

# Advantage

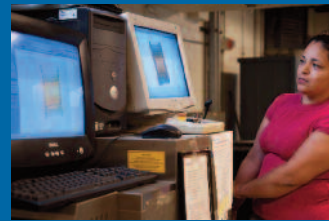
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Pitney Bowes Management Services  
Business Magazine



▶ **Super-Sized Service**  
Pitney Bowes teams  
with McDonald's®  
to deliver efficiency,  
innovation and savings

# In a word:

**Partnership.** That's how best to describe the relationship between McDonald's® and Pitney Bowes Management Services. It's a perfectly symbiotic partnership that, since 2002, has benefitted both companies. It wasn't always like this for McDonald's®.





### Challenge

Finding a document management partner who shares McDonald's® relentless focus on continuous improvements and process excellence.

### Solution

On-site document management services that leverage best practices, industry leading technology and innovation to deliver unmatched value.

### Results

Significant year-after-year cost savings, improved operational efficiency and a better than 99% on-time/accuracy performance.



### **Better, not just bigger**

McDonald's® is the leading global food service retailer with more than 33,000 local restaurants serving more than 64 million people in 119 countries every day. Its food products — Big Mac®, Chicken McNuggets®, and Egg McMuffin® to name a few — are global household brands.

What drives McDonald's® is to be better, not just bigger. The company leads the food service industry in making its meals healthier, it's committed to working with suppliers and outside experts to continuously improve standards and practices in the humane treatment of animals — both within McDonald's® and across the industry — and it focuses on sustainable and environmentally sound business practices.

McDonald's® global headquarters in Oak Brook, Ill., was awarded one of the most prestigious green building awards: the LEED® Platinum certification by the U.S. Green Building Council. The headquarter campus sits on 88 acres of land, over half of

which still remains in native woodlands with building configurations designed with the locations of trees as the foremost concern.

### **We can do better**

The company's quest for improvement permeates the entire organization and involves both employees and vendors. In 2002, Pam Lavine, Manager of Workplace Programs and Services, which entails management of mail/shipping, copier fleet and printing for McDonald's®, determined that two of her vendors were not living up to that standard.

"The vendor relationships were not doing well and we thought we could do better," said Lavine. "Two of our vendors were very complacent and McDonald's® was leading *them* to bring in new technology and new processes."

The vendor that provided mailroom, shipping and records services was complacent and not bringing any new ideas, technology or processes to the table. The other

vendor, which managed the copier/fax fleet at headquarters and across McDonald's® 27 regional offices, had installed more equipment than was necessary, locking McDonald's® into a series of expensive leases.

Lavine wanted to consolidate those operations with one new vendor that could bring a fresh perspective and energy to the services. She put out a request for proposal, which resulted in a winning bid from Pitney Bowes.

The Pitney Bowes proposal included mail and package management, managed print services, and document processing and records management. Pitney Bowes' 90-year history of innovation and helping its customers be more productive combined with the enthusiasm the team demonstrated was exactly what McDonald's® was seeking.

### **Seamless transition**

McDonald's® and Pitney Bowes immediately started transitioning from the old vendors to the new.

"Pitney Bowes had a great program

in place,” Lavine said. “They shadowed the previous vendor that was still on site, documented all its processes and developed a fabulous implementation plan. The transition took three months and the entire process was seamless.”

The improvement was immediate.

In mail and package management operations, where they handle nearly 1 million pieces of mail and packages annually, Pitney Bowes has saved McDonald’s® hundreds of thousands of dollars through streamlining its process (e.g. using presort houses when appropriate) and reviewing messengering options. The Pitney Bowes team services multiple buildings on the McDonald’s® campus and is judged by its on-time delivery rate and how many pieces are delivered accurately. Pitney

Bowes maintains a 98.9% or better rating quarter-by-quarter.

#### **Across the board improvement**

Even more savings have been realized in managed print services. After the existing equipment leases expired, Pitney Bowes was able to move McDonald’s® into fewer, more efficient multi-function devices that better meet McDonald’s® needs at a lower cost.

“We’ve had across the board improvement with Pitney Bowes,” Lavine said. “We had to wait for some leases to be up on the copier fleet, but it made a huge impact in savings. We went from more than 150 devices to 75.”

Pitney Bowes is responsible to provide one-call services at the headquarters campus and the 27 regional offices, so if anything goes wrong or they need new

*(left)* Pitney Bowes team member maintains new cost-effective multi-function equipment. *(below)* Pam Lavine, Manager of Workplace Programs and Services, McDonald’s®



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Manager of Workplace Programs  
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equipment, there's only one person to deal with.

"When our regional offices call to change out equipment, Pitney Bowes is right there to help them get the optimum equipment," Lavine said. "They are just so proactive and customer focused. They'll come to me and say 'I think we can do this better. Let us look into it.' And it usually is better."

"They bring new technology to me all the time, which I share with other people – 'this is a better way to do it.' We try to make it so the [internal] customer has to do fewer

steps to accomplish something and Pitney Bowes provides that."

### **Sustainable operations**

In support of McDonald's® sustainability and environmental initiatives, Pitney Bowes has partnered with them to develop new processes and educational programs around paper and supply use. For example, all multi-function devices are Energy Star certified and are set to duplex printing, which significantly reduces paper use.

They have participated in several "Lunch 'n' Learn" sessions to educate

the McDonald's® team on smart printing strategies and how to print less.

And, they assist in the "Recycle Toner Program" by collecting all the empty toner cartridges and shipping them to a recycler. This keeps thousands of toner cartridges out of landfills and a percentage of the resell profits are donated to the Ronald McDonald Charities.

### **The big move**

Pitney Bowes also provides on-site document imaging and processing for McDonald's® with the current volume at 184,000 documents annually. McDonald's® realizes savings from a reduction in hardcopy filing for some business units where the electronic version alone is sufficient, through not storing archive boxes of documents, as well as



in reduced retrieval costs. The company continues to maintain physical document filing practices for other areas where disaster recovery and business continuity is a factor.

A huge opportunity to demonstrate the value of document imaging and processing came when the Real Estate and Finance departments were moving to a new building. There was not enough room to store the 1,500 boxes of the paper documents in the new space nor could the building take all the extra weight without costly floor reinforcement. Pitney Bowes proposed digitalizing all the documents and storing them in an offsite repository.

"They got it done on time — actually before the time we needed — with no hiccups," Lavine said. "We were able to save a lot of money on renovation because

they would have had to reinforce the floor to hold the filing cabinets. They were very comfortable with Pitney Bowes handling the documents and storing them offsite. Now they can access the documents electronically very easily."

By converting the existing physical documents to electronic files, McDonald's® was able to eliminate the cost of document retrieval from their physical records storage vendor.

#### **Partnership for improvement**

Every quarter, Pitney Bowes reports on its performance against the service level agreement. To date in 2011, Pitney Bowes has saved McDonald's® more than 9 percent across all its services. McDonald's® also sends its own bi-yearly customer survey and asks about mail/copier fleet services and the comments

have "all been positive."

"Every single one of their people is hard working and will turn on a dime," Lavine said. "They are wonderful people to work with. I couldn't think of having a better partnership."

One proof of the success of this relationship is that McDonald's® is transferring all managed print services to Pitney Bowes in 2012. Another is Pitney Bowes' maintenance agreement, which was renewed early to extend through 2016. And, Pitney Bowes employees are regularly recognized by McDonald's® as "vendor of the quarter."

"They are such a strategic partner and work so well with us," Lavine said. "We actually work hand-in-hand doing what's best for the company, because they are always looking out for what's best for the company." ■



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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