

# The Comprehensive Guide to Mail Automation

How to find the right folder inserter for your business



quadi<sup>7</sup>ent

## INTRODUCTION TO MAIL AUTOMATION

Sending your customers **the right documents in a timely manner** is more important than ever. Invoices, statements, and other communications not only relay important information but also drive revenue and cash flow for your business. However, if mail is processed incorrectly that can lead to larger issues. To help with this, many businesses choose to invest in a folder inserter to send documents faster and more accurately.

Let's face it, while customer communications are an essential part of doing business, processing mail is tedious and time-consuming. If employees compile mail by hand, your business runs the risk of human error, low employee engagement and lost time that could be spent on higher-value tasks. Most importantly, mail that is processed incorrectly or misdirected to the wrong recipient could lead to costly consequences.

While a folder inserter can benefit your business in many ways, with all the different sizes, capabilities and features that are available, you may not be sure which solution best fits your business.

**CONSUMERS MAINTAIN A STRONG PREFERENCE FOR PHYSICAL MAIL FOR TRANSACTIONAL COMMUNICATIONS. NEARLY 43% SAY THEIR MONTHLY BILLS AND STATEMENTS ARE RECEIVED ONLY IN THE MAIL.**

Considering a folder inserter is an important first step toward transforming and modernizing your mailing process. That's why we created **The Comprehensive Guide to Mail Automation** to provide you with the facts, figures and available features to help you make an informed choice. We uncover **the benefits of automating your mailing process so you can take your customer communications to the next level.**



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## WHAT IS A FOLDER INSERTER?

A folder inserter is a machine that speeds up mailing processes by automating the mundane task of folding, stuffing and sealing envelopes by hand. Folder inserters range from smaller models that fit on a desktop to larger configurations suited for high-volume mailers. Some machines can be enhanced with document automation software to further streamline and secure your mailing process.



## TOP FIVE REASONS COMPANIES USE FOLDER INSERTERS

There are many reasons that companies choose to invest in a folder inserter, but these five benefits stand out above the rest:

### 1 PROCESS MORE MAIL IN LESS TIME

Aside from stuffing envelopes, sorting, group and collating documents for the right recipients, especially if the contents vary by customer, is time-consuming. Depending on your mail volume, folder inserters cut processing time by 75% or more.

### 2 INCREASE EMPLOYEE PRODUCTIVITY

Preparing mailings manually often requires multiple employees to perform this labor-intensive activity. By using a folder inserter, one person can do the job of many in a fraction of the time. In turn, this reduces labor costs and enables you to reallocate employees to other revenue-driving projects.

Quantifying Time and Labor Savings			
Average productivity levels for folding and inserting by hand:			
# of sheets per envelope	One	Two	Three
# of filled envelopes per hour	120	95	85
When also adding an insert	105	80	70

### 3 DECREASE CASH FLOW CYCLE AND OTHER BUSINESS CRITICAL TIMELINES

Efficient processing of transactional mail such as statements and invoices helps improve cash flow. The faster bills enter the mail stream, the quicker you receive payment. With a folder inserter, you can send out communications quickly, resulting in shorter DSO.

### 4 ENSURE ACCURACY AND MITIGATE THE RISK OF HUMAN ERROR

Manual folding and stuffing is not a secure process, and error rates are often higher than expected. Folder inserters when paired with document automation software not only process mailings faster but also ensure that each envelope receives its intended contents.

### 5 PRODUCE MORE PROFESSIONAL-LOOKING MAIL

Mail pieces assembled by a folder inserter contain documents that are crisply and precisely folded which reflects positively on your business' professional image.

## WHAT ARE THE RISKS AND COSTS OF MANUAL PROCESSES?

It sounds simple, but the most important thing about effective, impactful customer communications is that the right content goes to the right recipient. But when employees are manually processing hundreds of letters making sure the right communications go into the right envelope is not as easy as it sounds. More sheets, inserts and variable documents mean more opportunities for documents to be omitted, misplaced or sent to the wrong person. Mailings sent to the wrong individual or containing the wrong contents not only reflect poorly on your organization but also create issues down the road. For those in industries who manage highly sensitive information, documents sent to the wrong recipient can result in delays in cash collection, customer dissatisfaction, or damage to the company's reputation and even compliance violations (HIPAA, SOX, GLBA, etc.)

