

Moving to DST Output

Large insurance provider closes facility; moves annual volume of 60 million packages from in-house to outsourced

Move starts the process to move onto latest technology available

Executive Summary

When a large insurance company decided to close its print-and-mail facility, the company chose DST Output using a rigorous analytical process that turned subjective information into fact based data.

After their 100-person facility closure, DST Output now produces and mails on a daily basis Property and Casualty and Life Insurance communications, including letters, confirms, statements, checks, contracts, regulatory pieces, corporate communications, and related contracts.

The company compiled a list of over 400 decision criteria to assess the ability to support a rapid transition of work producing annual volumes of 60 plus million packages comprised of 400 million plus images.



The next step in the transition for the client is to better take advantage of DST Output's Digital Press Technology, an advanced high-speed printing and inserting platform that is the backbone of our streamlined factory process.

Outsourcing Versus Insourcing

The large insurance company needed to address the following issues that were impacting their organization.

- Evolve customer communications to meet changing on and offline behaviors - - and to grow revenue
- Take advantage of new production technologies such as color without major capital investment
- Reduce operating and postal expenses
- Be ready for new rules and regulations

According to the client, key assessment criteria were:

- Experience with large conversions; illustrated by through transition plans
- Ability to save money on postage immediately
- Secure document production
- Innovation, particularly the focus on engineering custom solutions
- Shared future vision for the future of the relationship

The Challenge

To minimize risk associated with converting applications from their current in-house production and to condense the timeline, the client chose to move their current production operations into our facilities with the least amount of change possible while the two organizations mutually planned the move to more sophisticated high-volume, full color print and electronic processes. This helped the company access more rapid operational efficiencies, contributing to administrative and postage savings.



Some application-specific equipment was moved with the work. Equipment in production at the insurance company facility was de-installed, moved, and re-installed at DST Output over the weekend and made production-ready by 6 a.m. the following Monday morning.

Testing, Testing and More Testing

Approximately 575 client acceptance tests were conducted on site in a side-by-side comparison with the insurance company's production output. More than 75 percent of the tests were repeated for production acceptance testing by the client once the production went live.

The Result

An aggressive closure goal was agreed upon between the two organizations. The goal was met and exceeded by the DST Output transition team. The two organizations will now start to work on Phase 2 benefits not available during the immediate transition of printed work:

- Convert the work to the most sophisticated print production platform available for enhanced quality and access to color technology
- Implement address cleansing to better ensure delivery
- Improve electronic adoption to reduce postage costs

In the meantime, the client is enjoying fewer administrative hassles, the ability to take advantage of DST Output's award winning production facilities and quality programs, and production monitoring using our online, password-protected Customer Portal.

More about DST Output

DST Output provides integrated print and electronic statement and billing output solutions to many of the largest financial services, communications, insurance, healthcare, and utilities companies. Each year, DST Output and its affiliates produce more than 2.9 billion customer communications, delivered throughout the United States, Canada, the United Kingdom and Europe via postal service, express delivery and over the Internet. We are the world's largest inkjet systems printer and one of the largest transactional mailers. DST Output is a wholly owned subsidiary of DST Systems Inc.

For more information

For more information on how your company can benefit from working with DST Output, visit our Web site at www.dstoutput.com or call us at 1-800-441-7587 to discuss your specific needs.

Many companies have already realized the benefits of integrated, customized communications, reallocating part of their direct marketing budgets to those efforts and realizing significant bottom line cost savings.

The Solution

The first order of business was to completely understand the insurance company's organization, identify the job requirements and fully document their print-mail process. This was a required step to prepare the DST Output team to produce the documents in our environment. It was decided that the initial move would maintain the current look and feel. Because this organization had been running their own operation for several years based on institutional knowledge, some processes weren't adequately documented for another organization to produce.

To create the "lift ready" processes, the DST Output client-facing team produced 925 requirements documents totaling more than 5,000 pages for the project, which involved 3,900 applications. This documentation was completed in four waves in a six month time period.

Teams Worked Closely

The project team conducted weekly internal meetings as well as with the company's core team. In addition, five sub-teams – Conversions, Production Requirements, Equipment and Logistics, Client Services, and Materials – also met weekly to help ensure all teams were aligned and communicating.

DST Output considers all facets of an organization's existing production to make transitions happen smoothly for the client. In this case, even our Engineering team was involved to configure certain equipment for the specific document production needs of the insurance market. The team is assembled as needed for the project at hand.



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