



The Rise of the Digital Mailroom

In an age when businesses are looking at cost-effective, high-impact digital technologies to transform their business processes and make them more competitive, the importance of the automated mailroom is coming to the fore.

Introduction

Unsurprisingly, it is expected that the role that digital technologies will play in the business world will intensify significantly for much of the foreseeable future. The corporate focus on digitech and the role it can – and will – play in shaping the competitive landscape has become profound. It can be seen that there are three broad drivers of this growth.

1 – Market Disruption: the rapid rise of tech-savvy market disruptors such as Uber and Airbnb (not to mention established disruptors such as Google and Amazon) has rippled across all sectors.

2 – Opportunity: the drive for competitive advantage has meant a greater focus by many firms on new business processes, solutions and systems.

3 – Regulation: concerns about data and information management – and how firms protect and retrieve them – continue to grow. This has placed ever-increasing pressure on firms, particularly those in financial services, to have in place best-practice compliance infrastructure that meets and exceeds requirements. MiFID II, Solvency II, GDPR – data and information management is at heart of many regulatory developments past, present and future.

One of the key challenges with digital adoption is the integration and digitisation of paper-based information. Paper still accounts for a significant percentage of communication, from inbound mail and faxes, to forms, contracts and applications. How to integrate these seamlessly into a business' processes has become a core part of the digital transformation discussion.

The Digital Mailroom

In an age when businesses are looking at cost-effective, high-impact digital technologies to transform their business processes and make them more competitive, the importance of the digital mailroom has come to the fore. Digital mailrooms are not new – they have been established for a number of years – but the intense focus on 'digital' has placed them at the centre of the current era.

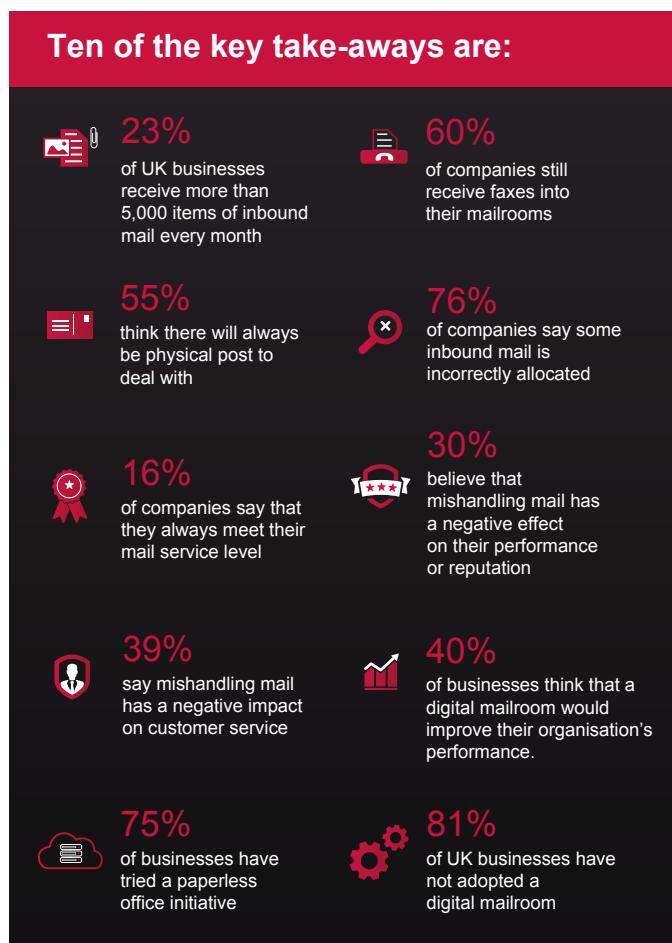
EDM Group is one of the leading providers of automated mailrooms in the UK. The firm works with a significant number of private and public sector organisations in helping them digitally transform their business processes.

EDM Group commissioned research¹ among people that work with, or manage, mailrooms and business information systems. The focus was on gauging sentiment about digitised information, usage of digital mailrooms and insights into the role that 'paper' will play in the business landscape. The following sections look in detail at the findings of this research – and the opportunities that digital mailrooms offer.