**Did you know that 39% of all invoices sent in the US are paid late and 61% of late payments are due to mistakes and errors?**

Have you ever spot-checked a mail run by pulling a random envelope from the pile to make sure everything on the inside was correct? If so, what happens if an error occurred before or after the spot check? Once the envelopes have been stuffed, if every employee goes back to double-check the contents, they not only spend time compiling the mailing, but twice as much time confirming if was completed correctly OR NOT.

In 2020, Quadient commissioned a study at the University of New Haven where participants were required to perform complex manual mailing tasks for 1.5 days. Each participant had to sort and group various documents for 200 recipients as well as pull exception documents like zero-balance statements. The team conducting the study made the following observation:

**“ SIXTY PERCENT OF PARTICIPANTS SHOWED MORE INTEREST IN FINISHING THE TASK THAN ENSURING WHAT THEY PROCESSED WAS DONE CORRECTLY, DESPITE NOT HAVING AN IMPOSED TIME LIMIT TO FINISH THEIR WORK. — Dr. Robert Albright, AIM Consulting ”**

Once the participants finished their task they found not all mail pieces were completed properly. The study further found that over time these workers experience lower motivation and engagement than employees assigned to more thought-provoking and mentally stimulating work. Imagine the impact on an employee performing this tedious, unrewarding work, day in and day out?

### FULL VERSUS PARTIAL AUTOMATION

Another key finding in the mail study was the value of full versus partial automation. Partial automation was defined as using a folder inserter without the safety net of document automation software. While using the inserter significantly decreased processing time, if one document was not inserted properly it had a compounding effect on subsequent documents, thereby tripling the error rate in some cases. The study concluded that combining mailing hardware and software is the best solution to increase efficiency and ensure accuracy.



## WHAT'S INSIDE THE ENVELOPE?

Inside every envelope is an important invoice, statement, message or business communication. One of the key benefits to pairing mail preparation hardware, like a folder inserter with automation software is that it removes the headaches of wondering whether the correct communications will arrive to the intended recipient. Companies must communicate messages that add value and ensure security and integrity within each piece of outreach. Every customer communication your company sends out is critical, and each message is important.



## WHY INVEST IN A FOLDER INSERTER?

### SAVE MONEY ON EVERY MAILING

A folder inserter saves hundreds of dollars in labor costs each month depending on your mail volume. When you enhance your folder inserter with automation software, you can group documents intended for the same customer, which also saves on postal costs.

### SAVE HOURS EVERY WEEK

Time is a commodity for every business. Even a small business can save up to 8 hours a week by processing mail with a folder inserter. Employees can carry greater workloads and extra responsibilities without being weighed down with the time-intensive task of mailings.

Monthly Volume	Manual Hours <sup>1</sup>	Manual Labor <sup>2</sup>	Machine Hours <sup>3</sup>	Machine Labor \$	Monthly \$ Saved	Monthly Hours Saved
1,000	8	\$125	.5	\$7.50	\$117.50	7.5
2,500	21	\$312.50	1.3	\$18.80	\$293.70	19.7
5,000	42	\$625	2.5	\$37.50	\$587.50	39.5
10,000	83	\$1,250	5	\$75	\$1,175	78
15,000	125	\$1,875	7.5	\$112.50	\$1,762.50	117.5

<sup>1</sup>Based on 120 per hour. <sup>2</sup>Based on \$15.00 per hour. <sup>3</sup>Based on 2,000 per hour

### STUFF AND SEAL THOUSANDS OF ENVELOPES AN HOUR

Assemble mail invoices, statements, and marketing materials in record time. Larger folder inserters have multiple paper feeders and envelope stackers that enable you to program a job and spend time on other tasks while the mailing is completed.

### GET PAID FASTER

The faster you are able to generate and send invoices the quicker you receive payment, which reduces your days sales outstanding (DSO) and working capital.

### AVOID FINES AND NONCOMPLIANCE

Ensure documents are always sent to the correct recipient by pairing your inserter with intelligent software.

