



# A 15-MINUTE GUIDE TO BEST PRACTICES IN MULTICHANNEL CORRESPONDENCE MANAGEMENT

15-MINUTE GUIDE

**EMC<sup>2</sup>**  
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# FORWARD

As a business professional, you know time is a precious commodity. You constantly need to distill new concepts, evaluate options, and implement complex strategies to reach current and potential customers. When you need information, you want it in a form that can be assimilated quickly—forget the mind-numbing detail and get to the point.

With that in mind, we’ve developed a series of 15-minute guides for essential topics in customer communications management. This particular guide focuses on creating and delivering highly personalized customer correspondence using easy-to-use software that automates the entire process. In about 15 minutes, we’ll examine the different types of correspondence, challenges and best practices, the role of content and data management, various delivery options, and what to look for in a solution.

Whether your business is financial services, banking, insurance, healthcare, government, or any other field that significantly relies on customer correspondence, we believe this guide will change the way you view your current methods. And we think you’ll agree that it’s 15 minutes well spent.

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## MEETING THE CHALLENGE OF CUSTOMER EXPERIENCE IN THE INTERNET AGE:

Corporations, government agencies, and nonprofit organizations communicate regularly with their customers and constituents, most commonly in the form of correspondence. Historically, most correspondence has been produced in the form of printed letters and other materials sent via postal mail. Since the onset of the Internet age, we have witnessed a continuing and rapid shift in customer preference to using electronic communications. In the past couple of years this trend has accelerated to the extent that it has become mandatory for organizations to communicate with their customers and constituents through multiple channels—by telephone, through printed materials, and electronically via the web and e-mail.

Today multichannel correspondence can be a major differentiator and a critical factor in customer satisfaction and the associated loyalty that comes with it. Soon it will become a must-have for any business seeking to retain current customers and connect with new ones—particularly the younger generation who have been raised on receiving communications in electronic format. Organizations that fail to develop an effective multichannel correspondence infrastructure will likely experience a dramatic increase in customer turnover and dissatisfaction as a result.

A study<sup>1</sup> by Aite Group, a financial services research and advisory firm, found that as customers demand options like paperless communication through websites, e-mail, and mobile devices, companies must adopt superior correspondence tools and fulfill these new requirements in order to remain competitive.

Ceridian Corporation, a \$1.7 billion information services organization, increased customer satisfaction by 20 percent due to 1:1 document personalization and improved document appearance.

“Buying or building for today’s paper world is using an insufficient set of requirements,” the study noted. “Solutions need to be flexible enough to output correspondence anywhere, in any delivery mechanism.”

Personalization and customization are also key factors in keeping current customers and reaching new ones. In addition to supporting whatever delivery channels customers want, the information must speak to them as individual consumers with individual tastes, desires, needs, and requirements. The Aite Group study also reported that 70 percent of technology executives in financial services agreed and consider the ability to customize correspondence down to individual sections of text as a key requirement.

Dependence on paper is not unique to the financial services industry. A study<sup>2</sup> by the research and advisory firm Celent found that insurance companies are also still bound by traditional paper-based processes.

“Although the industry is slowly progressing toward a less paper-intensive workflow,” the study noted, “the majority of incoming and outgoing communication in most stages of the insurance life cycle is still paper-based.”

Clearly organizations are challenged to migrate to this new environment of customer expectations. As multichannel correspondence delivery options increasingly become the norm, successful businesses must seek out solutions to address the chasm in their organizational needs.

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<sup>1</sup> Managed Customer Correspondence for Financial Services—A Clear Differentiator, Aite Group, December 2007.

<sup>2</sup> Document Automation Solution Vendors for Insurers 2007, Celent, December 2007.

# WHY IS ELECTRONIC MULTICHANNEL CORRESPONDENCE BECOMING MORE ATTRACTIVE TO TODAY'S CUSTOMERS?

## TAKING STOCK OF THE CORRESPONDENCE CONTINUUM

It's important to understand the different types of correspondence that exist to get a sense of what your customers and prospects are seeking from you. At the same time, the factors contributing to the shift from paper to electronic correspondence will help you better understand customer expectations.

## TYPES OF CUSTOMER CORRESPONDENCE

Correspondence can generally be divided into three main categories:

- **Public**—These types of communications are informational messages that contain public announcements and, thus, there is little security concern about them. Examples include promotional materials, informational newsletters, public announcements, regulatory notices, community outreach efforts, and so forth.
- **Private**—These pieces are personalized communications with content that is private but not damaging if it falls in the wrong hands. Examples include customer service letters, account updates, policy notifications, agent communications, renewal notices, termination letters, registration information, and so on.
- **Secure**—These personalized communications include delicate content that must be secured to ensure that it is read only by the intended recipient. Examples include account information, passwords and PIN details, medical records and test results, legal warrants, statements, accident and medical claims, explanation of benefits, stock purchase confirmations, and other highly sensitive individual-specific content.