Key findings from the EDM Group survey

The EDM survey offers a unique insight into a part of the data and information sector that is rarely researched. Based on responses from stakeholders such as facilities managers, customer services managers, purchasing/procurement managers and operations managers, the research highlights the compelling opportunities – and challenges – faced by many UK businesses.

Perhaps the primary finding is that only one-in-five (19%) respondents said their business operates digitised or automated mailrooms. However, twice this number (40%) said that a digital mailroom would improve the performance of their business – just a quarter (26%) said that they felt that it would provide no positive impact.



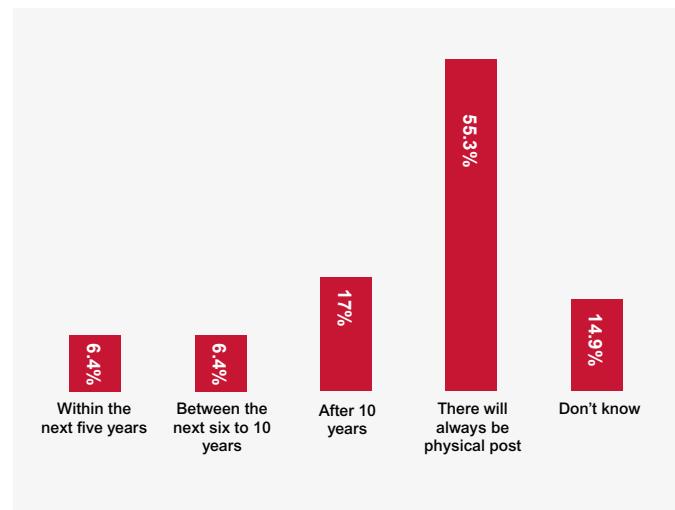
EDM believes that the relative lack of digital mailroom adoption is an indication of the nascent state of the market; the fact that double the number of respondents believe that performance can be improved is a strong indication of the potential impact digital mailrooms can have.

The Paperless Office

Despite the wider digitisation agenda, the survey found that physical post will always be seen as part of business communication in the minds of most decision makers: it is unlikely that the paperless office will become a reality in the near future, according to more than half (55%) of UK companies (in contrast, 13% of respondents forecast that physical post will be eliminated within 10 years).

While all the companies surveyed by EDM said that they still receive physical mail, a quarter (23%) said that this amounts to more than 5,000 items of inbound mail every month. A further quarter (23%) said they receive between 2,000 and 5,000 items a month and 35% said they got less than 2,000 items a month.

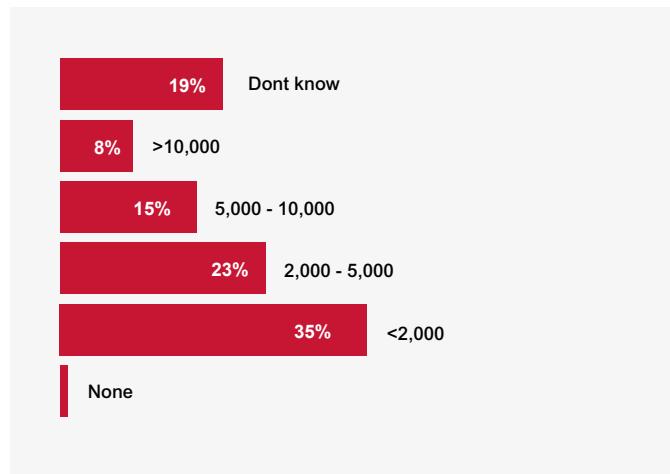
When do you predict there will no longer be any physical post for companies to manage?



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Key findings from EDM Group survey

Approximately speaking, how many in-bound items of mail (post) does your company receive each month?



In addition, 56% of respondents said their organisations receive mail at more than one location (a third (34%) said more than 10) – all of which represents a significant challenge for firms in the digital age. Indeed, the survey by EDM Group also found that three fifths of businesses (60%) still receive faxes into their mailrooms – a stark indication of the ongoing challenge of capturing information and placing it seamlessly into an efficient digital ecosystem.

