



No Big Wins

Des Moines
Postal Customer Council

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A “big win” is a singular,
positive event that has a significant and
long-term impact on your life.

Learn the Little Lessons.

Good Ideas Come From Anywhere.

“I remind myself every morning: Nothing I say this day will teach me anything.

So, if I'm going to learn,
I must do it by listening.”

Larry King

Defend Your People.

“Success is the result of perfection, hard work, learning from failure, loyalty to those for whom you work, and persistence.”

General Colin Powell

Be Honest With Your People.

“No matter what accomplishments you achieve, somebody helps you.”

Althea Gibson

Network in Your Own Organization.

“Your power is almost directly proportional to the thickness of your Rolodex, and the time you spend maintaining it.”

Tom Peters

Know What You Want.

“A leader is one who knows the way, goes the way and shows the way.”

John Maxwell

There Are No Shortcuts.

“Nothing worthwhile comes easily...Work, continuous work and hard work, is the only way to accomplish results that last.”

Hamilton Holt

Cherish Today.

“In the depth of winter, I finally learned that within me there lay an invincible summer.”

Albert Camus

Cherish Today.

“When we focus on our gratitude, the tide of disappointment goes out and the tide of love rushes in.”

Kristin Armstrong

Learn the Little Lessons.

Love the Little Lessons.

Love your life.

Questions?

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What's Going On?

Des Moines Postal Customer Council

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What's Going On?

- State of the USPS
- PMG Brennan Era
- Legislation Update
- Informed Delivery
- Informed Visibility
- Staying Informed

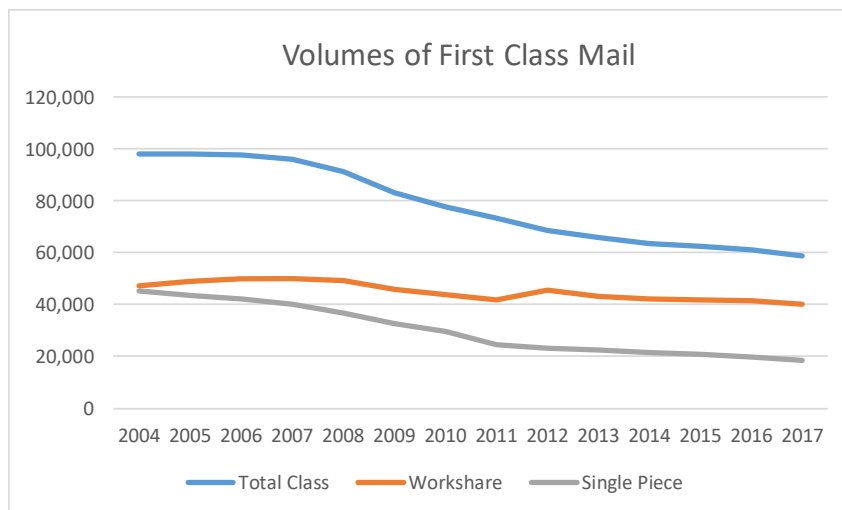


State of the USPS

- Mix of mail continues to change
 - Declining FCM volumes
 - Leveling of Standard Mail volumes
 - Significant growth in parcels
- Network Rationalization
 - Facilities and equipment
 - Routes
 - Employees
- FY 2017: \$2.7 Billion loss (includes \$1.9 Billion prefunding)

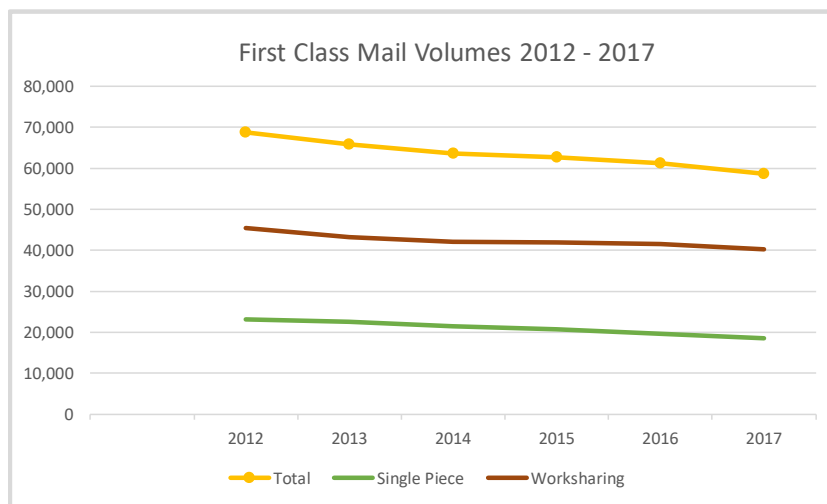


Physical Mail Remains Relevant





Physical Mail Remains Relevant



USPS: PMG Brennan Era

- Infrastructure
 - Consolidations on hold
 - Union contract negotiations
 - Packages lead the way
- Technology Changes
 - New delivery vehicles (Long Life Vehicles – LLVs)
 - New carrier scanners (“live” updates)
 - Small Package Sorting Systems (SPSS) testing
- Business Mail
 - Mailer Scorecard
 - IMpb requirements



