

# Advantage

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Pitney Bowes Management Services  
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## ▶ **Indiana Sets the Bar for Government Services**

Consolidating document management, print and mail operations allows state agencies to reduce costs, improve business processes and focus on core services



# \$15 Million and Counting...

That's how much the Hoosier State has saved partnering with Pitney Bowes Management Services to consolidate and enhance its document management, print and mail operations.

When Mitch Daniels was sworn in as governor of the state of Indiana, he recognized that the state could do a better job of saving money while providing equally good — if not better — services to its citizens. In 2005, Governor Daniels launched “Operating with New Efficiency” — or OneIndiana — an initiative designed to leverage the significant purchasing power of state agencies to “ultimately save money for Indiana taxpayers.”

The goal of OneIndiana is to have state agencies work together to take advantage of state-negotiated Quantity Purchasing Agreements that put the volume of state spending to work to reduce the costs of goods and services.

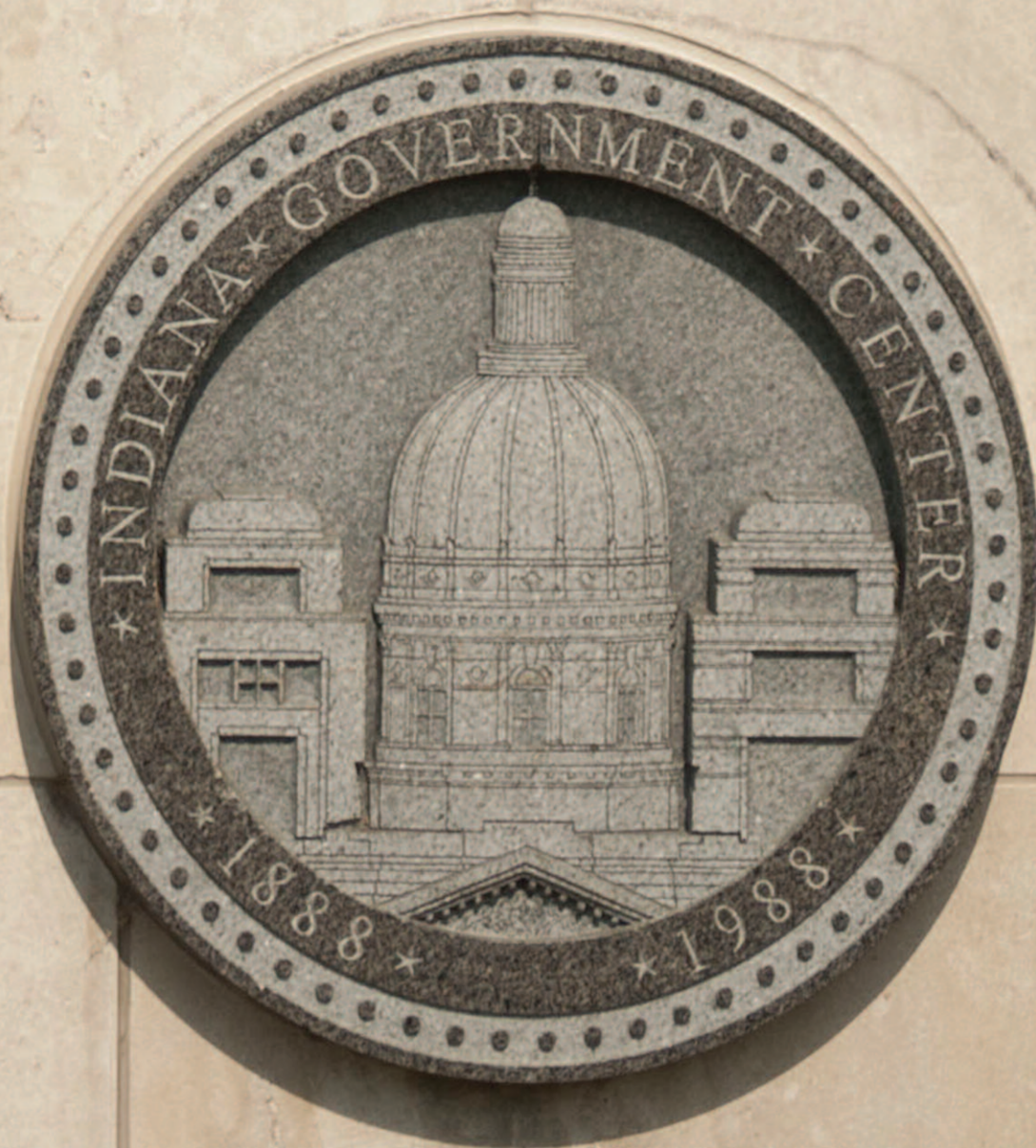
Implementing OneIndiana meant convincing individual agencies to agree to share resources — something not easily accomplished.

