

Road to Business Excellence: The DST Output Way



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A photograph of a paper mill showing large rolls of paper being processed by machinery. The rolls are white with some red and blue markings. The machinery is dark and industrial, with a perforated metal surface in the foreground. The background shows more of the mill's structure and some lights.

Agenda

- Who is DST Output?
- Why Business Excellence?
- How Do We Go About It?
- Results

DST Output

A top outsourcer of **print and electronic customer communications**

- **Size and stability**
- **Innovation and recognition**
- **Comprehensive services**
- **High volume experience and capabilities**



**TORONTO & OTTAWA
CANADA**



EL DORADO HILLS, CA



KANSAS CITY, MO



HARTFORD, CT



**BRISTOL
UNITED KINGDOM**



DST Output Business

Market expertise in Communications, Financial Services, Insurance, Healthcare, Utilities and more

Print



- Output Options
- Fold, Collate, Insert
- Envelopes

Postal

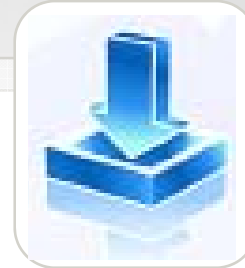


- Address Express
- Move Update
- Mail Tracking, Processing

Electronic



- Presentment
- Payment
- Distribution



A Common Platform

- File & Data Management
- Design and Development
- Campaign Management
- Online Reporting
- Monitoring
- Disaster Recovery
- Distributed Printing

Our Customer Experience Philosophy

Cost



- Standardize and integrate.
- Optimize postal environment.
- Leverage economies of scale.

Quality



- Deliver accurate work.
- Take waste and variation out of the process.
- Spend quality time listening to clients and take action based on feedback.

Speed



- Produce on-time, quality work.
- Process once for multiple channels.
- Deliver on our customer commitments.

Service



- Work with customers to deliver more than is expected.
- Proactively plan for and deliver solutions by understanding client needs.
- Build long-term relationships.



DST Output: **High volume experience and capabilities**

- **2.6 billion** customer communications annually
- **Largest third-party First-Class™** mailer in U.S.
- **World's largest inkjet systems printer**
- **Large scale facilities** in key regions: East, West, Central, Canada and UK
- **Nearly 3,000** North American associates

Requirements Gathering



Client Data Files

Customer Platform
Optimizing
client output
requirements

Data Receipt & Management Data Prep Campaign Manager Content Composition Document Formatting

