

CASE STUDY

Bank of Montreal

“AFTER SEVERAL YEARS OF CONSISTENT ACCOUNT GROWTH, OUR MANUAL PROCESSING APPROACH JUST COULDN’T KEEP UP WITH THE EXTRA VOLUME. WE NEEDED TO STREAMLINE AND SPEED THE PROCESS.”

Dave Gray, Senior Technical Analyst, Bank of Montreal

PITNEY BOWES BUSINESS INSIGHT
HELPS BMO FINANCIAL GROUP
LOWER COSTS, SPEED PROCESSING
AND IMPROVE SERVICE.



Challenge

Bank of Montreal needed a method to reduce the delivery time of client paper reports in a cost-effective manner.

Solution

With the help of print stream engineering, the bank was able to create a single print stream, which enabled the printing of statements at a single location and assembly using highly-automated systems.

SUMMARY

There's no question that new technology can lower costs and speed cycle times for customer messaging centers. It can also improve customer relations, boost the effectiveness of individual mail pieces, and help attract new sales. But can it accomplish all these goals simultaneously? Absolutely.

For proof you need look no further than the Bank of Montreal, a prominent Canadian financial institution that is widely respected for its commitment to superior customer service. “Our challenge was to reduce the delivery time of client paper reports,” explained Dave Gray, a Senior Technical Analyst in the Document Production unit and a 25-year veteran with the Bank. The successful solution—Gray likens it to an “architectural” solution—came in the form of a technology called print stream engineering, which was provided by Pitney Bowes Business Insight’s innovative software tool, the StreamWeaver® system.

Keeping up with Growth

“We offer a corporate credit card service, which provides our corporate clients with the option of paper reports detailing account level transactions. After several years of consistent account growth,” he continued, “our manual processing approach just couldn’t keep up with the extra volume. We needed to streamline and speed the process.”

The manual approach was necessary, and worked quite well when volumes were low, because the Bank’s legacy data processing systems produced the reports in two separate

print streams. One recorded the details of the transactions, and the other showed the total amount owed and served as an invoice.

But with the Bank now processing more than 125,000 corporate credit card reports each month, it took nearly four employees more than a week to match, assemble and mail the monthly reports by hand. Plus, the two print streams were produced in two separate locations, with one trucked to the other site prior to assembly, which only added complexity and delay. Gray said the Bank considered trying a “mainframe fix” to solve the problem. But reprogramming the legacy applications at the mainframe was both costly and time-consuming, requiring roughly two staff years of effort. Plus, the IT department was already backed-up with other work, and a mainframe solution would be “static”. Any subsequent changes to the application would still require additional expense and delay.

Print Stream Engineering

StreamWeaver print stream engineering works very simply. Rather than wait for the documents to be printed and then merged by hand, StreamWeaver allows the Bank to identify and merge the two document streams while they are still in electronic or digital form in the print stream. This enables the Bank to create a single print stream, which can be printed at a single location, and then assemble the statements using high-speed and highly-automated inserting systems. The use of high-integrity 2of5 barcodes (which StreamWeaver also enables) assures that each report is assembled correctly.

“THE SUCCESSFUL SOLUTION—CAME IN THE FORM OF A TECHNOLOGY CALLED PRINT STREAM ENGINEERING...”

Dave Gray, Senior Technical Analyst, Bank of Montreal

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Since the vast majority of the customer account reports are six pages or less, they can be easily handled on automated equipment. Longer reports—some of the largest can exceed three boxes or 1,500 pages in length—are automatically outsourced for prompt and efficient manual handling.

RESULT

Impressive Performance

As for results, Gray said he could not be more pleased:

- 1. The solution was implemented quickly.** Less than two months after initial programming work began, StreamWeaver was installed and operating as expected.
- 2. The solution has significantly compressed processing time.** Instead of requiring a week or more of manual handling, all corporate credit card statements are now easily processed within just two or three days.
- 3. The solution has helped improve integrity.** Before, instances of misassembled statements occurred, particularly when employees were fatigued or rushing to finish up before service-level agreements were violated. Now, all work is verified as accurate via the use of automated processing and the 2of5 barcodes.
- 4. The solution is hugely cost-effective.** Gray estimated that the Bank has avoided more than \$1.2 million in annual postage, material and labor costs as a result of the solution. As for the pay back on the Bank's investment, Gray estimated that the new solution began paying for itself in under two months.

The lower postage costs come from the use of standard business-size envelopes, which cost less to mail and can be easily handled on high speed processing equipment. Previously, the statements were manually inserted into flats or oversized envelopes, which are more costly to mail and purchase. Plus, the business-size envelopes are more easily handled and commingled with other mail streams, which enables the bank to achieve maximum density for postage discounts. In addition to lower labor costs, the bank also benefits from a more motivated and productive work force. Employees who previously handled the tedious and seemingly never-ending task of matching statements and stuffing envelopes are now assigned to higher level and more rewarding work.

Satisfied Customers

Customers are benefiting, too. Statements are now received earlier each month (i.e., much closer to the end of the processing cycle), which allows more time to review and verify the charges and more flexibility to make payment. Plus, the switch to StreamWeaver allowed the Bank to include an additional page in each statement.

This third page serves as a summary or cover page and features both attractive graphics, such as logos, and an address block that is situated to assure optimum automated processing. Additionally, the 2of5 barcoding capability enables the Bank to segment the charges on the statement by department or business unit, which can make it easier for customers to review the statement and initiate chargeback or other internal accounting procedures. Lastly, the solution is contributing to the Bank's growth by increasing the Bank's capacity to absorb new business. Indeed, the Bank reports the solution has attracted additional corporate credit card statement processing work.