

# PODi CASE STUDY

## MANULIFE FINANCIAL MOVES TO ON-DEMAND ENROLLMENT KIT FULFILLMENT



**John,  
protect yourself from hefty  
health care costs today!**



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## MANULIFE FINANCIAL MOVES TO ON-DEMAND ENROLLMENT KIT FULFILLMENT

**VERTICAL MARKET:** Insurance  
**BUSINESS APPLICATION:** Collateral Management

### BUSINESS OBJECTIVES

Manulife Affinity Markets plays a unique role within Manulife Financial's family of business units. Affinity Markets is a business unit forming part of the Canadian Division, providing a broad range of life, health, travel and creditor insurance products to professional and alumni associations, retiree organizations, financial institutions, retailers and other specialty distribution channels.

Manulife Financial mails an enrollment kit to prospects who have visited their website or contacted them by telephone in response to a marketing or advertising campaign. Traditionally, these kits were a standard format with approximately 10 pre-printed components and very limited personalization. Manulife markets their products through affinity groups and has more than 1,500 kits and 2,500 component SKUs in total, which made the fulfillment of these kits very complex and time consuming.

Manulife Financial needed an on-demand fulfillment solution that would:

- Reduce costs by eliminating pre-printed inventory and by substantially reducing the labor associated with managing print inventory
- Significantly reduce the risk of fulfillment error by eliminating physical kit collation and assembly activities
- Eliminate problems associated with the backorder rate of 10% for enrollment kits. Fulfillment of backorders could take 5 to 10 business days
- Increase enrollments through the delivery of personalized and relevant kits
- Reduce the amount of time required for adjustments or updates to the kit, such as rate changes

### RESULTS

Distributech worked with Manulife Financial to convert their standard kits to digital kits. All kit components were converted into PDFs and every kit order is processed through a composition tool that builds a highly personalized kit containing all necessary components. The kit itself became a much higher quality document with increased levels of personalization and relevant content.

- Overall cost reduction of \$21,000, representing a decrease of 22%. Savings came from reduced labor and inventory management costs
- Print and order fulfillment is executed on the same day that orders are received
- Backorders and inventory management issues have been eliminated which results in kits being delivered faster
- Updates to enrollment kits are easily managed

Another important benefit of this conversion is that kits can now be delivered through multiple channels – a printed and mailed kit or an electronically delivered PDF.

### PREVIOUS PROCESS

Every day requests for product information were placed via websites and through multiple call centers for Manulife's affinity group partners. The requests for information were related to insurance products offered through the members' affinity groups and underwritten by Manulife. The requests (or orders) were collected and batched at Manulife and then forwarded to their service provider overnight.

The orders were imported into an ERP system which produced assembly instructions for each kit, a summary of all kits ordered that day and a personalized cover letter. The kits included a brochure with the insurance product information, a rate sheet, legal notices, a plan detail, and an application. The cover letters were printed and delivered to assembly where they were inserted along with the brochure and its components into an envelope and mailed. While the order generation and letter printing was fully automated, the kit assembly was completely manual.

## NEW ON-DEMAND WORKFLOW

Requests for information are still received and batched by Manulife as described above. But now when an order for a kit is received its components are digitally assembled on-demand. The output is a high-quality saddle-stitched document that contains all the relevant kit components. The completed kit is then inserted into a 9" x 12" envelope with a window displaying the address from the digital kit. This new process virtually eliminates the manual labor and the opportunity for quality errors.

The new kits are more relevant to the recipient with several variable components:

- Personalized letter which is used to display addressing information through a carrier window envelope
- Name personalization throughout
- Logos to support the specific affinity group co-branding requirements
- Text that varies based on the recipient's province and association
- Overlaid data displaying variable content throughout the integrated package, including the application form
- Rate sheets that vary based on the recipient's province
- English and French language versions



Personalized cover letter



Interior page with name personalization

## Manulife Financial Moves to On-Demand Enrollment Kit Fulfillment

In addition to the benefits described already, by storing the components of the kit in electronic form the cost of updating the materials is now significantly reduced. In the previous workflow Manulife purchased a reorder quantity (i.e. 1500) for a kit component. If they discovered an error in the document or required an update for any reason, Manulife had to pay for reprinting and for inventory obsolescence.

With the on-demand workflow the document only exists electronically, eliminating these inventory challenges. There is no limitation to the frequency of any required changes that may take place and there is no delay or impact to be considered on daily production processing. Plus, with no physical pieces sitting in a warehouse this new workflow reduces the carbon footprint of enrollment kit fulfillment.