And in a sign of the paper challenge, only a fifth of companies (20%) said they were currently running paperless office initiatives. Almost a quarter (25%) said they had never run a paperless office initiative within their companies while 20% had discussed the option but never put it into action.

Impact on service levels, customer experience and compliance.

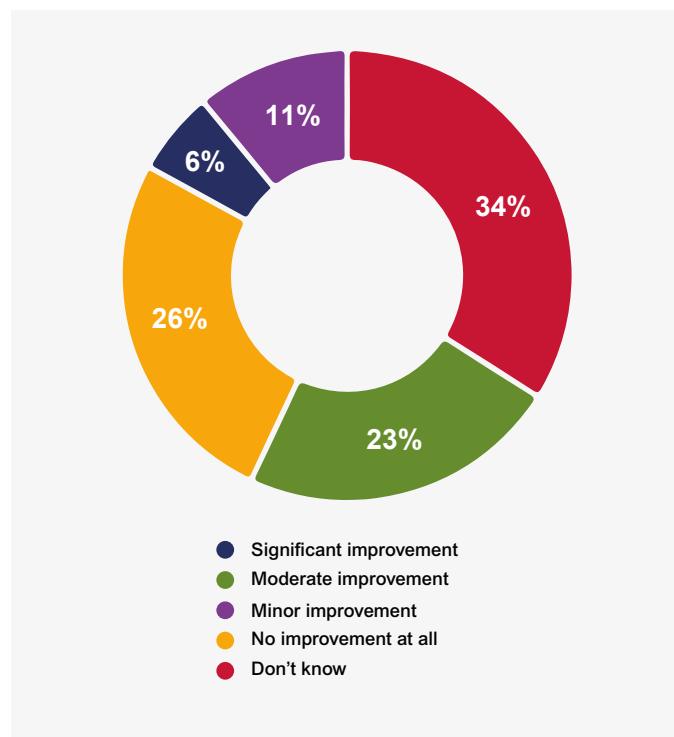
One of the most significant aspects of the digital agenda is the drive to improve customer service and relationships with key stakeholders. This also dovetails into the wider

regulatory focus on improving the way businesses interact with customers and the processes by which they manage – and retrieve – customer data and information.

The study by EDM found that just 16% of respondents believe their organisation ‘always’ meets its mail service levels – 57% said their mail service levels were ‘mostly’ met. In addition, some 13% said that more than 10% of inbound mail is incorrectly allocated.

Around third (30%) said that delays in processing inbound mail have a negative effect on their performance or reputation while two fifths (40%) stated that mishandling mail has a negative impact on customer service levels. However, 29% also said that mishandling has a negative impact on compliance and the same number (29%) said that mishandling has a negative impact on data and information security.

To what extent would automating your mailroom improve your organisation's performance?



Digital Mailroom Case Study - HMRC

HMRC awarded EDM a mailroom management contract. A key element of HM Government's 'Digital by Default' strategy, the contract has involved EDM digitising, indexing and managing around 20 million pieces of inbound mail from individuals, businesses and intermediaries every year.

The scale of work is significant. HMRC accounts for 70% of all government transactions. It has 41 million individual 'customers', and a further 5 million business customers. In 2014/2015, HMRC had to manage around 16 million inbound letters along with 50 million inbound calls (sending out 220 million communications). However, as with most government departments, HMRC has been looking to cut costs and become more efficient – using digital mailroom technology to focus on both.

EDM's solution was built around the firm's industry-leading secure digital mailroom production hubs. The solution was developed in EDM's industry-leading secure digital mailroom centre in Wolverhampton, where all HMRC post is securely opened, prepared and scanned. EDM uses a state-of-the-art range of intelligent data capture technologies to index and classify all correspondence and forms before presenting digital images and associated metadata in an agreed format for uploading directly to HMRC's digital document management repository and subsequent workflow. From there HMRC staff access and carry out business processes arising from each piece of correspondence.

