



## AEGON optimises inbound mail processing with Canon



**Company Name**  
AEGON

**Founded**  
1831

**Location**  
Edinburgh, UK

**Services**  
Insurance

**Website**  
[www.aegon.co.uk](http://www.aegon.co.uk)

### Objective

Optimise Aegon's inbound mail process

### Challenges

- Lengthy mail processing time
- Late detection of incorrectly completed documents
- Slow customer response times leading to customer dissatisfaction
- No visibility of inbound mail and financial implications
- High labour and office space costs
- Employee engagement

### Approach

- Thorough analysis and re-engineering of existing processes and challenges
- Multi-phase implementation approach to transform Aegon's processes

### The Canon Solution

Digital Mailroom Services: Automation and centralisation of inbound mail processing

### Results



Over 50% reduction in mail processing time



Immediate detection of incorrectly completed documents



Complete visibility of mail status



Significantly increased customer satisfaction



Staff reduction of over 50%



Increased employee development opportunities and satisfaction

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AEGON UK has been impressed by the reliability and solid performance of Canon, which is compounded by the high quality service we receive from their knowledgeable technology and process experts.

Alan Watson, Relationship Manager, Aegon UK

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## Overview

Aegon is an international provider of life insurance, pensions and asset management. With over £500 billion assets under management in over 25 countries around the world, covering approximately 2 million customers in the UK alone. Founded and still headquartered in Edinburgh, they've been serving the UK for over 180 years.

The services Aegon offer range from investment plans to mortgage protection in order to help protect their customers' futures. When they asked Canon to help them better serve their 2 million UK customers by improving their customer experience, we knew our approach towards inbound process outsourcing would create a positive impact.

At the time, mail was being received and processed in 2 different locations, with the majority being handled in the main Edinburgh office. Aegon was receiving on average 2,500 mail pieces per day.

Incoming client mail included new business application forms, claims, address changes and complaints; anything relating to a customer enquiry. Mail pieces in many cases included cheques, as well as original documents such as passports and birth or death certificates.

## Challenges

With so many services and customers to look after, taking care of every piece of incoming mail is crucial for Aegon. When they came to us, Aegon knew that their process for incoming mail could be enhanced even further.

### Fit for purpose process

Mail was sorted manually and scanned individually as it came in, without prioritisation. Given Aegon's desired customer service, the equipment, including hardware and software to scan the mail, was outdated and not fit for purpose.

In order to enhance customer engagement and speed up processing



times, Aegon's focus on their existing operation became a critical part of their project. In a joint assessment of the current situation, both Canon and Aegon identified:

- Overall inbound processing time took up to 3-4 days before entering Aegon's ERP workflow
- Resultant customer response times of up to 9 days
- Customer satisfaction levels more generally affected
- Continuous backlogs leading to employee overtime
- Late detection of incomplete customer documentation causing further delays

### Visibility and forecasting

The subsequent effects of the operation impacted Aegon in a number of critical ways:

- The volume of customer enquiries with regards to the status of their communication was directly linked to the lengthy processing time
- In addition, the operation was dealing with ad hoc requests from internal colleagues able to directly enter the operation and chase for status updates
- Unprocessed mail could not be traced, making it time consuming to manually search for urgent enquiries

- Classifying mail categories and therefore understanding volumes of incoming claims made financial forecasting very difficult for Aegon

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We have been able to reduce Aegon's mail processing time as well as operational costs by over 50% whilst ensuring complete visibility of mail.

Suzanne Ireland, Service Operations Manager for Canon UK (previously Aegon employee)

### Costs

The physical environment for the inbound operations were located in Aegon's central Edinburgh office. This was not cost effective and caused disruption to other departments, as the operation was very noisy.

Since the original operational process was very labour intensive, it led to high staff costs with around 60 employees dealing solely with the processing of the mail.

## Decision to outsource

Aegon was looking to work with an industry expert specialised in transforming document and information processes to whom they could outsource a new customer-centric operation.

This partner needed to be able to harness industry best practices to take them to the next level to become even more effective to better serve their customer's demands today and into the future.

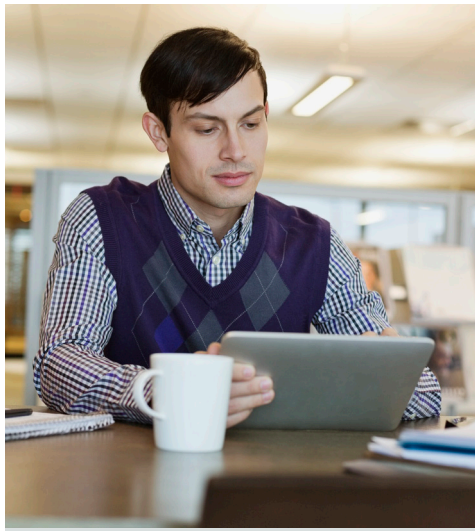
They therefore decided that they needed to outsource to a credible supplier with TUPE experience and good employee policies in place since they wanted to ensure that they could retain the valuable knowledge of Aegon's key personnel. At the same time they wanted to keep their employees engaged and realised that outsourcing could give them opportunities to advance their careers and learn about more efficient ways of processing.

