

Better Together: A Business Case for Outsourcing Multichannel Communications

Advances in technology and rapidly changing consumer expectations are forcing financial services organizations to reevaluate their accountholder communications strategies. To keep pace and stay competitive, organizations often outsource their transactional communications to a provider that can better manage the increasing complexity and security demands of document production and delivery through multiple channels.

Many financial services organizations have formed strategic partnerships with providers that offer the advanced technology and resources needed to reduce costs, enhance accountholder experiences and facilitate migration to digital document delivery. According to the 2018 Keypoint Intelligence-InfoTrends study, “The Value of Customer Communications Delivery Forecast 2017-2022,” roughly 60 percent of organizations outsource production and distribution of transactional documents, and that is expected to grow to 75 percent by 2021.

While migration to digital delivery is a common strategy for reducing costs, organizations realize they must consistently provide quality interactions across all channels to drive greater accountholder experiences.

Balancing multiple communication methods and the required infrastructure can burden financial services organizations, disrupting focus and growth from their core business.

Navigating Change Together

Multichannel document production and delivery are increasingly complex. Financial services organizations must accommodate accountholder preferences, new security concerns and technology advancements. As a result, many organizations have determined it’s neither prudent nor practical to invest in document development and management. In-house production operations face too many challenges, including:

- Quickly advancing technology that makes equipment outdated before it’s fully depreciated
- High real estate and labor expenses, particularly during workflow peaks
- Increasing legislative requirements
- Digital adoption and decreasing print volume

Individually, those challenges are manageable. Collectively, they are formidable. Organizations run the risk of negatively affecting accountholder experiences and business performance if document production and delivery aren’t among core competencies.

The cost to stay competitive and engaging can be too much for some organizations to bear alone. By outsourcing transactional communications, three key benefits emerge:

The Reality of Digital and Paper for Checking, Savings, Money Market or CD Account Statements

Consumers receive

34%

Statements electronically

27%

Statements by mail

39%

Both paper and electronic statements

1. Reinvestment

Outsourced partners acquire and maintain the most current hardware, software and facilities, as well as the required supplies and personnel. Outsourcing nearly eliminates capital requirements, maintenance agreements and real estate commitments dedicated to document production, so capital and head count can be reinvested in the core business.

2. Lower, More Stable Costs

Physical mail often becomes a target for cost-reduction efforts. Rather than wiping out a channel that's still important to many accountholders, a reliable partner can help reduce costs and optimize the communication experience across all delivery channels.

An outsourcing partner can purchase cutting-edge technology and supplies at significant discounts compared to in-house operations. That makes the cost-per-document lower and more stable for organizations because they are not burdened with large capital expenses such as labor, real estate and equipment, especially during nonpeak periods.

3. Advanced Capabilities

Cost is only one part of the equation. By outsourcing, organizations also gain access to greater features, functionality and equipment. A proficient partner can guide organizations toward best practices and provide the most advanced tools and techniques for personalization, rules-based targeting, color use, tracking and reporting.

Partnerships can make new things possible, enabling organizations to create sophisticated and enriched accountholder experiences across a number of document and delivery channels.

What Consumers Want

30%

Make It Easier to Understand

21%

Make It Consistent With Electronic Communications

19%

Make It Legible

17%

Make It Relevant and Personal

Source: Annual State of Transactional Communications Consumer Survey, Keypoint Intelligence-InfoTrends, 2019

Picking the Right Partner

An experienced partner can help meet a variety of business needs, all while managing shifts in volume, resources and channels. Consider the following factors when evaluating potential partners for multichannel communications.

Security

Beyond maintaining content and operational control, organizations must safeguard accountholder privacy. Trusted partners should have best practices for security, including third-party security certifications, to ensure protection of accountholder information. An outsourcing partner can also protect its client's assets and ability to operate in any conditions.

Access

Organizations should have 24/7 control of and visibility to accountholder communications through a secure, web-based client portal that allows them to create, review, change and track documents at any time. Additionally, they should be able to easily view all aspects of the document process including statement samples, production reports, inventory details, postage reporting and more.

Integration

Organizations are challenged to make the communications experience seamless for accountholders, regardless of the document delivery method. While most outsource printing for some or all of their transactional communications, the Keypoint Intelligence survey found that only 36 percent of financial institutions use the same outsourced provider to manage both their print and digital distribution.

Organizations should consider a single partner that can support all communications needs – from data composition through delivery and archiving – to achieve a cohesive experience for accountholders and internal stakeholders.

Communications Can Do More

Accountholder communications have a businesswide effect, from revenue to compliance. Additionally, every interaction is an opportunity to support the brand and consumer engagement strategies. Rather than view document production and distribution as a cost of doing business, consider how communications could advance the business. Could color reduce call center volume? Would personalized cross-selling offers lead to more sales?

Responding to these business challenges and meeting consumer expectations isn't easy. To push toward a new kind of financial services experience, many organizations are turning to a single-source outsourcing provider to reduce costs, enhance accountholder experiences and drive seamless migration to digital document delivery.

About the Author

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