## **Silos of services**

As with any organization, Indiana’s agencies grew individually to serve their own needs. Each managed its own document management systems, printing vendors, mailrooms, courier services, and copy centers. Resources were not shared across agencies, so some departments might have staff working overtime to keep up while others were underutilized.

The duplication of equipment, supplies and maintenance alone was staggering. Each agency became a silo of redundant services and since each agency managed its own contracts, there was no way to effectively leverage the purchasing power of the entire state.

The OneIndiana initiatives gave the state the perfect opportunity to change that.



### **Challenge**

How to make state government more efficient by outsourcing non-core functions as a means to reduce operating costs, enhance service levels and allow greater focus on serving citizens.

### **Solution**

Consolidate document management, print and mail operations for the state's eight largest agencies under one team that leverages people, processes and technology to improve government operations and enable the state to better execute its mission to serve the public.

### **Results**

Elimination of redundant state operations, \$3+ million per year in cost savings, access to new technologies, and continuous improvements in service levels and operational processes that provide better access to state services.

### Fast-tracking change

The Indiana Department of Administration (IDOA) took the lead to consolidate mail and document management operations. They first created a Request for Information to gain knowledge about what services were available. Then, the IDOA formed a governance team composed of key representatives from the core state agencies to manage the transition. The IDOA and governance team members conducted a road show, going to each affected agency to discuss the concept of outsourcing, listening to their concerns and answering their questions.

"Agencies were concerned about losing control of functions that they had controlled for a long time," said Kurt Novotny, Contract Manager and OneIndiana Project Manager for the state of Indiana. "Concerns about service levels and compatibility with current technologies had to be overcome."

Once the agencies were on board with the plan, the IDOA published the Request for Proposal, which produced responses from seven companies. As is the normal procedure in awarding state contracts, companies vying for the business were given numerical scores on the criteria set forth in the Request for Proposal. At the end of the process, Pitney Bowes was awarded the contract.

It took a very efficient four months from the release of the Request for Proposal for the contract to be awarded. The contract was implemented two and a half months later.

"One thing we've found unique to Indiana is that we have discussions about new ideas and concepts all the time," said Leila Sublett, Indiana Director of Vendor Management and Supplier Performance. "That enables us to be very efficient with change."

### Consolidating to the megacenter

The first step for the Pitney Bowes team was to conduct a high-level discovery process to fully understand the current processes and workflows and the staffing requirements. Next, the team met with each agency to discuss the transition, understand their strategic challenges and critical business priorities, and set the service level agreements. Finally, the current employees were transitioned



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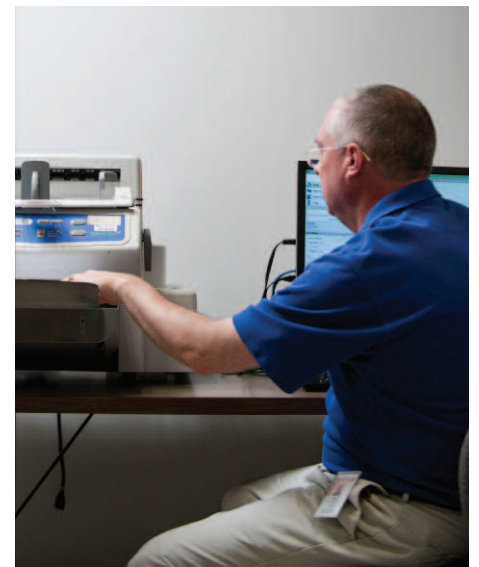
Rob Wynkoop  
Commissioner  
Indiana Department of  
Administration

to the Pitney Bowes team and were provided additional training to deliver service excellence.

The most immediate challenge in the transition was building a megacenter to consolidate all the services and equipment from eight centers to one. The state paid for and managed the construction of the center while Pitney Bowes managed the workflow design and technology needs. Pitney Bowes was responsible for purchasing, managing and maintaining the equipment and the technology upgrades required to deliver improved efficiency.

The megacenter would take six months to complete, but the Pitney Bowes team had to start consolidating services immediately using the existing facilities.

Improving mail handling was the first priority. Each agency used different technologies and equipment to presort their outgoing mail to achieve a lower postage rate with a



significant amount of mail not qualifying for the rate. Pitney Bowes brought in its own technology and expertise to consolidate all the mail handling and qualify virtually every piece of outgoing mail for the presort rate. Not only did the state realize an immediate savings in postage, but the presort services fees also dropped by 52 percent because of the efficiencies Pitney Bowes brought to the table.

