

# Fiserv Output Solutions: Continuous Investment Yields Quality Results

## BEST PRACTICES ASSESSMENT OVERVIEW

Corporate print service divisions that produce customer communications documents are continually looking to streamline processes and improve production controls to better manage and reduce costs. In our Best Practices Assessment (BPA), Madison Advisors examines best practices of enterprise document service operations and for-profit service providers. This quantitative assessment utilizes over 700 data points in the areas of cost, technology, operations and strategy to measure activities at each facility. By examining each participating organization's scores against the group scores, Madison Advisors provides objective insight into how the operations and practices of each individual participant compare to the industry at large.

In the BPA, Madison Advisors examines processes related to the composition of paper-based and electronic documents, recognizing both as critical to virtually every business regardless of size, industry or vertical focus. In our assessment of processes supporting the production of paper, we remain mindful that for many applications, physical documents remain the vital link between key business processes and also between corporations and their clients. While consumer adoption of emerging options for electronic delivery is steadily increasing, Madison Advisors' research shows that paper documents continue to be a primary communication delivery channel. A major premise of our research is that the growing acceptance of electronically delivered documents will not eliminate the need for continued maintenance and enhancement of hardcopy delivery systems but, over time, will reduce the volumes supported. Both types of delivery channels will be required to support world-class customer communications for the foreseeable future.

## FISERV IS A LEADER

Fiserv Output Solutions ("Fiserv") is one of the leading providers in the print service provider (PSP) segment.

As the highest volume 3rd-party first-class mailer by envelope count in the United States, Fiserv has the processes and procedures to securely mail over 9 million mail pieces each day. Fiserv technology has defined the standard for a high-quality print to mail provider and supports market leaders across financial services, healthcare, insurance, telecommunications and utilities verticals.

## FISERV OVERALL BPA SCORES

Fiserv engaged Madison Advisors to evaluate its Houston, Texas and Omaha, Nebraska, operations through the BPA process. As shown in the chart below, both the Houston and Omaha facilities scored 19% higher than other PSPs and 27% higher than enterprise in-house print operations that have participated in the BPA. The Houston and Omaha sites scored nearly identical to each other. Fiserv has ensured that all its facilities utilize the same systems and processes in order to provide consistent quality across the company. This common operating environment enables business continuity, load balancing and document fidelity across the sites to deliver consistent color and quality regardless of the source, all while maintaining service level agreements.

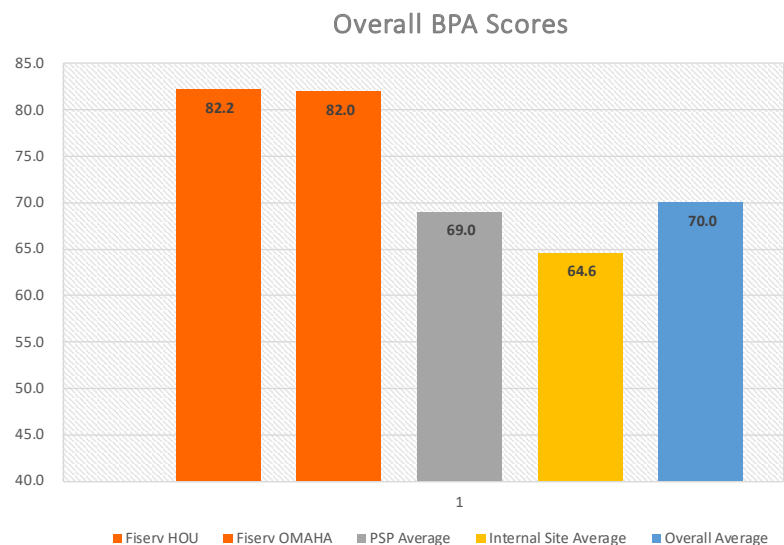


Figure 1 – Fiserv Sites vs. BPA Averages

## CONTINUAL INVESTMENT IN TECHNOLOGY BY FISERV

Since the beginning of our BPA studies, Madison Advisors has seen the overall base-level of transactional print quality, accountability and transparency improve exponentially across the industry. The client expectation of a PSP's base-level capabilities has increased, resulting in difficult investment decisions by PSPs. Fiserv Output Solutions, a division of Fiserv, Inc., brings with it the financial strength to make strategic investments in the business. Over the past few years, Fiserv has invested \$41 million in its people, processes and facilities to stay at the top of the industry. The results of this investment are reflected in its high BPA scores.

Some of the technological and procedural improvements at Fiserv include the ability to track every action within the print and mail operation. The information collected provides managers with the quantifiable data needed to identify issues and make changes to procedures, equipment and staff, to improve the operation. This detailed level of tracking also helps with quality processes as any document damaged throughout the facility can be automatically reprinted and tracked until it is delivered by the USPS. With the Fiserv online production management dashboard, clients can view the tracking data, create document content and message triggers, track production status, check inventory and control special requests. This provides clients with the level of transparency needed to manage the vendor relationship. The systemic collection and utilization of data throughout the operation are reflected in the high scores for Fiserv in the areas Technology, Operational Efficiency and Quality Metrics.

