



## **TOPPAN** TOPPAN MERRILL

**TOPPAN MERRILL CONNECT™ (“CONNECT”)**

Holding company reduced fixed costs by 78% through partnership with Toppan Merrill to outsource production and distribution capabilities.

“The implementation was completely seamless to our customers. There were no disruptions to our customers experience or communications. We did not receive a single complaint, but did remarkably receive some compliments on the improvements.”

—Distribution Leaders,  
The Company

## Company Profile

The Company, an intermediate holding company, which is made up of multiple insurance companies and distribution channels, provides life and health insurance products to individuals and families. Previously, the Company operated an onsite facility for production and distribution of all their policy communications. As the Company continued to grow and projected increased volumes in the coming years, they knew their current onsite facility would not be able to handle the increased volumes without additional capital and resource expenditures.

## Challenge

The Company needed to determine if it would be more advantageous to invest in additional space and more equipment or to outsource these services to a partner that could handle the increased volumes, ensure scalability and reduce overall costs. The Company quickly realized that investing in additional space and expensive equipment to maintain internal production was not a viable option. The best option would be to find a partner that had the expertise, technology and equipment to support these communications on an ongoing basis.

As the search for a partner began, the biggest concerns for the Company were ensuring a seamless transition from one facility to another and confirming the partner they selected would be able to quickly scale to meet any additional growth to come. Many of the workflows and processes that were previously in place were managed through legacy systems that required additional resources and didn't fully capitalize on process efficiencies or new technologies. These factors prevented flexibility and resulted in additional costs to the Company. Additionally, the Company was looking for a partner that understood the insurance market and would be able to provide the security and compliance expertise necessary in the industry of regulated communications. Ultimately this was not just a search for a vendor that could take on additional capacity or overflow work, but would be a full transition of their onsite operation to a strategic partner with a scalable integrated solution.

The Company's goals for outsourcing production and fulfillment to a third-party partner are:

- Leverage a partner with experience in business process outsourcing and regulated industry expertise
- Ability to scale for growth
- Utilization of a forward-thinking integrated solution to accommodate processes and procedures
- Provide transparency into the workflows and costs associated with various programs and pieces
- Find efficiencies and cost savings by moving from an internal on-site facility to an outsourced process

## Solution

After a thorough assessment and rating of possible partners, it was determined that Toppan Merrill was the clear front runner and selected by the Company as their strategic partner. Toppan Merrill was selected due to their commitment to security and continued focus and investment in forward-thinking technology. In addition, the Company's internal assessment team noted that the discussions with Toppan Merrill's professional services team combined with the onsite tour of Toppan Merrill's facility were both enlightening and impressive.

Through a completely collaborative approach, Toppan Merrill worked with the Company with the goal of not only moving processes and production from one facility to another, but embarked on a full review of the workflows, files, templates, product specifications and final output. From this review Toppan Merrill's provided insights that resulted in streamlined processes, provided continuous cost savings and prepared the Company to be better suited for future implementations.

Over the course of the first year Toppan Merrill implemented three programs for the Company, including sales kits, admin correspondence letters and ID cards, and policy printing. The key factors in successfully implementing these programs were utilizing a phased, strategic implementation approach as well as streamlining and consolidating the disparate data feeds that were previously used. Prior to working with Toppan Merrill, the Company had over 50 data files, which were all processed differently and consisted of varying fields throughout the files. After close collaboration with Toppan Merrill's sales engineers and professional services team, who worked to consolidate and refine the data, standardized templates were created and the number of data files was reduced significantly, now consisting of only a handful.

The initial program that was transitioned over to Toppan Merrill were the Company's sales kits. These kits consist of a variety of components including print on demand sales kit booklets, forms and documents and inventoried marketing materials. Through utilization of Toppan Merrill Connect, Toppan Merrill's integrated solution, there are currently 354 active sales kits and 1,800 active sales material items managed, with an average of 62,000 sales kits and sales materials ordered and distributed each month. Consolidation, streamlining and overall customer support created a more effective and efficient process.