Output Media Router

Manufacturing Systems
Optimizing print
and electronic
costs

Quality Validation
Job Release
Tracking
Reporting

InFact, Mfg Preparation,
Execution & Control

eSolutions, Web Presentment,
Payment & Distribution

eSolutions
CD/DVD
Presentment

Output Delivery



**DST
Customer
Portal**



**Mail Delivery, Website,
Secure e-mail, Portals**



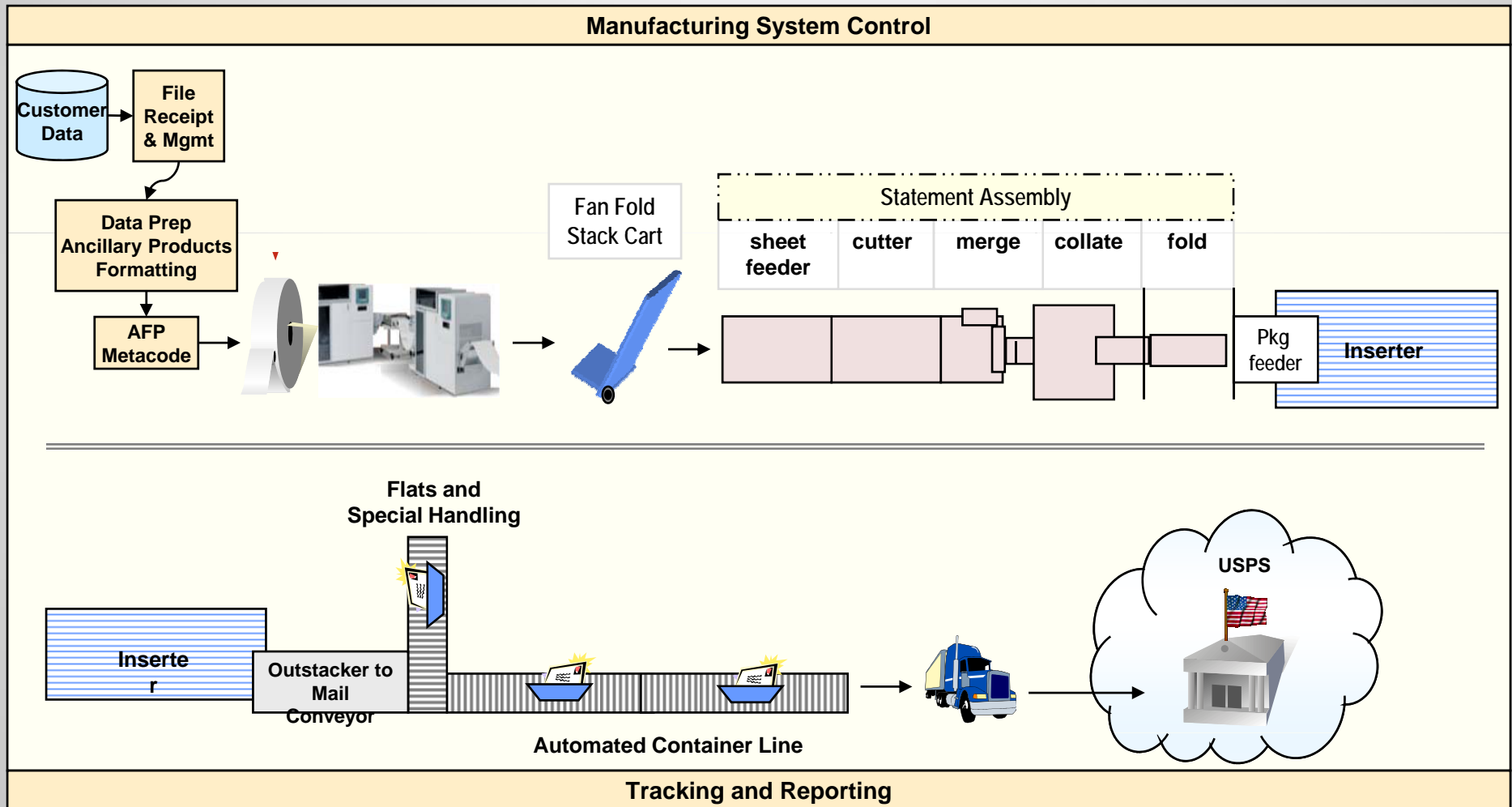
CD / DVD

**Marketing,
Ops, CSR**

Consumers


**CSR,
Intermediaries**

Operations Process



Manage for Quality Our Philosophy on Quality

- 
- **Focus on business excellence.**
 - **Overall organizational performance.**
 - **Management by fact.**
 - **Manage for innovation.**



Business Issues

- Late mailings
- Poor quality
- Financial penalties
- Unprofitable business
- Lack of standardization
- Excessive variation



Business Excellence at DST Output

Guiding Principles

- Customer-centric
- Integrity
- Open and honest communication