### REASONS FOR SUCCESS

Manulife has been very pleased with the new on-demand fulfillment and there are plans to continue to convert additional affinities to the digital kit model. Best practices learned from this solution are:

- **Save money with on-demand fulfillment.** As illustrated by this solution there are numerous areas where an on-demand fulfillment workflow can save money, including reducing inventory & warehousing costs, labor costs associated with fulfillment, and labor costs associated with updating or changing documents.
- **Use digital kits to make communications more relevant.** By moving to digital kit components Manulife is able to provide individuals with information that is specific to their affinity group and the province they reside in. Plus they can ensure that all regulatory requirements with regards to insurance communications, which may vary by province, are followed.

This solution won PODi's Best Practices Award, Work Automation category.

Premiums for Ontario Residents Cost Per Month Per Person

| Health & Dental Plans                                                                                                                                                                                                                                             | AGE GROUP | BASE PLAN   | BRONZE PLAN   | SILVER PLAN   | GOLD PLAN   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|---------------|---------------|-------------|
| INDIVIDUAL                                                                                                                                                                                                                                                        | 18-44     | \$65.40     | \$83.40       | \$107.70      | \$159.90    |
|                                                                                                                                                                                                                                                                   | 45-54     | \$81.90     | \$103.50      | \$125.20      | \$189.70    |
|                                                                                                                                                                                                                                                                   | 55-59     | \$84.80     | \$108.50      | \$146.40      | \$211.90    |
|                                                                                                                                                                                                                                                                   | 60-64     | \$89.40     | \$115.80      | \$165.60      | \$239.10    |
|                                                                                                                                                                                                                                                                   | 65-69     | \$12.90     | \$39.50       | \$146.10      | \$211.20    |
|                                                                                                                                                                                                                                                                   | 70-79     | \$74.80     | \$95.20       | \$164.80      | \$232.90    |
|                                                                                                                                                                                                                                                                   | 80-89     | \$76.00     | \$96.80       | \$165.00      | \$260.00    |
|                                                                                                                                                                                                                                                                   | 90+       | \$99.90     | \$110.00      | \$224.80      | \$305.50    |
|                                                                                                                                                                                                                                                                   | 18-44     | \$56.40     | \$73.10       | \$97.20       | \$147.10    |
|                                                                                                                                                                                                                                                                   | 45-54     | \$71.70     | \$91.50       | \$113.20      | \$168.60    |
| COUPLE                                                                                                                                                                                                                                                            | 55-59     | \$74.50     | \$96.70       | \$134.20      | \$199.30    |
|                                                                                                                                                                                                                                                                   | 60-64     | \$79.00     | \$102.70      | \$152.40      | \$222.20    |
|                                                                                                                                                                                                                                                                   | 65-69     | \$85.40     | \$109.00      | \$173.90      | \$246.00    |
|                                                                                                                                                                                                                                                                   | 70-79     | \$66.00     | \$83.10       | \$151.80      | \$217.10    |
|                                                                                                                                                                                                                                                                   | 80-89     | \$65.80     | \$85.00       | \$166.00      | \$243.80    |
|                                                                                                                                                                                                                                                                   | 90+       | \$89.10     | \$97.80       | \$209.60      | \$287.40    |
|                                                                                                                                                                                                                                                                   | 0-4       | \$27.70     | \$30.90       | \$38.80       | \$56.10     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$34.10     | \$41.30       | \$51.20       | \$76.40     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$34.80     | \$27.90       | \$34.90       | \$50.60     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$10.60     | \$19.00       | \$49.60       | \$83.10     |
| Dental Plans                                                                                                                                                                                                                                                      |           |             |               |               |             |
| 1 TO 2 CHILDREN                                                                                                                                                                                                                                                   | AGE GROUP | BASE DENTAL | BRONZE DENTAL | SILVER DENTAL | GOLD DENTAL |
|                                                                                                                                                                                                                                                                   | Single    | \$57.90     | \$71.70       | \$97.70       | \$133.10    |
|                                                                                                                                                                                                                                                                   | Couple    | \$48.50     | \$61.20       | \$86.90       | \$120.90    |
|                                                                                                                                                                                                                                                                   | 0-4       | \$13.70     | \$14.60       | \$16.20       | \$23.80     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$16.50     | \$17.40       | \$18.90       | \$26.90     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$21.90     | \$28.50       | \$33.20       | \$59.60     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$21.90     | \$28.50       | \$33.20       | \$59.60     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
| 3 OR MORE CHILDREN                                                                                                                                                                                                                                                | AGE GROUP | BASE DENTAL | BRONZE DENTAL | SILVER DENTAL | GOLD DENTAL |
|                                                                                                                                                                                                                                                                   | Single    | \$57.90     | \$71.70       | \$97.70       | \$133.10    |
|                                                                                                                                                                                                                                                                   | Couple    | \$48.50     | \$61.20       | \$86.90       | \$120.90    |
|                                                                                                                                                                                                                                                                   | 0-4       | \$13.70     | \$14.60       | \$16.20       | \$23.80     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$16.50     | \$17.40       | \$18.90       | \$26.90     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$21.90     | \$28.50       | \$33.20       | \$59.60     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
|                                                                                                                                                                                                                                                                   | 5-20      | \$21.90     | \$28.50       | \$33.20       | \$59.60     |
|                                                                                                                                                                                                                                                                   | 0-4       | \$12.10     | \$12.90       | \$14.00       | \$18.60     |
| Simple, convenient payment options                                                                                                                                                                                                                                |           |             |               |               |             |
| For your convenience, premiums can be paid by cheque, pre-authorized debit (automatic bank withdrawal), or by credit card. Your coverage can easily fit into your budget with your choice of monthly, semi-annual or annual payments, whichever suits your needs! |           |             |               |               |             |
| Premiums are effective May 1, 2012 and subject to change without notice.                                                                                                                                                                                          |           |             |               |               |             |