## FISERV SCORES VS. INDUSTRY

Madison Advisors' BPA scores print operations along six categories, as shown below. Both the Houston and Omaha facilities scored at or above the industry averages against both enterprise in-house print operations and other PSPs. The Fiserv sites scored at the top level in Technology, Operational Efficiency and Business Continuance. These scores reflect the investments in technology made by Fiserv to manage its business at peak efficiency. Overall, both Fiserv sites significantly outperform the industry averages. Both sites display nearly identical scores because the sites operate in a nearly identical manner.

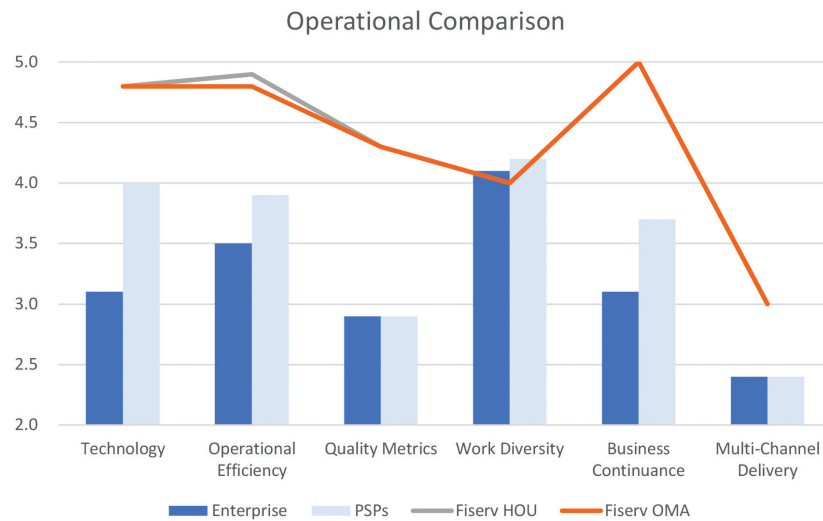


Figure 2 - Fiserv Sites vs. Enterprise and Print Service Providers

## STATE OF THE ART FACILITIES

### Quality Processes

Fiserv operates highly automated facilities. The production management systems manage the flow of work throughout the facility with end-to-end tracking of each job and document. Fiserv operates “white paper factories” wherein a vast majority is printed in a roll-to-roll configuration on high-speed color inkjet printers. The inserters cut the printed rolls into individual sheets and are then inserted into envelopes.

White paper factories eliminate the need for pre-printed stocks which reduces costs by eliminating specialized setup requirements for different jobs and minimizes the opportunity for error, such as pages becoming out of order.

### Insertion Integrity

The insertion process includes cutting the roll of printed paper into individual sheets, accumulating all of the sheets in a single document and then folding and inserting them into an envelope. In order to maintain document integrity, Fiserv uses barcodes on each page so that the inserter controller can determine that all of the pages in a document—and only the pages for that document—are inserted into an envelope. The controller identifies documents that did not complete correctly, typically because of a jam in the mechanical process, and the missing documents are reprinted and mailed. PSPs without the financial resources of Fiserv continue to use cut-sheet ingestion on inserters which can lead to more jams and increased opportunity for pages to become out of order and compromise document integrity.

## Data Security

As a leading provider of back-end services to the banking and financial services industry, Fiserv provides the highest levels of data and network security. Fiserv operates Tier III data centers utilizing a secure, redundant infrastructure with 24x7x365 intrusion detection systems monitoring, vulnerability scanning, patch management and endpoint protection including encryption, anti-virus protection and data loss prevention.

### Business Continuity

As previously mentioned, one of the strengths of Fiserv is the common set of operating process used across all of their sites. This allows for business continuity plan (BCP) coverage within the Fiserv footprint. This capability supports both Fiserv internal BCP needs and their clients’ requirements. The Fiserv infrastructure extends business continuity support through the entire production process including its presort operations. Having a common operating model allows Fiserv to load balance across sites to deal with internal equipment issues, inclement weather or other interruptions to normal operations. This ensures the continued flow of client work to the USPS.

## SUMMARY

The print service provider industry is undergoing significant change as technology and client expectations drive what a PSP must be able to do to grow their business. Fiserv is a leader in the PSP space, continually building and investing in its infrastructure to exceed client expectations. The high scores for the Houston and Omaha sites are indicative of the results those investments have achieved. Madison Advisors recommends Fiserv as a leading service provider for organizations across industries of all size, for physical and digital communications.