

How to Ensure Your Organization's Mail Process is Compliant



Executive Summary



This white paper provides an overview of compliance for mail processing. It focuses on the role of document integrity (the secure and productive creation and processing of documents for mailing purposes) and explains how to achieve this.

The main points to note are:

- There are different types of document integrity
- Six key phases are involved when putting a document integrity system into place
- Choosing the right folder inserter and combining it with the right software is crucial
- Eight best practices can help you handle the implementation of a mail compliance solution
- Mail compliance can improve customer satisfaction and increase cost savings

CONTENT

Introduction	4
1. Different Levels of Document Integrity	5
2. Integrity with a Folder Inserter	6
3. Integrity with a Folder Inserter Combined with Software	7
4. 8 Best Practices in Mail Compliance	8
5. An Award-Winning Document Processing Solution	9

Introduction



Now more than ever organizations place a high value on ensuring their mail processes are compliant. This involves meeting regulations regarding the handling of data that often contains personal information. Regulations such as the *Sarbanes-Oxley* Act (for the accuracy of reported financial information) and *HIPAA* (The Health Insurance Portability Accountability Act) have led to the need for more security in mail processing.

Document integrity is particularly important in sectors such as financial services or the health sector where confidentiality is key. The various types of document integrity depend on the level of security required. Nevertheless there are some basic fundamentals that need to be addressed in order to obtain integrity throughout the entire mailing process. One of the most important things you need to understand is your folder inserter's capability to meet compliance regulations. This involves ensuring documents are assembled properly, the assembly process has integrity and the system can account for any variations in assembly.

1. Different Levels of Document Integrity

There are different levels of integrity. At the first and simplest level organizations can implement a system to instruct their folder inserter when to accumulate and when to insert a set of documents. This would mean that if Customer A was to get 3 pages we could tell the inserter to accumulate the first two pages and then insert all three pages when it sees an insert command. To get a higher level of integrity we need to determine if those pages actually belong to Customer A and that part of Customer B was not included. A higher level of document integrity means we can identify the document set that is being processed.

A breach of document integrity occurs when for example a page is not in the right order in a set of documents that is being inserted into envelopes. When a breach of document integrity is identified, the operator needs to be alerted so that he can take corrective action. The corrective action will often be restricted by the configuration and capabilities of the

folder inserter hardware being used. This is when true "Integrated Integrity" will set the hardware apart. This means a system should always know exactly where each mail piece is and not allow these mail pieces to be altered by hand.

As each module of the folder inserter processes a document it passes an electronic data packet (a unit of data made into a package that travels along a given path) relating to that document to the next module. Think of this as sending a letter to a colleague, and emailing him to let him know it is on its way. When he receives the letter, he adds a brochure to it and sends it on to another colleague. When he does so, he forwards your email with a note to say what he has done. By using this method the email is building up a history of the document and its attachments as it is sent through the mail. This is how the data packet builds a history of each document's secure progress through the folder inserter all the way into the envelope.



2. Integrity with a Folder Inserter

There are six key phases involved in putting a document integrity system into place for a folding and inserting machine. This process ensures that a document cannot leave a section of the folder inserter until it has been correctly processed (e.g. an insert added). This is an example of Integrated Integrity. Statistics are available per job (i.e. job name, quantity processed, date etc.). These statistics can be viewed on screen and manually noted as required.

1

As documents feed into the folder inserter system a Unique ID in the coded label on the documents is read and recorded by the folder inserter.

3

Each set of documents is then recorded at each and every step as the documents move through the system. This means you always know exactly where each and every set of documents is at all times.

4

Recording continues into the envelope. If the process is stopped and the set of documents is removed, this event is recorded and we still know exactly where each item is at all times. The set removed will show up in the data.

5

The folder inserter (which is connected to a postage meter) can communicate which set it is processing to the postage meter and the right postage or address is applied to the envelope.