A study by EDSF found that a growing number of firms now deliver 50 percent or more of their documents exclusively in electronic format.

## FROM PAPER TO ELECTRONIC CORRESPONDENCE

Traditionally, organizations have sent all three types of correspondence—public, private, and secure—through postal mail. While a certain segment of the consumer population still prefers postal delivery of printed communications, the trend has undeniably been toward electronic communications.

A study<sup>3</sup> by The Electronic Document Systems Foundation found that a growing number of firms that make significant use of document communications in their business processes now deliver 50 percent or more of their documents exclusively in electronic format. Several factors have contributed to accelerating this trend, particularly:

- **Customer experience**—Due to the preeminence of Web-based interactions, social computing, mobile communications, and other advances in technology, a large percentage of customers have become much more comfortable with the electronic lifestyle. In fact, many customers now demand electronic communications over other means because they are more interactive and immediate, rather than one-way and delayed.
- **Cost**—Postal delivery of letters is expensive. Add in printing costs, particularly for high-quality, full-color materials, and you have a considerably costly means for communicating with customers.

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<sup>3</sup> Document Communications Industry Trends: 2008 Survey Results, The Electronic Document Systems Foundation.



- **Efficiency**—Postal delivery is slow. Customer expectations in the age of the Internet have shifted dramatically toward immediate, realtime communications, whether by mobile phones or electronic delivery.
- **Environmental concerns**—No matter how much printing has improved, it is still the case that producing paper and printing are environmentally damaging operations. Because of these factors and others, most organizations are migrating to electronic correspondence. These have taken the form of e-mail, Web-based messages, and, more recently, short message service (SMS).

## WHAT HAVE WE LEARNED SO FAR FROM ATTEMPTS AT IMPLEMENTING ELECTRONIC CORRESPONDENCE?

### PITFALLS WITH MULTICHANNEL CORRESPONDENCE MANAGEMENT

As illustrated above, most organizations now offer customers electronic communications, in some cases almost exclusively. However, in their rush to modernize existing customer communications infrastructure, many organizations unfortunately created new problems. Two major concerns overshadow all others when it comes to electronic communications:

- **Disparate infrastructures**—Most organizations established a separate infrastructure for their electronic correspondence that is distinct from their print infrastructure. These disparate infrastructures represent a serious problem with respect to cost, maintenance, and control of content and business rules. This explains why the e-mail and other electronic correspondence we receive from many organizations are often significantly different from the printed materials in terms of branding, consistency of language, and formatting.
- **Security**—It has always been the assumption that mailboxes and postal delivery are secure. Unfortunately, they have never been completely secure. Issues such as identity theft and access to private information involving electronic communications as well as postal mail have increased security concerns.

In addition to these two major concerns, various other challenges still plague most multichannel correspondence management initiatives, including the ability to provide timely and relevant promotional offers, inconsistent brand experience, and the overall personalization of content.

### OVERCOMING CHALLENGES VIA A UNIFIED INFRASTRUCTURE SOLUTION

Progressive organizations have succeeded in overcoming the pitfalls of multichannel correspondence management by implementing a unified correspondence infrastructure that not only meets the expectations of their increasingly demanding customers but also reduces costs, error rates, and security vulnerabilities.

Addressing infrastructure pitfalls has also enabled progressive organizations to overcome many of the other challenges commonly associated with electronic communications to provide their customers with pertinent promotional offers, consistent brand experience, and superior content personalization.

## WHAT ARE THE KEY REQUIREMENTS OF A UNIFIED MULTICHANNEL CORRESPONDENCE INFRASTRUCTURE?

### THE NEED FOR A UNIFIED INFRASTRUCTURE

The best practice for multichannel correspondence management is to build a unified infrastructure capable of handling print output needs in addition to electronic document generation and delivery needs. Such a correspondence management platform must provide four major capabilities: unified content and data management, flexible document template design, highly scalable document generation integrated with business process management, and secure document archiving.

