

Case study

Mercury Insurance Group

HP MPS empowers technology vision



Industry

Insurance/financial services

Objective

- Translate print improvements to environmental benefits
- Eliminate cost and budget over runs
- Achieve quality service levels
- Set a foundation for electronic content management and digital workflow

Approach

Engage HP Managed Print Services

IT matters

- Help reduce devices by two-thirds by replacing fax machines, copiers and desktop printers with high-volume HP printers and multifunction devices
- Help reduce the numerous device model numbers by multiple manufacturers to a standardized HP fleet
- Automate toner delivery and improve printer reliability with HP Original Supplies
- Help eliminate toner leakage and poor print quality from refilled cartridges

Business matters

- Save \$1.3 million over 24 months in contract and per click costs alone
- Help eliminate capital budgeting requirements through “print as a service”
- Help reduce ongoing print/copy/scan/fax annual spend
- Simplify vendor management by consolidating three suppliers to one, and eliminating two copier contracts
- Provide secure print solution with HP MFP PIN printing features and separate print projects with MFP job holding & storage options
- Help increase business efficiency by replacing manual document printing/copying and shipping with digital sending
- Establish on-ramp to implement digital content management strategy for competitive efficiency
- Empowered data-driven decision making through customized HP reporting and ongoing business reviews



“Most providers can fix hardware; very few can enable us to run our business. HP capabilities are essential to succeeding in any Managed Print outsourcing services.”

– Abby Hossein, Chief Technology Officer, Mercury Insurance Group, Los Angeles, Calif.

Mercury General Corporation, with total assets over \$4 billion, is the leading Property and Casualty insurance carrier based in California. Mercury has been named by Forbes as one of America’s Most Trusted Companies. The company employs more than 4,500 employees in 13 states, and focuses primarily on auto, home and business insurance. To remain a lean and efficient financial-services competitor, Mercury engaged HP MPS to transition from a break/fix environment of unreliable printers and toner to a proactive, optimized print infrastructure. Key goals were to decrease costs, increase workflow efficiency and to establish a digital on-ramp to improving document processes of the future.



Headquartered in Los Angeles, Mercury is one of America's most respected insurers, having been named by Forbes as one of America's Most Trusted Companies. Mercury has more than 4,500 employees and more than 6,000 independent agents. Mercury operates in a paper-intensive industry that constantly generates underwriting and claims documents, as well as customer communications. To pursue its vision of enterprise content management with digital document workflows, Mercury relies on HP Managed Print Services (MPS).

"We aimed to streamline workflows and reduce paper," says Abby Hossein, Mercury's Chief Technology Officer. "But first, we had to solve some festering service-quality problems, cost over runs and employee tools issues. HP MPS enabled us to address our immediate quality of service issues and create a roadmap for the future."

Confronting poor quality, reliability with HP MPS

Mercury's previous print services resulted in unreliable devices lacking digital sending capabilities, leaky remanufactured toner and inadequate service. Workflow was paper intensive and slow. If the company had a business unit in California working on a claims case in another state, related material had to be printed—sometimes more than once to compensate for streaking—then copied, placed physically in an envelope and mailed across the country. "The cycle time was longer, toner leakage led to poor print quality, and because the print support services were poor, the staff wanted individual desktop printers to mitigate the risk of downtime," Hossein recalls.

Proliferation of devices and vendors created management complexity for Mercury. The company had at least three separate suppliers for devices including printers, fax machines and copiers. With the hundreds of additional desktop printers, the device total surpassed more than 1800. With HP MPS, Mercury has streamlined its supplier management to a single vendor and consolidated devices to 600 units achieving an 8:1 ratio of employees to printers. Full-featured multi-function printers have replaced the need for separate

fax, copier and desktop printer devices and eliminated two copier contracts. The business has moved from paper to digital workflow and from cumbersome fax or postal mail to digital sending—eliminating waste of time and paper, and enhancing Mercury's business efficiency.

"When we initially reviewed the various service quality issues to overcome, we never imagined that all of our project's financial goals would also be achieved through the HP Managed Print Services."

— Charles Campese, Project Manager
Mercury Insurance Group

In choosing its new managed print services provider, Mercury wanted to work with an original equipment manufacturer (OEM), reasoning that such a vendor would best understand its own technology, support standardization and simplify the burden on the insurance company's IT staff. After nearly 18-months of careful review that came down to HP and one other vendor, Mercury chose HP.

"In the final analysis, we evaluated cost, quality of devices and the positive feedback we received from HP references," Hossein says. "HP is collaborating with us by analyzing the printing and financial data, responding to questions, customizing reports, and having productive and informative quarterly business reviews—these HP capabilities are essential to managing any Managed Print outsourcing services. Most service providers can fix hardware; very few can enable us to run our business."

HP MPS enabled Mercury to move from the reactive break/fix approach that was previously necessary to the proactive pursuit of strategic goals for faster and better customer service. "HP expertise is vital in assessing our workflow needs, recommending right-size solutions and providing the data-driven insights that drive ongoing optimization," Hossein adds.

Nearly 25% duplexing CO₂ emissions down more than 385,000 lbs

Transformed infrastructure highly reliable

Mercury employees include underwriters, claims adjusters, investigators, field-support staff, human capital specialists, legal, marketing and sales teams. The company is organized into branches, or business units, which might work in the same building but handle customers in different zip codes, time zones and states.