## CALCULATING YOUR RETURN ON INVESTMENT

Use the formula below quickly calculate and get a general idea of how much time and money you will save for your business:

### Cost of manual process

# of filled envelopes per month	÷	# of filled envelopes per hour by hand	=	# of hours per month to complete	×	hourly wage	=	Current monthly cost
15,000		350		43		\$25.00		\$1,071.43

### Cost of automated process

# of filled envelopes per month	÷	# of filled envelopes per hour by machine	=	# of hours per month to complete	×	hourly wage	=	New monthly cost
15,000		2,200		6.8		\$25.00		\$170.45

### Bottom line cost savings

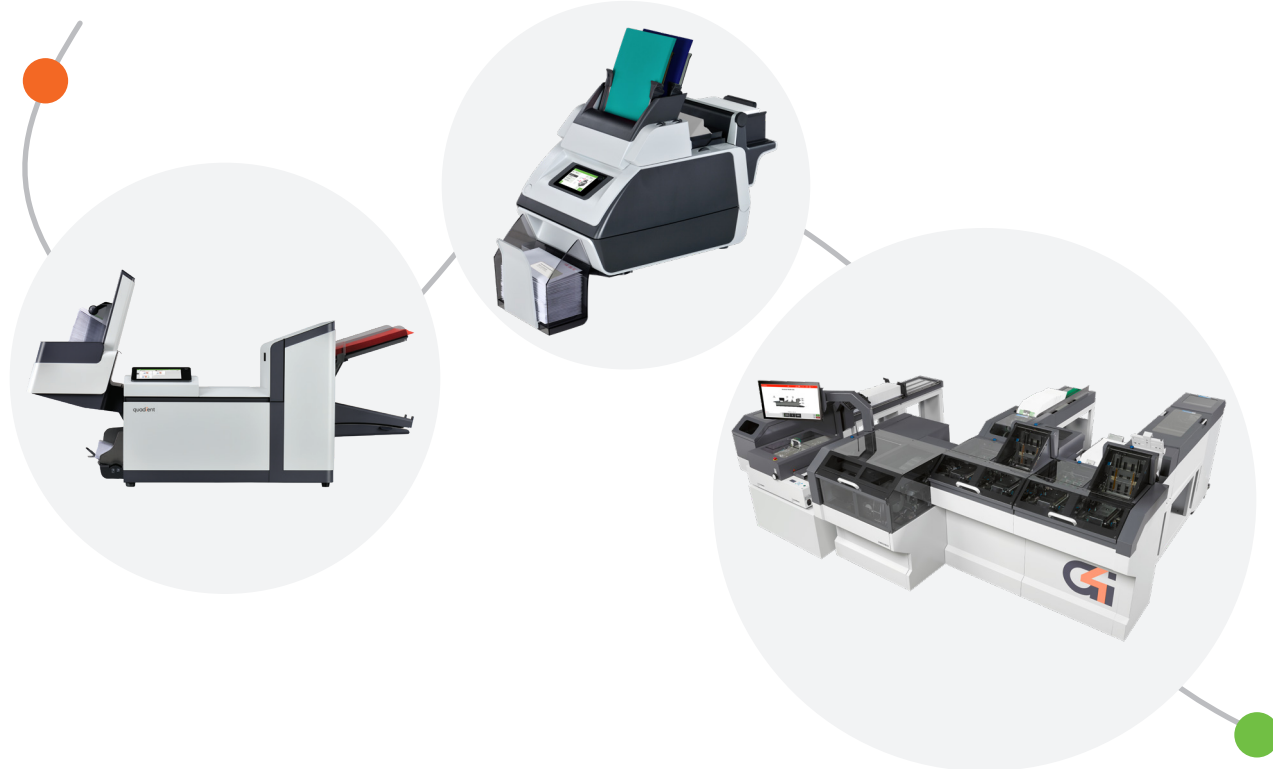
cost per month manual process	-	labor cost per month with automation	-	equipment lease payment	=	Monthly savings
\$1,071.43		\$170.45		\$285.00		\$615.97

## HOW DO YOU CHOOSE THE RIGHT FOLDER INSERTER?

Now that you understand the benefits of using a folder inserter, it's time to identify which machine and what features would best suit your business. Folder inserters come in all shapes and sizes from compact models that fit on a desktop to those that require more room to spread out. Start by answering the questions below, then see which category (low, mid or high volume) your business belongs to.



1. How many envelopes, on average, do you send out each month?
2. How often do you expedite business-critical mailings?
3. What type of mail do you send?
4. What size envelopes do you use?
5. Do your envelope sizes vary?
6. Are you in a highly regulated industry with compliance requirements and regulatory mandates?
7. How much space do you have for the folder inserter equipment?

