

Mailroom Management Solution



By **Avon Solutions & Logistics Pvt. Ltd.**



Mailroom Market - India

Mailroom Business in India (then & now)



In 1998

Mailroom industry then (other than AVON)

- Non existent; Was called as despatch section
- Only manpower contracts
- No knowledge about courier or post
- Even FM companies were handful

Corporates then

- Very few were outsourcing, and only manpower
- Very large transnational companies started the trend
- Process or automation were never even thought off.
- Was mostly triggered by VRS measures in banks
- All other mail dependent industries were very dormant. Mobile telephony just started, Retail banking was one of the lowest in the world, Insurance was just about to open up, general economy growth rate was slow

Mailing industry then

- Many top line players & even fly by night operators in courier
- Post lost close to 45% mail market share to courier
- Very high rates and non standard, so no control on high mailing costs
- Direct relationship with client employees, no mailroom
- Top courier companies handled top corporate accounts

Disintegrated relationship

In 2005

Corporates now

- All mail dependent industries have opened up
- Mail volumes have gone up substantially
- Corporates are clueless on growth demands in terms of manpower and expertise.
- Unable to handle many courier companies especially for domestic and cross border mailing
- Single point accountability and constant manning are the key criteria.
- But Transnationals who have experienced outsourced mailroom management in other countries usher in the concept of Integrated mailroom management

Mailing Industry

- Top line consolidation of players taken place; International courier players are very keen in India.
- Still, Medium and Smaller players exist in large numbers
- Market share of top players is less than 25%, balance is fragmented between smaller players
- Market growth rate is much higher than individual player growth rate
- Courier Rates are converging
- Top courier players understand professionally run mailrooms have process synergies

Mailroom industry now (other than Avon)

- Many FM companies offering mailroom management
- Have manpower management, better processes and basic automation
- Little knowledge about courier or post
- Couriers still finalise rates with clients

Growing relationship

Blurring relationship

Growing relationship

What is required of a Mailroom player? - Future



• Mailroom expertise/ competency

- Benchmarking with International models to cater to transnationals
- Local flavour/ labour laws

• End user industry background,

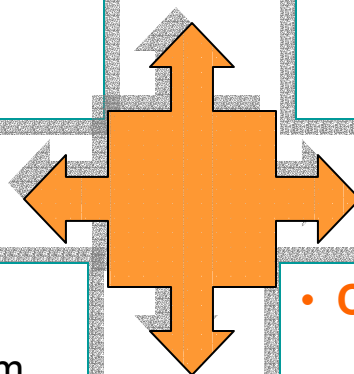
- Finger print solution
- Sensitivity to industry requirements
- Deep domain knowledge

• Automation & Integration

- Technology adoptions; Maximum automation
- Integrated solution – People, process & technology

• Courier Industry background

- To enable thorough understanding of the heterogeneous Indian Mail market
- To enable Courier management, contract negotiation, cost saves etc.



Who will drive the demand?



- Largest aspirational class in the world, so **RAPID GROWTH ACROSS MANY VERTICALS SIMULTANEOUSLY; The top 5 verticals are simultaneously chasing about 250 million population (Rapid growth sectors)**
- Each of them require mailroom solution for different purposes
- Telephony
 - Expected to reach 250 million people by 2010
 - Reached 30 million to 100 million in 3 years
 - Intensive domestic mailing needs and inbound mail management
- Insurance
 - 4% of population at present; to reach 15% by 2010
 - Very high requirement of mailroom expertise for domestic mailing, pre-processing of mails, MIS
- BPO
 - 4,00,000 people to be employed by 2008 (30 to 40% CAGR)
 - High cross border mailing & inbound personal mails
 - Require Front end mailroom solutions with latest technology options
 - Require about 50 mailroom professionals for every 5000 people employed
- Banking
 - Retail banking has lowest penetration in the world; Rapidly growing market
 - High level of corporate banking activities too; Inter bank mailing needs high
 - Intensive domestic & cross border mailing
- Opening up of Government sector for outsourcing will drive huge demand

**About 50000
mailroom
professionals
by 2008/2010**

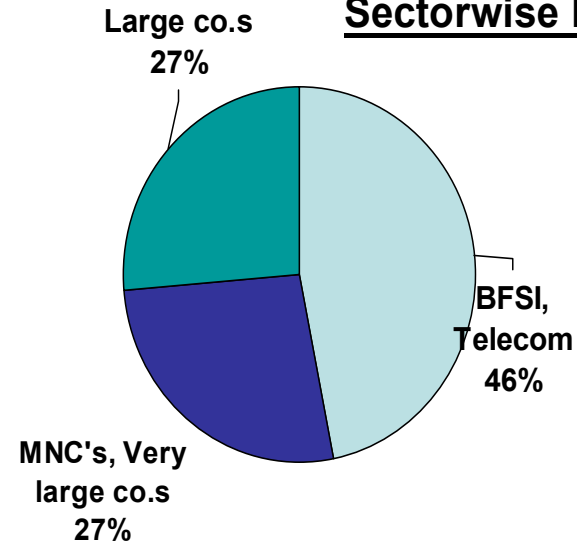
Mailroom Industry India Demand Analysis* –(2007 – 08)



Rs.in Crores

Range (Deal size(ann.))	Players	Mkt Size	Type of players
About Rs.3.0 Cr	30	90	Telco, BFSI
About Rs.1.5 Cr	75	113	Foreign & Pvt. Banks
About Rs.75 lacs	150	113	MNC's, Very large Co.s
< Rs.25 lacs	300	75	Large Corporates
Total (approx.)		400	

Sectorwise Demand



Rapid Growth Sectors:

- BFSI & Telecom
- Dynamic mailroom requirement
- Can cope up only with outsourcing
- High volume of mailroom business and intensive mailroom activity
- Large branch network
- In large cities will operate with multiple satellite mailrooms
- Integration of Inter branch mailrooms may also be required

Already covered

High yielding sectors:

- MNC's & Very large Corporates
- Have Global trade & commerce interests; Have high volume of cross border mail
- Medium branch network; High activity in metros only
- Integration of branch mailrooms
- Keen in IT adoption, cost reduction, value creation at the mailroom end
- Intensive cross-border/ Domestic mailing expertise required

Necessity driven sectors:

- Business Centers & Tech parks which seeks professional facilities management
- Follow global trends in facility management, which includes mailroom management
- Keen in low cost of operations
- Has to service multiple clients
- Keen in Value for money benefit
- Collective volumes of Intra-city, Domestic, International will be reasonable

All sectors have high mailing volumes

* - Internal Estimates