level of efficiency. Recent workforce issues are driving heightened interest in the digital mailroom, turning it from a "nice to have" to a "critical requirement for continued operation."

This move to digital mail was not just a short-term, quick fix to the temporary work-from-home problems we faced. Digital Transformation, and more specifically, Digital Mailroom, has begun to significantly change the way we "do work," and it is proving time and again to be the right move for many organizations.

¹United States Postal Service, The Household Diary Study: Mail Use & Attitudes in FY 2019, Released March 2020

So let's talk about what kinds of business continuity problems digital mail can help solve.

1

WORKFORCE ISSUES

It is a struggle to find and hire good workers today. It is even a greater battle to retain the workers in whom you've invested training resources.

Digital Mailroom operations can benefit from:

- Promoting workers to technical resources
- Being able to do more with less
- Meeting and exceeding delivery SLAs
- Ensuring delivery of critical business data
- Monitoring, tracing, and tracking accountable mail content

2

CUSTOMER SERVICE

About 80% of inbound mail is transactional. Your digital mail systems need to cover more than just scanning so that you can service your customers efficiently.

Things to consider:

- How does your staff find their work?
- How do you manage delivery errors exceptions?
- How do groups of employees work efficiently on the same set of data?
- How do you ensure nothing gets lost?

Your digital mail system should help you manage the work in an efficient, secure, controlled, and auditable way so you can continue to deliver high quality support to your customers – on time.

3

BUSINESS CONTINUITY

Digital mail allows you to seamlessly relocate work between users or locations, ensuring that you can always bring together the labor and content to keep your operations running efficiently.

Digital mail should be considered a significant component of an enterprise's risk management strategy as it provides operational flexibility by removing the constraints of physical mail.



Chapter 2

Digital Mail: A Strategic Component of Digital Transformation



Operational
Continuity



Significant Cost
Savings



Improved Resources
& Process Flexibility



Faster
Turnaround Time



Security



Enhanced Audit &
Compliance Controls



Higher-Quality
Data Capture



Advanced System
Integration

Accounting departments rely on the mailroom to deliver their daily receipt of mail that contains, invoices, payments, etc. Consumer correspondence departments need to respond to requests for account changes or confirmations, fraud claims, and a multitude of other document submissions. Employees, whether traveling or working remotely, need to receive mission-critical information in a timely manner.

Digital transformation allows you to handle and process your mail more efficiently with less down time and it offers the following benefits:

1 OPERATIONAL CONTINUITY

For one client, what began as long-tailed implementation to move away from physical mail sorting and delivery was rapidly escalated enterprise-wide to provide operational continuity during the pandemic.

Building out a digital mail solution has allowed the organization to continue processing data with very few headaches, despite the ever-changing dynamics of running a business.

2 SIGNIFICANT COST SAVINGS

Digital mail operations significantly minimize manual mail sorting labor diminishes the time, labor, and expense associated with physical delivery and distribution. It reduces the time needed to prepare and transport inter-office mail, as well as the high volume of mail that USPS often processes.

With a centralized digital mailroom, you can:

- Minimize or eliminate desktop, multifunction, and departmental scanning
- Eliminate the need for mail duplication for complex workflows
- Reduce physical triage and readdressing of mail to sub-workflows
- Add automated content extraction and high-speed scanning technologies
- Relocate work to the lowest cost market

3 IMPROVED RESOURCE AND PROCESS FLEXIBILITY

Consolidated scanning maximizes efficiency by supporting the use of dedicated high-speed open, prep, and scan equipment combined with trained scanning resources.

- Digitized post-delivery work can easily be shifted to underutilized resources. By knowing and predicting the volumes and types of mail received on any given day, contents can be distributed to those teams best suited for that day's work.
- Digital workflow processes easily change to incorporate new forms or variations in processing requirements.
- Workflow changes are more structured and require significantly less training than physical workflows.

4 FASTER TURNAROUND TIMES

*"With physical mail, we often see delivery times of 3-10 days to get a document to the "right" location for processing."
- Satisfied Client*

With digital mail, delivery times are reduced from days to seconds and the destination can be anywhere - home, a remote office, or company headquarters. You can also automate data integration with downstream systems of record.

With digital mail, the time it takes to process a transaction and respond to your customer is significantly reduced.

