MCI/VERIZON Returned Mail Processing Project Outline

The Company

MCI was the United States' second largest long distance company for residential customers. In April 2002, MCI launched The Neighborhood built by MCI, the industry's first truly any-distance, all-inclusive offering combining local and nationwide long distance calling from home to consumers for one low monthly price.

MCI delivered a comprehensive portfolio of local-to-global business data, Internet and voice services to a 'Who's Who' list of the Fortune 1000. Verizon purchased MCI in 20077 and serviced the neighborhood accounts until its recent phase out.

The Challenge

One of MCI's largest distribution centers, located in St. Louis MO was faced with the challenge of manually processing over 40,000 pieces of returned, or exception mail per week. These were "live" residential accounts receivable that have been returned to the facility as undeliverable by the U.S. Postal Service.

The opening, extracting and processing of information to resend the invoices was very labor intensive, and time consuming. More than 20 FTE's within MCI's Invoice Management Group were assigned to manually process the information on a daily basis. This did not include the additional support and technical staff required to manage the process. Turn-around times could stretch into several weeks and were never static. The resend information was gathered through and internal, homegrown data capture system that, after two passes through the software, was still only 85% accurate.

Because of the inefficiencies and inaccuracies, a significant amount of revenue was going uncollected.

MCI engaged Optitek to assist in developing a system that would be faster, more accurate and more cost-effective. The net result was a high-speed data extraction, capture and processing system that consumed considerably less resources and amount of time to turn around a new invoice with updated mailing information.

The Solution

Once the process was evaluated, Optitek was able to identify areas of redundancy and inefficiency.

Using state-of-the-art equipment, data capture and forms processing technology, a very streamlined, customized bilingual system was designed to manage the MCI process at Optitek's facility in St. Louis. More than 22 template types were created to manage the various invoice "forms". A rigorous quality control process with several checkpoints was established to ensure data accuracy and completeness. Optitek, electronically monitored the project from start to finish and would furnish on demand reports for any of 6 different processing stages. Additionally, Optitek furnished MCI online access to the forms being processed for "at random" auditing of the scanned images and data being captured.

The exception mail was picked up daily; logged into an electronic tracking system, opened, invoices extracted, scanned, processed and verified within a 48 to 72-hour period of time. A new data file was transmitted to MCI nightly.

The data-file was processed at MCI and then compared to a "new" address look-up table. If available, a new address was furnished, and the updated invoice was resent.

The whole process allowed MCI to resend invoices within 3 to 4 days of the returned mail initial receipt.

The ROI

The return was swift. Prior to the automated process being put into place, MCI was able to resend only 10% - 20% of returned residential mail. Almost immediately, after the process of data extraction and address look-up was implemented, they were able to resend 88% of returned mail, or 330% more physical invoices on a monthly basis.

The net effect was dramatic – on the invoices that MCI was able to resend, they realized a 177% increase in revenue collections over the "old" process.

By outsourcing the process, MCI was also able to re-deploy 20 FTE's recognizing a considerable cost savings.

MCI also realized a "soft" savings. By expediting the process, MCI was in a position to make quicker decisions on the status of a delinquent account. Service could then be interrupted sooner, and losses were minimized quicker. Typically this action would elicit a response from the customer, and in many cases, increased revenue collected as well.

The project was considered a "win-win" by both parties and Verizon supported the project until its phase-out.

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