



# 3M™ Branch Fulfillment Services Case Study: Ohio Bureau of Motor Vehicles

## Background

The Ohio Bureau of Motor Vehicles (BMV) is responsible for administering over 12 million vehicle registration transactions each year. These occur at 198 deputy registrar locations that serve the public in 88 counties. These transactions are done by mail, phone, and online. A secure decal is issued for each transaction and is applied to the rear license plate. Managing the whole process efficiently is a huge logistical challenge, and until 2006, the process at all 198 deputy registrar locations was completely manual. The fees collected are for vehicle registration and taxes, totaling over half a billion dollars in revenue for the State of Ohio.

## Mission Statement: Ohio Bureau of Motor Vehicles

“To save lives, reduce injuries and economic loss, to administer Ohio’s motor vehicle laws and to preserve the safety and well being of all citizens with the most cost effective and service-oriented methods available”



## The Challenge

Conventionally, vehicle registration stickers are mass-produced, often with unique serial numbers that are tied to a specific vehicle and motorist. This approach to the vehicle registration and renewal process presented numerous challenges for the BMV:

- Inventory management and auditing
- Fraud prevention
- Customer service
- Waste prevention

The processes for issuing and inventorying stickers were manual and labor-intensive. Each cashier had to balance sticker inventory with a physical count at the end of every shift and each month. If a sticker went missing, someone had to explain where it went.

Fraud prevention was also a concern for the BMV. Even with all the attention paid to regular physical inventory checks and personal accountability among tellers for every sticker, there was still a problem with missing stickers.



## The Challenge Continued...

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.



*Preprinted stickers represent millions of dollars in inventory value that needs to be accounted for accurately.*

## An Automated Solution

In 2006 the Ohio BMV issued an RFP for a print-on-demand registration renewal solution including automated auditing and inventory management. A contract was ultimately awarded to 3M for Branch Fulfillment Services (BFS): A distributed solution for printing registration decals on demand at deputy registrar locations throughout the state including, managing all materials, equipment and software.

3M partners with Intellectual Technologies, Inc. (ITI) to provide BFS in Ohio. The BFS solution provides:

- Validation decals printed at time of sale
- Automated audit systems
- Elimination of pre-printed sticker inventory
- Enhanced security and fraud prevention



*Thermal-transfer printer with Print-on-Demand decal*

This specialized service solution includes all of the hardware, software, consumables, inventory management, training, and ongoing maintenance. The BMV pays only for successfully produced registrations.

## Inventory Management & Auditing:

The State is relieved of the burdens associated with the entire validation and sticker supply chain including production, packaging, shipping and tracking, inventory management, and auditing.

- The information is printed directly to the blank forms and stickers, on-demand
- Printers and matched components are supplied as needed
- The solution database tracks the issuance of decals and automatically deducts from the inventory
- Complete activity reporting is available through a provided intranet site



*Ohio Print-on-Demand Intranet Site.*



## Fraud Prevention:

The Branch Fulfillment System helps prevent fraud from many angles:

- Tight control of materials in the supply chain and real-time monitoring of every transaction makes internal fraud extremely difficult.
- Customized electronic reports allow the BMV to access information about the status of any printer, print job, or transaction on a real-time basis.
- Blank decals are extremely difficult to print without the full matched-component solution 3M provides, eliminating the temptation for would-be thieves to take unused stock.
- With BFS the vehicle license plate number is printed on the validation sticker, making it still harder to fraudulently obtain stickers or transfer them between vehicles.

“The best things about 3M and BFS are the day-to-day improvements for their customers and clerks. The whole system is just so clean and easy that the clerks just don’t make errors.”

**Jeff Shadburn**

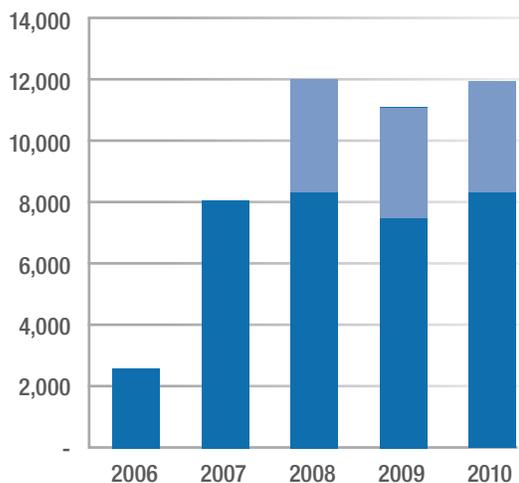
Chief, Distribution and Inventory Services  
Ohio Department of Public Service

## Exceptional Results

Because 3M now manages all forms and sticker inventory for Ohio and only charges the BMV for successful transactions, there is no waste at the end of the year, resulting in inventory control savings, improved customer service, and reduced fraud for the BMV.

After using the 3M-ITI solution for five years, Jeff Shadburn says, “I can’t praise it enough as an entire system. If we tried to take it away from the revenue offices now, they’d be extremely upset with us.”

### BFS Print-On-Demand Transactions



*In 2008 the mailroom and Deputy Registrar Office Print-On-Demand systems were combined into a single Branch Fulfillment System to support a single, consistent solution for state-wide reporting, auditing, and printing of registration stickers.*

■ Mailroom  
■ Over the counter

Because the system met all of the State's requirements for cost savings and efficiency improvements, the BMV has renewed the contract every year since implementation. Mr. Shadburn comments, "Initially we were a little worried that we would actually see more reprints because we were used to having all of our stickers preprinted with unique serial numbers. But right out of the gate our reprint rate with BFS was less than one half of one percent."

With regard to fraud control, BFS auditing capability allows reporting by deputy registrar, and most offices track about the same. The BMV has been able to drive down fraud by monitoring reprints at the individual office level. When any of the offices spike above the others, they can look into it, but typically someone from the BFS help line calls the deputy office to inquire if there is a problem before the issue is even reported.



*Annual validation sticker*

"There's a lot of obvious scrutiny and the clerks know it."

Jeff Shadburn

New technology integration projects are always complicated, and there are always many stakeholder concerns that need to be accounted for. Although some significant issues were raised initially by Department of Public Safety IT, Mr. Shadburn says that "Working together, we made sure everyone's concerns were satisfied at the outset. We have maintained that same relationship throughout the life of the contract."

He's impressed with 3M and ITI's technical service, too. "When something happens, they take it personally. They take pride in their product instead of just putting it out there."

*For further information about the 3M Branch Fulfillment Services solution provided in Ohio, please contact Jeff Shadburn:*

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