

## Case Study

Mosaic Fulfilment Solutions  
Response handling and fulfilment  
Business Process Services

Leading UK fulfilment  
business partners with  
Ricoh to cut costs and  
transform service quality  
and business performance



As a result of its partnership with Ricoh and an innovative approach to some complex business challenges, Mosaic has transformed business operations and service efficiency, and delivered significant cost reductions to

its customers. Mosaic has even been able to enter and dominate a new line of business by orchestrating a shift in industry pricing.

## Executive summary

**Name:** Mosaic Fulfilment Solutions  
**Location:** York, Northeast England  
**Size:** 120 staff  
**Activity:** Response handling and fulfilment

### Challenges

- Managing integration and service improvement following business acquisition
- Managing expansion from electronic to paper-based response handling
- Reputation for poor accuracy in the response handling industry

### Solution

- Ricoh Business Process Service incorporating digital mailroom and Production Printing Services

### Benefits

- Opens up a new line of business and delivers dramatic competitive advantage
- Helps to deliver a major reduction in response-handling industry pricing
- Reduces costs for customers by up to 25%
- Significant improvement in data accuracy and service quality
- Helps charities build stronger, trust-based donor relationships
- Cuts time to process inbound and outbound correspondence from 10 to 2 days
- Delivers 93% automation by reducing a 12-person manual process to less than one person

### Challenges

Mosaic Fulfilment Solutions was set up in 2009 as an e-commerce fulfilment house offering two main services – a contact centre and warehousing. More recently, the Mosaic Group acquired a creative agency operating mainly in the not-for-profit sector, managing marketing and promotional campaigns to generate charity donations. A key operation for these campaigns is response handling – receiving, processing and replying to inbound letters; but it was being outsourced. Since Mosaic had a fulfilment operation in place, it made sense to bring this work in-house.

However, the challenge for Mosaic was changing from manual data capture to electronic. The process involved opening an envelope, capturing and processing the data off paper and handling donations either as a credit card payment, cheque, voucher, direct debit or even cash. Accuracy of data capture was also an ongoing issue for the industry generally. Added to this, was the huge number of responses that had to be processed, sometimes up to 40,000 letters a day.

Mosaic reviewed several suppliers, but decided to work with Ricoh, its existing print equipment supplier. Alastair Fell, IT and Operations Director at Mosaic, says, “We chose Ricoh because it had the benefit and resources of being a huge multinational corporation. Ricoh also had a very proactive interest in the challenge and in helping develop a solution. Also, we knew that paper-based response handling would involve a significant print requirement – something in which Ricoh has considerable experience and expertise.”

The project began with a proof of concept trial. Ricoh loaned the equipment, comprising an automatic letter opener, scanner and software. To justify investing in a full solution, the pilot needed to show it could reduce



exceeded Mosaic’s expectations. It managed to reduce the work of 12 people down to just less than one - a 93-percent automation rate. It was so successful that Mosaic was able to offer the customer an on-going contract with a 20 percent saving on usual costs.

### Solution

In partnership with Ricoh, Mosaic has built a secure post room and workflow environment, including post receipt and sort, post extraction and scanning rooms and a new digital print room. It is based on a Ricoh Business Process Service incorporating digital mailroom and Production Printing Services. The first part of the solution is a data processing and workflow system using Kofax software, which captures information from physical documents and turns it into digital data. It includes automated letter-opening equipment and scanners that read information from printed forms, handwriting, barcodes and cheques.

The system – which meets all charity and financial standards - can bank money directly to the customer and provide credit control and invoice production. It processes up to 1.8 million cheques a year with the capacity to handle up to 4 million.

Despite significant automation, some human intervention is still required, such as in the case of hard-to-read handwriting. Mosaic came up with an innovative idea to help increase efficiency and accuracy. Fell says, “We were paying for a full-time contact centre but only getting 60 percent productive time, so now we screen-pop validation work when agents aren’t busy on the phones. It’s made it a really cost efficient way of processing data.”

The other half of the solution was driven partly by the success of the inbound process and efficiency and cost benefit of having a single-supplier solution. This is a full print-on-demand and dynamic printing capability using a Ricoh Production Print solution, comprising print management software, colour and mono Ricoh digital print technology and automatic letter enclosing equipment. It takes processed data and uses it to print letters to individuals in response to their inbound letters. It handles a high volume of personalised print templates and enables Mosaic to output data dynamically, in real time.

### Benefits

The Ricoh and Mosaic response-handling solution has delivered significant benefits around cost reduction, service improvement and operational efficiency. One of the most significant benefits has been a dramatic increase in business. It has opened up a new line of business which now represents around 16 percent of Mosaic’s total revenue.

*continued overleaf*

## Case Study Mosaic Fulfilment Solutions

"Because of the efficiencies gained by the Ricoh solution, Mosaic has been able to be quite aggressive in the marketplace. There aren't many businesses that do this type of work and we've been very successful in acquiring work from competitors. Typically, they've got big legacy systems and haven't been able to get anywhere near our price point. I guess you could say, that with the help of the Ricoh solution, we've moved the industry price point, especially in the not-for-profit sector," says Fell.

Mosaic has been able to provide price cuts of up to 25 percent compared to typical industry costs. For example, Mosaic saw an opportunity to reduce post costs by sorting its own post. Letters going to a particular area - irrespective of job or client - are printed in the same batch. The Ricoh digital print technology removes the need to use pre-branded paper stock as it prints each individual letter and envelope with personalised data and client branding. Enclosing equipment - which handles 10,000 pieces of mail an hour - reads barcodes on every print item to ensure the right inserts in the right letter. It helps cut the cost of a second-class stamp from 37p to 25p; a saving which Mosaic shares with customers.

The solution is also delivering significant benefits to Mosaic's customers. "The response-handling industry has a bit of a reputation for being slow and inaccurate - a particular problem in the not-for-profit sector. Charities are really hot on the lifetime value of a supporter - today it's £10, but tomorrow it could be a £1m legacy. It's like a one-on-one relationship with a person's money going to someone in need. Supporter care is at the forefront of any charity, so eradicating errors and negative customer experiences is a big benefit," says Fell.

Processing times have also been reduced by the speed, efficiency and automated process of the new solution. Mosaic can now receive a letter, process the information and payment, and mail out a response in two days compared to the usual ten days.

Ricoh print technology also impacts people making donations, since outbound letters - especially for animal charities - can incorporate related images and branding, such as a picture of the type of animal they are sponsoring. It helps to strengthen the relationship between supporters and their chosen charity.

Visibility is another benefit for Mosaic customers. Every inbound and processed letter creates a digital image which is visible to the client. For example, if someone contacts a charity about their donation, the call handler can access the information via a portal and identify the issue - like a cheque with the wrong date or missing signature - immediately. This makes the process fully auditable and builds trust in Mosaic's quality of service.

Mosaic recognises that paper-based response handling may not be a long-term business. However, the new solution is highly scalable and can be adapted to work with other sectors and handle data from any source, whether that be current paper-based information or digital channels such as the web, SMS messages or email.

### Ricoh Solution/Products

- Kofax software
- Kodak Production Scanners
- Neopost Letter Openers
- Neopost Production Folder and Inserter
- PlanetPress print management software
- Ricoh Production Printers

Ricoh SP4510

Pro907EX

Ricoh Pro C9100

Ricoh Pro 8100S

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Alastair Fell, IT and Operations Director, Mosaic Fulfilment Solutions