#### **Automated tracking and sorting**

Pitney Bowes also started bar-coding every piece of mail — something that had not been done before — so mail could be tracked through the entire process, providing increased mail piece integrity. The Pitney Bowes advisory services team was brought in to analyze the addressing and return mail processes for one of the state agencies. By implementing a program to clean and maintain their addresses,

this particular agency was able to reduce their return mail by 60 percent, which translated to an annual cost savings of almost \$300K.

Once the megacenter was completed and the mail equipment consolidated, upgraded and/or replaced, Pitney Bowes was able to expand services even more.

For example, automobile titles are printed daily, sorted in the mailroom and delivered to the Bureau of Motor Vehicles (BMV). In the past, staff at the BMV would spend hours manually searching for specific titles to pull out. The batch of titles was then sent back to the mailroom to be resorted and mailed out. Pitney Bowes analyzed which titles were being separated from the rest of the batch and brought in the technology to segregate those automatically before the titles were sent to the BMV, saving wasted time and effort.

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### **Technologies working together**

Consolidation of technologies was another significant challenge. Since there had been no need to interact with other systems, the agencies had been using a variety of incompatible technologies to manage their data and produce forms, which were run on a nightly basis.

The Pitney Bowes team first addressed the technology compatibility issues to provide consistency across all agencies. Then they built an automated document factory to handle all the print production needs of the state's largest agencies.

The transition required extensive planning and testing to ensure the system worked flawlessly before the work was transitioned. The end result has been a more streamlined, cost-effective document production process.

### **Streamlining processes and saving money**

When each agency purchased its own printing, each job was bid out separately, slowing the process and increasing the cost. Now, agencies simply turn the job over to Pitney Bowes, which manages it end to end. By aggregating and leveraging the combined print spend, Pitney Bowes negotiated better rates and improved service levels for the state. For the BMV alone, Pitney Bowes was able to reduce the cost of printing vehicle registration stickers by \$1.4 million annually. "We appreciate Pitney Bowes' willingness to invest in technologies that enhance both BMV operational efficiencies and our ability to better serve the public," said Scott Waddell, Commissioner, Indiana Bureau of Motor Vehicles.

Even little changes have added up

to large savings. Pitney Bowes brought in one of its certified postal advisors to help redesign a mail piece from a flat to a folded form, saving 40 percent in postage — or millions of dollars per year. Pitney Bowes introduced SendSuite, an online tool that allows users to shop for the best shipping rates. And they added online reporting so the state has the most current data on savings, print volumes, performance versus the service level agreement and other data at its fingertips.

### **Focus on enhancing services**

While the focus of the OneIndiana initiative has been to save the state money while getting equally good or better service levels – goals that have been surpassed – perhaps the more profound benefit has been focus.

By eliminating the continuous procurement process, by standardizing



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business processes across the agencies, by making change and improvement easy, and by using the best technologies and business practices, the consolidation with Pitney Bowes has allowed state agencies to put their focus solely on serving their constituents. For example, a change to a notice that might have taken months now takes a week. A print job that would have required multiple steps, constant supervision and weeks to complete is now a one-step process that takes days.

Or take, for example, the state's Family & Social Services Administration (FSSA). The FSSA operates field offices around the state to service their clients. Paper records were initially stored at the field offices, duplicated and then stored in a huge warehouse. Field agents would frequently have to drive long distances to go to the warehouse, look for case files, copy them and then go back to their territories to meet with clients. Pitney Bowes now digitally images all the case files and stores them in a single digital repository that can be accessed 24 hours a day from anywhere, speeding services to clients,

reducing costs to the agency and reducing the frustration caused by the lack of easy access to the documents agents needed.

#### **Proof of concept**

The Pitney Bowes contract was one of the first implemented under the OneIndiana initiative, and its success has not only proven the concept but also opened people's eyes to the potential improvements the state could realize.

"This was a high-profile contract and was on the front end of Governor Daniels' OneIndiana efforts," Novotny said. "It impacted a lot of agencies, and its success helped lay the groundwork to change the mindset and culture to the OneIndiana concept and model."

"Maybe the best measure of Indiana's improvement is that more is being done with less," said Rob Wynkoop, Commissioner, Indiana Department of Administration. "Since we measure everything, we can say with certainty that across state government, service levels are better than before." ■

Above: Jeremy Medina, Pitney Bowes Account Leader for the state of Indiana (left), reviews potential strategies to streamline administrative processes with the state of Indiana's Project Manager, Kurt Novotny.



Pitney Bowes Management Services designs, implements and operates global solutions that provide commercial, legal and public sector clients with customer communication, mail, print and document lifecycle services that help create more effective, efficient and compliant business processes and operations.

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