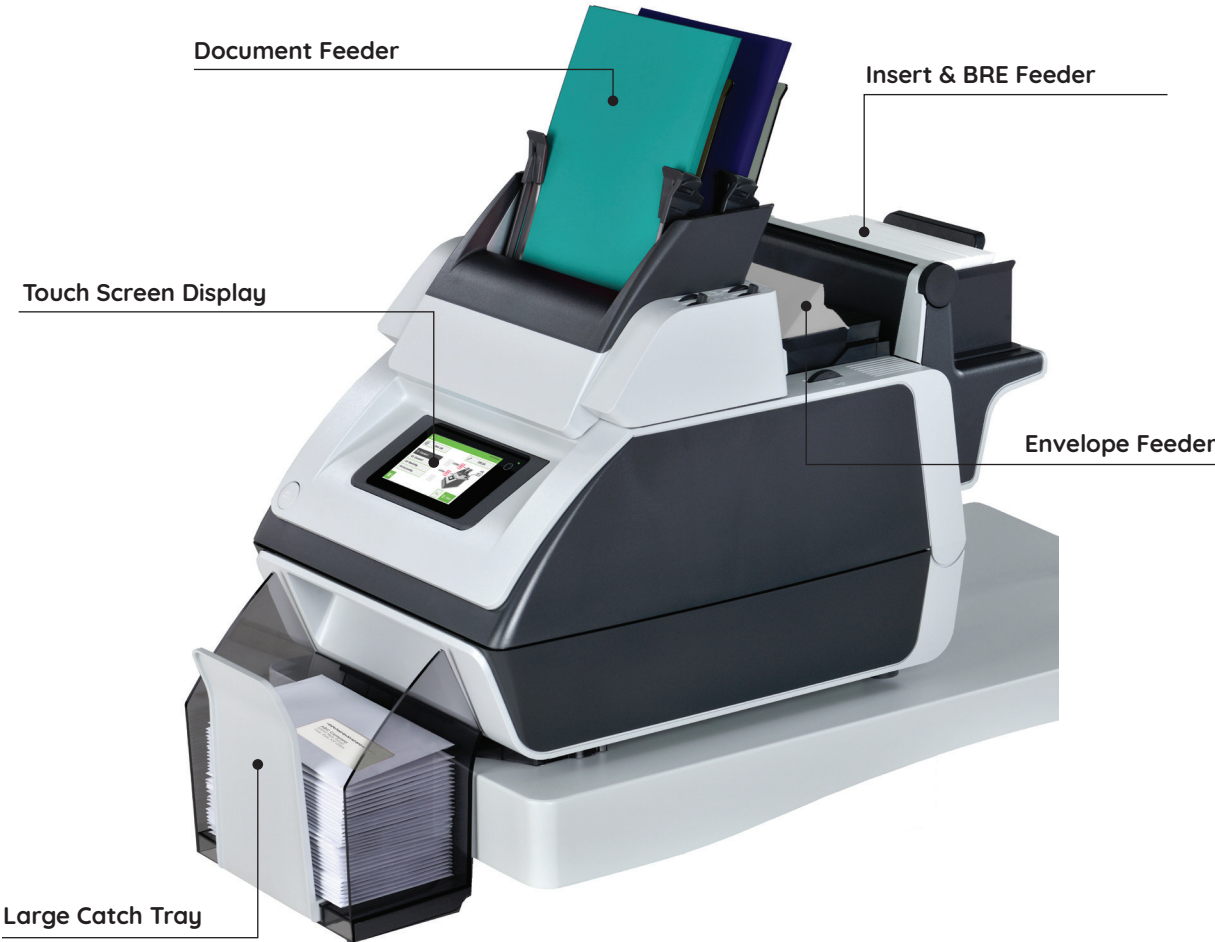




# LOW-VOLUME FOLDER INSERTERS

## REDUCE MAIL ASSEMBLY TIME FROM HOURS TO MINUTES

Low-volume folder inserters have a small footprint while offering big benefits. These little powerhouses accept a wide variety of documents, such as invoices, statements, inserts and envelopes and can fold over 1,000 mail pieces per hour. They are ideal for small or home offices as well as complement offices already equipped with larger folder inserter models to handle smaller jobs.