- A sense of urgency
- Respect for the individual
- Accountability
- **Commitment to improve and innovate**
- Foster health, safety and respect for the environment



Our Strategic Goals

- Grow revenue and profitability
- Improve customer and alliance satisfaction
- Achieve standardized infrastructure and tools across centers
- Continue operational excellence
- Institutionalize continuous improvement
- Develop high-performance culture



Rolling Out Continuous Improvement

- Exceed customer expectations and drive results
- Dual Function of Work—Daily Work and Improvement Work
- Strategy based Baldrige Criteria for Performance Excellence
- Six Sigma & Lean drive process improvement
- MPTQM to enable standardization of processes



Overview of the Framework Linked into a **System**

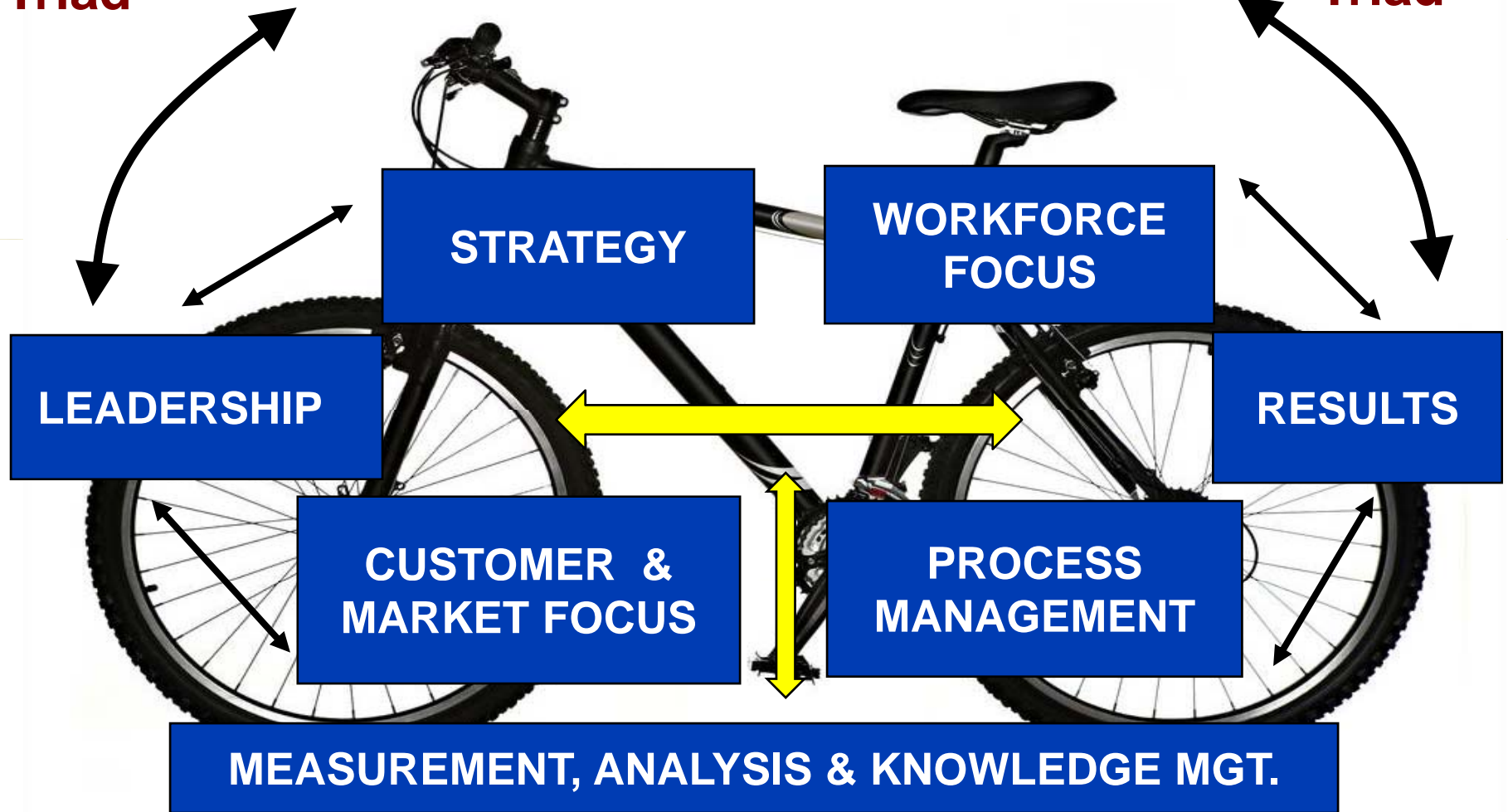


A helpful analogy...

Bicycle System

Leadership Triad

Results Triad



MEASUREMENT, ANALYSIS & KNOWLEDGE MGT.



