OVERVIEW

The Datacard® Maxsys® card issuance system helps high-volume issuers realize the benefits of lean manufacturing.

CUSTOMER: First Data Corporation is a leading provider of electronic commerce and payment solutions for merchants and financial institutions worldwide. The company personalizes more than 180 million cards per year.

CHALLENGE: Enable First Data Corporation to implement lean manufacturing, reduce costs and minimize leadtimes to win in an increasingly competitive market.

SOLUTION: Replace 37 Datacard® 9000 Series card issuance systems with 13 Datacard® Maxsys® card issuance systems.

RESULTS: First Data Corporation improved throughput 280% on typical large jobs, using fewer systems.

Improving operations through lean manufacturing

First Data Corporation is a leading provider of electronic commerce and payment solutions for businesses around the world. Serving more than five million merchant locations, 1,900 card issuers and their customers, First Data Corporation makes it easy, fast and secure for people and businesses to buy goods and services using virtually any form of payment. The company personalizes more than 180 million cards every year for a variety of customers in the financial, private label retail, loyalty and gift card markets.

To compete more effectively in an increasingly tough industry, First Data Corporation adopted "lean manufacturing" as a key strategic initiative. The lean manufacturing concept helps drive continuous operational improvement through reductions in waste and more efficient production workflow.

"The card business is much more portable today, which means we need to improve our competitiveness by reducing costs and leadtimes," said Bill Larson, Vice President Operations Output Services at First Data Corporation. "Ten years ago, the standard turnaround time was three days. Now we are seeing a huge shift toward same-day or next-day delivery. This kind of turnaround is required in 80% of our production, and each year the requirement becomes tighter. The Maxsys systems fit in well with this emerging need."

Working together to achieve results

As a first step, the First Data Corporation and Datacard teams began working together to plan the transition.

"Datacard displayed tremendous flexibility," said Bill Badalucco, Director of Customer Engineering. "The way they worked around our production needs was commendable. They worked alternative shifts to make sure our clients' jobs were not interrupted. They also added a lot of creativity to the process and helped us evaluate the situation differently."

The result was a significantly more lean and efficient card issuance paradigm. Specifically, the production capacity of 37 existing 9000 Series systems was replaced by 13 Maxsys systems. Because First Data Corporation and Datacard collaborated extensively on the ROI model, performance expectations were appropriate and the transition plan was well-executed.
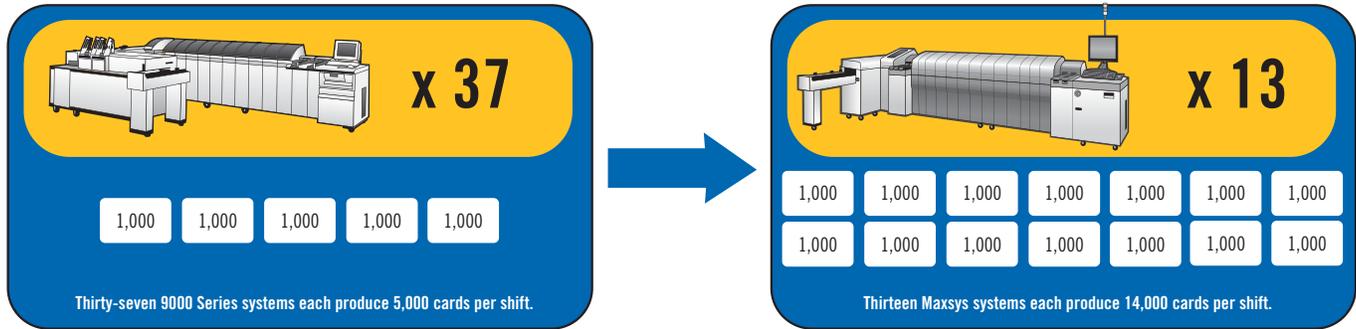
"Datacard did an exceptional job walking through the installation process with our service personnel and operators," Badalucco said. "Each Maxsys system was installed within a four-to-five hour timeframe. We installed Maxsys systems at our facilities in Omaha and Chesapeake, Virginia, and both installations were outstanding."

Engaging employees in success

According to Larson, switching to the Maxsys systems helped engage employees in the lean manufacturing initiative.

"Choosing the Maxsys systems is an investment in the success of our employees," he said. "We give them aggressive goals for higher production and reduced leadtimes. So it is critical we also give them the new tools they need to reach those goals."

Employees like working with the Maxsys systems because they can achieve higher production numbers,

SECURE ID AND CARD PERSONALIZATION SOLUTIONS

x 37

1,000 1,000 1,000 1,000 1,000

Thirty-seven 9000 Series systems each produce 5,000 cards per shift.

x 13

1,000 1,000 1,000 1,000 1,000 1,000 1,000
1,000 1,000 1,000 1,000 1,000 1,000 1,000

Thirteen Maxsys systems each produce 14,000 cards per shift.

Transitioning to Datacard® Maxsys® card issuance systems allowed First Data Corporation to increase throughput and reduce leadtimes using fewer systems.

as well as deliver cards with higher quality. Previously, throughput for larger job sizes had leveled off at 5,000 cards per shift for a typical financial card personalization job. With the Maxsys systems, First Data Corporation has increased throughput for this same kind of job to more than 14,000 cards per shift — a 280% improvement.

Jim Galvin is an operator who has been with First Data Corporation for 18 years. He has worked with the 9000 Series systems as well as previous generations of Datacard equipment. His take on card quality with the Maxsys systems is simple:

"Card quality is better on the Maxsys systems," Galvin said. "The emboss characters are straighter and are more evenly spaced. Also, the graphics printing is more consistent across the entire length of the card."

Ease of use is another important area of improvement. According to Louis Peterson, Senior Customer Engineer, First Data Corporation operators like the Maxsys system's design.

"The job setups are easier to do, and the indent ribbon supply is easier to change," he said.

Roadmap for the future

For Larson, higher throughput is just the beginning.

"Because the throughput with the Maxsys systems is so much higher, we are rethinking the entire process," he said. "We now have the technology to drive high-volume work to our high-throughput systems while we push more complex, lower-volume work to lower-throughput systems. We match the technology to the need. That is a very important part of lean manufacturing."

Overall, Larson is very pleased that the Maxsys systems are doing what Datacard Group said they would do.

"We have been pleased with our investment in the Maxsys systems," he said. "Our existing card issuance systems had reached end-of-life status, and we needed to move our operations to next-generation technology. So, the time was right to replace our 9000 Series systems with new Maxsys systems. Datacard has been great to work with. They helped us implement new equipment successfully, without impacting our business during the transition. And the results have been outstanding."

DatacardGroup