Low-volume folder inserters	Processing output (Fold, insert and seal envelopes)	Automation software compatibility	Ability to add on feeders as business grows
Tier 1	Up to 1,350 per hour 10,000 per month	Not included	No

## MID-VOLUME FOLDER INSERTERS

### MAJOR PRODUCTIVITY WITH A SMALLER FOOTPRINT

Mid-volume inserters are your in-office workhorses that fit on a tabletop allowing you to process important business communications quickly and securely and with the utmost integrity. Ideally suited for businesses that need to automate a wide variety of document sizes and types.

#### Color touch screen display

Enables easy navigation with pre-programmed jobs for quick access

#### CIS scanner

Reads different types of barcodes printed on documents

#### Vertical stacker

High capacity.  
Space-saving

#### Envelope side guides

Provides extra support to reduce risk of jams

#### Document feeders with paper presence sensors

Processes multiple page sets at high processing speeds. Feeder sensors ensure continuous operation

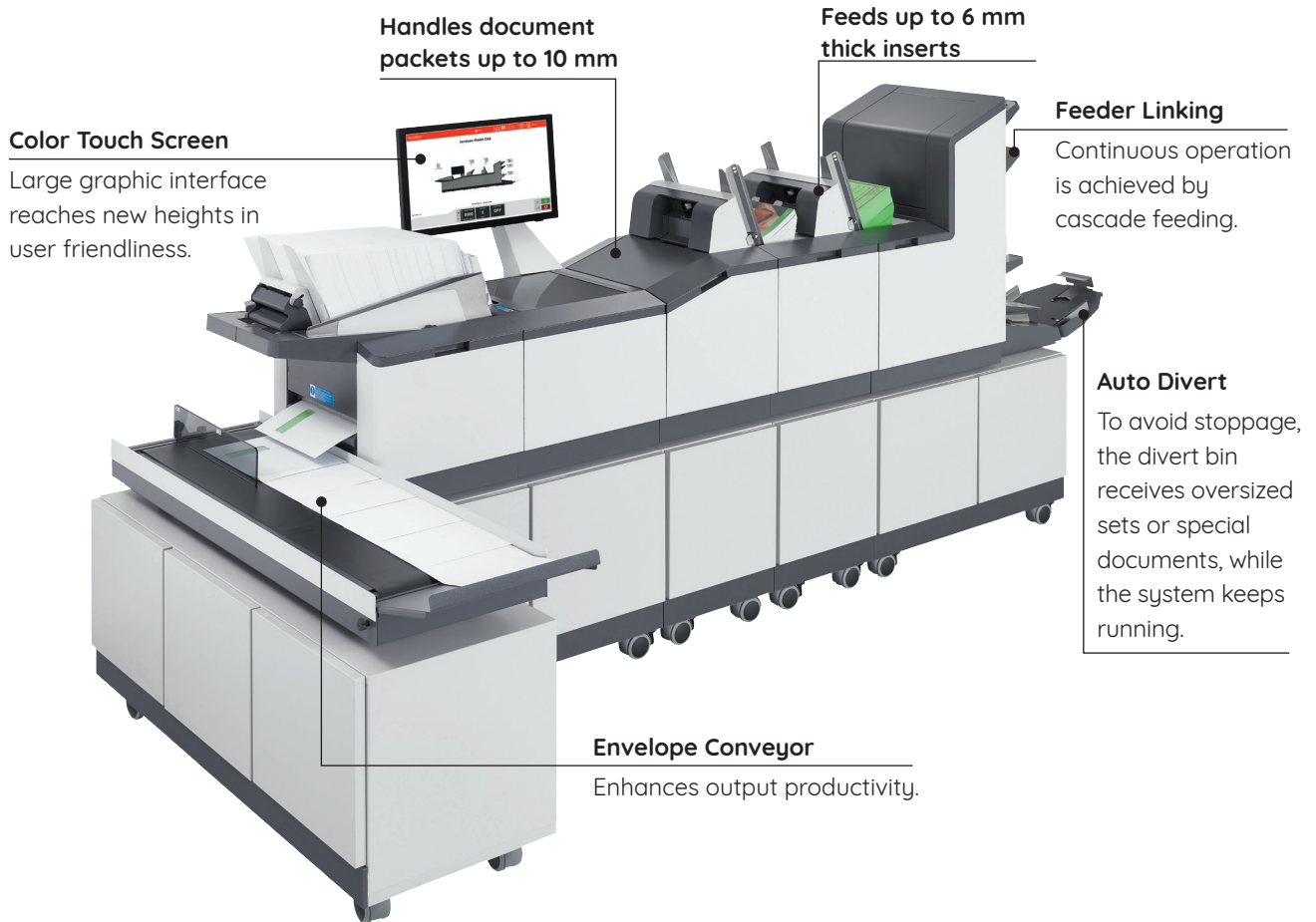


Mid-volume folder inserters	Processing output (Fold, insert and seal envelopes)	Automation software compatibility	Ability to add on feeders as business grows
Tier 1	2,500 per hour 20,000 per month	Yes	No
Tier 2	3,800 per hour 40,000 per month	Yes	No
Tier 3	4,000 per hour 60,000 per month	Yes	No
Tier 4	4,300 per hour 80,000 per month	Yes	No

