

The Co-operative Group

Digital Mailroom



As part of its move to its new head office, 1 Angel Square, Manchester; The Co-operative Group wanted to transform the way it handles incoming and outgoing mail, document management and archiving. The new building has 14 floors, but to accommodate the paper generated by the organisation, it would have needed to build two more floors. To help them realise their ambitions the Group turned to SPS to deliver a digital mailroom solution, allowing them to significantly reduce the paper whilst keeping the information.

The Co-operative Group's document lifecycle programme started with a print review which began in 2009. The Group soon recognised that a more strategic approach was required than simply introducing multi-function print devices; instead it needed to incorporate all the elements of how the organisation interacts with paper, with the end goal of reducing reliance on paper.

The goals of the programme were to:

- Reduce on-site and off-site hard copy storage
- Introduce formal and sensible retention policies

- Improve the culture within the business to manage paper more effectively
- Better manage document production
- Improve access to and sharing of information

A key element of this was to introduce a digital mail solution. Kevin Foley, The Co-operative's Programme Manager for Document Lifecycle, says they recognised that the management of mailrooms is not one of the Group's core disciplines. This meant it would be far better to select a strategic partner to deliver the digital mailroom, allowing both sides to focus on what they do best.

A further element of the project was The Co-operative's well-known commitment to corporate responsibility, in this case environmental and sustainability concerns. The new head office will be one of the most sustainable commercial buildings in Europe.

The aim was to deliver an 80% reduction in paper storage so as to ensure the optimum utilisation of space within the new building, improve workflow opportunities and reduce duplication, whilst supporting the Group's commitment to the environment.

The Solution

The Co-operative has a very stringent procurement process, Kevin Foley explains. As well as Group procurement and facilities management services, this project involved the information services team because of the central role of technology, as well as legal and operational risk specialists to advise on data protection.

The Group evaluated pitches from several leading players in the market. Kevin says that: "The clear reason for progressing with SPS was around their acknowledgment of the strategic opportunity that presented itself. This

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was not just about introducing technology or scanning paper into digital format, but actually about changing people's behaviour."

The Group was also impressed with SPS' track record in managing both analogue and digital services, and ability to manage the digital transformation of business processes, he adds.

As a result, The Co-operative signed a five-year contract with SPS worth more than £5 million. Central to the contract is the digitising of all incoming mail and progressively digitising large stores of archived paper files.

The services were migrated to SPS' Document Processing Centre at Salford Quays where two million items of external and internal mail are now processed per annum.

There was extensive consultation with all of the departments to see how they wanted the mail service to work for them. The mail, once digitised, is delivered electronically via SPS' hosted platform to 3,500 head office users, with another 3,500 users planned to come on-stream from across the rest of the Group's Manchester estate. Users are given the choice of various actions they can apply to an image, while the system keeps an auditable history of what actions are taken.

Key benchmark dates set out at the start of the contract – such as the transfer of staff, off-siting to the processing centre and the roll-out across the business – have all been met.

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The Benefits

Some 18 months in, the SPS partnership is delivering the document lifecycle programme's objectives. The Group is on target to achieve a 54% reduction in onsite storage, while the removal of 2,200 cabinets has led to a safer and improved working environment.

The quick and easy access to documentation via a computer has enabled flexible working, another key aim of the new headquarters, where the target is to have a ratio of 1.2 people for every desk.

Kevin explains that staff are pleased with the new mail system and the sought-after behavioural changes have taken root. Aside from simply receiving mail more quickly, the business has received a competitive advantage by aligning its operations with those of similar and competing organisations. It allows the Group to respond to external market conditions by improving access to information.

The success has led The Co-operative to start investigating other uses for digitisation – such as invoice processing – as well as SPS' outbound solutions in the areas of document output, customer interaction and electronic delivery of information.

More than anything, however, Kevin feels that the digital mailroom solution provides a platform for business process reengineering and workflow improvements: "This is where I believe the real cost savings and process efficiencies are. Once the digital mailroom has been rolled out, we will be evaluating the workflow opportunities that exist as a result of the delivery of the SPS solution.

The Co-operative Group is the UK's largest mutual retailer with over 5.5 million members and a family of businesses that include food, banking, insurance, travel and funeral care. The Group employs 120,000 people, serving around 21 million customers per week in over 4,800 high street branches and through online shopping.



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