

The Western and Southern Life Insurance Company

Success Story

Financial Services

LEXMARK

SUMMARY

Lexmark deploys hundreds of new color and monochrome laser printers and helps The Western and Southern Life Insurance Company cut costs by controlling the use of color. A three-year distributed fleet management contract, including use of genuine Lexmark supplies and parts, keeps the company's 181 field offices in tip-top shape.

The Western and Southern Life Insurance Company saves \$700K with Lexmark solution and DFM contract

The Organization

Headquartered in Cincinnati, The Western and Southern Life Insurance Company provides more than \$57 billion in life insurance protection to 2.5 million policyholders. Through its 2,100 licensed field professionals and support staff, located in 181 offices throughout 23 states and the District of Columbia, the company adheres to the same high standards of customer service first put in place at its founding in 1888.

Western and Southern is a member of Western & Southern Financial Group® (W&SFG), a Fortune 500 company and one of the 10 highest rated life insurance groups in the world based on Standard & Poor's ratings.

The Challenge

Paper is like oxygen for insurance companies. They can't live without it - lots of it. Western and Southern was no different, and like many companies, had a mandate to reel in spiraling printing costs yet simultaneously maintain top-quality service.

But in the insurance business, it's critical to project a professional, sophisticated appearance to policyholders. Certain documents, such as customer-facing sales presentations demand the use of color, while economical black and white is sufficient for word-processing documents and financial reports generated for internal use. But the reality was that many documents being printed in color were non-customer-facing documents.

The Market Technology team at Western and Southern realized that eliminating all this unnecessary color printing represented a significant opportunity for cost savings for the company.

In addition to increasing print costs, Western and Southern had a fleet of disparate printers that were aging, out of warranty and often needed

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—T.J. Wood
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repairs. All the different devices were under different maintenance contracts, required different supplies and operated differently. It took a lot of personnel time and money to keep these devices up and running. Regional locations often stockpiled toner and other consumables, tying up precious capital funds in unused inventory.



T.J. Wood, Senior Business Operations Analyst, realized Western and Southern couldn't tackle this project alone so he turned to the company's current output technology partner, Lexmark, to define a solution.

"Our key challenges were to get a handle on what devices we had and what we were spending and then significantly reduce our costs, especially around the type of documents we allowed to be printed in color," said Wood. "We also needed a partner we could trust, because we wanted to hand off the implementation and management of the solution so we could focus on other IT projects."

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The Solution

Lexmark's team began by evaluating Western and Southern's current environment. Using its MarkVision Professional software and by walking the floors, the Lexmark team captured valuable data about the volume and types of documents that were printed on both monochrome and color laser printers throughout all of Western and Southern's field offices. The data revealed that a significant percentage of documents printed in color were not customer-facing and could have been printed in monochrome at a lower cost.

Next, Lexmark consultants reviewed current printing volumes and patterns in the offices to determine the best equipment to install for both black and white and color printing. The Lexmark team also reviewed current supplies ordering practices and help desk processes in order to recommend a comprehensive solution to Western and Southern.

Lexmark recommended Western and Southern engage in a three-year distributed fleet management contract that would wrap the equipment, installation, training, supplies, Diamond-level customer support, and overall device management together into one agreement.

This arrangement would allow Western and Southern to lease the equipment and pay only for the pages the company prints (based on toner order quantity as well). It would also unify all equipment under one warranty and maintenance agreement and put the responsibility of the new device installation and old device de-installation, training and ongoing device and consumables management on Lexmark.

"It was important for us to work with Lexmark on the up-front planning, but essential that we be able to hand off the actual roll-out," said Wood. "That would allow us to move on to our next project."

At the center of the proposal was the integration of a third-party color management technology, OM Plus from Plus Technologies, that would allow Western and Southern to specify the precise applications from which documents could be printed in color. It wasn't enough for Western and Southern to dictate which users could print in color because nearly all employees needed that capability. But, those same employees should only print document types in color that were customer-facing.

Lexmark engineers installed nearly 200 new color printers in Western and Southern's field offices. Lexmark installed one C762 color laser printer, de-installed the old equipment and removed pallets of unused supplies in each of the 181 locations. The rollout also included asset inventory information for Western and Southern's computer hardware.

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As part of Lexmark's distributed fleet management offering, Lexmark engineers continually monitor all the devices, and provide immediate response when issues arise.

Wood and his team have been trained on and can now tap into the power of MarkVision Professional to gain valuable information about printing volumes and trends. This printer network management tool makes it easy to make a mass change to all the Lexmark printers with one command, such as paper type or print quality settings.

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The team can also use Lexmark’s embedded web server to get device-specific information on the fly. It also enables the IT department to quickly and easily change the IP address of a specific printer so that employees can’t directly print in color using a known printer IP address, thereby circumventing the color controls.

To assure the top-quality results with rich color charts and crisp text, to minimize the possibility of malfunctions and to project the best image to customers, Western and Southern uses only genuine Lexmark color and monochrome toner cartridges and parts.

“The image we project to customers is very important,” said Wood. “It’s not an option to put that in jeopardy.”

The Results

Savings have been immediate and dramatic. Service and support are no longer a concern. And the initial roll-out was completed quickly and problem-free.

“With Lexmark printers and our new ability to control the use of color, we are estimating savings of \$200,000 in the first year and \$700,000 over three years,” said Wood.

Lexmark’s distributed fleet management contract has freed Western and Southern’s IT department from being in the printer management, administration and repair business. Valuable IT resources are focusing on other core business projects.

Wood gives Lexmark high marks for its understanding of the insurance business and willingness to partner with a third-party software firm to deliver on a unique business requirement.

Wood and his team are now working with Lexmark to evaluate Western and Southern’s current copier and fax fleet and considering a multifunction solution that would put all of the company’s output devices into a single contract.

For The Western and Southern Life Insurance Company, choosing Lexmark to provide printers and ensure its ongoing output and financial health through a comprehensive distributed fleet management program was a winner for both the company and the customer.