# HIGH VOLUME FOLDER INSERTERS FOR PRODUCTION MAIL

## DESIGNED FOR HEAVY-DUTY USAGE AND MAXIMUM FLEXIBILITY

These folder inserters support a wide range of applications to maximize productivity every step of the way, from efficient paper loading to predictive intelligence that estimates job completion time. They provide a variety of job options and easily manage multiple short and large runs. Most machines can be configured and scaled with the appropriate modules as your company grows.



High-volume inserters for production mail	Processing output (Fold, insert and seal envelopes)	Automation software compatibility	Ability to add on feeders as business grows
Tier 1	4,500 per hour 180,000 per month	Yes	No
Tier 2	7,000 per hour 300,000 per month	Yes	Yes
Tier 3	12,000 per hour 800,000 per month	Yes	Yes

## WHAT FEATURES SHOULD YOU LOOK FOR?

Next, we highlight key features in more detail that are available on some of today's folder inserters. Use these as a checklist for what might suit your business needs.

### EASE OF USE

Many of today's folder inserters come with intuitive touch-screens that are easy to understand and make operation a breeze for almost anyone. Wizard-based operating software guides users through the easy set-up. Once a job is programmed into its memory, running it is as simple as loading the trays. Operators only need to select the job and press start.

### JOB VERSATILITY

Folder inserters handle a wide variety of document sizes, types and folds, and all common types of envelopes. The versatile feeders handle documents ranging from heavier stock sheets to booklets holding up to 10" of materials and may be reloaded on the fly to minimize down time.

### MODULARITY

Those with a modular design enable you to add feed stations to ensure you always have the capacity to meet the requirements of your business. Some models have up to 18 configurations.

### INTELLIGENT VERTICAL STACKER

These stack trays accumulate envelopes vertically to maximize space. Vertical stacking provides easy access to help you unload filled envelopes.

### REMOTE SUPPORT AND DIAGNOSTICS

Folder inserters equipped with remote access connect to your network and provide you with unique online services to help reduce downtime and minimize assembly times.



## INTELLIGENT MAILING OPERATING SYSTEM SOFTWARE

The primary function of mail automation software is to automate code creation on documents prior to printing so that variable-page jobs can be processed automatically and securely using a folder inserter. The software adds an intelligent barcode to each document to group, sort, or collate materials, based on your pre-defined business rules.

### CONTACT IMAGE SENSOR (CIS)

This feature conveys mail piece assembly instructions to the folder inserter. In simple terms, the barcodes tell the folder inserter which documents and inserts belong together in the same envelope. Documents intended for the same customer can be combined into one envelope to enhance customer experience and reduce total postage spend. It allows variable page/variable-insert jobs to be collated with virtually perfect integrity such as:

Customer A's statement is 2 pages in length and requires a coupon insert, Customer B's statement is 4 pages with no insert needed, and so on.



## FULL-PAGE BARCODE READING

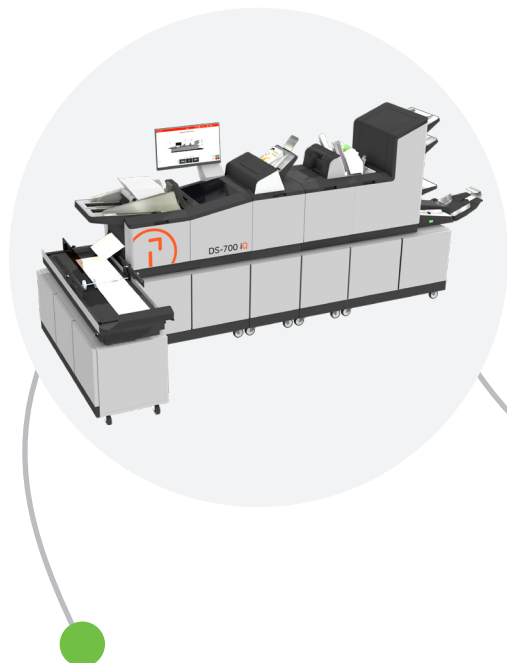
CIS scanners read a wide range of barcodes printed on your documents including optical marks, optical characters, and 1D/2D data matrix barcodes allowing you to process variable page documents efficiently and securely. Some CIS scanners have the ability to read the whole page. Because of this capability, barcodes can be printed anywhere on the document – horizontally or vertically. This eliminates the need for manual adjustments in case of different barcode positions which translates to faster setup and production time.



