

Case Study

banking

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KeyBank

Ricoh Establishes Print and Mail Managed Services to Improve KeyBank's Efficiency of Delivering Information Any Way Customers Want It

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*– Dominic Cugini
Director and Senior
Vice President
Payment and Deposit
Operations
KeyBank
Cleveland, Ohio*



ABOUT THE CUSTOMER

The stakes are high for large banks. With growing threats from smaller banks and unconventional start-ups, attracting new customers—and retaining the ones they already have—is a constant challenge. The competitive edge goes to banks that make innovation a priority to deliver the products and services that consumers want.

A focus on printing seems counterintuitive to chasing the next big innovation that will turn customers' heads and drive allegiance. Yet, a total abandonment of printed statements and other account information would be premature. While many bank customers have migrated online to access their account information anywhere, anytime, from any device, there's still a significant number who want to review and retain their financial information on paper.

KeyBank, headquartered in Cleveland, Ohio and today one of the largest bank-based financial services companies in the U.S., understands this dichotomy well. With approximately \$135 billion in assets, KeyBank serves three million customers across diverse markets in the Northeast, Mid-Atlantic, Midwest and Pacific Northwest. A large bank with a local feel, KeyBank makes being a good steward to the communities it serves a business priority.

Nearly half of its employees participate in KeyBank's annual Neighbors Make a Difference Day—a community service initiative that began in 1991 and has grown into a leading example of corporate volunteerism in the U.S. The KeyBank Foundation provides funding

CHALLENGE

- In-house print and mail operation running at one-tenth capacity
- Five-year lease on 55,000-square-foot operation
- Upcoming expenses for equipment upgrades
- Desire to bring in a third party to run operations
- Security concerns surrounding data hand off

SOLUTION

- A KeyBank/Ricoh partnership to fully support the bank's retail and business customers
- Ricoh Print and Mail Managed Services customized to the bank's needs
- Seamless onboarding of 15 KeyBank personnel
- RICOH ProcessDirector production print solution

RESULTS

- \$250,000 annual savings projection
- Additional three-to-four percent postage savings
- All SLAs met from day one of transition
- Zero impact on clients or bank data

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to help students and workers thrive in the community. And the bank has received many awards and recognition through the years for environmental responsibility, diversity, human rights, community reinvestment and commitment to small business.

None of this has happened without a strategy and focus on innovation. Looking out strategically five years, KeyBank recognized its in-house print and mail operation needed a plan. Capacity was high yet print volumes were projected to stay relatively low and possibly trend further down. Having invested in the building, people and hardware necessary to run this facility, KeyBank sought a partner with a unique vision to convert a seemingly sunk cost into an asset for the future.

CHALLENGE

Information mobility is a catch-22 for consumer banks. It's great for the environment and customer convenience. But what about all the production printing technology that banks have invested in through the years to deliver paper-based financial information? What about those customers that still prefer their statements printed and mailed?

When KeyBank took a strategic look at its costs to run its in-house printing and mailing operation, the downside outweighed the upside. Due to surges in mobile banking, the operation was running at about one-tenth its capacity. Yet KeyBank still had five years left on the lease of its 55,000-square-foot production facility. And additional expenses were on deck since its aging infrastructure and equipment needed upgrades.

“We’re a financial institution, not a print shop,” said Dominic Cugini, director and senior vice president of payment and deposit operations. “We became very good at printing over the years, but it goes against our strategic direction for the future.”

However, KeyBank’s print and mail operation had one good thing going for it. Its cost per click was relatively low compared to large centralized print and mail houses. This made the prospect of shutting down its operation and outsourcing the work unattractive from a cost standpoint. Plus, KeyBank had security concerns with handing off such sensitive customer information to a large operation. It also didn’t like the prospect of having to lay off employees—who had been providing a good product—if it shut down its operation.

“We decided the best approach for KeyBank would be to find a partner to take over the building, our people, the equipment and our statement printing and mailing,” said Cugini.

Trouble was, none of the various centralized print and mail facilities KeyBank initially talked to had any interest in replicating their business models onsite. They wanted the bank to outsource print and mail to their established centralized location and pay their higher price.

“Ricoh was the only company we talked to that was willing to consider taking over our operation,” said Cugini. “That really separated Ricoh from the pack.”

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SOLUTION

Still, Ricoh couldn't immediately say yes. Ricoh didn't have an established managed services model for print and mail of this scope. Sure, Ricoh had been providing the production print devices and software—and the expertise to integrate workflow and devices—to companies for years. And its managed services offerings have been growing through the years as well. But Ricoh first needed to study the opportunity and then convince its C-Suite that establishing production print and mail managed services at the bank's facility made good business sense.

"We wanted it to be a win-win for both KeyBank and Ricoh," said Cugini. "We spent about four to six months sharing data between our two companies and doing the due diligence. This was no knee-jerk reaction."