- **Unified content and data management**—A significant portion of correspondence is highly regulated, both in terms of content and branding. To ensure conformance to regulations and branding consistency, the content that comprises correspondence must be managed centrally and stored in a logical structure that is easily navigable, searchable, versioned, styled, and approved for use. This managed content includes text, images, logos, signatures, attachments, and so on. In addition to managing content, the customer data that drives the personalization and customization of content must be cleansed, segmented, and mined to extract relevant customer information that can be used to personalize and customize correspondence as much as possible.
- **Easy document template design**—When a company sends thousands or millions of customers personalized letters that contain specific information and content, it does so by using document personalization software. Such software provides design tools for creating document templates that can be merged with customer data to produce the large volume of correspondence. In essence, a single document template is used to produce thousands or millions of unique instances. The way this happens is by incorporating into the document template variables and rules that instruct the software which content to include and how to personalize this content based on customer data. The most flexible means of designing these document templates is to enable variability and dynamism from within widely used content authoring tools such as those from Microsoft and Adobe.
- **Process-centered document generation and revision**—The heart of a correspondence management infrastructure is the document generation engine and the three main tasks it performs: content assembly, document composition and formatting, and document distribution. But to fully address the requirements of a modern, Internet-enabled infrastructure, the document generation engine must be tightly integrated with the organization's business process management infrastructure. This enables the production of personalized and customized communications from within an automated business process, ensuring timeliness, relevance, and adherence to business rules. In addition, the document generation software has to provide document editing capabilities for dynamic correspondence that must be revised in either controlled, predefined ways or in ad hoc ways if the situation warrants.
- **Secure document archiving**—Every important correspondence sent to a customer or constituent must be archived for legal and regulatory reasons as well as for customer service reasons. Therefore, the document generation engine must be able to produce documents in the desired format and with the right metadata to enable storing of documents, applying records management policies that determine who can retrieve them and how, and retention policies that dictate how long to keep the documents in the archive.

## WHAT SIGNIFICANT CUSTOMER SECURITY ISSUES ARE IMPACTED BY ELECTRONIC CORRESPONDENCE?

### HOW TO DELIVER ELECTRONIC CORRESPONDENCE

Assuming an organization is pursuing a correspondence management infrastructure, a crucial decision remains to be made: How do you deliver the various kinds of electronic correspondence in the most effective and secure manner possible? The best practices around this can be summarized in three ways:

- **Informational messages**—It makes the most sense to send informational messages as rich HTML e-mail with links to additional content that can be viewed on the public website of the company. SMS messages can be viewed as a special case of a plain text document that is delivered to a mobile device instead of to an e-mail Inbox. SMS messages would include links for additional information.
- **Private communications**—A variety of mechanisms may be deployed for communications that need to be highly secure. The most popular mechanism is to send rich HTML e-mail with the content in the message body itself. However, there are cons against sending HTML e-mail. Most important among these are image blocking and spam fi lters. Image blocking can be counteracted by sending multipart e-mail with HTML and plain text so that the plain text can be chosen in case the customer's e-mail provider blocks images. Spam fi lters can be overcome by personalizing the subject line, limiting the use of images, and using alt tags on images. These techniques work well when the e-mail is sent as a notice with a link to content rather than the content being embedded in the e-mail message itself. Of note, some companies send communications that require more advanced layout or specific print needs as PDF attachments.
- **Secure private communications**—Depending on the security level that a company desires, secure private communications might vary. Many companies send private communications as HTML e-mail messages and provide the content in the body of the message. The most secure mechanism, however, is to send a noti fi cation alert as rich HTML e-mail with links to a personalized and secure landing page. The customer must provide authentication in this personalized web landing page, after which he or she can retrieve the private communication by clicking on a link on the web page. The secure communication can then be displayed either as HTML or downloaded as a PDF, depending on the nature of the communication. For example, it makes the most sense to retrieve a monthly statement as a PDF, while a simple message can be displayed as HTML on the web page. To ensure even more security, the PDF fi les can be encrypted and locked by a password that the customer must type in to unlock and display the contents.

## WHAT TYPE OF SOLUTION WILL ENABLE EFFECTIVE AND EFFICIENT CUSTOMER CORRESPONDENCE?

### A WAY FORWARD: CUSTOMER COMMUNICATIONS MANAGEMENT

Customer communications management software enables organizations to quickly produce highly personalized and cost-effective correspondence on demand, interactively, and in high-volume batch for delivery via print, e-mail, and/or web. It also ensures the use of consistent, relevant, and approved content by combining variable data with digital assets through powerful document assembly logic, providing organizations with the ability to reach the right customer with the right message in the right format.

When selecting customer communications management software, there are important items to consider: design tools, e-delivery capabilities, and document assembly.

