

# Case Study

manufacturing

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In the aerospace industry, there are severe penalties if technical data lands in the hands of a foreign national company on a watch list or a foreign national working in the U.S.

## Aerospace Manufacturer

How a major manufacturer eliminated mail compliance fines, reduced costs \$25,000 a month and trimmed staff.

### ABOUT THE CUSTOMER

This U.S.-based aerospace manufacturer designs, builds and services advanced aircraft components. With revenues in the tens of billions, the company has more than 30,000 employees throughout the world. With its aerospace products being critical components in both civilian and military aircraft, the company has a dual mission: to deliver people safely to their destinations and innovate the future of aviation.

### CHALLENGE

- **Need for ITAR/EAR regulatory expertise**
- **Desire to reduce mailing costs and improve services**
- **Local mail services vendor had become complacent**
- **Lack of reporting for visibility and cost control**

The manufacturer was far too familiar with repercussions when technical data leaves the company and winds up in the hands of a foreign national company on a watch list or a foreign national working in the U.S.—otherwise known as an “escape.” International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR) control laws are violated—and hefty fines are levied. Following an “escape” of such information, the manufacturer knew they needed expertise in mail services ITAR/EAR compliance to avoid another costly incident.

The company also wanted to reduce its mail services costs, but business as usual in the mail room and lack of innovative technology prevented this from happening. Its current local mail services vendor had become complacent and offered no advanced tracking tools to uncover data, provide metrics or develop strategies to improve workflow process that could lead to long-term savings.

### RESULTS

- **\$25,000 monthly savings**
- **Reduced junk mail by 40%**
- **Secured package tracking virtually eliminates escapes**
- **Completely automated, documented mail processes**

By automating all of the processes, the manufacturer has reduced its mail services costs by \$25,000 per month. Automation allowed us to downsize the mail services headcount from 13 to 8 full-time employees (FTEs), which accounts for more than half the savings. We also arranged a rental agreement for more robust postal technology through the commercial real estate service provider—delivering more than \$1,200 in monthly savings by eliminating exorbitant leasing costs.

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Our tracking solution allowed us to see precisely how much junk mail the manufacturer was receiving and eliminate much of it from the mail stream. We implemented our Undeliverable as Addressed solution to reduce junk mail by 40 percent--which also furthered the manufacturer's sustainability goals.

Most significant of all, our automated tracking solution virtually eliminates the potential for escapes that incur hefty ITAR/EAR fines. For each outgoing package, we track where it's going, who it's going to, the contents and signoffs to ensure it meets compliance regulations. We also follow a checklist that is signed off by four parties, including one representative from the commercial real estate services provider. Each incoming package is automatically scanned via barcode and then incorporated into a database so mail services employees can follow a package until it's delivered to the recipient and signed off via electronic signature. With complete automated and process documentation, the manufacturer is now better protected from compliance breaches.

### HOW WE DID IT

- **On-site analysis to document mail processes**
- **Automated processes, reduced FTE staff**
- **Implemented automated tracking on all service levels**
- **Trained FTE's to comply with ITAR/EAR regulations**
- **Expanded relationship with new services**

We had a strategic supplier agreement with a leading commercial real estate services provider managing the facility and its mail services operation. When we learned of the fine the manufacturer had incurred due to an escape, we met with the manufacturer's VP of operations and a

**Working with a prominent commercial real estate services provider, we helped the manufacturer save \$25,000 a month by automating mail processes.**

representative from the service provider to encourage them to issue an RFP for a new mail services vendor.

Through our RFP response, we conducted an assessment of the current services and processes, and determined we could deliver very high level, secured mail services by automated processes and trimming staff from the current 13 FTEs on site to just eight. We also proposed advanced tracking technology to gather data, illuminate trends and devise strategies for reviewing metrics to uncover cost savings and improve workflow processes. In addition, we proposed working with an outsourced ITAR/EAR expert to train our FTE's to become experts in preventing escapes. This expert had previously trained the manufacturer's personnel on ITAR/EAR regulations, which was yet another reason the manufacturer wanted to work with us.

We won the RFP to provide mail services for the manufacturer and we have added more services ever since. Over the last three years, we have hired two additional FTEs to handle invoice processing and forms management. We even developed a SharePoint® site for seamless business card ordering. There are now plans underway for us to manage a new dock-to-desktop delivery program that provides laptops to employees when a device breaks or a new employee comes onboard—removing this responsibility from the manufacturer's time-strapped IT staff.

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Learn more about **Ricoh Services and Solutions** or **contact us**

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