



3M™ On-Demand Services Case Study

A customized service approach helps Georgia improve inventory management and administrative costs; resulting in improved customer service for its citizens.

Georgia's Challenge

The State of Georgia has 7.5 million registered vehicles. Motor vehicle license plates and renewal tags were manufactured by the state's Department of Corrections; distribution and administrative functions were overseen by the Department of Revenue. With distribution occurring through the state's 159 counties – second most in the nation – state drivers often experienced prolonged waiting periods before receiving their requested materials. And, as customized plate options within the state grew, delays lengthened, inventory management became more difficult, and administrative costs increased.

Something needed to change.

3M Solutions

In 2010, Georgia's Department of Revenue (DOR) sought a vendor who could help the state streamline the distribution of license plates and other registration materials, while also decreasing on-hand inventory and lowering overall costs.

State administrative officials invited 3M to respond to a request for proposal (RFP), knowing that the company had worked successfully with several other state departments of motor vehicles and corresponding jurisdictions.

A Customized Approach

"I can't say enough about 3M's patience, professionalism, and guidance. They have been with us every single step of the way."

Mack Chandler
Deputy Commissioner
State of Georgia Department of Revenue

"We recognize that every state has distinct and different needs," said Mike Ristau, marketing operations manager for 3M's Motor Vehicle Systems and Services (MVSS) business unit. "3M's solutions are highly customized. We make sure we understand the needs, complexities, and desired outcomes of the jurisdictional unit before crafting our proposal."

Following the RFP process, 3M was awarded the Georgia state contract to produce and distribute license plates, vehicle registrations and renewal decals. The 3M Fulfillment Center, located at a DOR facility in Atlanta, began producing license plates for the state in March of 2012.

"Our previous process was time consuming, with multiple delays between the ordering of products and final delivery to the county department for distribution," said Mack Chandler, Georgia's Deputy Commissioner for the Department of Revenue. "We often had either too much plate inventory on hand in certain locations, or shortages of materials in others. It became problematic and challenging to manage efficiently."



The 3M Fulfillment Center is located at the Georgia DOR's South Meadow Facility.



Easier, Quicker, Process

3M's solution was to produce the plates digitally and on-demand. All plate and registration orders are submitted electronically, making the process easier for state drivers and administrators alike. The partnership with 3M allows Georgia to incorporate 3M's innovative technologies, migrating from analog metal stamping to a high-speed digital printing process.

In the past, the delivery of plates and tags could take several weeks, due to inventory management challenges. With the contract in place, 3M's on-demand system reduces delivery times significantly. A process that had once been measured in weeks is now calibrated in hours.

"One of the things that is a big win for us in our contract with 3M is the improved service level with the on-demand printing," said Vicki Lambert, Director of the Motor Vehicle Division of the Georgia DOR. "It allows us to transform our business model, incorporating greater efficiencies while elevating our customer service to higher levels."



Blanking Line Operator pictured with 3M Sheeting Applicator. Finished license plate sheeting is being applied to aluminum blanks at this station.

Faster delivery of requested materials and improved customer service is how Georgia residents are most dramatically impacted by the state's contract with 3M.

"We see that as among the most important parts of this contract," Chandler said.

"We used to have to manage any and all tag and renewal questions with very limited resources. 3M can handle those calls quicker and better than we were previously able to. That improves the productivity of our department; it improves the productivity of the residents of our state."

Reduced Inventory Storage, Management

Beyond shortened delivery times, the state has been able to reduce inventory storage and management costs, as well. While many states continue to make plates that are stored in a warehouse for future shipment, 3M's solution for Georgia is to make the plates only when they are ordered; shipments are made immediately upon completion.

"Previously, we stored all associated materials and inventory in warehouses," Chandler said. "Warehouses, of course, cost money. We would then have to get the product from the warehouses to 159 county tag offices. 3M now distributes the plates and tags directly to the end users."

Enhanced Revenue Opportunities

The value of the state's contract with 3M is measured in more than just cost savings. The contract allows the Georgia DOR to explore revenue-enhancing opportunities, as well.

"3M digital technologies introduce greater possibilities around newly-designed plates," said Lambert. "We are now able to regard our license plate as a palette, allowing for more colors, more designs, and more artistic backgrounds.

This opens up opportunities around revenue-sharing sponsorships with other institutions, such as state universities, or non-profit organizations. Sponsors are excited by that, registered drivers are enthused about the increased level of customization, and the DOR is well-focused on additional revenue streams. Whenever a new plate design comes out, we anticipate a great deal of excitement and enthusiasm."

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Director of the Motor Vehicle Division
State of Georgia Department of Revenue



Established Partnership Between Georgia, 3M

Change can take time, and the more all-encompassing the transformation, the longer the process may take within a large organization.

“We understand and appreciate our customer’s timelines,” said Julie Burke, Government Services Manager for 3M MVSS. “At any one time, we may act as guide, instructor, counselor, broker, and facilitator. Whatever the role, our customers can count on us to be with them every step of the way – at initial discovery, implementation, and on-going execution.”

That attitude is something that was noticed and appreciated by many within the state, including the DOR’s Chandler.

“During the exploration phase, we called several other states to ask about 3M,” he said. “They were nothing but positive. And we have seen the same throughout our three-plus year process. I can’t say enough about 3M’s patience, professionalism, and guidance. They have been with us every single step of the way.”



The Georgia Department of Revenue opens its fulfillment center with a ribbon cutting ceremony on March 21, 2012.

Pictured above: Jason Oberg (3M), Linda Sobosee (artist), Julie Burke (3M), Commissioner Doug MacGinnite (GA DOR), John Schitgen (3M), Robert Johnson (3M).



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