### FIT-FOR-PURPOSE DESIGN TOOLS

Producing high volumes of consistent and professional looking customer-facing correspondence has often been viewed as a time-consuming process. While the widespread use of Microsoft Office and Adobe document authoring tools provide every user with the means to quickly create customer-facing documents manually, the ability to personalize and customize them for thousands or millions of recipients at a time can be a tremendous challenge, if not an impossible task. In addition, employing such tools for producing customer-facing communications in a distributed and uncontrolled environment can often result in the use of unauthorized or improperly managed assets, inconsistent branding, compliance issues, and unnecessary risk.

The solution therefore lies in employing the familiarity and productivity of popular desktop document authoring tools such as Microsoft Word, Adobe InDesign, and Adobe Dreamweaver to reduce learning curves and increase adoption rates, combined with the control and performance of customer communications management software to dynamically generate high volumes of personalized and customized correspondence. The resulting output can be generated on demand in real time or queued for high-volume batch production and distributed via print, e-mail, web, and/or archive.

Customer communications management software enables users to quickly create well-designed, customer-facing communications via easy-to-use design tools and document templates, while at the same time provide a sophisticated layer of control over the entire document generation process. In addition, the software would employ intelligent, rule-based logic to automatically customize each document for each recipient, producing unparalleled 1:1 customer correspondence.

### E-DELIVERY CAPABILITIES

With the right customer communications management software, you can similarly produce highly personalized e-mail communications that engage customers without incurring the cost of print and mail distribution. For example, today's customer communications management software enables organizations to quickly create and deploy graphically rich HTML e-mail and Web landing pages, speeding time to market and connecting customer needs with relevant information via personalized extensions to secure web portals. The use of customer communications management software ensures brand consistency by combining variable data with approved content and digital assets driven by powerful assembly logic.

By implementing a sophisticated customer communications management solution, Genworth Financial reduced the number of its retirement documents by 21 percent and its forms by 87 percent.



For Web-based correspondence, the best option is software that includes a set of powerful design tools that enable the rapid creation of electronic correspondence. In addition, an intuitive design interface will enable compliance with today's stringent regulatory requirements, apply jurisdictions and effective dates, add and remove specific content, and include dynamic charts and graphs.

Moreover, implementing customer communications management software that provides an open and familiar design environment can simplify the development

**“Not only has document quality improved with EMC Document Sciences, we’ve been able to grow our application volumes over 20 percent each year, without increasing our IT staff.”**

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process for business users and reduce the role of IT in maintaining documents. From accessing centrally controlled content to editing and tracking changes across multiple versions, the use of customer communications management software will enable you to produce more documents in less time than previous methods.

#### **DYNAMIC DOCUMENT ASSEMBLY COMPONENTS**

In addition to selecting an intuitive and easy-to-use design tool for developing the document templates, you'll also need a highly scalable and robust document generation engine capable of dynamically generating thousands or even millions of unique personalized, multichannel correspondence based on these templates.

Two sets of components will comprise a server-based document generation engine capable of delivering high volumes of realtime personalized correspondence for print, e-mail, and web delivery publishing components and infrastructure components.

To be effective and future proof, the publishing components will need to include:

- A robust rules engine that executes business logic for selecting content and images from multiple types of sources—including customer relationship management systems, relational databases, flat files, and/or enterprise content management systems—based on customer data to quickly create customized documents.
- A sophisticated document composition engine that composes and formats documents as well as produces a broad set of electronic and print output formats, including PDF, HTML, AFP, PostScript, PCL, and plain text.
- A highly scalable, robust engine for quickly running high-volume batch document production processes

## A CUSTOMER CORRESPONDENCE MANAGEMENT BEST PRACTICE

### DIVERSIFIED FINANCIAL SERVICES FIRM SAVES OVER \$20 MILLION BY REDUCING CORRESPONDENCE COST BY MORE THAN 95 PERCENT

Founded in the 1800s, this Fortune 100 company is one of the world's largest financial services firms, with operations in more than 100 countries worldwide. The company offers a diverse range of services, including charge cards, credit cards, travel services, brokerage services, mutual funds, insurance, and other investment products.

With such a large customer base and diversity of service offerings, correspondence is a critical customer touchpoint for the company. In servicing its customers and their accounts, the company sends out hundreds of millions of letters each year. These include not only printed and mailed correspondence, but an increasing volume of e-mail correspondence. With such demanding requirements, the company required a flexible infrastructure that could efficiently generate high volumes of correspondence with good performance and reliability. In addition, the company required a system that could provide flexibility for the individual lines of business in designing and creating high-quality correspondence for delivery through multiple distribution channels.

