

# People power

HAVING SPENT THE PAST FEW DECADES ELIMINATING HUMANS FROM THE SORTING PROCESS, POSTS ARE REINTRODUCING THEM TO GREAT EFFECT

**To accommodate** changing market needs, ride the tide of uncertain volumes and remain both cost-competitive and profitable, most posts have automated their sorting processes. Many have continued to refine these systems to take advantage of new technology and chip away at residual manual handling.

So, is it safe to assume that the industry is at a point where fewer people are involved in sorting the mail than ever before? After all, it makes sound business sense to use people to process mail where automation fails, or where the process is so small or special that it doesn't merit the effort or cost. Doesn't it?

The short answer is 'no'. Prime Vision – an automation, processing and recognition specialist – is increasingly seeing a paradigm shift in the way innovative posts achieve greater business agility. Into the established, antisocial world of machine automation, people power is marching back. Thanks to the advances in technology, man and machine are working in perfect harmony and the potential gains from this partnership are huge.

Take PostNL as an example. It introduced offshore video coding, giving employment to many thousands of people in the process. This cost-cutting solution soon became a new and growing business venture that has expanded and developed way beyond the original concept.

Prime Vision technology and people power have allowed PostNL to cut labour expenses by 50% in comparison with other west European posts. This fresh approach has also enabled PostNL to add data processing to its list of services.

So where does this leave automation? According to United States Postal Service figures, postal peak was reached in 2006

and the decline of traditional letter mail ensued. For some countries the rate of decline has been astonishing, many seeing annual reductions of up to 16%.

Automation has been a critical component in this sea change and demand remains stronger than ever, but in recent years the drivers for automation have changed considerably. Automation is now the means to secure speed, agility, redundancy, revenue protection and competitive edge. Technological advances allow machines to routinely process up to 70,000 mailpieces per hour, compared to 15,000 recorded in the late 1950s.

The notable developments that have prompted this achievement include improvements in physical handling and sorting machinery, and the introduction of postal codes and standardised addressing formats. Advances in identification technologies, such as text and handwriting recognition and barcode reading, are also major contributors.

**The residual percentage** In a traditional postal automation solution, there has always been a great deal of emphasis put on mail that fails to be handled automatically. Essentially this comprises items that end up on the reject chute, fall off the line, or can't be put on the line in the first place.

Video coding has become the time-honoured method of dealing with the lion's share of these rejects and for some posts the ongoing refinement of this process has been the direction automation development has taken. For example, the Prime Vision MailMatch and ParcelMatch platforms have become the basis for integrating multiple OCR engines, barcode readers and assignment engines to squeeze the last percentage points of automated

identification. Today Prime Vision works in partnership with its own core-technology and other OCR providers for its clients.

Post Danmark provides a good illustration. It wanted to reduce the rejects presented for video coding. Even in its early stages this work resulted in 90% of items presented for video coding being readable, an achievement previously considered impossible.

At TNT Post UK, the need was different again. As large labour costs were tied up in a small proportion of difficult-to-sort mail, TNT Post UK worked with Prime Vision to develop a semi-automatic workstation, a solution Prime Vision now calls PROCESS-IT. TNT Post UK also adopted a solution developed by Prime Vision for PostNL in The Netherlands for a nationwide platform connecting all sorting centres – a combination of Prime Vision's MailMatch and an offshore coding service with programme partner Shore.

The system is designed to capture images from letter and flat rejects, and send them, via Prime Vision software and servers, to a central processing hub in The Netherlands and via the PostNL Shore server to the Far East for video coding.

**Efficiency** For PostNL Shore, the provider of this offshore service to TNT Post UK, advances in automation continue to underpin its success and in recent years its new people-powered resource has become the jewel in its crown. What started off as a means to add capacity during peak times has developed into the most flexible automation strategy that PostNL has in its toolbox. Today there are no video-coders employed in its mail centres in The Netherlands, yet the company still has the ability to process 750,000 to one million 'unreadable' mail items daily.

Images are transmitted electronically over a fast and fully redundant data line, video coded in Asia, returned and fed into the organisation's automation systems for sorting. The entire process takes seconds and enables PostNL to increase and decrease data entry capacity by 500% within 15 minutes. It's the ultimate in flexible processing and not only has the company made cost savings of 70% in the process, it has also improved quality too.

PostNL Shore was established as a subsidiary just three years ago and today its scope of data entry continues to grow. It currently scans incoming invoices, order forms, statements and reply mail in six European countries, and has opened new data entry sites in Bulgaria, The Netherlands and India. PostNL Shore is the fastest growing entity within PostNL and is already branching out in the digital areas of e-invoicing, e-books and e-ordering.

**The next big thing** PostNL has demonstrated beyond doubt that people-centred technology is the way to go, as it does so much more than just improving reject handling and cutting costs. It's all about providing the best business case option for a given task. Now all posts have more options in their automation toolkit and the massive implementation for the UK and The Netherlands proves that whether you use OCR, barcoding or 'people power', all strategies can be treated as automation in terms of speed and process.

With such a model, there really is little operational difference between a custom-developed OCR solution and an offshore coding solution, and in fact both are very complementary. In today's postal market that's an interesting proposition, especially in view of the constraints on upfront capital expenditure, smaller programme sizes and time-to-market considerations.

The premise 'people power fills a lot of automation gaps' guides Prime Vision's own development. Its core technologies remain OCR development and open-integration expertise, but to reflect changing market needs, Prime Vision's MailMatch and ParcelMatch platforms now also support offshore coding as standard. Open integration offers a total automation solution, from gathering images and mailpiece data directly at any mail or parcel sorting machine, to returning the assignment or sorting response.

What is clearly emerging for Prime Vision is that while there is a common thread in the postal automation requirements, the needs of each post are different. The key to success is being able to build solutions around the customer application, based on the best technical and commercial model for the job. ■



Skilled personnel and automation go hand in hand when aiming to increase productivity