John, here are some sample calculations

| Family Member(s) | Age Group | Costs    |
|------------------|-----------|----------|
| David            | 45-54     | \$81.90  |
| Elizabeth        | 45-54     | \$81.90  |
| Total            |           | \$163.80 |

| Family Member(s) | Age Group | Costs    |
|------------------|-----------|----------|
| John             | 45-54     | \$81.90  |
| Sean             | 5-20      | \$34.10  |
| Total            |           | \$116.00 |

| Family Member(s) | Age Group | Costs    |
|------------------|-----------|----------|
| Sam              | 45-54     | \$134.20 |
| Mary             | 45-54     | \$134.20 |
| Total            |           | \$268.40 |

| Family Member(s) | Age Group | Costs    |
|------------------|-----------|----------|
| Dean             | 45-54     | \$134.20 |
| Travis           | 45-54     | \$134.20 |
| Mary             | 45-54     | \$134.20 |
| Billy            | 5-20      | \$34.10  |
| Jane             | 5-20      | \$34.10  |
| Total            |           | \$536.60 |

Premiums based on province

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CLIENT</b>                 | <b>Manulife Financial Affinity Markets</b><br><a href="http://www1.manulife.com/can/affinity/affinity.nsf/Public/Homepage">www1.manulife.com/can/affinity/affinity.nsf/Public/Homepage</a><br>Affinity Markets is a business unit of The Manufacturers Life Insurance Company (Manulife Financial). They serve more than 500,000 professional association members, university and college alumni, financial institution customers and retail cardholders, bringing creative solutions to their financial needs.          |
| <b>PRINT SERVICE PROVIDER</b> | <b>Distributech Inc.</b><br><a href="http://www.distributech.ca">www.distributech.ca</a><br>Distributech is a multi-channel direct marketing partner providing high quality outsourced production for organizations in financial services, healthcare, retail and technology industries. Their goal is to provide 100% Data-to-Output integrity, and to ensure the most cost-effective and technologically sound solutions for customers.                                                                                |
| <b>CREATIVE AGENCY</b>        | <b>Manulife Affinity Markets, Creative Services</b><br><a href="http://www.manulife.ca">www.manulife.ca</a><br>The Creative Services team consists of copywriters, designers, production consultants, proofreaders and business associates. This team is responsible for recommending, developing and producing over 2000 marketing print projects and 300+ e/web programs annually. Most are across all media vehicles with consistency of integration of both Manulife and the Association or Retail partners' brands. |
| <b>HARDWARE</b>               | HP Indigo 3500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>SOFTWARE</b>               | Xerox iGen4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>FINISHING</b>              | Objectif Lune Planet Press                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>TARGET AUDIENCE</b>        | Horizon SPF-20A Stitcher                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>DISTRIBUTION</b>           | Individual members of the various groups within the Affinity Markets. These members include students of universities and colleges, professional members of industry associations and other club members.                                                                                                                                                                                                                                                                                                                 |
| <b>DATE</b>                   | Enrollment kits are produced on a daily basis with approximately 10,000 being made each year                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                               | Launched June 2010, on-going                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |