Quality Control
in
Mail Center Operations

Presented to
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Kansas City, MO

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"The best kept secret in the mailing industry"

Overview

- What is Quality Control

- Why implement Quality Control

- Quality Control Team

- Establishing a Quality Control Program

- Quality Control and Quality Assurance

- Quality Control Tools

- Measuring Success

- TQM, Six Sigma and ISO 9000

- Roadblocks and Barriers

Quality Control: What is it?

- Process to review production
- Review includes:
  - Controls
  - Job Management
  - Performance
  - Integrity
  - Records

Why Quality is Important

- "Good enough" isn't good enough
- Meet customers' expectations
- Help employees improve performance

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Goals of Quality Control

- Ensure products or services meet standards
- Requirements are reviewed for:
  - Dependability
  - Acceptability
  - Fiscal responsibility

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Goals of Quality Control Team

- Identify products or services that don't meet standards
- Additional responsibilities:
  - Halt production
  - Notify management
  - Notify customer

Quality Control Team Members

- Choose from multiple levels
  (e.g., line, management)
- Choose from multiple disciplines
  (e.g., operations, customer service)
- Have desire and aptitude for improvement

Quality Control
Program Parameters

- Can't test everything
- Identify key standards
  - Past errors
  - Customer complaints
  - Automated tests

Correcting Errors

- **NOT** the responsibility of the QC team!

- Different levels to be corrected:

  - Immediate error – Operator

  - Training error – Supervisor

  - Systematic error - Management

Establishing a
Quality Control Program

- Document the existing process

- Identify specific objectives of the program

- Establish policies and procedures

- Map out and validate the QC process

Quality Control and Quality Assurance

- Quality Control – identify and detect errors
- Quality Assurance – evaluate and improve process
- Important that management team understands the difference

Quality Control Tools

- Standard Operating Procedures (SOPs)
- Process maps
- Checklists
- Quality Control and Change Control documentation
- Reporting system

Documenting Quality Control Results

- Measurements:
  - Number and percentage of errors
  - Operator productivity
  - Costs
- Periodic Reviews

Quality Control – What's Acceptable

- 100% - Must be the goal
- Weigh goals, costs and results
- Risk and probability of "worst case"

Quality Control and Testing

- Establish standards and specifications

- Develop test cases of probable errors

- Test production process

- Test quality control process and results

TQM, Six Sigma and ISO 9000

- Total Quality Management – TQM. Management philosophy on continuous improvement.

- Six Sigma – TQM, with additional emphasis on project management.

- ISO 9000 – standards and guidelines for quality systems as set by International Organization for Standardization

Six Sigma, Projects and DMAIIC

- **D**efine – Your project
- **M**easure – Your current process
- **A**nalyze – Gather data for determining causes
- **I**mprove – Cost & customer benefits
- **I**mplement – Gain buy in to activate changes
- **C**ontrol – Report findings / results scorecards

Implementing Quality Control

- Plan

- Execute

- Evaluate

- Measure and Monitor

- Adjust

Quality Control:
Only for Production?

- Quality Control works anytime
  - that there is a process
  - that there is a measurable result
  - that there is opportunity for error

Quality Control Roadblocks

- "Error-free isn't possible, so why try?"
- "Quality Control costs too much."
- "Quality Controls slows down production."
- "Nobody really cares."

Overcoming Roadblocks

- Explain competitive environment.

- Demonstrate true costs of errors.

- Measure "re-work" times.

- Share feedback from customers.

Questions?

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What's Going On?

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Overview

- Trends and Technology

- USPS Organization

- USPS Legislation

- USPS Rates and Reclassification

What's Going On:
Trends & Technology

- Combining Transaction and On-Demand: Merge, Expand or Disappear
- Color – Color – Color: What's Almost as Cheap as Black & White?
- Digital Mail: Not Just a Delivery Method
- E3 – E-Mail, E-Pay, & E-Presentment
- Comprehensive Communication Plans: Holistic Approach or Holy Grail?
- Sourcing
- Operations Management

Combining Transaction and On-Demand: The Benefits

- One-stop shopping for clients
- Single point-of-contact
- Centralized process management
- Shared expertise and equipment
- Lower costs
- Growth for staff

Combining Transaction and On-Demand: The Challenges

- Unique cultures and environments
- Client relationships
- Past conflicts
- Leadership

Combining Transaction and On-Demand: The Strategy

- Team meetings
- Process redesign
- Work tracking and management
- Feedback mechanisms
- Publicity plan

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Combining Transaction and On-Demand: The Leadership

- Management expertise over industry expertise

- Handles multiple priorities

- Enjoys new challenges

- Good track record with staff management

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Color and Documents

- Pre-printed color on forms
- Highlight color
- Full color
  - Offset Color
  - Digital Color

Color and Documents:
What's Changed

- PowerPoint presentations in color

- Web pages use color

- Printing technology, especially inkjet

- Renewed focus on branding

- Speeds increasing, costs decreasing

Color and Documents:
What's Next

- B&W for low-value documents

- Color forms replaced with color printing

- Fully digital processing for on-demand printing (offset and digital presses)

- Added color for messaging on transactional documents

Color and Documents: Challenges

- ROI isn't always easy to prove
- Consistency (PMS, screen vs. print)
- Post-print applications (inserters)

Digital Mail: What Is It?

