



3M™ Registration Fulfillment Services Case Study:

Registration Fulfillment Services conserves state resources and improves customer service for the citizens of Indiana.

Improving the Performance of State Government

Indianapolis, Indiana

During his first term in office, Indiana Governor Mitch Daniels spearheaded a host of reforms aimed at improving the performance of state government. These changes, together with a strong emphasis on performance measurement, led many state agencies to adopt new operational processes that conserve state resources and improve customer service for the citizens of Indiana.

The Indiana Bureau of Motor Vehicles (BMV) wanted to improve, among other things, vehicle registration and license plate processing time, accuracy and customer satisfaction. Average wait times at branch offices had grown to well over 30 minutes per visit, transaction accuracy was never greater than 99 percent, and customer satisfaction was at an all-time low.

“3M exceeded our expectations in the initial contract, which is why we moved so quickly to having them provide all the fulfillment services for license plates.”

Kevin Garvey
Executive Director of Fulfillment Operations
Indiana Bureau of Motor Vehicles

A Partner in Process Improvement

The BMV established a set of goals, primarily to lower total process costs and reduce end-of-reissue cycle inventory waste, excess inventory at various plate distribution sites and the total license plate inventory level from 1.5 million to a substantially lesser amount. So, in 2008, the BMV turned to 3M—experts in supply chain and process improvement (in addition to being a trusted materials supplier)—for help.



3M conducted a Business Process Assessment to analyze the existing registration and plate fulfillment

Finished license plates and preprinted stickers represent millions of dollars in inventory value that needs to be accounted for accurately.

process and to gather customer insight. As a result, the BMV awarded 3M a

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A Partner in Process Improvement

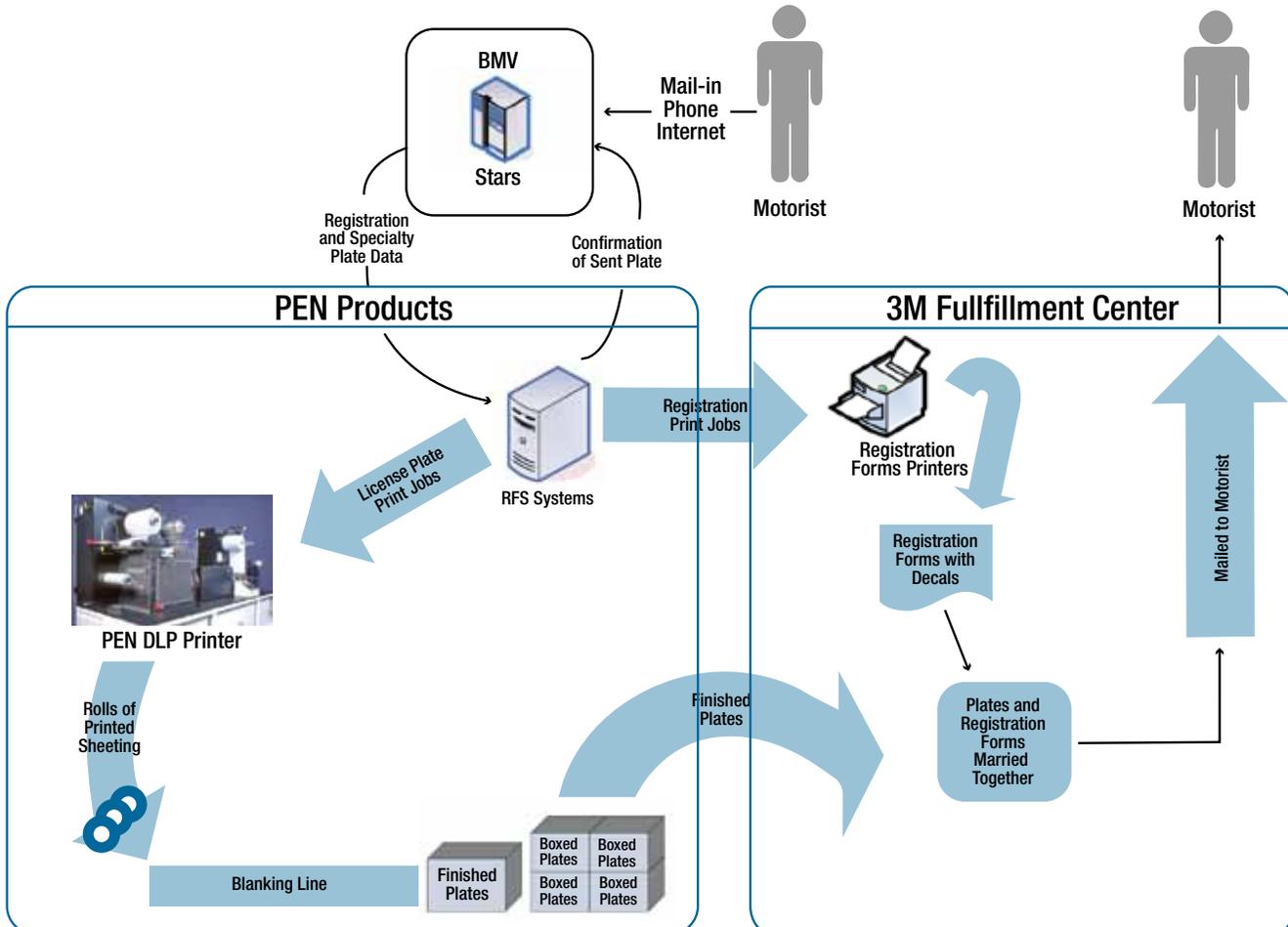
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contract in 2009 to deliver a new and innovative approach for the management and distribution of license plates and the corresponding registration documents. The original project scope included a license plate reissue for specialty plates, commercial plates and other low-volume plates for a contract period of two years.