5 IMPROVED DOCUMENT SECURITY

In the digital mail scanning process, documents are exposed for a short amount of time - and in a controlled environment, optionally under camera supervision. After those 9 seconds, the physical document is stored in a secure box and the digital data is encrypted and can only be viewed by properly entitled users.

In contrast, physical mail is exposed at an unsupervised mail drop, and potentially on the recipient's desk for long periods of time - while they are at a meeting, lunch, while traveling, etc.

Integrated audit trails also bring transparency to exactly who has seen a document and if any Personally Identifiable Information (PII) has been improperly exposed.

6 ENHANCED AUDIT AND COMPLIANCE CONTROLS

Tracking where physical mail is received, who saw it, and what actions were taken with it can be arduous and replete with human error.

Digital mail can solve all of these problems. Every action taken on every document can be stored in a database. Data is secured so only authorized users can view. Only one digital copy is required for even complex parallel workflow processes.

From a compliance perspective, auditor and regulator queries can be answered in seconds. Digital mail also provides the metrics to manage your business and can deliver SLA performance and KPI reporting

7 HIGHER-QUALITY DATA CAPTURE

Data quality is ensured by incorporating the components of completeness, consistency, accuracy, validity, and timeliness.

A digital mailroom supports these components. Automated document recognition and data extraction reduces labor and improves data quality. Document-driven structured data capture with automated edit checking improves capture quality, provides a consistent and accurate platform for capture, and speeds up the time to completion.

8 ADVANCED SYSTEM INTEGRATION

Flexible connectivity between the digital mail system and existing systems of record improves productivity and turnaround time.





Chapter 3

The Current State of Digital Mail

Digital mail is not a new concept, and it has a long history of successful implementation. Take the following examples:

Implementing a Digital Mailroom solution may seem like a technology intensive and time consuming endeavor. However, most Digital Mailrooms can be set up with minimal technology resources in only a matter of months.



Remittance Processing: This type of mail has been digital for decades. Contents are removed directly from sealed envelopes, imaged, and converted into readable usable data in a single step and with one operator. Substantial labor savings and the increased speed of deposit have revolutionized the payment processing industry.



Departmental Scanning: Once the mailroom has delivered the mail, the recipients open the envelopes and scan the contents. (i.e., loan applications, accounts payable invoices, and insurance claims documents). Typically, it is reserved for those departments with large volumes of documents to scan.



Ad-Hoc Scanning: This type of scanning includes “one-off” mail pieces and everything else. Many departments use multi-function devices (MFDs) to scan opened mail and transfer images into their system (whether it is automated or key from image).



Mail Tracking and Visibility: “Step technologies”, such as mail and parcel tracking systems provide step-by-step and hand-off-by-hand-off visibility of mail pieces. Not too long ago, the USPS introduced “Informed Delivery” which gives a “heads-up” of soon-to-be delivered mail. Consumers can digitally preview incoming mail, manage packages scheduled to arrive, and take advantage of online promotions. These step technologies provide a measure of improvement in overall mail processing, but a digital mailroom does even more.



Paperless Mailroom: The drive for a paperless office should not stop at records management. An automated digital mailroom can eliminate the majority of paper before it ever enters your organization, reducing the flow of paper and giving all employees, including remote and traveling employees, instant access to their mail.

Why Isn't Digital Mail More Prevalent?

A Complex Two-Level Problem

Choosing and implementing a digital mail solution requires comprehension of two distinct underlying complex problems:

Distribution and Extraction

Each process is owned by different groups, and the fictionalization of ownership has made it difficult to identify an owner or a driver. This has led to department decisions based on volume, cost-cutting, and ROI.

All of this changed in 2020-21 as **digital mail is considered an enterprise-level risk management challenge to solve.**



What's the difference?



DISTRIBUTION

- 100% of mail passes through the Mail Center
- Owned by Mail Services
- Acts solely on address "envelope" data
- Goal is to sort and deliver on a timely basis



EXTRACTION

- 80% of corporate mail is transactional
- Fragmented ownership by many operations groups
- Acts only on "content" data
- Goal is to extract data to process in system of record

The Optimal Digital Mail Solution

Digitize

GOAL

Efficiently and securely transform physical mail into digital assets

For organizations with multiple office locations, large corporate complexes, or companies that span the globe, manually redirecting or forwarding incoming mail to other locations is cumbersome, time-consuming, and expensive. However, consolidating those mailrooms into regional hubs can speed up distribution, lower costs, and improve overall business practice.

