

CASE STUDY: Demand and Production Optimization of Print Significantly Reduces Expense for Retail Banking System



Situation

One of the nation's leading diversified retail banks with over \$300 billion in assets and approximately 2,500 banking centers had a business strategy of providing a higher level of personalized customer service than their competitors. This helped make them one of the fastest-growing financial services companies in the country.

An initial analysis by Taylor Communications uncovered that no guidelines had been established for the frequency with which traditional documents and marketing materials could be ordered by the bank's internal departments and branches. This, coupled with restrictions on item quantities, resulted in 65% of departments placing orders more than once per week, which created unnecessary requisition costs and misuse of branch personnel resources.

Solution

In order to reduce expenses and improve efficiencies, Taylor Communications developed a framework to model customer demand, understand business drivers behind that demand, and provide recommendations of an optimized demand model and related benefits. After modeling usage pattern data on thousands of requisitions, Taylor Communications recommended new quantity restrictions based on actual user demand.

With a better understanding of demand and usage, Taylor Communications optimized production models and identified the most economical and efficient means to produce and distribute items. Print-on-demand and digital programs were recommended where appropriate to further reduce inventory and improve service levels.

Instead of merely fulfilling the quantities requested by our clients, Taylor Communications analyzed and identified economic order quantities for frequently used items such as jumbo rolls, transaction tickets and marketing materials.

Benefits

Taylor Communications reduced the bank's total cost of ownership of its documents by freeing up capital and increasing service levels through auto-ship programs. And, by controlling the frequency of orders and managing demand with weekly requisitions, order activity was reduced by 37% and requisition costs decreased by over \$300,000. Additionally, inventory value was reduced by 59% on high usage items. The new production models minimized freight charges, reduced pallet storage costs and improved service levels and ultimately reduced obsolescence by 23%.

Client:
Leading diversified national retail bank system

Market:
Financial Services

Services:

- Demand analysis
- Print management
- Print-on-demand and traditional print production
- Warehousing
- Distribution and logistics
- Usage reporting

Benefits:

- Significant reduction in total cost of ownership, from print production to storage and freight
- Reduced obsolescence by 23%
- Freed up access to capital
- Improved balance sheet
- Improved service levels to end users