USPS: Legislation Update – 115th Congress

- 190 Bills or Resolutions focused on USPS
(as of 09/23/18)
 - 109 Naming post offices
 - 18 Stamp related
 - 63 USPS reform or operational changes (D & R)
- Rep. Gowdy assumes chair of the House Oversight & Reform Committee (July 2017)
- Sen. Johnson retains chair of the Senate Homeland Security and Governmental Affairs Committee



USPS: HR 6076 – Postal Reform Act of 2018 S 2629 – Postal Reform Act of 2018

- Addresses U.S. Postal Service (“USPS”) retiree health benefits funding by automatic enrollment in Medicare Part A and B.
- Cancels the unpaid obligations for future retiree health benefits as required under the Postal Accountability and Enhancement Act of 2006.
- Requires recalculation of USPS payments into the federal retirement funds, and reimburses the USPS for any overpayments into the fund (over 30 years).
- Restores half of the Exigent Rate Case increase (2.15%), making it the new base rate for future increases.
- Directs the Postal Regulatory Commission (“PRC”) to study the rate making system.
- Authorizes the USPS to provide services (including facilities) to federal, state, local and tribal government agencies.



USPS: Postal Reform Acts of 2018

- Positive
 - Bi-partisan bill
Resolves funding issues, frees up investments dollars
- Negative
 - Rep. Chaffetz resigned his seat
 - Medicare is the lynchpin
 - Rank and file from both parties may not support



USPS: Legislation Update – 115th Congress

- 2 presidentially appointed members of the USPS Board of Governors (Duncan and Williams)
Note: Duncan's term expires 12/8/2018
- 2 additional nominees (Bloom and Martinez)
- Presidentially appointed Task Force, 4/12/18.
Findings have yet to be published.
- Delivering Government Solutions in the 21st Century" –
Administration Blueprint



U.S. Senators

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USPS Rates: Success – Today & Tomorrow

- Know Your Mail
 - Content
 - Characteristics
 - Categories and quantity
- Continuous review
 - Weekly
 - Monthly
 - Quarterly
- USPS – Use your local resources



Informed Delivery

- Digital previews of household mail
- Expanded to include notifications of packages
- Multi-platform campaigns – color images and links
- Grew from 2 million users in May 2017 to 10 million today
- Mailer Website:
<https://www.usps.com/business/informed-delivery.htm>



Informed Visibility

- Replacement of IMb Trace
- End-to-end tracking of mail (geofencing)
- Real-time service performance diagnostics
- Predictive workloads and mail inventory management
- Informed Visibility – [PostalPro Webpage](#)



Staying Informed Physical Mail: Online Resources

- USPS website - www.usps.com
- PE Explorer - <http://pe.usps.com>
- PostalPro – <https://postalpro.usps.com>
- Business Customer Gateway - <https://gateway.usps.com>
- Industry Alert - IndustryAlert@usps.gov

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



What's Going On:
Trends & Technology

- Color – Color – Color
- Digital Mail: Not Just a Delivery Method
- E3 – E-Mail, E-Pay, & E-Presentation
- Comprehensive Communication Plans
- Sourcing
- Operations Management



Color and Documents: Traditional

- 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
- USPS Mailing Promotions



Color and Documents: What's Happening Now

- Color forms replaced with color printing
- ~~B&W for low-value documents~~
Mid-volume, low-cost color inkjet
- Added color for messaging on transactional documents
- Fully digital processing for on-demand printing (offset and digital presses)



Color and Documents: Challenges

- ROI isn't always easy to prove
- Consistency (PMS, screen vs. print)
- Space & facilities requirements
- 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 – 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 – no one yet



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



Trends: Sourcing

- Break-ups/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



About The Berkshire Company

An independent management consulting firm, The Berkshire Company specializes in improving your business process, including analyzing your operation, developing and selecting solutions, and providing project management.

The Berkshire Company has helped more than 50 organizations improve their operations with:

- Process Evaluations & Improvements
- Strategy Development
- Project Management
- Outsource vs. Insource
- Mail Center Security
- New Technology

Learn more at: www.berkshire-company.com

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Questions?

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