



Ricoh removes roadblock to help insurance provider go digital

Document Management Challenges

- High-cost, low-speed analog copier fleet
- 400 printers sitting dormant in warehouse
- Aging fleet of analog equipment and poor service from current hardware provider

This insurance company employs more than 18,000 people and works with a nationwide network of agents to serve more than 15 million customers. As the largest subsidiary of a multinational insurance powerhouse, it was encouraged to join a global procurement initiative that would consolidate sourcing and share providers to achieve better cost savings. Ricoh was chosen as the single provider.

The insurance company, however, was not eager to upgrade its existing fleet of analog copiers, and wanted instead to extend the current agreement one year. They believed an upgrade would increase their copying costs. Ricoh also discovered that the company had a backlog of printers originally purchased for resale to agents. These AS/400 “designed” laser printers weren’t selling because agents anticipated a move to Web-based printing applications. Plus, the printers had been sitting in the warehouse for almost a year, and they were quickly becoming outdated. To make matters worse, the company’s former document equipment supplier had no interest in relieving it of the backlog.

Accountants assumed the printers would be a significant loss. But they didn’t anticipate the creativity of Ricoh’s commitment to customer satisfaction. When Ricoh sales representatives visited the insurance company to discuss the new procurement strategy, they offered to buy the backlogged printers at cost, so the company would lose no money and be free to work with a new vendor. Next, Ricoh guided the company through a digital transition that ushered in higher productivity and lower document management costs.

Recommended Solution

- Perform DOCutivity® analysis to map workflow
- Install new digital multifunction products (MFPs)
- Integrate MFPs into a new e-Claims system

Ricoh initially started to perform a DOCutivity® analysis to find the right solutions for the insurance company. But the company had to move quickly, because a good portion of their equipment would automatically renew for one year if Ricoh did not replace it within eight weeks. So, Ricoh quickly delivered “like for like” replacements and then followed up with DOCutivity analysis after the replacements were installed.

Eventually, the analysis showed that per-page print costs were much higher than they needed to be. The analysis also showed that employees frequently sent documents via email and printed multiple copies of originals. However, the current fleet was designed for older, copier-based workflow. Ricoh showed the company how digital multifunction products (MFPs) that combined print/copy/fax functionality would be a smarter, more cost-effective choice, and how connecting these MFPs as network printers and shared high-volume fax systems would generate substantial cost savings. The company agreed, and Ricoh began a one-year project to replace 80% of its document management fleet at more than 130 service centers, branch claims offices, and legal offices.

During the analysis, Ricoh consultants also learned that the company was planning to implement an e-Claims process to reduce paperwork for claims adjusters. The printer backlog had been a roadblock to this solution as well. With the roadblock removed, Ricoh helped the company add scanning capabilities to the adjusters’ digital MFPs to duplicate and distribute claims more quickly.

CASE STUDY



Measurable Results

- Print costs reduced by \$0.025 per page
- More than \$0.03 per-page fax savings
- Increased productivity from faster digital equipment

The new Ricoh digital MFPs are beginning to demonstrate their cost-saving benefits, dropping document output costs to less than a penny per page — significantly lower than the \$0.035 the insurance company had been paying on its old printers. For faxing, the savings are even greater, down from \$0.04 per page to about \$0.01.

Employees find digital document production to be much more efficient. With the new e-Claims system, claims adjusters' productivity has skyrocketed, as they are able to process more claims in less time. For all employees, printing, faxing, and copying with Ricoh digital MFPs is much faster and translates into significant productivity increases across the board.

Dealing directly with a responsive document management vendor is also helping the insurance company envision future solutions. With e-Claims in place, it looks forward to implementing more productivity-enhancing solutions with Ricoh as a key partner.

For more information about Ricoh document management solutions, please visit www.ricohbusinesssolutions.com

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