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Bottom line – this solution has improved operational productivity, our ability to meet SLA's and has increased our responsiveness to customers.

Alan Watson, Relationship Manager, Aegon UK

Over  
**50%**  
reduction of staff



Significantly increased  
customer satisfaction

## Our Services and Solutions

The first step was to understand Aegon's situation and future aspirations in detail. Once we understood the challenges they faced, and how these affected their customers, we worked on re-engineering their processes in order to improve operational efficiencies through automation and reduction of manual labour. Once the proposed service solution was agreed, we planned a multi-phase implementation approach to transform their processes.

### Centralised operations

A hybrid solution was created with a new near-site, secure purpose built inbound scanning centre, whilst one of the existing sites was enhanced. This enabled centralisation of inbound mail digitisation and improvement of physical office mail delivery.

### Process improvements

Through thorough analysis of Aegon's business requirements we implemented a bespoke optimisation of their inbound mail processes. By improving their processes, Canon found areas that could be automated with hardware and software to a much higher degree than before.

Straight through scanning has been implemented by utilising technology that captures key fields on many inbound items automatically, removing the need for second level indexing and ultimately saving Aegon additional time for processing.

Effective mail prioritisation rules were implemented based on document type, allowing mail to be processed based on urgency. This enables Aegon to return any original documents (passports etc) to Aegon's clients within 24 hours of receipt. Furthermore, we notify Aegon of any incomplete documentation so that they are able to inform the customer immediately.

## Reduction of staff

26 Aegon inbound processing staff were transferred to Canon via TUPE, ensuring important knowledge was retained. Around 20 staff were made redundant, most of them voluntarily.

## Reporting

The partnership with Aegon is all about open communication. We provide them different daily reports which allows them to see the work positioned throughout the day. For example, any mail with money implications is dealt with and reported on by noon, so that Aegon can allocate funds accordingly for investment or pay-out.

Apart from daily reporting, Canon provides weekly MI reports, Monthly Joint Management Committee (JMC) meetings and half yearly strategic board meetings. These meetings allow us to go over our performance, progress and issues, and discuss/suggest areas for improvement.





## Results

An integral make-up of Canon's approach to outsourcing is to continually monitor our clients' progress through process transformation, and with Aegon we're happy to say we have seen big changes.

### Process efficiencies

By optimising and centralising Aegon's inbound mail processes, mail is now being handled on the same day – an improvement of as much as 50%.

And now that mail is processed quicker than before, Aegon is also able to complete their customer workflow much faster and detect incorrectly completed documents earlier on, improving overall customer experience.

### Improved visibility

Aegon's staff is now able to view any incoming mail on the system as soon as it has been digitised (which is now the same day it arrives, rather than 3-4 days), enabling rapid response to customer enquiries.

At the same time, daily reporting of inbound mail volumes enables the finance team to forecast investments required.

### Costs

Aegon has seen over 50% reduction in staff costs since they have outsourced their inbound processing to Canon.

Office space costs for inbound processing have also been reduced significantly and AEGON has been able to repurpose their existing premises, which now hosts their head office IT function with about 80 desks.

At the same time, inbound customer calls have been reduced significantly.

### Employee development and satisfaction

Working for Canon has truly given the employees opportunities that they may not have had in the past. They are now working for a company that specialises in inbound processing, the line of business that they are involved in, which has allowed them to learn about best practice processes and work with advanced technology. Moreover, Canon has been able to identify people's strength and capitalise on that by giving them opportunities to step up and advance into different roles. This has overall greatly improved employee satisfaction and retention rates.

### Conclusion

By outsourcing their inbound processes to Canon, Aegon has undoubtedly seen the improvements and benefits they were looking for. Alan Watson, Relationship Manager for Aegon UK, explains: "AEGON UK has been impressed by the reliability and solid performance of Canon, which is compounded by the high quality service we receive from their knowledgeable technology and process experts. Bottom line – this solution has improved operational productivity, our ability to meet SLA's and has increased our responsiveness to customers."

Suzanne Ireland, Canon's Service Operation Manager for the Aegon operations, is one of the people who have been transferred to Canon from

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Through outsourcing to Canon, Aegon has been able to improve their inbound processes to an extent that they never would have been able to if the process has stayed in-house.

Suzanne Ireland, Service Operations Manager for Canon UK (previously Aegon employee)

the original Aegon operations. Suzanne would summarise the results of Canon's partnership with Aegon as follows:

*"Through outsourcing to Canon, Aegon has been able to improve their inbound processes to an extent that they never would have been able to if the process has stayed in-house. We have implemented best practice processes and now work with state of the art equipment. As a result, we have been able to reduce Aegon's mail processing time as well as operational costs by over 50% whilst ensuring complete visibility of mail. Personally, I have been able to enjoy positive career progression since working for Canon, and can say the same for many of my employees, as Canon puts a real focus on employee development."*

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