Tracking Progress:

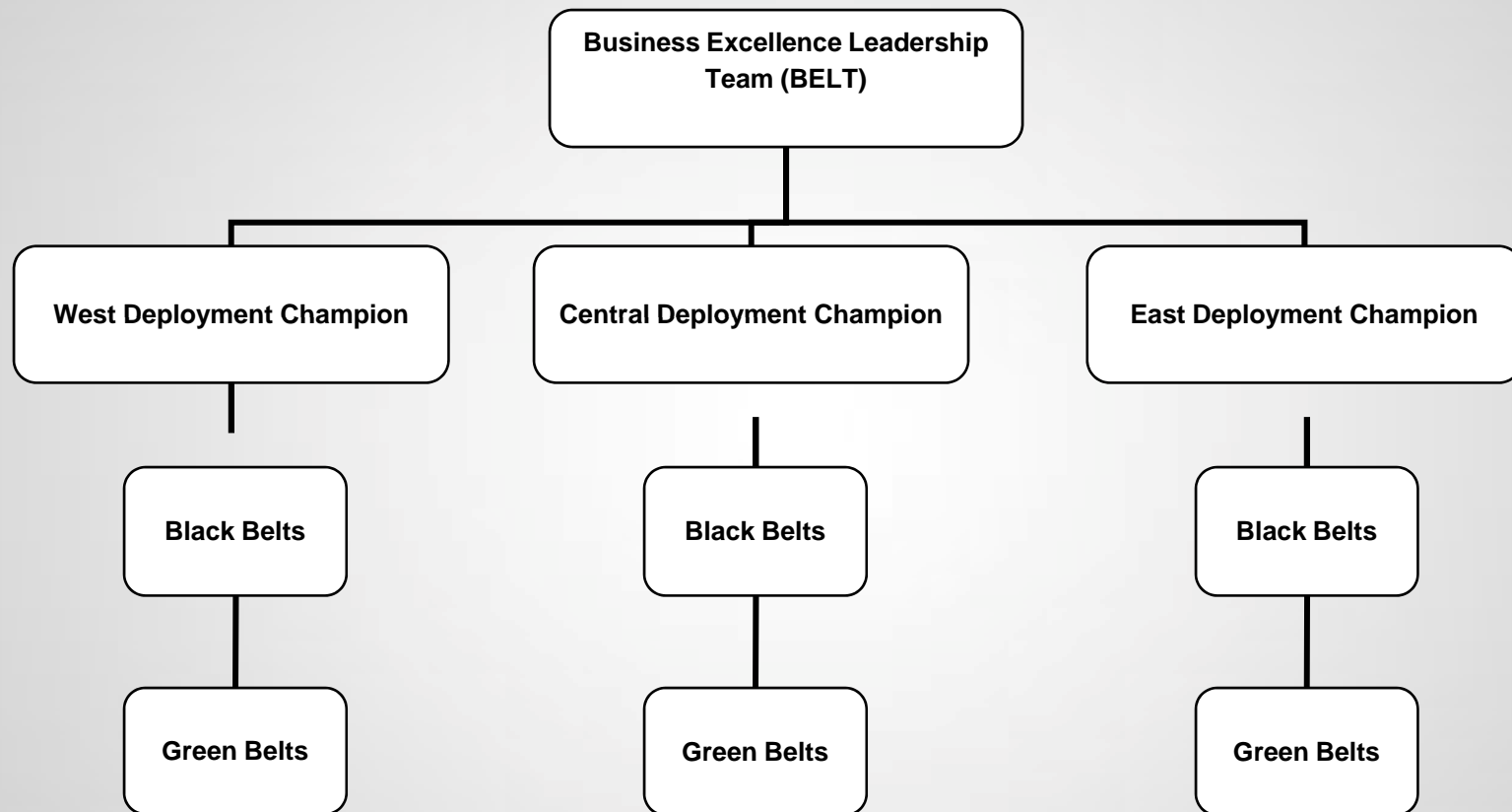
- Strengths and Opportunities for Improvement
- Provides bi-annual operational capability analysis
- Used as input into the strategic planning process



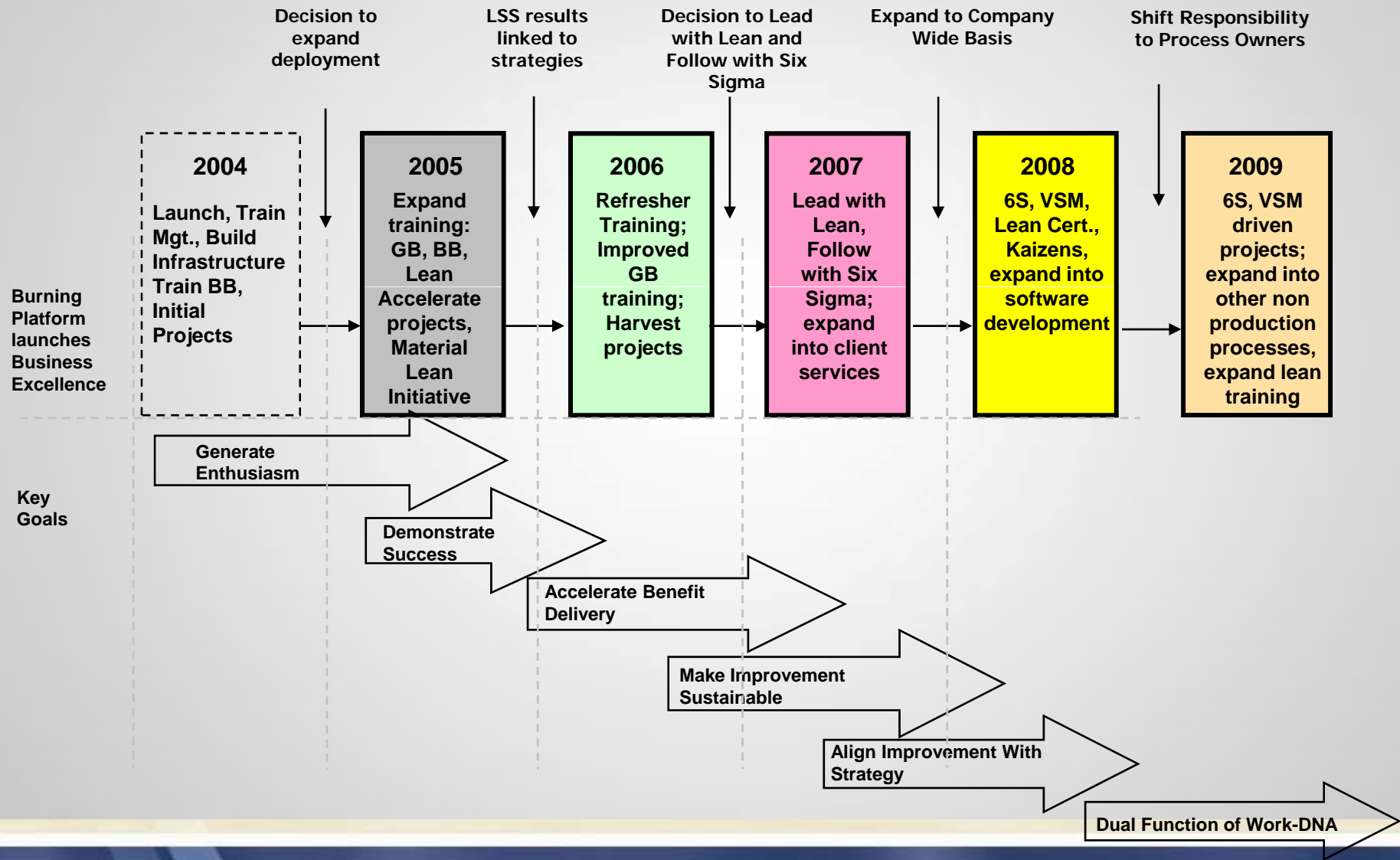
Mail Preparation Total Quality Management Program (MPTQM) combines:

