One of Minnesota’s largest credit unions seeks faster document processing

After outsourcing all of its statements, notices, tax notices and daily letters for years with mixed results, Affinity Plus Federal Credit Union in St. Paul, Minn., decided to bring its document processing in-house to speed-up customer statement distribution and reduce its operating expenses.

Another factor in its decision was Affinity Plus’ desire to maintain the high level of customer satisfaction it had earned over its 80 year history of serving more than 140,000 Minnesota community members. The organization had built a solid reputation by leveraging its differentiated customer experience and great value. This member-first philosophy has propelled Affinity Plus to become one of the state’s largest credit unions.

The switch to in-house document processing started with a call to local office 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. To Affinity Plus’ COO, Keith Malbrue and Cary Tonne, VP of IT, that was just icing on the cake.

Defining the need

Affinity Plus has been managing an increasing volume of documents each month as a large, fast-growing organization. Unfortunately, they discovered that processing those 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 service 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,” said Keith Malbrue, Affinity Plus’ COO. “This was not easy to do with a third-party provider and we knew this was unsustainable long-term.” Malbrue turned to his colleague, Cary Tonne, Vice President of IT and his team, to help find a solution to address all of these challenges. Tonne took a hard look at the complexity of Affinity Plus’ electronic and print document processes, coupled with what they thought were excessive operating expenses, and was resolved to finding a better solution to both.

About Affinity Plus

Affinity Plus Federal Credit Union is a not-for-profit cooperative that puts earning profits for members over financial gain for the organization. With 90% of profits returned to our members, Affinity Plus provides maximum value through competitive rates, minimal fees, and the most innovative products available. As one of the largest credit unions in Minnesota, with 24 branches located throughout the state, Affinity Plus defines itself differently than other financial institutions, viewing their mission to serve people as their highest priority. With over $2.3 billion in assets under management, Affinity Plus is based in St. Paul and is owned by over 140,000 members. Additional information is available at www.affinityplus.org.

About Loffler Companies

Loffler Companies is an independent professional services organization dedicated to providing superior digital office technologies and services. Loffler is a quality focused business communication company that offers a broad portfolio of technology, services and solutions. Loffler is a member of the Inc. 5000 Fastest Growing Companies in America list. For more information on Loffler, please email Gary Volbert at gvolbert@loffler.com or visit www.loffler.com.

Neopost USA and Loffler Companies Help Affinity Plus Achieve a 2010 CUNA Technology Council Best Practices Award.
services provider known for partnering with customers through every step of the process. After spending some time to understand Affinity Plus’ challenges, Loffler immediately developed a comprehensive strategy to address their needs.

LOFFLER RECOMMENDS A NEOPOST DS-1200 FOLDER / INSERTER
One of the first recommendations from Loffler was for Affinity Plus to bring statement processing, print production, and mail operations in-house 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 Neopost DS-1200 folder / inserter (from Neopost USA, Milford, Conn.), an intelligent, high-performance system, so that Affinity Plus could streamline the entire member statement mailing process. Loffler’s help, guidance, and on-site managed services through Loffler Management Solutions led to a successful transition in record time. Loffler Management Solutions stepped in to manage the statement production process for the first twelve months while the Affinity Plus team had the chance to learn and adopt the new process. The Affinity Plus team was quickly trained and soon mastered the DS-1200 with the combined help of Loffler and Neopost’s support team. The DS-1200’s modular design, ability to process 12,000 envelopes per hour and easy job configuration, provided Affinity Plus with the effective document processing throughput and security control the firm needed.

NEOPOST SOLUTION DELIVERS IMPROVED CUSTOMER RELATIONS AND COST SAVINGS
Since implementing the new statement processing solution featuring the Neopost DS-1200, Affinity Plus members now receive their paper statements days earlier because the statements enter the mail within 24 hours of a statement run beginning.

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.”

Added Malbrue, “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. Of course, this savings directly benefits our members. With the new process, another major benefit was that we did not have to hire additional staff to produce these results. And I believe our mail center employees feel more empowered seeing the results they deliver with the new process. The financial justification, coupled with a ROI of less than a year, made bringing our statement processing work in-house an easy decision.”

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,” stated 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, Affinity Plus did not have easy 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,” said Malbrue. “Now we can easily add and send communications to our members as needed. We have simply gained more control and flexibility, and that has helped us increase member satisfaction.”

LOFFLER AND NEOPOST DELIVER AWARD-WINNING SOLUTION
Keith Malbrue is the first to admit that Affinity Plus could not have pulled off this process change and technology automation initiative without the right set of partners. “Loffler and Neopost really delivered for us,” he said.

According to Gary Volbert, Director, Loffler Management Solutions & Marketing, the ingredients to success were a shared vision by all parties involved, and the ability to sustain great communications among all the key groups during the process. The combined effort by all parties helped Affinity Plus implement not just a solution, but an award-winning one.

In 2010, Affinity Plus received a Best Practices Award from the Credit Union National Association (CUNA) Technology Council at its annual convention. The CUNA Technology Council recognized Affinity Plus’ automated in-house statement solution that leveraged the latest technology to move all statement and notice files from one system to another. As a result of winning the award, a number of other credit unions have approached Affinity Plus to learn about its automated in-house statement solution and to possibly partner with them.

According to Affinity, a number of other credit unions are thinking about following Affinity Plus’ lead to reduce costs and streamline processes by bringing their statement and document production processing in-house. For Affinity Plus, Loffler and Neopost, it appears that imitation is the most sincere form of flattery.
AUTOMATED IN-HOUSE STATEMENT SOLUTION

After reviewing both internal and external solutions, Affinity Plus determined that an in-house solution would meet all identified criteria for success and best position Affinity Plus to enhance service to its members.

Overall Results

• Solution includes Loffler consulting and managed services, automating statement processing, multiple high-speed printers, modularized folder inserter hardware, and specific integration software that provides complete free form flexibility and customization for the data for presentation.

• Affinity Plus manages and oversees the complete process, from statement file run, deployment to e-statements, printing and folding/inserting, and hand off to the U.S. Postal Service®. Benefit to the Member.

• Statements process reduced timeframe of production and delivery to the member by an average of 50% for the month end and 33% for quarter end runs.

• Use of ‘jobs’ allows Affinity Plus to send readied statements at various times throughout the day to USPS® within hours of process kickoff. Member statements are in the mail system normally within 24 hours of the statement run.

Impact of the Organization

• Achieved cost savings of $750,000 in the first year by moving from an outsourced to in-house model.

• Risk and security position enhanced.

Impact of the Employees

• Member advisors can address member needs quicker and retrieve information from a centralized location.

• Each staff is empowered to halt the process immediately if they determine an issue is present that could adversely affect the member.

ABOUT THE CUNA TECHNOLOGY COUNCIL AWARD

The CUNA Technology Council award recognizes outstanding approaches to technology challenges with potential for universal application across the credit union movement. A panel comprised of CUNA Technology Council members selected the winners, based on strategy, process, application and results, without regard to credit union asset size.

Credit union technology professionals know that finding the right solution to a problem or situation often starts with understanding and developing the best approach to accomplish those issues. While there may be no right way or wrong way to face a technology challenge, there is most certainly a BEST way! To create its award-winning best practice, Affinity Plus turned to Neopost USA to develop an innovative technology solution that improved service to members and reduced costs.

Identifying these new approaches and recognizing their universal application to credit unions nationwide is the purpose of the CUNA Technology Council’s Best Practices Forum.