

Case Study: Large Federal Agency

Large government agency deploys custom workflow automation for mail and correspondence

About our customer

A United States federal government agency is responsible for promoting economic prosperity and ensuring fair and accurate financial security for its citizens. As part of its daily activities, the organization has many types of correspondence that are mailed out, equating to an estimated 250 million pieces of mail annually. The government agency is an essential part of our society and impacts the lives of all Americans.

Challenge

- Handling 250 million pieces of mail annually
- Managing returned mail was slow and costly no automated processing
- Lacking efficiency and smooth workflows for mail processes
- Providing accessible (Braille, audio) statements was manually intensive and not customer-friendly
- No capability to deliver electronic statements

The federal government agency has two main mail sites where most of the mail — about 250 million pieces — is handled annually. Within this system, over 1,000 different statement types were printed and then sent out to their constituents. The sheer volume of mail made postage costs exorbitant. The annual return rate was about 10%, or 25 million pieces of mail, which was unwieldy to manage. A top official estimated that the cost to process the returned mail was about \$3 per piece, resulting in taxpayer costs of up to \$75 million. A better process was needed to handle the large volume of mailed pieces and drive efficiency.

The notices and statements were created by several different composition business groups, which was difficult to control and measure. Tracking outbound mail or inbound remits was too manually intensive, so it was limited or non-existent. Additionally, there was no ability to retain records of certified mail to support future legal actions.

The agency also estimates that around 10% of the population has visual impairments and would require accommodations to access mail and correspondence.

The agency had been a long-time customer of Ricoh for close to 25 years and was able to leverage the trusted relationship. They turned to Ricoh for advice on custom workflow automation and how to reduce returned mail costs.

Solution

- Used sustainable, fast and cost-effective inkjet printers
- Created custom intelligent workflow and interface solutions for mailings and returned mail
- Utilized USPS processes and data to reduce the overall postage burden and improve production operations
- Developed an efficient solution to route return mail either to a secured destruction site or to the agency, saving time and taxpayer money

Ricoh was already managing, servicing and providing maintenance to the agency's two print and mail facilities, which covered about 99% of all mail. The sites both used Ricoh's inkjet technology, which is cleaner, more energy efficient and less expensive than toner-based printing. High-speed, roll-fed inkjet systems print the mail pages with speed and accuracy, while the pages themselves are printed in zip code order, ready for the USPS, minimizing postage costs. For all outbound letters, addresses are automatically checked against current USPS standards to prevent delivery failures and can be tracked. The Ricoh team also built a workflow that sorts and puts the mail into trays into a zip code order, which in turn, saves the post office significant time in transit and dramatically reduces the cost.

To overcome their other challenges, the Ricoh team created a custom workflow automation solution by developing an interface with the United States Postal Service (USPS) that provides near real-time delivery status of the constituent notices. Ricoh also managed the 1,000 different types of correspondence notices by getting the print data and, subsequently, applying address hygiene as part of the workflow — a previously manual and tedious process that would save significant postage and return mail costs.

Another aspect of the workflow automation system included using USPS technology to selectively send returned mail to a USPS secure destruction site with the ability to pick out certain mail that should be delivered back to the agency. The intelligent workflow software allowed the agency to harvest returned mail codes for delivery to other agency business systems to keep their records updated.

“Ricoh brought great ideas and solutions to the table. They have been an integral part of our mail and printing sites’ success as well as helping us achieve significant cost-savings.”

— Government Official, Large Federal Agency

Results

- Saved over \$27 million per year in postage for outbound mail and \$50 million per year in postage for return mail
- The workflow system positioned the agency as a government leader in new technology advancements
- Automation processes created more flexibility for employees and the opportunity to solve other challenges
- The two mail service centers are considered “centers of excellence” for the printing and mailing of critical correspondence
- Constituents receive timely communication
- Used automation to create better accessibility and tracking for the visually impaired population

Beyond streamlining processes, the workflow automation platform has helped the agency’s team tackle other tough problems over time, such as ensuring that all correspondence is archived and providing complete and meaningful accounting of postage expenditures. It also centralized the process for keeping up with changing USPS standards to help ensure consistent delivery.

The agency estimated that with the improved workflow, they are saving about \$27 million annually in postage for outbound mail thanks to improved address hygiene and better returned mail processes along with an additional \$50 million per year in return mail postage. What’s more — the automated processes have reduced manual work for busy agency employees and allowed the agency to track its correspondence.

To address requirements for visually impaired constituents, Ricoh was able to produce large print text and automate the ability to track audio and Braille outbound correspondence.

“Ricoh brought great ideas and solutions to the table. They have been an integral part of our mail and printing sites’ success as well as helping us achieve significant cost-savings,” said a government official.

The future is bright as the agency is now considering adding a third mail production site, which will help offset even more costs.

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