

SUCCESS STORY

U.S. BANK — FARGO, NORTH DAKOTA



CUSTOMER

U.S. Bank is a subsidiary of U.S. Bancorp, the sixth largest financial services holding company in the U.S. The company operates 2,316 banking offices and 4,472 ATMs, and provides a comprehensive line of financial services to consumers, businesses and institutions. U.S. Bank issues nearly 11 million credit, debit and ATM cards annually from its card operations center in Fargo, North Dakota.

CHALLENGE

U.S. Bank employed a three-step card delivery process that integrated legacy equipment and was limiting one-to-one marketing opportunities. The various steps included forms printing, card insertion, mail package assembly and metering. The process was labor intensive, plus it afforded little opportunity to print or deliver customized messages to cardholders.

SOLUTION

U.S. Bank integrated three steps into one and added powerful new one-to-one marketing capabilities. The company replaced three card delivery systems and two inserting systems with two Datacard® C3000 card delivery systems. Datacard Group offers the C3000 system in cooperation with Otto Künnecke, a market leader and true innovator in document handling.

RESULTS

U.S. Bank has measurably increased productivity and real throughput in its Fargo card operations center. Just as important, it has created new one-to-one marketing opportunities for its own marketing staff and for its many co-branding and co-marketing partners.



Otto Künnecke
Mail Processing Systems

How a productivity problem became a marketing opportunity

Jim Johnson, vice president of underwriting services and card issuance for U.S. Bank, knew it was time to re-engineer the three-step card delivery process in the Fargo card operations center. Printing hundreds of different forms, storing them in inventory and then using multiple machines for variable printing, card insertion, assembly and metering was inefficient—especially given the new card delivery technologies available today.

After reviewing his alternatives, Johnson chose two Datacard® C3000 card delivery systems, which ultimately would measurably improve his real throughput. While Johnson expected significant productivity gains, the impact on the overall cardholder experience—through cleaner, more attractive card carrier forms—was a true eye-opener, as was the system's ability to print special offers, coupons, certificates and other one-to-one marketing messages.

“Historically, people think of operations putting the brakes on when marketing executives propose new card marketing ideas,” Johnson said. “But in this case, the operations team initiated the idea. The result was an incredibly productive collaboration between operations and marketing.”

The power of one-to-one marketing

The two new Datacard C3000 card delivery systems allow U.S. Bank—and its co-marketing partners—to print highly personalized messages on card carrier forms without slowing the card delivery process. This capability supports U.S. Bank's commitment to making the customer experience more personal and satisfying for U.S. Bank cardholders. The data used to drive the card personalization process is modified slightly and sent to the Datacard C3000 system, where high-speed laser printers can add customized text to card carriers. Messages range from balance transfer offers and card usage incentives to perforated coupons and certificates from merchants and co-marketing partners.

“For now, most of the messaging we print is customized text,” Johnson said. “But the quality and speed of the laser printers also allow us to add logos and other more complex graphics as part of the inline process. We plan to take advantage of these capabilities soon.”

In addition to printing personalized messages, the Datacard C3000 system offers selective inserting, which allows for more targeted demographic marketing.

Realizing the full marketing potential

Johnson believes U.S. Bank is just scratching the surface when it comes to new marketing ideas. With the data-driven printing process, U.S. Bank could provide individual cardholders with information and offers specific to their lifestyle, their brand preferences and their immediate financial needs.

“We will achieve even higher levels of personalized service and customized messaging in the future, which will be a win-win for U.S. Bank and our cardholders,” he said. “But for now, the basic ability to communicate one-to-one with cardholders with personalized text has opened enough new avenues for us to explore.”

Productivity leaps nearly 30 percent

The previous three-step card delivery process allowed U.S. Bank to issue 2,100 forms per hour, depending upon run size and other factors. Creating one integrated process, along with the ability to create larger job sizes, has pushed throughput to 2,700 forms per hour.

“In addition to pure speed, there are many little things that have a large cumulative effect on productivity,” Johnson said. “For example, we used to manually search for cards that needed to be pulled from production for rush delivery. Now, that process is fully automated, so there are no delays or interruptions.”

Johnson said that moving from five systems to two Datacard® branded systems has simplified service and maintenance. “On-site Datacard technicians can service all of our systems now. That makes life much easier and it has greatly reduced our maintenance costs,” he said.

Lower costs, better mailings

The high-quality laser printing capabilities of the Datacard C3000 system also contribute to reduced forms inventories for U.S. Bank. Johnson's team now prints and stores fewer forms, then uses inline laser printing to differentiate them.

“The system affixes cards with adhesive, rather than inserting them into slits or holes,” Johnson said. “So our card forms are cleaner and more attractive. Plus, because we can affix multiple cards to each form—and use lighter weight cut-sheet paper with duplex printing—we have greatly reduced postage costs.

“In fact, with duplex laser printing, we have been able to consolidate multiple mailings into one. Instead of mailing terms and conditions out separately, for example, we can print them on the back of the form,” Johnson said.

“Scary, but incredibly rewarding”

Re-engineering the infrastructure for an operation that issues nearly 11 million cards annually presents some challenges. In fact, Johnson saw it as being “a little scary.”

“But this has been an incredibly rewarding experience for us by any measure,” Johnson said. “Obviously, we've improved our speed to market, increased productivity and reduced mailing costs, which are critical metrics. But just as important, introducing the new technology has boosted the morale of our operators and it has resulted in great collaboration between marketing and operations.”

DatacardGroup

SECURE ID AND CARD PERSONALIZATION SOLUTIONS