6

All the completed envelopes are then stacked on the conveyor ready to go

2

Multiple pages for each recipient are assembled before being sent through the folder inserter.



3. Integrity with a Folder Inserter Combined with Software

If a fast verification capability is required to confirm that every piece of mail in your job has been processed accurately, known as “closed loop” integrity, software can be used to provide verification in real time. This means you can fully automate the process of ensuring that every document that is printed is in fact mailed. And you can search at a later date to prove it. This involves the following process:

1

The documents are generated by document output management software

2

Simultaneously, a list of the documents and processing details is generated

3

The documents are printed and fed into a folder inserter

4

The electronic list is updated as each document is inserted and verified to check it has made it securely onto the conveyor

5

A list of any missing documents or stoppages that are not able to be (or not desired to be) reconciled in the processing software is sent back to the originating software

6

Reprints are generated and the reprinted documents are fed back into the folder inserter

7

The process repeats itself until all documents are 100% correctly inserted and 100% verified against the electronic list or job allocation file

4. 8 Best Practices in Mail Compliance

The following guidelines will teach you how to handle compliance in the right way, ensuring you meet the required mail compliance regulations for your organization.

Understand Your Compliance Requirements

Regulatory compliance can be from the outside but it can also come from inside an organization. As Jannes Wiggerink, Strategic Marketing Manager, Document Systems at Neopost explains: *"You need to ask yourself 'Do I understand the rules to which I have to comply? And do I have the right processes, equipment and software solutions in place?'"* In the UK the banking sector for example outsources a lot of work to huge service providers who have over 100 operators processing up to 1 million envelopes per day.

These service providers have internal processes in place to keep things running smoothly and efficiently and ensure compliance with regulations from the financial services sector.

Adopt Closed Loop Mail Security

A "closed loop" approach enables organizations to verify that what is meant to happen, at each step of the folding inserting process, actually happens.

And if anything crashes or the operator needs to re-run the job, he can go back around the loop (each step of the process) until he is sure the job has been completed. As Kelly McManus, National Production Mail Sales Manager, Neopost USA, confirms: *"It is important for organizations to be able to verify that everything that needs to go out, actually goes out in the right envelope."*

Record What Goes into Envelopes

There is software available that enables organizations to verify how many pages and inserts have gone into each envelope. In addition there are ways to check that the right version of an insert has been included. Take a bank for example with a terms and conditions booklet that changes every month or every six months. It is possible to place a barcode on the booklet which is read by the machine to prove the right version has been sent to the right customer.



4. 8 Best Practices in Mail Compliance



Opt for High Performing Output Management Software

Output management software helps you get the most from your folder inserter. If you have to send a growing number of documents to your customers or if you need to add inserts to your communications, software can simplify, secure and centralize this type of document preparation. *“Full integrity involves preparing documents, adding barcodes to them, and also creating files that are used by other software to control the integrity of the job.”* confirms Nicolas Malen, Channel Development Manager at Neopost

Choose an Intelligent Folder Inserter

Many companies invest more in people than in their processes. As a result employees often spend many hours manually opening envelopes to check for errors. By combining your folder inserter with the right software you can benefit from real time information and statistics that will help you better manage your mail center. Investing in an intelligent folder inserter enables you to confirm that every piece of mail in your job has been processed accurately, enabling you to reduce the amount of time and money spent on manual tasks.

Handle Your Data in the Right Way

When you outsource your mail handling you need to find out how your data is going to be handled and as Barry Young, Business Development Manager, Production Mail at Neopost explains: *“This involves asking yourself the following questions: ‘Is the data sitting around? Is it filed or destroyed as soon as it has been used? What is involved in the processing of the data? Who has access to it? And what kind of inserter technology are we using?’”*

Keep Accurate Records of Your Mailings

When you handle your mail in-house the questions are the same as above but you also need to make sure you have the right mailing hardware and software to answer these questions. It's all about record keeping. So if anything is queried, you have the process to find the answer and are not struggling to know whether a document has been processed or not.