On KeyBank's end, they had to make sure Ricoh could produce its statements on time, without errors, to meet regulatory requirements. They needed to be confident that any new technologies Ricoh implemented would be seamless and take its operational capabilities to the next level. Just as critical, KeyBank insisted on maintaining—or even reducing—its current costs.

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For its part, Ricoh studied the market, evaluated the overall opportunity and reviewed the number of RFPs it had passed up through the years for this type of work. In the end, Ricoh saw a tremendous opportunity to expand into production print and mail managed services—not just at KeyBank, but also with other financial institutions that have similar mid-volume print and mail requirements.

With its C-Suite fully convinced, Ricoh was all in. To modernize the workflow and reduce KeyBank's current print and mail costs, RICOH ProcessDirector (RPD) was enlisted to control and manage the transaction output processes. This technology streamlines the bank's print, mail and fulfillment services, enhances operator productivity, improves process integrity, reduces human errors and lowers cost.

A workflow-driven solution, Ricoh uses RPD to aggregate data from various systems to produce KeyBank's statements, manage return mail, generate reports and provide dashboard analytics that evaluate service levels and quality tracking to help ensure regulatory compliance. RPD is also used to optimize high-volume mail for USPS discounts and track single pieces as well as handle fulfillment services such as load packages, customer statement requests, binding and more.

"RPD gives us management oversight of what Ricoh is doing on our behalf," said Cugini. "It's a critical control for us and it's really helped Ricoh prove that they can deliver on their promises."

Additionally, Ricoh implemented a more robust disaster recovery solution to fortify KeyBank's business continuity plan in the event of a catastrophic event.

No doubt, the new software made significant improvements to KeyBank's print and mail capabilities while containing costs. It would also surpass risk management, loss prevention, data security requirements and service level expectations for KeyBank's retail and business customers.

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But KeyBank also had another primary objective—to retain its print and mail employees during the transition to Ricoh print and mail managed services and beyond. They knew there would be uncertainty among these subject matter experts who had built the operation to its current state. After all, these KeyBank employees would now become Ricoh employees.

“We had people from both our HR department and Ricoh’s HR department on site intermittently for about a month to make sure our employees got their questions answered and got the information they needed,” said Cugini. “Thanks to our communication plan and open/honest approach, nearly every employee stayed.”

After the dust settled, these print and mail employees saw the upside to becoming a Ricoh employee. There would be more career advancement opportunities as Ricoh expands its print and mail managed services. Relocation could also be on the table.

“We’re not going to grow print,” said Cugini. “Our employees now have more opportunity for growth with Ricoh than they may have had with KeyBank.”

RESULTS

KeyBank now has a true partner for print and mail in Ricoh. And Ricoh has a proven business model for leveraging best practices specific to KeyBank’s requirements. The transition to Ricoh print and mail managed services was also seamless—a zero-incident business process transfer while on boarding 15 KeyBank personnel.

“Since day one of the transition, we’ve met all SLAs and there’s been zero impact on our clients and our data.”

New technologies continue to be discussed including web-to-print job submission and next-generation print and mail management software that would further improve business intelligence, production planning, fulfillment, shipping and billing. Ricoh has become a resource for bringing in the right third parties to enhance KeyBank’s capabilities—in the print and mail center and beyond.

“Ricoh really wants to hear what my business problems are. They bring forward new ideas and technologies to help us, whether it’s their solution or a third party’s,” said Cugini. “It’s Ricoh’s outside-the-box thinking that really sets them apart.”

Cost Reductions, Sizeable Savings

KeyBank is on track to substantially reduce its costs and realize significant savings. Since Ricoh took over KeyBank’s print and mail center, KeyBank’s costs have been flat. Now that the implementation of RPD is complete, KeyBank expects to save a minimum of \$250,000 per year along with an additional three-to-four percent reduction in postage savings.

Seamless Service

KeyBank is proud of its track record of never missing a service level agreement (SLA). Cugini wanted that record to remain untarnished during the transition to Ricoh print and mail managed services. It was also critical that all customer data remain intact and secure.

“Since day one of the transition, we’ve met all SLAs and there’s been zero impact on our clients and our data,” said Cugini.

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Internal Buy-in, Trusted Partnership

Expenses, human capital and risk were the three big considerations for KeyBank as it sought a partner to take over its print and mail operation. Ricoh provided proof—through RPD—that it could reduce the operation's expenses. The team went the extra mile to help KeyBank ensure that everyone from the C-Suite to print and mail employees understood how Ricoh print and mail

managed services would align with the bank's long-term strategic objectives and provide new career opportunities. From early conversations all the way through full implementation, Ricoh provided the information KeyBank needed to make data-driven decisions and remove risk.

"We had very fact-based conversations from the very beginning and made data-driven decisions together," said Cugini. "All the way through, Ricoh brought best practices and recommendations for improvements to our vision. That helped me gain trust in Ricoh from the start."



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