With the integration of HP MPS, Mercury optimized its print infrastructure to replace fax machines, copiers, desktop and obsolete printers with right-sized HP LaserJet printers and MFPs. “With the help of HP MPS consultants, we strategically selected and positioned these devices to provide different floor plans with ample access to the capabilities they need, without oversubscribing,” Hossein says.

Data from HP Web Jetadmin management software supports continuous deployment optimization to balance cost and productivity. Remote monitoring also enables proactive maintenance.

“As an insurance company, our operations are document-intensive. With HP Managed Print Services, we have established the foundation for digital workflows that enhance operational efficiency.”

— Abby Hossein, Chief Technology Officer,
Mercury Insurance Group

Project Manager Charles Campese notes that in the midst of some internal staffing changes he dug deeper into the capabilities with Web Jetadmin. “I realized there was so much more we could do with Web Jetadmin,” he says. “We have the flexibility to customize for our needs and an amazing amount of control over the fleet from the desktop.”

Current uptime is more than 99%, exceeding the goal of 97%. Automated supplies management provides timely receipt of HP Original Supplies of toner, supplemented by as-needed, automated orders for spare

supplies and MICR toner that resulted in the elimination of various onsite toner depots. HP Account Delivery Management (ADM) promptly handles change orders and helpdesk requests routed through Mercury IT staff.

The transformed print infrastructure enables Mercury employees to do their jobs more efficiently. Gone were the days of poor-quality refilled cartridges, printer downtime from late arrival of supplies, and constant toner streaking in simple printing. With HP MPS, the devices are reliable and easy to use. “HP MFPs have an intuitive user interface, as opposed to the old printers, which didn’t even have a screen panel,” Campese says.

Each network printer is PIN printing capable; employees simply send their print jobs to a shared floor printer and release them at the device using a PIN code for security purposes—eliminating a privacy need for individual desktop printers. Printing jobs can also be held until picked up to keep print jobs separated. A user simply selects their name at the printer and the job is released to print.

Best of all, the ability to send and receive documents digitally enhances operational efficiency. “Before people would print a document, then copy it and mail it cross-country,” Hossein says. “Today all that is done with digital sending. It makes Mercury a more efficient, competitive company.”

But how did employees respond to the changes? “I had some concern of being viewed as the printing czar. Our executive team fully supported and endorsed the HP MPS plan,” he explains. “And once our users realized the improved quality of service and the capabilities of the more intelligent multi-function devices, there was no major resistance to losing a personal printer.”

With employees now readily adopting digital sending, the company is looking into deploying more HP Scanjet scanners for content management.

Mercury is realizing financial benefits as well. Total savings in contract pricing alone reached \$1.3 million over 24 contract months. Ongoing print costs are down. Acquisition of “print as a service” eliminates capital budgeting requirements and allows the company to deploy the latest, most feature-rich and energy-efficient technology. Mercury

Customer at a glance

Application

Managed print infrastructure of insurance underwriting, claims documents and customer communications

Hardware

- HP LaserJet printers
- HP LaserJet multifunction printers
- HP Color LaserJet printers
- HP Scanjet scanners
- HP Desktop Computers
- HP Servers

Software

- HP Web Jetadmin
- HP Universal Print Driver
- HP Enterprise Software

HP services

- HP Managed Print Services

HP supplies

- Original HP Supplies
- HP LaserJet Printer Maintenance Kits

successfully achieved their goal of over 21% duplex printing ratio, which contributes to reduced paper costs and environmental waste. Wanting to push that even higher, the company set a new goal to increase duplex printing another 4%. Within six months Mercury successfully achieved this milestone by hitting nearly a 25% duplex printing ratio. Implementing duplex printing alone reduced carbon dioxide (CO₂) emissions¹ by more than 385,000 lbs. Mercury also controls costs by keeping its color volume down to a low 2-3% of total printing.

“When we initially reviewed the various service quality issues to overcome, we never imagined that all off our financial goals would also be achieved through the HP Managed Print Services,” Camplese reports.

Looking ahead: next steps toward a digital future

With its optimized print infrastructure and managed print framework in place, Mercury is working with HP to implement optimal content management solutions. Numerous vendors all confirm that their offerings integrate easily with HP print solutions. “We hear consistently that if we are ‘working with HP devices,’ the technology is supported. That tells us we

don't have to worry about platform integration as we take our next steps in digitizing our content,” Camplese says.

“The HP Managed Print Services solution is critical to our corporate commitment to help reduce energy consumption and lower our carbon footprint.”

– Abby Hossein, Chief Technology Officer,
Mercury Insurance Group

Regarding the print infrastructure in particular, Hossein notes: “The collaboration between HP and Mercury IT started by resolving quality issues we had with a previous vendor. But then we took things even further to give employees new capabilities and create a digital on-ramp to digitize our documents. Next we can add advanced solutions such as enterprise content management. The ultimate endgame is to streamline workflows and optimize printing and document management costs while also reducing Carbon emission and energy cost. With HP MPS as the foundation, we are well on our way.”

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¹ The Estimated Savings for Carbon Dioxide Emissions is based on the findings from an Environmental Protection Agency (EPA) study. The Reduced CO₂ emission total is calculated by comparing baseline data with data from the most recent Quarterly Business Review using the Carbon Footprint Calculator online at: hp.com/go/carbonfootprint