Understand the Mail Processes in Place

A lot of people have gone down the outsourcing route without actually checking the procedures that their service providers have in place. Therefore as Theo Theodorou, Export Business Development Manager at Neopost, points out: *“You need to find out if the organization that is handling your mail outsourcing has the same procedures in place as you would have if you were handling your mail processing in-house.”*

5. An Award-Winning Document Processing Solution

After outsourcing all of its notices and daily letters for years with mixed results, Affinity Plus Federal Credit Union in St. Paul, Minnesota in the U.S., decided to bring its document processing in-house to speed up customer statement distribution and reduce its operating expenses. This switch to in-house document processing started with a call to local technology and services provider Loffler Companies. Affinity Plus felt confident that Loffler's solution would help them meet their objectives, but they had no idea that the solution would ultimately help the firm win a best practices award.

Defining the Document Processing Need

Affinity Plus had been managing an increasing volume of documents and discovered that processing these 50,000-60,000 documents each month using a third party service provider resulted in delayed statement processing, increased call center volume and rising costs. Another issue that forced Affinity Plus to consider alternate solutions was its need to protect confidential member information beyond what could be provided by a third party provider. *"As a credit union we are mandated to maintain an extremely high level of security with whoever manages and has access to member information,"* says Keith Malbrue, COO of Affinity Plus. *"This was not easy to do with a third party provider and we knew this was unsustainable long term."*

Malbrue turned to Cary Tonne, Vice President of IT, to help find a solution. Tonne took a hard look at the complexity of Affinity Plus's electronic and print document processes, coupled with what he thought were excessive operating expenses.

Solution: An Intelligent High-Performing Production Folder Inserter

After careful research, Affinity Plus decided to work with Loffler Companies that developed a comprehensive strategy to address Affinity's needs. One of the first recommendations from Loffler was for Affinity Plus to bring statement processing, print production and mail operations in-house in order to improve the optimization and security of processing member statement documents. As part of this solution, Loffler recommended that Affinity Plus purchase and install a high-performing folder inserter system so that Affinity could streamline the entire member statement mailing processes. The folder inserter enabled Affinity Plus to process up to 12,000 envelopes per hour and its easy job configuration provided the credit union with the effective document processing throughput and security control the firm needed.



5. An Award-Winning Document Processing Solution

Improved Compliance, Customer Relations and Cost Savings

Since the implementation of the new statement processing solution featuring the intelligent production mail folder inserter, Affinity Plus members now receive their paper statements days earlier as they enter the mail within 24 hours of the beginning of a statement run. According to Tonne: *"Since bringing the process in-house, the number of calls we receive from members about their statements is a fraction of what it was, simply because they are receiving them so much quicker. In addition to improving our statement processing time and increasing security, the in-house process has helped us save more than \$750,000 a year."* Affinity Plus also has realized additional benefits as a result of implementing the new process. *"Regulatory compliance is no longer an issue. Despite constant regulatory changes, we can quickly and successfully answer an auditor's question in a much shorter time at a much lower cost than having to go through a third party,"* confirms Malbrue. Affinity Plus also gained the flexibility to quickly pull up letters that had been sent to customers, as well as reprint, process and mail documents as needed. In the past the organization did not have access to copies of its member letters since the third party maintained the documents. *"We can make changes on the fly* and respond to regulatory changes more quickly,"* says Malbrue. *"Now we can easily add and send communications to our members as needed. We have simply more control and flexibility, and that has helped us increase member satisfaction."*

*While a process is in operation

An Award-Winning Solution

Following this investment, Affinity Plus received a Best Practices Award from the Credit Union National Association (CUNA) Technology council in the U.S. This award recognized Affinity Plus's automated in-house statement solution that leveraged technology to move all statement and notice files from one system to another. As a result of winning this award a number of other credit unions have been inspired by Affinity Plus's lead to reduce costs, streamline processes and meet compliance regulations by bringing their statement and document production processing in-house.



Sources

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