CASE STUDY: BACK-OFFICE SERVICES

System automation for document processing enhances efficiency and cost savings.
Despite the penetration of digital devices in the marketplace, paper-based materials and documents still play a vital role in today’s business ecosystem. Even with the mass migration to the Internet, where self-service and the instant exchange of information are predominant, a large consumer segment still relies on the digital counterpart: print.

From direct mail and catalogs to order forms and applications, the mail stream is a viable revenue and communication channel that should not be overlooked or underestimated. Like any core business process — customer service, for example — processing customers’ inbound and outbound mail can be a major undertaking for brands that lack internal resources or expertise to do so.

When core functions like document processing reach a roadblock, many brands find value in a business partner that has the people, processes and technology already in place, enabling the brands to focus on their core strengths. This case study underscores how leveraging the expertise of such a partner can ensure that every customer interaction, on both front and back ends, is covered and streamlined. In fact, operating in a world of technological innovation, Alta Resources used innovation to its advantage: It enhanced an all-manual process with automated functionality (i.e., high-speed document scanning and processing) to improve the data-entry process.

Introducing automation into the process involved a complex configuration of the Alta Image Management System (AIMS), but, once up and running, it offered clients additional benefits like improved speed and cost savings, all without compromising on accuracy. Data shows that, while most project types experienced high-percentage volume growth (quantities of processed mail), labor hours did not increase at the same rate, even decreasing in most cases. Furthermore, automation facilitated an environment of processing data 24/7 across Alta Resources’ global locations.
The **Challenge**

Back-office services (BOS) like high-speed document scanning and processing may be quietly situated on the back end of the customer experience, but they are essential to seamlessly move customers through the purchase cycle, from order to cash and from prospect to profit. Every customer generates and is tied to specific data sets that possess practical business purposes.

Whether data is generated through marketing channels or transactional interactions such as checks or paper-based account updates, it has to be captured. Prior to print-to-digital automation, Alta Resources’ BOS specialists were tasked with opening, sorting and bundling each piece of mail — intake mail was accepted two times per day — then manually converting customers’ pen strokes into highly valuable, relevant business information. Once processed and entered into a database, the data could finally be analyzed and acted upon. That was the BOS world circa 2009.

The introduction of an automated process was imminent, considering that Alta Resources was held accountable for clients’ nearly six million pieces of inbound mail, from small runs to large batches. Another major catalyst for automation: Clients began asking about price concessions for their programs.

In response, Alta Resources began exploring ways to cut costs, as it does on a continuous basis through Six Sigma and other process-improvement best practices. One area of emphasis was document processing, particularly the data-entry component, and how leveraging improvements therein could drastically reduce costs and boost efficiency.

Location was an added challenge. At the time, Alta Resources had been processing data from its U.S. location only, begging the question, “How can we handle this in multiple locations and do it faster?”
The Solution

Having processed client data over time, Alta Resources gained familiarity with clients’ print collateral and the critical information to be captured within each piece; therefore, it was able to monitor the common trends among specific collateral. What was discovered is that most forms are consistent (per client), creating the potential for scanning, that is digitally capturing written data.

To make high-speed scanning and document processing possible, Alta Resources had to infuse custom modifications to its existing data-entry system. One such modification was creating templates for each client’s materials, paving the way for the adoption of optical character recognition (OCR).

With templates preloaded into the system, items such as physical checks and order forms can be scanned in mass quantities and then uploaded to the Teleform Verifier (i.e., image queue), at which point OCR takes over. Basing its functionality on the form fields (e.g., customer name, address, etc.) set up in each template, OCR scans each piece of returned mail, identifies the data in the corresponding form fields and converts the handwritten numbers into digital data sets.

As an example, BOS specialists previously scanned 350 business-reply cards (BRC) per hour, using handheld barcode devices (each card contains a unique barcode, or ID, tied to a specific customer). With AIMS, Alta Resources began processing an average of 10,000 BRC per hour. AIMS’ integration with OCR technology freed specialists from having to handle each reply card individually.

In addition to converting print data into usable digital data, OCR automatically updates the customer accounts on record, carefully validated (for accuracy) by BOS specialists. While automation was the end goal, the human element was carefully retained within the new process. In fact, success depended largely on the accuracy of OCR, which was dependent on a human specialist creating and testing the custom templates.

Finally, because AIMS is set up to share information via a central integration hub, customer data can be accessed via CRM databases, order-management systems and the like. By sharing data across those integrated systems, every customer interaction across every core business process — care, sales, e-commerce and fulfillment — can be streamlined for consistency and accuracy.

For example, logging and consolidating every interaction (see the following) in a central system meant Alta Resources could track and better understand customer behaviors across every channel, resulting in keenly aware insights and accurate targeting.