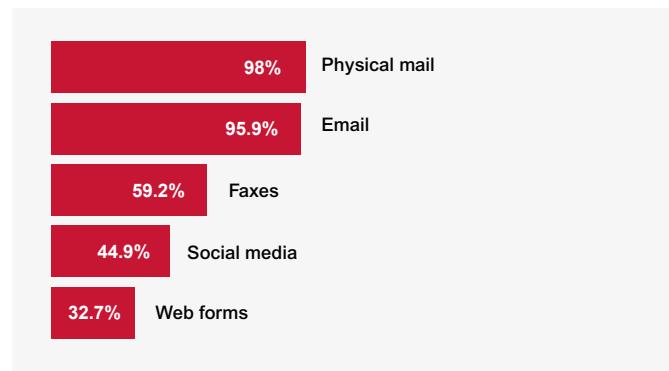
The EDM contract is part of HMRC's programme to transform how it deals with businesses and citizens via paper channels, helping HMRC to reduce post handling costs and improve its flexibility to meet demand through greater transparency and workflow. EDM's solution is enabling HMRC to track inbound correspondence online within days rather than weeks.

It is clear that data has become the fuel of today's digital economy, while customer behaviour is dictating the way they want to be communicated with. The substantial rise in the use of mobile devices, the development of apps and similar tools, and exponential growth in e-commerce traffic show just how powerful these trends have become.

As such, EDM ardently believes that automated mailrooms should be seen as a fundamental part of a digital transformation agenda that is increasingly being felt across the UK business landscape.

The majority of businesses in the UK are now undergoing a 'Digital Transformation' programme, and this will enable real opportunities to bring businesses closer to their customers. However, the problem with that is that it only addresses digital channels. If they do not solve data capture across every channel at the same time, they cannot achieve complete information. Ultimately the legacy channels, such as inbound mail, can become more and more expensive to service as they switch interaction from analogue to digital. And, as the research outlined above shows, a business' customers may take a very long time to move over.

Which of the following mail formats do you receive?



If a business can get data capture working like a well-oiled machine across every channel, with context, accuracy and speed, they can leverage closer relationships with customers, and improve efficiency – resulting in a more fluid organisation. More importantly they can create real competitive advantage.

This is not just digital transformation, this is business transformation.

Every organisation should capture data and documents from every channel of communication in real time as part of their digital transformation roadmap. Without this there is a significant risk of snail mail – and even email – preventing true digital transformation.

Summary

The unique research by EDM Group highlights the central role that digital mailrooms can play in a fast-evolving business landscape. While a number of firms in the UK are clearly already benefiting from this technology to some degree, it is clear that significant numbers are not – leaving them at risk of poor information management and at a steep competitive *disadvantage*.

This Insight paper has been published at a time when many UK firms are focused on how digital technologies can help transform and improve their businesses – not just make them more efficient and customer focused but also develop data-driven insights and meet increasingly strict regulations such as the General Data Protection Regulation (GDPR), which enters into application in May 2018.

Digital mailrooms are the bridge between the paper-based processes that companies will continue to deal with and the demands to digitally transform business models. Digital mailrooms are highly efficient, cost effective ways for businesses to digitise their customer communications – dramatically improving data capture and information management as well as customer service and compliance.

As indicated by regulations such as the GDPR, businesses need to get a lot smarter with regards to information and data – the risks of not doing so are becoming significant, including the real threat of financial and reputational losses. Digital mailrooms are the best way for businesses to meet these new demands and at the same time use digital information to become more competitive.

EDM Group

EDM is a leading provider of information and business process management services and a specialist in digital transformation technologies. The group operates digital mailrooms for a number of private and public sector organisations – from a pioneering position in 2004 and now processes in excess of 3 million mail items and 100 million digital images per month.

In EDM's view, organisations can achieve enormous cost-savings and business process improvements by digitising paper documents and incorporating them into a single, smart platform that can automate routing and decision-making.

Paper may never truly disappear, but by using the right technologies it can be easily absorbed into digitised processes alongside email, web forms and other communications formats – enabling organisations to reduce the risk of non-compliance through lost or misplaced documents.



Let us show you how to **digitally transform your business**.

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⁽¹⁾ 52 individuals surveyed in November 2016 via both online and telephone methodologies. Respondents were primarily facilities managers, customer services managers, purchasing/ procurement managers and operations managers. Most had roles encompassing a number of these disciplines