- Malcolm Baldrige Performance Excellence Criteria
- ISO 9001 Requirements
- Total Quality Management (TQM) Concepts

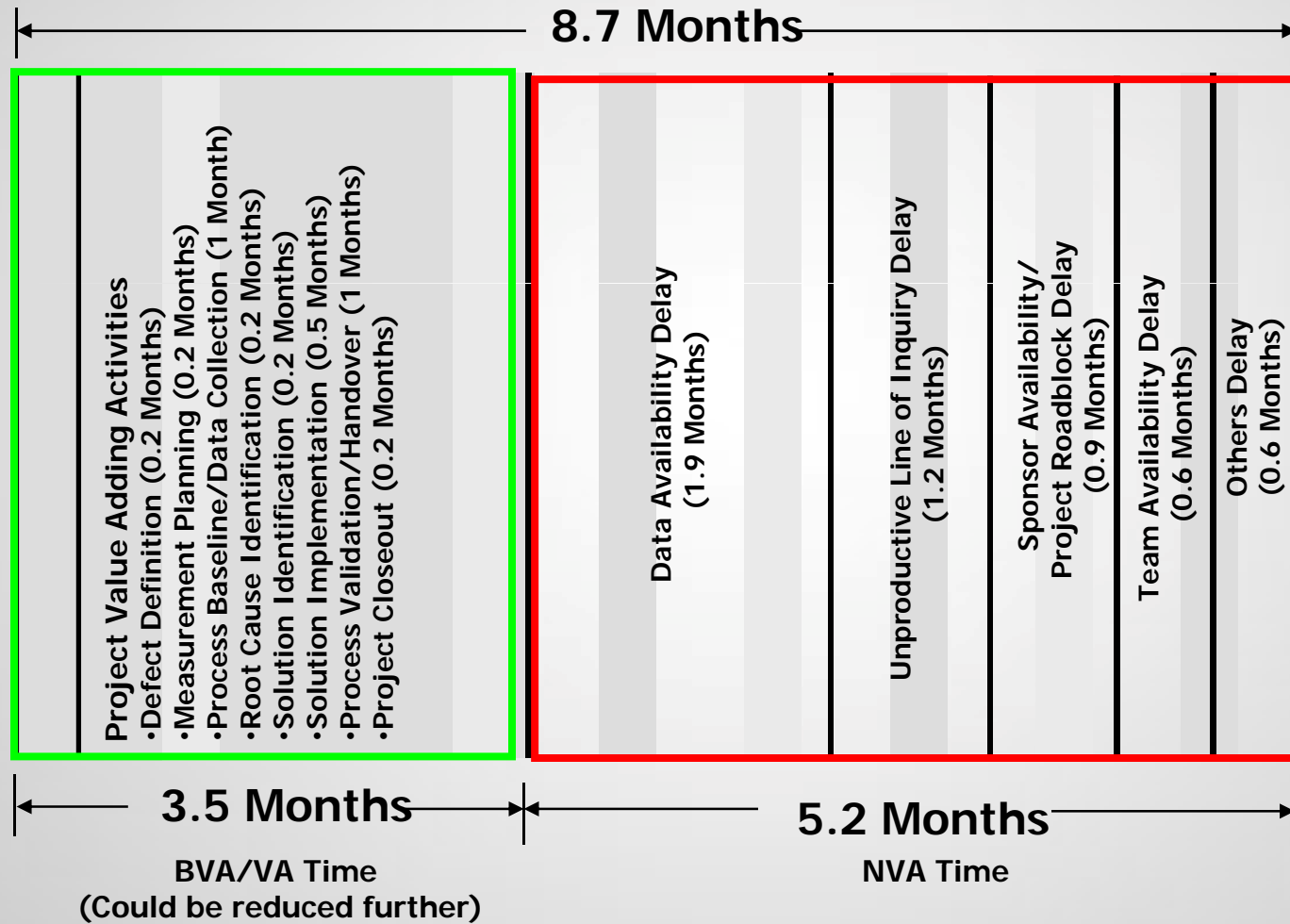
Lean Six Sigma Deployment Strategy



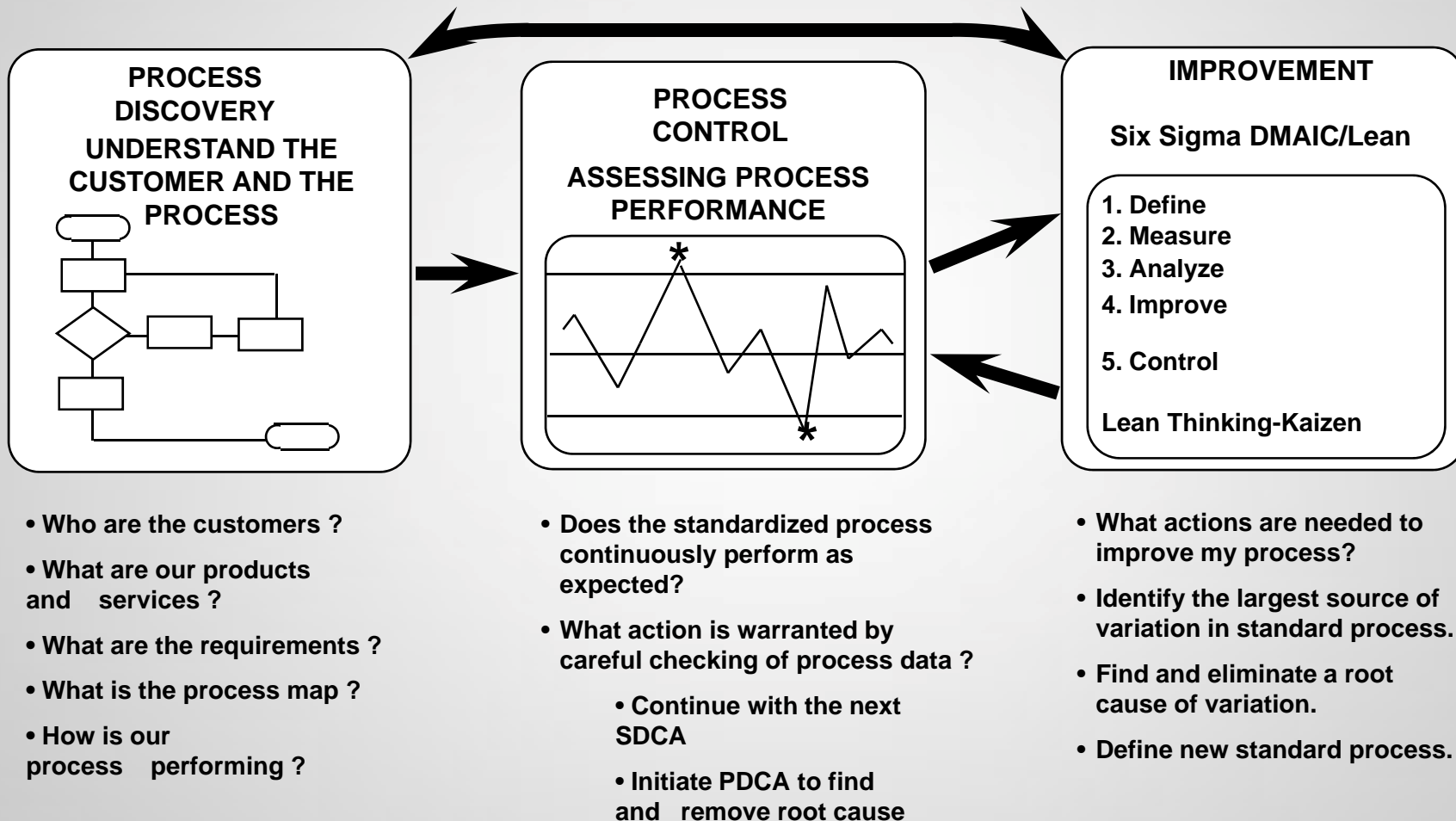
The Business Excellence Maturity Model



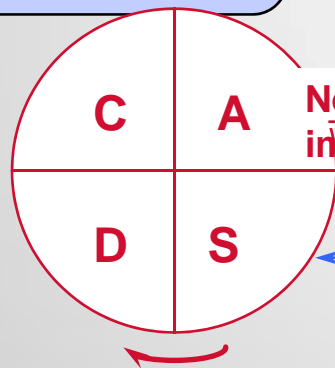
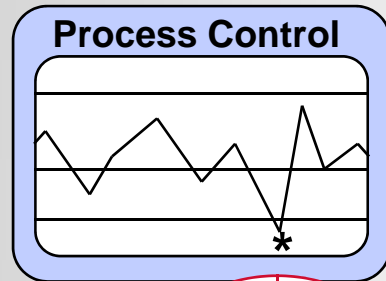
Lean Analysis of Six Sigma Projects-Lead with Lean