- Scan & Deliver
  - Mail Center
  - Centralized Scanning
  - Business Unit
- Internet/Intranet document delivery

Digital Mail:
Why Implement?

- Faster delivery

- Access for remote staff

- Less expensive storage/retrieval

- Improve business processes

Digital Mail:
Challenges

- Imaging equipment – selecting, installing and training

- Legal constraints

- Non-scannable mail – pamphlets, brochures, magazines

- Multiple electronic document systems

- Integrating with BPM

Digital Mail:
One Tool of Many

- Hard copy will always exist

- Consider gradual adoption

- If you only have a hammer, everything looks like a nail

Trends: E3 (a)

- E-mail
  - B2B - Documents
  - B2C - Marketing
  - C2C - Correspondence
- E-Pay
  - B2B – EFT (not new)
  - C2B – growing, but doesn't directly correlate to e-presentment
  - Direct pay vs. bank pay

Trends: E3 (b)

- E-Presentment
  - B2B – Statements, billing
  - B2C – Statements, billing
- Multiple formats
  - PDF
  - HTML page
  - Downloadable data
- 3rd Party consolidators
  - Zumbox
  - Volly

Comprehensive Communication Plans: What is it?

- Multiple media – print, digital, video
- Multiple delivery methods – mail, email, television, internet, intranet, mobile
- **One Message**

Comprehensive Communication Plans: Challenges

- Different owners, different priorities
- Confusing cost with value
- Content and design conflicts
- Difficult to calculate ROI
- Silver bullets only work against werewolves

Comprehensive Communication Plans: Role of the Document Manager

- Your voice won't be heard unless you're in the meeting
- Understand the tools available
- Educate the other players, especially Sales & Marketing

Trends: Sourcing

- Mergers and acquisitions
  - Equipment, software and service providers
  - Opens door to new technologies, services
  - Disruptive to industry (good and bad)
- Service Providers
  - Model changing with decline in mail volumes
  - Aggressive pricing and new services
  - Hybrid outsourcing models

Trends: Operations Management

- Quality control at center stage
  - Moving beyond inserter controls
  - Complete system integrity – cameras, scanners and QC teams
- Complete workflow management
  - Controls, monitoring of entire system (file creation to USPS acceptance)
  - Mix of in-house, vendor and 3rd party systems

What's Going On:
USPS Organization

- State of the USPS
- Legislation Update
- Sarbanes-Oxley
- Reorganization
- Rates and Reclassification

USPS:
State of the USPS

- Mix of mail continues to change
  - Declining Single-Piece FCM volumes
  - "Leveling" of Presort FCM and Standard Mail volumes
  - Small growth in parcels
- System optimization (past)
  - Routes
  - Facilities and equipment
  - Employees

USPS: Legislation Update

- 139 Bills impacting the USPS
  - 75 Naming post offices
  - 17 Stamp related
  - 30 USPS reform and operational changes
- "Big Bills"
  - S. 316, S. 1486, H.R. 630, H.R. 961
  - S.1486 and H.R. 2748 passed committee level
  - Appropriations Act – maintains 6-day delivery
- No consensus among "print-mail industry"

USPS: Sarbanes-Oxley

- USPS and SOX
  - Requirement of PAEA of 2006
  - Certify internal controls on financial reporting
  - Identified and closed gaps in compliance
  - Annual certification
- USPS Customers and SOX
  - Tighter controls on mail prep and acceptance
  - Closer review of mailing statements
  - Push for IMb and electronic submission

USPS: Reorganization (Donahoe era)

- Retail infrastructure
  - POStPlan
  - Village Post Office program
- Management structure
  - Sales & Marketing Restructure
  - Changes in Senior Leadership Team
- Transportation infrastructure – Shrinking footprint
  - Clerk/ Mailhandler reductions
  - 5-Day delivery
  - Network Rationalization – Phase II
    (82 Facilities in 2015)

USPS: Full Service IMb

- Full-Service Intelligent Mail requirement overturned by PRC
- IMb is the industry standard
- Benefits of IMb
  - E-docs
  - Mail.dat/.html
  - Piece-level tracking
  - Seamless acceptance

USPS Contacts: Who You Gonna Call?

- Factors to Consider
  - Where are you located?
    - ZIP Code
    - Point of mail entry
  - What are you trying to accomplish?
    - Mail Piece Design, Rates and Classification
    - Mail Entry
  - What size customer are you?

