

CASE STUDY

Cincom's knowledge-based application software helps a customer discover the true potential of electronic printing.

When Security First Group (SFG), a Met Life company specializing in tax-favored retirement plans, automated its policy issue process, the immediate goal was simple: to be able to produce documents as good as, or better than, those produced by an outside print shop.

“Initially, we had two Xerox 4090 production laser printers, primarily used to print reports. They were also used on basic printing jobs,” recalls Kurt Schmidt, Business Process Consultant with SFG. “But our eyes were really opened once we added Cincom’s document products. We started to learn that our Xerox printers had capabilities we didn’t know about—that we could be doing things print-wise that we had never thought of before.”

KNOWLEDGE BASED CORRESPONDENCE

The software product used by SFG is intelligent Document (iD) Solutions™ (formerly known as AuroraDS Text)

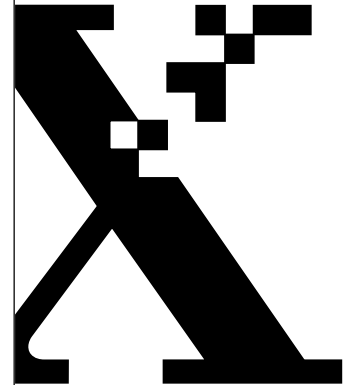
Xerox Printing and Cincom Software: A Winning Combination for Security First Group



Security First Group headquarters in Los Angeles, California.

from Cincom Systems, Inc, Cincinnati, Ohio. The iD Solutions software automates the document creation process, providing the intelligence needed to merge data, graphics, and business rules to produce dynamic

output that is specific to the needs of each individual consumer. This personalized, one-to-one approach to client communications is what Cincom refers to as “Knowledge Based Correspondence.”

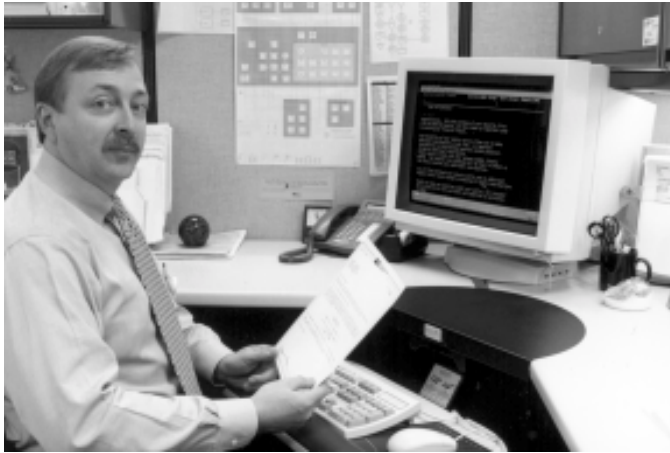


Insurance

“

Our eyes were really opened once we added Cincom's document products. We started to learn that our Xerox printers had capabilities we didn't know about.

”



SFG Business Process Consultant Kurt Schmidt reviews a customer letter, personalized with the help of Cincom software.

Adding Cincom software to its Xerox printers enabled SFG to streamline its document management process in several areas of the business—most notably in handling loan requests and in insurance policy production/assembly.

Formerly, when an individual covered by a Security First Group plan wanted to take out a loan against his or her account, SFG would send that customer a loan package nine or more pages in length, consisting of an overview letter, amortization schedules, monthly payment information, application, disclosure and other important loan documents.

“In the past, this process was done manually,” recalls Schmidt. “To handle these loan requests, we had a number of employees responsible for collecting and organizing the information, using Excel spreadsheets to generate customer loan documents.”

Today, the iD Solutions software creates the entire loan package, specific to the client's situation, based on information the client provides through SFG's Integrated Voice Response system, and prints the documents on the Xerox production laser printers. The result: improved accuracy, enhanced customer service and decreased document turnaround time—all while lowering costs for the company.

In addition to improving the existing processes, the Cincom software has also helped SFG introduce customer service

innovations. “For example, using our Interactive Voice Response System, customers can call in and request information on their policy,” says Schmidt. If they want to borrow money against an existing 401(k) or 403(b) plan, they simply call in and select the appropriate options using the interactive system. Cincom's software then generates a complete, customized loan package, including all the necessary forms, documents, attachments, amortized schedules, etc.”

As a result of this innovation, SFG was honored by inclusion in the 1997 Computerworld/Smithsonian Historical Archives for Technical Innovation. “A major reason for this award was the fact that we were able to successfully link all of these hardware and software products into a smoothly running system,” says Schmidt.

SPEEDING UP POLICY PRODUCTION

Before SFG automated its policy production process, all of the required forms—including standard contract pages and those for individual state regulations and attachment—had been

preprinted by outside vendors, then stocked until they were needed during the assembly and issuance process.

“Employees were spending a lot of time taking preprinted forms and manually customizing contracts for a particular situation,” recalls Schmidt. “For example, if I were issuing a policy in three different states, I would have gone to the filing cabinet, pulled a contract, and then spent a lot of time putting this page in and taking that one out to make the document accurate for each state.”

“We'd keep hand-customizing documents in this way until we would finally have to ask ourselves, ‘At what point do we print a completely different state contract, versus customizing the standard one?’” Schmidt continues. “Before we had the Cincom software, we were using a COBOL program to generate the assembly instructions, specification pages and basic correspondence, which meant that if there were typos, it could take weeks—even months—to get the problem corrected by our systems people.”