Process Management Overview

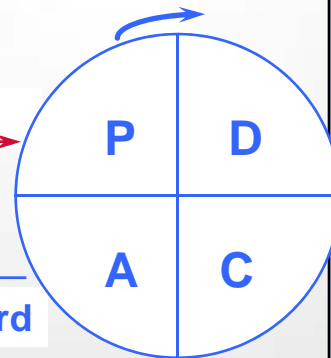


Relationship Between SDCA and PDCA



Need for improvement

New standard



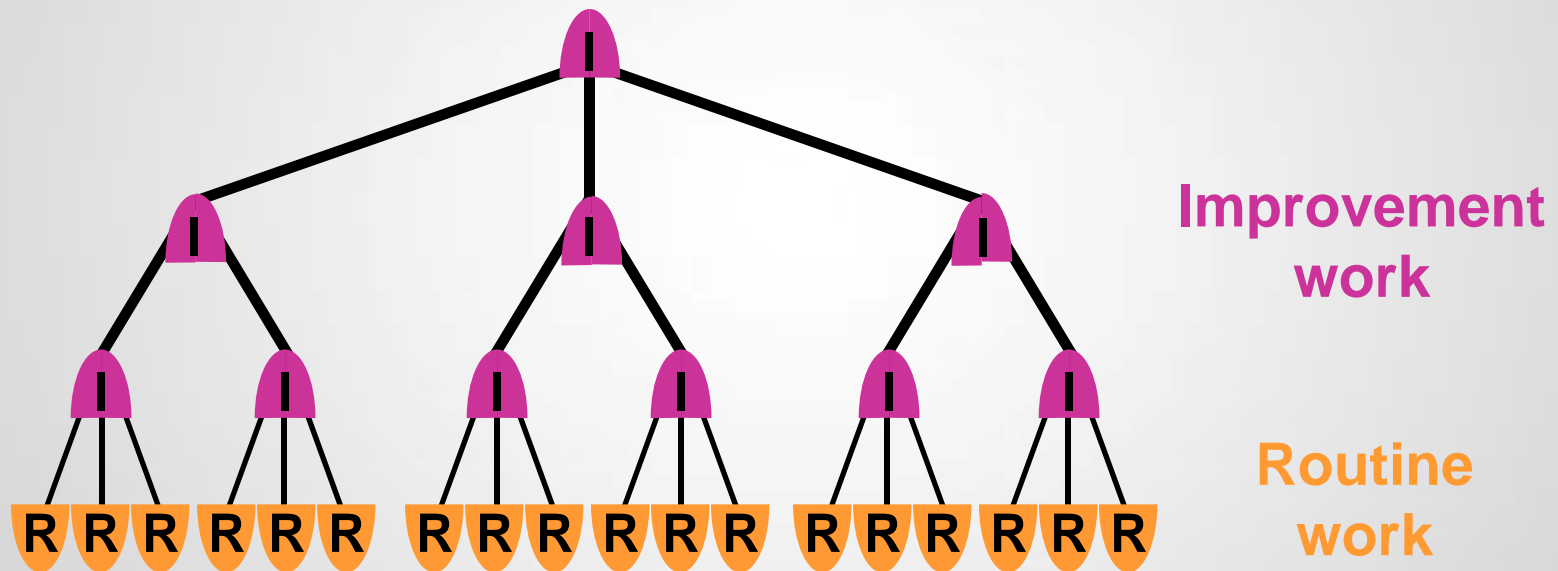
**Continuously
Improve the Process
Lean Six Sigma**

DMAIC:

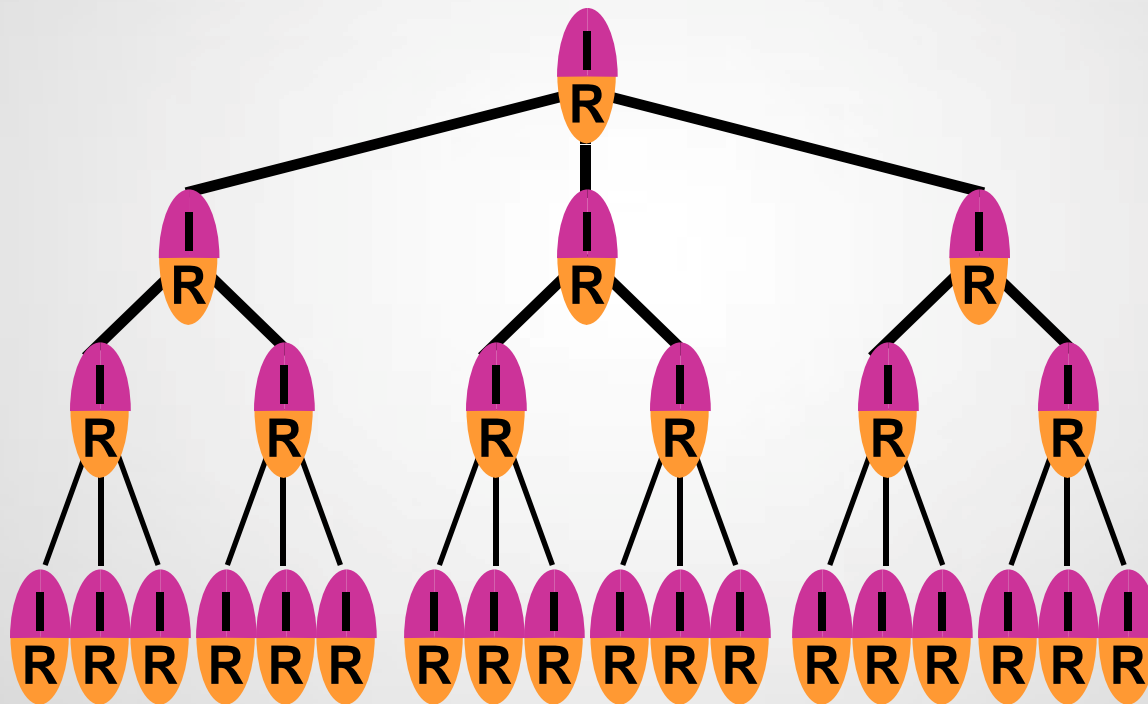
1. Define
2. Measure
3. Analyze
4. Improve
5. Control