## CLOSED-LOOP VERIFICATION

Closed-loop verification is an increasingly critical capability for businesses in highly regulated industries that are subject to privacy regulations like HIPAA. Insertion management software records, monitors and reports on the entire folding and inserting process from start to finish. Each feeder calibrates the first document fed and checks each subsequent document to ensure there are no double feeds or misfeeds. Insertion management software offers:

- Real-time access to operational data such as the number of mail pieces processed/unprocessed and time elapsed for all active jobs
- Job data that proves 100% of the documents in a print job were inserted into the correct envelopes
- Comprehensive reports to prove compliance along with performance metrics and reports across job types, operators, and systems over time



## AUTOMATIC JOB CHANGEOVER

Some high-volume folder inserters need change parts to process different jobs which requires a highly skilled operator to prepare the machine for the next job. Folder inserters with automatic job changeover capability eliminate unproductive downtimes as folding, pack size, and envelope adjustments are made automatically whenever a job is chosen. This reduces downtime on average from 30 minutes to 30 seconds.



## HOW DO YOU CHOOSE THE RIGHT MAILING PARTNER?

Whenever you purchase equipment for your business, you want to be confident that you are making a thoughtful decision. Shopping around and comparing vendors will help you find the company that is right for you. Below is a list of key questions to ask a mail expert when shopping for a folder inserter:

Vendor Question Cheat Sheet	NOTES
1. What machines are available for my mail volume and how fast are they?	
2. How easy is it to use and is there any training available?	
3. What optional features should I add to the machine that makes sense for my business?	
4. What is the average “life” of a machine?	
5. What is the estimated total monthly cost of a folder inserter?	
6. Are there leasing options vs. buying outright? (Leasing typically gives you access to upgrades as part of your contract vs. buying a machine outright).	
7. Can we test our mail on your equipment?	
8. What support can I get if something goes wrong in the middle of a job?	
9. Could you provide a copy of your terms and conditions?	
10. Can you spell out all fees that are in the proposed contract?	
11. What is the total cost of ownership?	
12. Can I see this machine in action before buying such as a live stream demo?	



## SPEAK TO A MAILING EXPERT

Quadient's superior folder inserters and document handling solutions bring accuracy, efficiency and reliability together in an easy-to-use solution that makes your mail assembly simple and fast. Designed for businesses of every size, Quadient offers a range of intuitive solutions that provide the highest level of productivity and dependability.

Pair a folding and inserting machine with Quadient's intelligent mail automation software and you will have a powerhouse mailroom solution. When businesses automate mail creation with an intelligent Quadient folder inserter, they lower costs, eliminate user error, and ensure the right documents are always sent to the right customer.

Thousands of companies trust Quadient to enhance the mail preparation process and ensure communication security. Quadient's easy-to-use mailing software and hardware helps companies of all sizes simplify, automate, and modernize document preparation, reduce compliance risk, and better the mail outreach process.

Connect with a Quadient solution expert to learn more, request a quote or see a live demo of the folder inserter in action. Learn more at [mail.quadient.com](https://mail.quadient.com).

### SOURCES:

1. Annual State of Transactional Communications Customer Survey, Keypoint Intelligence, 2022
2. <https://sharespace.digital/blog/scary-invoicing-stats-you-shouldnt-ignore>
3. How automation impacts document workflow - a pilot study, 2020



### About Quadient®

Quadient is the driving force behind the world's most meaningful customer experiences. By focusing on Intelligent Communication Automation, Parcel Locker Solutions and Mail-Related Solutions, Quadient helps hundreds of thousands of customers worldwide simplify the connection between people and what matters.

For more information about our mail-related solutions, visit [mail.quadient.com](https://mail.quadient.com).

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