To accomplish this goal, it is best to **digitize** your mail the moment it arrives in the mailroom. A digital mailroom solution enables your staff to deliver key data and information to your digital workflow in a fraction of the time it takes with traditional solutions.

- Eliminate time-consuming, manual, multiple pass, envelope sorting
- Speed up delivery times by removing the “middle man” - the couriers
- Ensure security and ensure accurate delivery of mail contents
- Deliver images of envelopes to employees or open and scan all envelope contents (there will always be limited courier/focused mail delivery to consider)

Combining departmental and line-of-business scanning in the digital mailroom enhances the value of your digital mail operation. This can be accomplished using mailroom technology uniquely designed to **open, extract, and scan** contents directly out of the envelope and to the end user.

Digital transformation is more than just scanning



DIGITIZE



DISTRIBUTE



EXTRACT



INTEGRATE



Distribute

GOAL

Get the data where it needs to be, as quickly as possible

- No Pre-Sort
- OCR all “envelope” data
- Guided intelligence to automate sort
- Facilitate sub-workflow rerouting
- Exception management

Extract

GOAL

Turn analog data into codified digital data

- Support multi-user mail management
- Document recognition
- Automated data extraction
- Manual data extraction

Integrate

GOAL

Get digital data into systems of record

- Flexible data integration
- Internal line of business systems
- Content management systems

The Economics of Digital Mail



As we know, and our customers know, you can't afford NOT to implement a digital mail solution, especially today.



TIM OSMAN, OPEX®

Mailroom Savings

The following two tables are illustrations of actual digital mailroom solutions for two different banks, showing only the mailroom savings, **not** the post delivery savings.

Bank 1

A large commercial bank with broadly spread operations and a lot of mailrooms.

	PAPER	DIGITAL
Volume	1.9MM	
Cost Per Piece	\$2.14	\$0.75
Headcount	42	12
Processing	3-10 Days	Seconds
Locations	18	3

- Many of the mailrooms had low volumes of fewer than 50,000 pieces per year, thus significantly increasing staffing numbers.
- Bank 1's Digital cost per piece is 2x that of Bank 2 because Bank 1 chose to utilize Premium Forwarding from the USPS to consolidate mail delivery locations and maximize saving on staffing and scanning resources.
- This equals a savings of \$2.6MM per year.

Bank 2

A regional consumer bank with operations spread across 4 adjacent states.

	PAPER	DIGITAL
Volume	1.1MM	
Cost Per Piece	\$1.53	\$0.38
Headcount	20	4.4
Processing	3-10 Days	Seconds
Locations	6	3

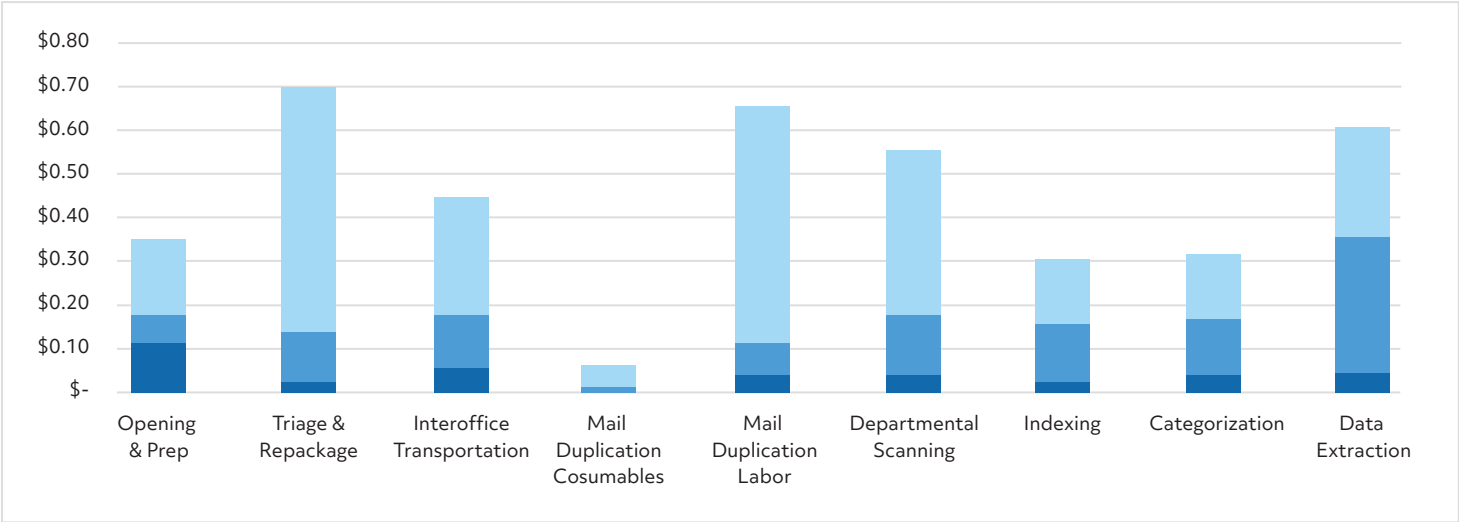
- Bank 2's initial cost is significantly lower than Bank 1's driven primarily by the fewer locations and lower headcount.
- Their digital costs are significantly lower because they are consolidating far less mail across significantly shorter distances and generally using existing courier services to move the mail.
- Additionally, Bank 2 utilized existing scanners with enough capacity to meet the scanning requirement.