Lean Thinking-Kaizen

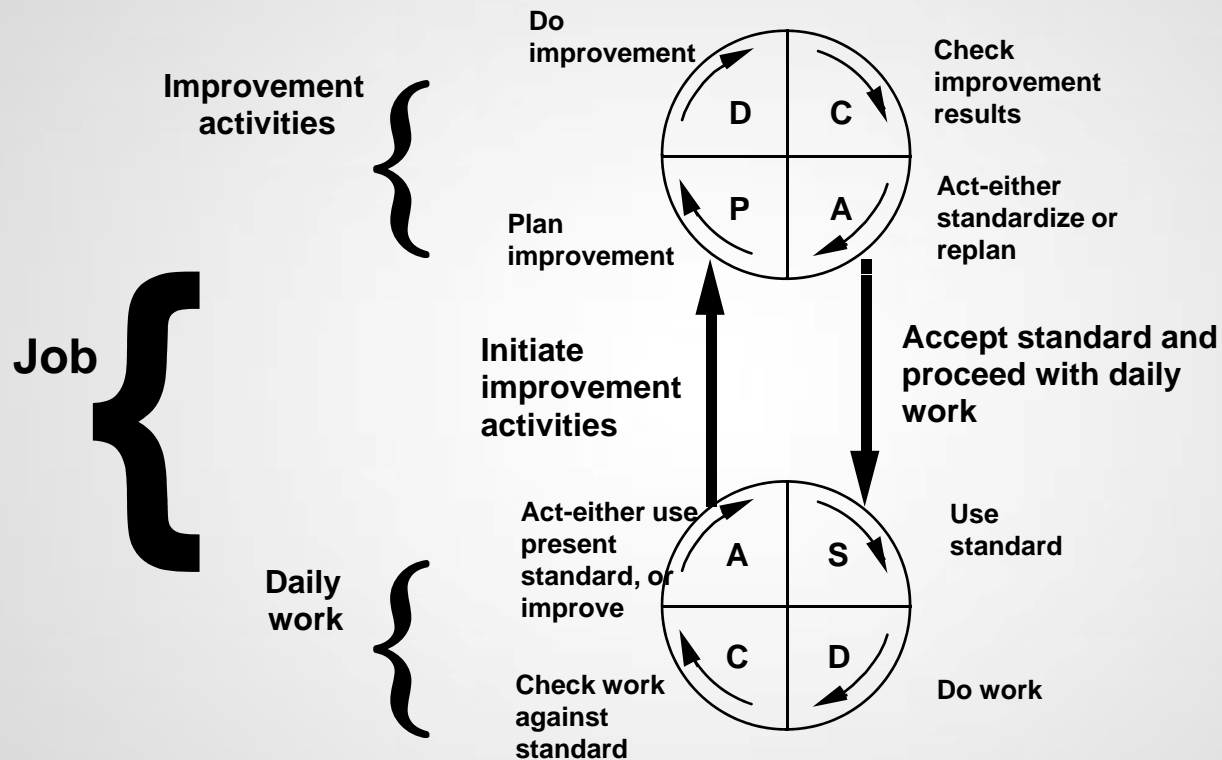
Separation of routine work and improvement work



The Vision: Dual Function of Work (Institutionalize Continuous Improvement)

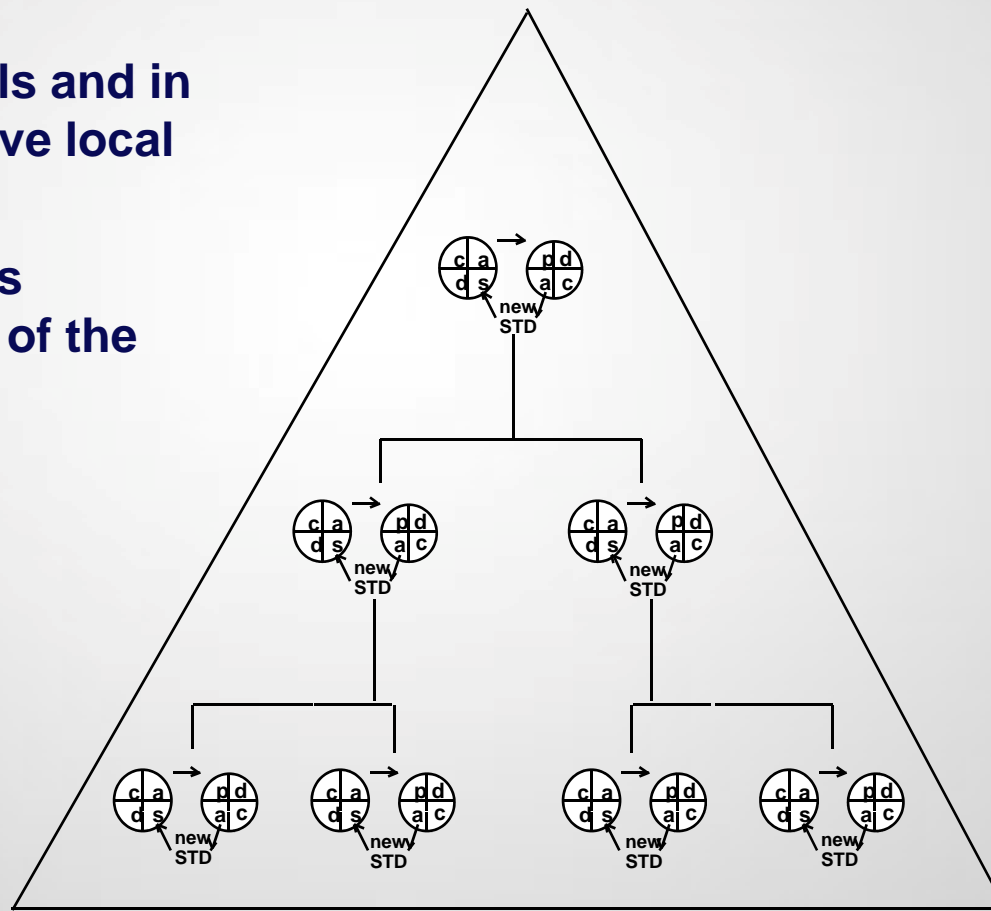


Dual Function of Work (SDCA and PDCA Cycles)



Integration: The Dual Function- Institutionalize Continuous Improvement

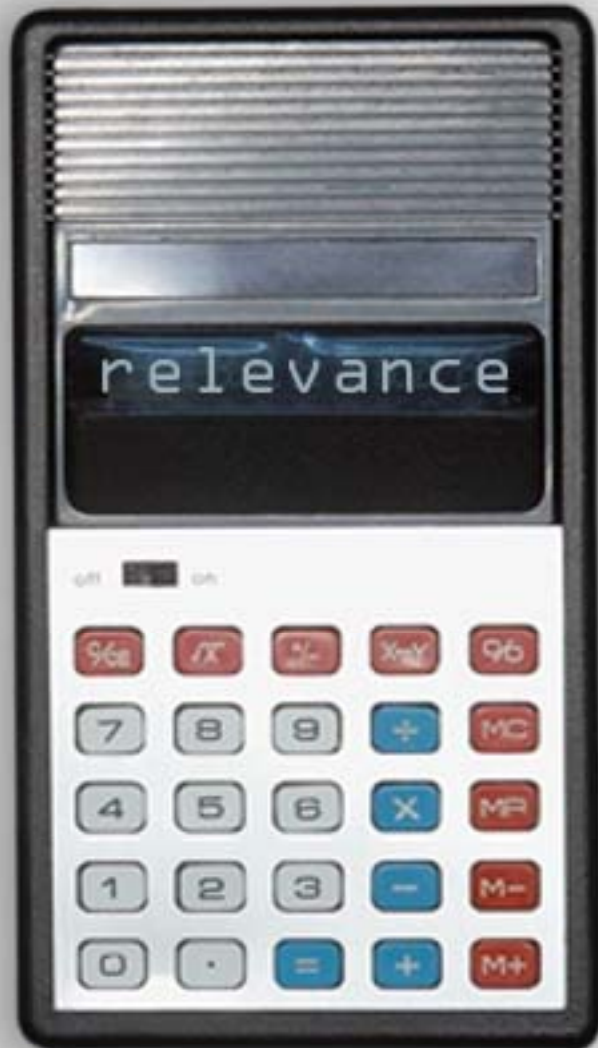
- PDCA is used at all levels and in all departments to improve local daily work processes
- This is when Continuous Improvement is the DNA of the organization



