

# Case Study

Number 12 - Corporate/Mailroom

# 12

## The Customer

*Integon Corporation  
Mailroom  
North Carolina*

## What Was Found...

North Carolina based Integon Corp., a subsidiary of Ashland Oil, Inc., introduced numerous new products, including universal life insurance, and stepped up agent recruitment. The firm quickly grew from 1200 to 3200 agents, and its long term plans included blanketing the Sun Belt and expanding.

The 17 member mailroom staff processed 132,000 incoming envelopes each month, 8,000-10,000 outgoing pieces each day and 8,000 daily interoffice items. Mail destined for the field was accumulated and sent in specific envelopes at the end of each working day.

## What Was Done...

When the expansion began, the department found its pigeonhole sorting system obsolete. Richard E. Benbow, mail supervisor, and L.C. Styers, section manager of graphic services, looked for alternatives and selected 2,850 Oblique suspended double pouch folders from Oblique Filing Systems.

"The biggest problem we had with horizontal boxes was the space required to reach in and get the mail and envelope out," Mr. Benbow explained. "The new system is expandable. For example, one agent could have a lot of mail one day and the one along side of him might not. The next day, the first agent might not have much mail, but the other one could have a lot. This is an expandable system that gives us a lot of flexibility."

In the case of terminated and new agents, the pigeonhole sorters required shifting of several bins to maintain numerical sequence. "With this new concept, all we have to do is reach up and pull the file out," Mr. Benbow said. "It's a matter of taking one folder out and putting another in."



Relabeling was another problem corrected by the changeover. The mailroom maintains label information such as agent classification, number in the agency and so on. Changes are made almost daily. According to Mr. Benbow, "We had trouble relabeling the metal boxes. Magnets got pushed off. Tape labels would not stick. Just about everything we tried did not work. A label would fall off and we went through 30 minutes of research to find out which bin it came from. With the new system, labels are inserted in an index guide and there is no danger they will become detached from their folders. That saved us a lot of time in itself."

The compartments are suspended in steel-shelving units, with bottom shelves left empty to accommodate supplies. The outer sleeves contain the agents' mail: policies, proposals, checks, rate rescissions, late payment notices, bulletins and general correspondence. The inner folders house preaddressed envelopes of several sizes. The company's annual postal budget is more than a million dollars, of which a third is devoted to agents' mail.

## What Happened...

Material starts arriving at 8:30 A.M. and is shipped at 6 P.M. Mr. Benbow has seven

employees handling this assignment. "With pigeonholes, we needed twice that many, on roller skates, too," he observed.

Color indexing is used to distinguish the field hierarchy, send bulletins and help classify the mail. Misfiles are readily spotted due to numerical sequencing. Folders remain hanging, with the clerks slipping in mail and envelopes. Each clerk maintains five units of folders, 35 of them in all.

"That's the flexibility of it," Mr. Benbow said. "The mail is stuffed in an envelope and placed back in the appropriate folder. More mail is continually put in the envelope during the day. Our error ratio is much less than before. Misdirected mail is under 1%. He estimated savings in personnel payroll at about \$50,000 a year.

Each unit handles 66 agents, compared to 40-45 under the previous setup. Should the company add agents, the mailroom can accommodate another 300-400 without expanding the sorting system. After that, it's a matter of adding more rail assemblies and compartments - which mailroom personnel can install themselves.

Some compartments must hold up to 5 lbs. of documents and envelopes a day, which Mr. Benbow said has presented no problems. "Nothing has yet fallen out," he added.