Where is my company saving money by implementing a digital mailroom?

- Minimize current labor requirements
- Reduce processing times exponentially
- Minimize square footage costs (fewer site locations)
- Ensure accurate and secure delivery
- Reduce the cost of misplaced mail reduced

Operational Savings

The following table illustrates the second type of savings that digital mail drives – post-delivery or operational savings.



It's important to note that calculating operational savings for an entire organization is as much an art as it is a science. Not only is every company's process different, the workflows of every department also vary. Given that disclaimer, here is a way used to help organizations realize how much they can save with a full, end-to-end digital mail process.

The transactional mail workflow is first broken into its primary components. Digital Mail experts then work with our clients to estimate how many pieces of mail are processed for each component. They determine low, medium, and high estimates for the amount of time spent on each process, then subtract the digital cost of the same process and come up with a net savings.



The savings range from a low of \$0.64 cents per piece to a high of \$4.51 per piece.



Enterprise Benefits

Maybe not so surprisingly, we have found that the soft benefits of process flexibility, turnaround time, compliance, and audit controls were even more important drivers than cost.



Remote Work



Faster
Turnaround Time



Improved Document
Security



Audit Trails & Metrics



Business Continuity



Process Flexibility



Improved Compliance



Reduced Errors & Increased
Accuracy

Implementation

A digital mail center can pay for itself. Still, you may have questions like: “How do I implement digital mail? Can a digital mail solution help me right now? Or will it take too long to address my current problems?”

Digital mailroom technology is both a tactical near-term solution and a strategic long-term solution.



Phase 1: Developing the business case and planning the rollout can easily be accomplished in a very short amount of time.

Phase 2: Digitizing the mailroom and automating distribution can also be accomplished very quickly. This phase allows users to work remotely and collaboratively, but without integrating automated extraction and significant workflow. From a pure implementation logistics perspective, a digital mailroom, either cloud-based or on-premise, can be set up in as few as 30 days.

Phase 3: Implementing automated document recognition, extraction, and workflows is a longer-term process that requires rethinking existing physical processes for a multitude of operational departments and, depending upon your organization, will take months to years to get fully implemented.

Conclusion

Physical mail may be going away, but it is going away very slowly. Mail is going to be with us for many years to come, and it needs to be sorted and delivered effectively.

The digital mail process can be challenging to build out, but there are ways to tackle these roadblocks head on. The most important step is to find a champion. One of the biggest issues organizations face is that the mailroom personnel do not always care about how critical the contents are within an envelope. Mailroom departments have service level agreements to sort the mail within a given time frame and deliver it to the right department or office once sorted. The departmental employees who receive their mail have little to no visibility (or care about) what the process looks like down in the mailroom. Their only concern is that their mail is delivered on time so that they can “work the contents.”

A champion is one who can see and understand the end goals of the mailroom and every department within the organization. And the champion can line up those goals with corporate goals.

Congratulations! By reading this eBook, you have taken the first step in becoming the digital mail champion.



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