The project went live in March of 2010 and, because of its success, the BMV authorized an extension and contract amendment later in the year to include all new license plates issued and several plate reissues through the end of 2014, with the possibility of three one-year renewals to extend through 2017. All license plates are now mailed directly to motorists, thereby eliminating inventory of finished plates at BMV branch offices and warehouses.

“We’ve gotten out of the game of predicting reorder points, managing enormous amounts of inventory and placing emergency orders,” said Kevin Garvey, Executive Director of Fulfillment Operations. “Now we only produce what is needed, when it is needed.”

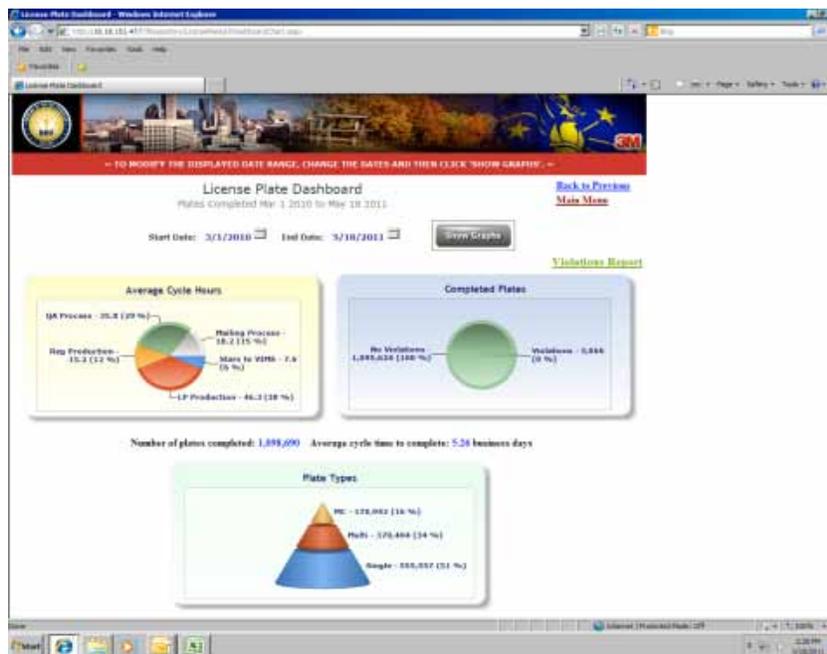
Safeguarding all the inventory and revenue for millions of manual transactions across so many locations was impossible to get exactly right. All the requirements imposed slowed the whole process down, making it harder to live up to the BMV’s dedication to good customer service.



Extends State Resources and Meets Customer Expectations

The Indiana Registration Fulfillment Services (RFS) Project has yielded significant improvements in process costs and the elimination of license plate inventory from the BMV's supply chain. In the U.S., the estimated cost of an in-person transaction at a motor vehicle branch office can exceed ten dollars and, given the number of transactions processed in Indiana on a daily basis, costs add up quickly. To keep costs at a minimum, the BMV decided to mail all new license plates and the corresponding registrations through the RFS project. Motorists no longer need to visit a branch office for their annual renewal and many other transactions and, for those who do, the wait time is down to eight minutes. To date, the accuracy rate for the RFS project is at 100 percent. Because all license plates are mailed, the BMV's finished license plate inventory is reduced to zero, resulting in over \$3 million in inventory savings based on 2009 levels. And, of critical importance, RFS combined with other BMV improvements, has resulted in maintaining a customer satisfaction rate of 94 percent.

In the spring of 2011, the RFS project passed the "one million plates shipped" mark. "The project has been a great success for both 3M and the Indiana BMV, and the 3M team is to be congratulated," Garvey said.



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