A background image showing a close-up of hands clapping. The hands are in focus, with the fingers spread and the palms facing each other. The background is blurred, showing what appears to be a person in a white shirt and dark tie. The overall tone is professional and celebratory.

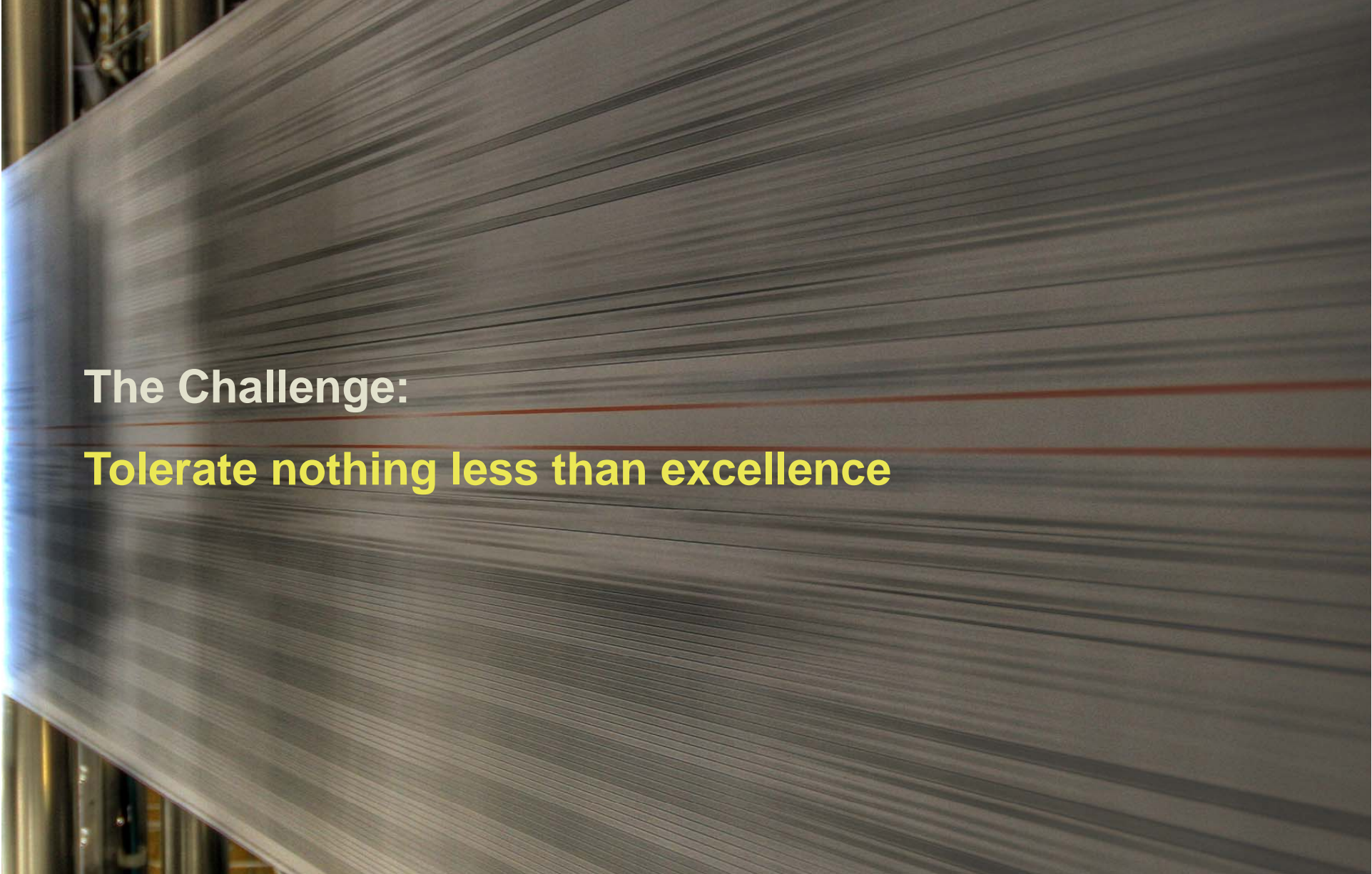
Innovation and recognition

- **28 industry patents**, including Mail-by-Tray
- All U.S. operation centers **MPTQM certified**
- IndustryWeek **awards**
- **DALBAR** client awards
- Exstream **Visionary** awards
- **Xplor** International awards



Selected results over 3 year period

- Revenue increased by 31%
- Profits increased by 42%
- Business Excellence Assessment using Baldrige Performance Excellence Criteria increased 33.3%
- Defects per Million Opportunities decreased by 77%
- Late Per Million Opportunities decreased by 70%
- Quality and On-Time Delivery performance exceed the Industry Week's Top Ten Plants 4 year average



The Challenge:

Tolerate nothing less than excellence

A photograph of a stack of papers inside a mail slot. The papers are slightly out of focus, but some text is visible on the top sheet, including "PAID" and "REGISTERED MAIL". The background is a plain, light-colored wall.

If you want to know more about DST
Output and our journey to Business
Excellence,

**COME TO OUR
BREAKOUT SESSION**