USPS Contacts: Who You Gonna Call?

- Local post office (Postmaster)
- District Business Service Network
- District Business Mail Entry
- Mailpiece Design Analysts:
  - 1-855-593-6093
  - mda@usps.gov
- Website: www.usps.com

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What's Going On:
United States Postal Service
Regulations and Publications

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USPS Regulations:
Resources

- Postal Explorer (DMM & IMM): http://pe.usps.gov/

- Glossary of Postal Terms (Pub 32): http://www.usps.com/cpim/ftp/pubs/pub32.pdf

- Designing Letter and Reply Mail (Pub 25):
  http://pe.usps.gov/cpim/ftp/pubs/Pub25/pub25.pdf

- Recommendations for Designing Flat-Size Mail (Pub 178):
  http://www.usps.com/cpim/ftp/pubs/pub178.pdf

- Nonprofit Standard Mail Eligibility (Pub 417):
  http://pe.usps.gov/cpim/ftp/pubs/Pub417/pub417.pdf

- Customer Support Rulings: http://pe.usps.com/text/CSR/csrtoc.asp

- Rate Fold: http://pe.usps.gov/cpim/ftp/manuals/dmm300/ratesandfees.pdf

- Templates:
  – Notice 67 Cards & Letters Template
  – Notice 124 Automation Flats Template
  – Notice 3A Letter-Size Mail Dimensional Standards Template

Physical Mail:
Online Resources

- USPS website - www.usps.com

- FAST – https://fast.usps.com

- PE Explorer - http://pe.usps.com

- RIBBS – http://ribbs.usps.com

Documentation
and Payments

- CAPS - http://caps.usps.gov

- PostalOne! and Manifest Mailings - http://www.usps.com/postalone/welcome.htm

- Postage Statement and Postal Wizard - http://www.usps.com/forms/postagewizard.htm

Publications and Updates

- DMM Advisory – dmmadvisory@usps.com
  (email alerts)

- MailPro – http://usps.com/mailpro
  (physical and online)

- Deliver Magazine – http://www.delivermagazine.com
  (physical and online)

- Postal Bulletin and Federal Register
  (physical and online)

Commonly Used Acronyms

- **Postal Facilities**
  - NDC (Network Distribution Center)
  - ASF (Auxiliary Service Facility)
  - BMEU (Business Mail Entry Unit)
  - BSN (Business Services Network)
  - PDC (Processing & Distribution Center)
  - SCF (Sectional Center Facility)
  - ADC (Area Distribution Center)
  - AADC (Automated Area Distribution Center)
  - DDU (Destination Deliver Unit)
  - AMF (Air Mail Facility)
  - APO (Army Post Office)
  - FPO (Fleet Post Office)
  - MPO (Military Post Office)

- **Equipment**
  - AFSM 100 (Automated Flat Sorting Machine)
  - UFSM 1000 (Universal Flat Sorting Machine)
  - FSS (Flat Sequencing System)
  - BCS (Barcode Sorter)
  - OCR (Optical Character Reader)
  - MLOCR (Multiline Optical Character Reader)
  - MERLIN (Mail Evaluation Readability Lookup Instrument)
  - APPS (Automated Package Processing System)
  - SPBS (Small Parcel Bundle Sorter)
  - LPSS (Large Parcel Sort System)
  - PBCS (Parcel Barcode Sorting System)

- **Address Management**
  - CASS (Coding Accuracy Support System)
  - MASS (Multiline Accuracy Support System)
  - PAVE (Presort Accuracy Validation & Evaluation)
  - NCOA^{Link} ® (National Change of Address)
  - LACS^{link} (Locatable Address Conversion System)
  - ACS (Address Change Service)
  - FAST*forward* ®
  - Move Update
  - UAA (Undeliverable As Addressed)

- **Others**
  - IBI (Information Based Indicia)
  - IMB (Intelligent Mail Barcode)
  - BPM (Bound Printed Matter)
  - BPRS (Bulk Parcel Return Service)
  - QBRM (Qualified Business Reply Mail)
  - BRM (Business Reply Mail)
  - CRM (Courtesy Reply Mail)
  - MRM (Meter Reply Mail)
  - FIM (Facing Identification Mark)
  - POSTNET Barcode (Postal Numeric Encoding Technique)
  - DPBC (Delivery Point Barcode)
  - OEL (Optional Endorsement Line)
  - PCSC (Pricing & Classification Service Center)
  - NCSC (National Customer Support Center)
  - CSR (Customer Support Rulings)
  - PVDS (Plant Verified Drop Shipment)
  - FAST (Facility Access & Shipment Tracking)
  - REC (Remote Encoding Center)

**The Most Common
but
Least Valuable
Manual In Existence:**

ISS Manual

Questions?

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