- Online/offline membership registrations, account updates and preferences
- Online/offline orders and payments
- Customer care via live voice or self-service interactive voice response (IVR)
- Returned products and corresponding refunds
- Outbound member communication
The Results

The decision to automate a long-time manual process resulted in process efficiencies for Alta Resources’ expanded portfolio of document-scanning and -processing services. To be efficient is to blend improved speed and production, thus cutting waste and maximizing results:

- **Speed:** an average of 10,000 scans per hour versus the previous 350 per hour
- **Production:** receiving and/or processing higher volumes of the following on a yearly basis (since AIMS launch):

  - **High-Speed Document Processing & Management**
    - Application & form handling
    - Imaging & scanning
    - Batch processing
    - Remote scanning
    - Data entry, storage & retrieval

  - **White-Mail Processing**
    - Paper-to-digital image capture
    - Reply cards & inbound/outbound mailings
    - Membership & order forms
    - Surveys
    - Account updates
    - Payment applications, deposits & reconciliations

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**550,000**

PAYMENTS

**7 MILLION**

PIECES OF INBOUND MAIL

**525,000**

OUTBOUND LETTERS

**800,000**

ORDERS

**175,000**

SURVEYS

**625,000**

APPLICATIONS
The Results (continued)

Document scanning and processing had been limited to Alta Resources’ U.S. teams but quickly became a 24/7 operation following the decision to incorporate AIMS support at its Pasig City, Philippines, location. The global capabilities ensured that volumes could be consistently maintained and even expanded, simultaneously satisfying the speed component and also eliminating major staffing implications. In fact, Alta Resources reduced its team to 13 (U.S. and Philippines) by the second year after AIMS implementation and, thus, decreased staffing costs.

In addition to reduced staffing costs, AIMS-related savings reached $201,593 by the fourth year after launch. Most of those savings were passed on to clients, addressing the initial challenge (see “The Challenge” section) of clients inquiring about cost concessions. Alta Resources furthered its effort to maximize client investments through best-practices development (e.g., proper placement of barcodes for optimal template performance) and the following Six Sigma process improvements*:

- Boosting OCR conversion rates
- Increasing payment transactions per hour

In addition to Six Sigma, Alta Resources implemented an AIMS project to process a movie club’s feature-title cards. The improved efficiencies resulted in a reduced cost per order (i.e., order rate), from $.53 to $.37 overall.

Finally, the next chart shows how volumes increased and hours decreased (following the launch of AIMS) for many mail projects. Growth was determined by calculating the yearly averages for both pre-AIMS and post-AIMS time periods (four and three years, respectively), then representing the change in percentages.

### Effects of AIMS

<table>
<thead>
<tr>
<th>VOLUME GROWTH (YEARLY AVERAGE)</th>
<th>HOUR REDUCTION (YEARLY AVERAGE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>2%</td>
</tr>
<tr>
<td>Letters</td>
<td>53%</td>
</tr>
<tr>
<td>Address Updates</td>
<td>33%</td>
</tr>
<tr>
<td>AIF Resubmits</td>
<td>791%</td>
</tr>
</tbody>
</table>

*At the time of writing, Six Sigma projects were still in progress; results were unavailable.
“Witnessing the evolution of our back-office services has been fascinating. Like all core business processes, what happens behind the scenes — document processing and scanning, for example — must keep pace with changing technology. If we had failed to pursue process innovations, critical components like orders and account updates would’ve held back our overall operations and client relationships.

It says a lot about our commitment to not only innovation but also providing seamless, consistent customer experiences. Think of it this way: Every piece of customer data on the back end has value on the front lines, tying together the overall customer experience. No part of the customer lifecycle, from order to payment, should be a weak link, and that certainly means not overlooking the print component that is still a player in today’s marketplace. Automating our process and introducing AIMS made sure we are strong in every area.”

— Lisa Fassbender
Alta Resources Project Manager II
About Alta Resources

Since 1995, Alta Resources has been a leader of business-process outsourcing for world-recognized brands across various industries, including consumer-packaged goods, healthcare/health insurance and entertainment. But we’re much more than outsourcing; we’re in the relationship business. That’s because our clients trust us to connect and reconnect with their customers across every major touch point, online and offline.

From the moment a consumer shops a website to the package arriving to a phone call about the order, Alta Resources fuels every essential interaction, on the front lines and behind the scenes. With our service offerings — care, sales, eBusiness and fulfillment — working in tandem, clients can seamlessly integrate their core functions through a single partner.

As a result, we not only create consistent brand experiences but also make those experiences better, in turn attracting new customers and engaging current customers for the long term. And because we use an integrated approach, we’re able to maximize efficiencies, reduce costs and grow sales — results that exceed our clients’ expectations and improve their bottom lines.

While our success has been documented, you may never know our name behind the brands you use daily; we’re OK with that. The secret to helping brands reach and resonate with consumers is our transparency, meaning teams dedicate themselves to specific clients — and only those clients.

With headquarters and a fulfillment facility in Neenah, Wisconsin, Alta Resources has additional operations in California, Florida and the Philippines.

To learn more, visit AltaResources.com.