Reissuing policies and contracts was the company's greatest challenge. In many

“ People got excited about the solutions we were putting in place, and they started to ask more ‘What ifs’ instead of just saying, ‘Well, that’s the way we’ve always done it.’ ”

cases, staffers were not always sure what documents made up a correct policy package for a given situation. Because the original policy had been configured manually, it was difficult and time-consuming to re-create the same policy exactly.

XEROX HELPS MEET THE OUTSOURCING CHALLENGE

No sooner had SFG begun to realize the benefits from Cincom’s software, including the ability to create its own forms in-house, when a new challenge arose: The decision was made to outsource the company’s data center operations—which included printing—to a facilities management company. This resulted in a reduction in SFG’s systems staff support personnel and the loss of the individual who had been redesigning the insurance forms using Elixir software.

“At that point, Xerox came to our rescue and was able to provide the forms support we needed,” says Schmidt. “They supported us with a form specialist, and sometimes the Xerox analyst would come out and install forms or make changes on-site.”

“Xerox continues to provide us with valuable forms support,” adds Schmidt.

“After we develop an idea, we ask Xerox to refine it into a finished form. As a result of the Xerox expertise, our forms have a nice uniform look when they’re done. Whether I need to print five forms or 500, my cost is not substantially different. It’s a matter of a fraction of pennies per shot, as opposed to hundreds of dollars in offset printing costs that we were paying for preprinted forms—and our warehousing costs were also reduced”

A WIDER VIEW OF THE POSSIBILITIES

As SFG gained more experience with the Xerox/Cincom solution, a wider view of its possibilities began to open up. “Where we had at first printed only reports, we began to print statements, correspondence to customers and special mailers,” says Schmidt. “People got excited about the solutions we were putting in place, and they started to ask more ‘What ifs’ instead of just saying, ‘Well, that’s the way we’ve always done it.’”

However, it soon became apparent that if SFG wanted to improve the appearance of its documents—incorporating more graphics, for example—their 4090 printers, with their

300 dpi resolution, would need to be upgraded. Therefore, in the spring of 1999, SFG decided to reinvigorate its investment in electronic printing by upgrading to a 600 dpi Xerox DocuPrint 180 Production Laser Printer—with print speed of 180 pages per minute, double that of the 4090s—and a Xerox DocuPrint 4890 Highlight Color Laser Printer, which prints in black and any of 10 highlight colors at 92 pages per minute. The 4890’s ability to introduce black-and-white shading into the highlight colors provides the customer with a virtually limitless palette of color options.

“We’re looking at ways of enhancing our policies and other documents by bringing highlight color into them—probably beginning with logos and signatures, for example,” says Schmidt.

“Also, we’re experimenting with ways of further personalizing things like statements,” he adds. “For instance, I can take all the IRA accounts and put a message on the statements reminding clients to get their contributions in by the 15th of April, or I can give clients a little teaser about a new feature or function we’re providing.”



Typical SFG policy package. Today, all the required forms are created in-house with Xerox printers, and policy production and assembly processes are automated. The result: Staff requirements are reduced from nine to two people, and policy printing costs are down by more than 75 percent.

“

These days, we've gone far beyond just printing reports. We've changed the way we do business.

”

BENEFITS FROM A MORE FLEXIBLE SYSTEM

The flexibility and control provided by the Xerox/Cincom document creation solution has already paid off with a variety of benefits.

“We’re able to communicate with our customers better now,” Schmidt points out. “For example, when I send out a contract, I can also include a customer survey, to get the client’s feedback on our service. We also have situations where there are certain forms necessary for doing business with us, and we can easily bundle them with the contract so that the client would not have to call us later to request the form.”

The new system also has resulted in improved policy production accuracy—up from 90-95 percent to 100 percent—and has drastically reduced turnaround time and labor requirements.

“It just made sense to us that our administration and legal department, not programmers, should oversee the text of our documents,” says Schmidt. “With our automated system, we don’t have to spend days proofreading revised documents.”

NUMBERS TELL THE STORY

Perhaps the numbers best tell the story of SFG’s document automation success. After the Xerox/Cincom system was installed, the company was able to:

- Reduce policy printing costs by more than 75 percent.
- Support an increase in policy volume of 25 percent per year.
- Reduce the staff needed for issuing policies so they could be freed up to enter more business. This was originally a reduction from 9 down to two people.
- Reduce MIS support staff from two full-time, to one part-time employee.

In dollars and cents, SFG estimates that it has cut the cost of printing a policy from \$4 to less than a dollar. “We’ve literally gone from dollars to cents,” says Schmidt.

Less measurable but just as important, Schmidt points out, is the fact that the system has helped SFG increase customer satisfaction, while overall efficiency improvements have helped the company reduce costs and allocate resources to other areas of the business.

“These results are especially impressive when you consider that our policy volume has been increasing at a rate of about 25 percent each year,” Schmidt says. SFG provides tax-favored retirement plans for more than 4,000 school districts throughout the United States, as well as for some of the nation’s largest city and state governments. SFG also administers business on behalf of several other insurance companies—all of which adds to the printing workload.

“Each system component has driven the others,” he adds. “When we launched our Cincom-based document automation program, we were using our two Xerox 4090s for printing reports—and that was it. The new system, however, has changed the ways many of us look at our Xerox printers. These days, we’ve gone far beyond just printing reports. We’ve changed the way we do business.”



“We’re able to communicate with our customers better now.”

— Kurt Schmidt

XEROX®, The Document Company®, DocuPrint®, and the stylized X are trademarks of Xerox Corporation. Other product names used herein are trademarks of their respective owners. 3/00

Printed in USA
610P702490