#### THE CHALLENGE

As of the late 1990s, the company was using an outdated, homegrown system for its correspondence generation. This system was generating up to 40,000 letters per month, based on about 5,000 letter templates. This approach had a number of limitations. For example, the original homegrown system had:

- **Poor performance and central processing unit (CPU) utilization for correspondence composition jobs.** This created a severe impact on the company's computing resources. The company calculated costs of 43 cents per letter in CPU time.
- **The ability to design and generate only simple text-based letters.** The system was limited in its ability to produce more complex documents that required optional paragraphs, more graphical layouts, or other elements that would provide additional personalization within the correspondence. Thus, the company was missing out on opportunities for branding, marketing, and fostering customer loyalty.
- **No ability to generate realtime, on-demand print or e-mail correspondence.** The system was designed for batch print only.
- **A lack of flexibility that made it difficult to address the diversity of correspondence applications across the organization.** While the system was generating significant volumes for particular correspondence types, some lines of business were using separate correspondence utilities and letter-writing programs. Thus, the company was supporting multiple, disparate systems with redundant functionality. In fact, there were at least six other letter-creation solutions in use within the company.

Given these challenges, the company developed a strategy to create a standard platform for correspondence composition throughout the company and began searching for a software solution as the composition engine for the utility.

#### THE SOLUTION

After reviewing the document composition software packages from a number of vendors, the company selected the xPression® customer communications and correspondence management solution platform from EMC Document Sciences. The company implemented the solution and used it to produce about 9 million documents in the first year.

As a result of implementing a customer communications management solution, the cost of generating a single customer communication dropped from more than 43 cents to as low as one cent.

Using the correspondence management solution, the company was able to build a standard document composition platform that could be used by various lines of business for multiple correspondence applications. This approach simplified life for the IT group, which now has a standard service for the design, composition, and generation of any type of customer correspondence for any department within the organization.

Since implementing the software, correspondence volumes have increased dramatically. Five years ago, volumes were approximately 3 million documents per month—all distributed via traditional print channels. Today print volumes have remained unchanged, while e-mail volumes have exploded to about 8 million pieces per month. Thus, the new system not only supported volume increases but allowed the company to begin decommissioning other outdated letter-writing utilities and move those volumes over to the new platform and support the drive for more cost-effective communications.

As part of its software implementation, the company took the opportunity to implement process improvements as well. For example, the company reevaluated its use of templates and forms and was able to reduce the number of templates by 68 percent (from 5,000 to less than 1,600). The ability of the new solution to incorporate variables and dynamic content helped to dramatically reduce the number of templates.

#### **BENEFITS AND BUSINESS IMPACT**

Using the new customer communications management solution, the company derived a number of hard benefits, including the following:

- **Per letter generation cost dropped from more than 43 cents per letter down to as low as 1 cent per letter (not including postage).** This savings was due in large part to the new solution's performance and reduced CPU usage compared with the previous system.
- **The company has been able to decommission other letter-writing utilities, reducing associated maintenance costs.** When the company first implemented the new software to replace its homegrown solution, at least six other correspondence solutions were in use. Over time, these systems have been progressively decommissioned and migrated over to the common solution. For example, by retiring its prior system for correspondence and migrating to the new platform, the company estimated it saved \$6 million in the first year in maintenance, time, and other costs. A similar retirement process currently underway on another system is expected to save \$2 to \$3 million in the first year.
- **Additional engineering costs are avoided as new applications are brought onto the new correspondence platform.** Overall the company estimates that the new solution has saved \$15 million in reengineering costs that would have gone toward developing or sourcing other composition solutions.

## CONCLUSION

### EMC DOCUMENT SCIENCES SOLUTION FOR CORRESPONDENCE MANAGEMENT

The award-winning, highly acclaimed xPression software suite from EMC Document Sciences addresses all of the multichannel correspondence challenges outlined in this guide. xPression enables organizations to automate the creation and delivery of highly personalized, interactive correspondence on demand and in high-volume batch for delivery via print, web, e-mail, and/or archive. It seamlessly integrates with existing corporate infrastructures and uses familiar authoring and design tools from Microsoft and Adobe. xPression is everything progressive organizations need to drive customer loyalty through superior correspondence management. For more information, please visit [www.docscience.com/xpression](http://www.docscience.com/xpression).

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To learn more about how EMC products, services, and solutions help solve your business and IT challenges, contact your local representative or authorized reseller—or visit us at [www.EMC.com](http://www.EMC.com).

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