Additionally, Toppan Merrill manages the admin correspondence letters and ID cards for the Company. This program consists of a combination of pre-composed PDFs, templated letters and ID cards and utilizes daily feeds of data to dynamically create personalized content. Various configurations are created through a combination of the program pieces including 7 pre-composed letters, 55 data-driven letter templates and 7 data-driven ID card templates, which are produced on a special stock. During a 10-month period more than 1.2 million letters and ID cards were mailed as part of this program.

Toppan Merrill also produces and distributes the Company's issue and reissue kits as part of their policy printing program. These kits contain a mix of static and variable templated items, and could include items such as letters, ID cards, policy booklets and schedule letters. Toppan Merrill created a kit matrix for each product which defines the various components that comprise each policy kit and then through defined business rules data files are validated and received. This program was implemented in three phases and now averages volumes of 17,300 issue kits and 175 reissue kits each month.

The Companies initial motivation for finding a partner and transitioning the creation and distribution of their communications from their onsite facility was ensuring the necessary capacity requirements could be met and that production could quickly be scaled to meet increasing demands. Streamlining program workflows, simplifying data ingestion and eliminating unnecessary inventories, provided cost savings at a level the Company did not fully anticipate initially and was an added benefit to the overall initiative.

Key factors and benefits the Company discovered through their partnership with Toppan Merrill:

- Ability to implement a more robust solution and more advanced technology
- Scalability to quickly meet current production levels as well as estimated projections
- Capabilities to ensure redundancy controls
- Efficiencies created through a reduction in number of data files and templates
- Reduced waste and costs by utilizing print on demand digital printing

“Key factors in selecting Toppan Merrill as our partner was their demonstrated expertise and forward-thinking mindset.”

—Project Manager,  
The Company

## Results

Over the course of a year, Toppan Merrill completed three major program implementations with an additional program implementation and expansion of their current product portfolio in the pipeline for the coming months. Within that same timeframe the Company has already realized a 78% reduction in fixed operational costs and given the additional transparency provided, will quickly be able to ensure additional efficiencies are identified and capitalized on.

Through their partnership with Toppan Merrill and the implementation of a fully integrated end-to-end solution, the Company has streamlined processes, realigned internal resources, significantly reduced fixed costs, and obtained a more transparent view of overall operating expenses. Toppan Merrill provided the expertise and consultative approach to the Company as they looked for a partner to produce and distribute communications. With these initially identified communications implemented, the Company is continuing to look to Toppan Merrill for additional opportunities to create efficiencies and provide cost savings.

According to The Company's Project Manager, Toppan Merrill has provided the following results:

**Improved Processes.** A key improvement for the Company has been the utilization of print on demand capabilities. This has resulted in less waste, additional cost savings and has provided an easier process for managing any content updates and changes. In addition, the Company is finding value in the reliability of utilizing Toppan Merrill's integrity manufacturing solution. Integrity manufacturing tracks communications at a page level throughout the production process, providing absolute confidence regarding accuracy and compliance.

**Significant Cost Savings.** The Company has realized a 78% reduction in fixed operational costs as a direct impact of their partnership with Toppan Merrill. In addition to the reduction in costs around facilities, equipment and labor, Toppan Merrill has provided expertise and guidance in reviewing processes and product specifications for several pieces. These reviews have provided numerous efficiencies and cost savings to the Company, with a spot assessment of sales kits for Medicare Supplements showing a 25% cost reduction overall alone.

**Expense Transparency.** The Company is now more easily able to review, manage and adjust costs on an individual program level. Previously, many of the production and distribution costs were a part of the soft costs of operating an onsite facility making it difficult to attribute back to specific pieces and programs. Now that the costs are upfront and detailed the Company is better able to understand contributing factors and more effectively manage costs.

Toppan Merrill secures solutions at every phase, so you can secure ongoing impact and growth.