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What's Going On?

Milwaukee 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

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State of the USPS

- Mix of mail continues to change
  - Declining FCM volumes
  - Leveling of Standard Mail volumes
  - Significant growth in parcels
- Network Rationalization / Optimization
  - Facilities and equipment - investments
  - Routes
  - Employees
- FY 2019: $8.1 Billion loss
  (includes $3.4 Billion "controllable")

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Physical Mail
Remains Relevant

First Class Mail Volumes 2012 - 2018
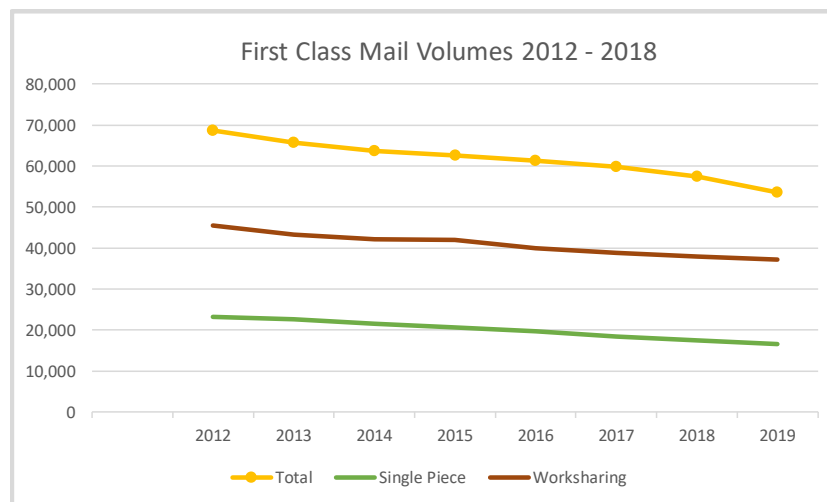
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USPS: PMG Brennan Era

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- 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
  - Seamless Acceptance (2020)

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USPS:
Legislation Update – 116th Congress

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- 146 Bills or Resolutions focused on USPS (as of 02/02/2020)
  - 75 Naming post offices
  - 23 Stamp related
  - 50 USPS reform or operational changes
    - 9 Opioid/Fentanyl
    - 5 ZIP Codes
- No significant legislative reform bills filed in either chamber

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USPS:
Legislation Update – 116th Congress

- 5 presidentially appointed members of the USPS Board of Governors – Quorum

- Postal Regulatory Commission 10-Year Rate Review – 12/1/17 PRC Order 5337 – 12/5/19 (Modifies 2017 proposed rules)

- Delivering Government Solutions in the 21st Century" – Administration Blueprint

- Presidentially appointed Task Force, 12/4/18

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U.S. Senators

The Honorable Tammy Baldwin (Dear Senator Baldwin)
633 West Wisconsin Ave, Suite 1920
Milwaukee, WI 53203
Phone: (414) 297-4451
https://www.baldwin.senate.gov

The Honorable Ron Johnson (Dear Senator Johnson)
517 East Wisconsin Avenue Suite 408
Milwaukee, WI 53202
Phone: (414) 276-7282
https://www.ronjohnson.senate.gov

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USPS Rates:
Success – Today & Tomorrow

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

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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 22.4 million today

- 2020 Mailing Promotion

- Mailer Website:
  https://www.usps.com/business/informed-delivery.htm

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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

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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

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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)

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The Most Common
but
Least Valuable
Manual In Existence:

ISS Manual

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What's Going On:
Trends & Technology

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

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Color and Documents:
Traditional

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

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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

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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)

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Color and Documents: Challenges

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

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Digital Mail: What Is It?

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

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Digital Mail:
Why Implement?

- Faster delivery

- Access for remote staff

- Less expensive storage/retrieval

- Improve business processes

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Digital Mail:
Challenges

- Imaging equipment – selecting, installing and training

- Legal constraints

- Non-scannable mail – brochures, magazines

- Multiple electronic document systems

- Integrating with BPM

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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

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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

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Trends: E3 (b)

- E-Presentment
  - B2B – Statements, billing
  - B2C – Statements, billing
- Multiple formats
  - PDF
  - HTML page
  - Downloadable data
- 3rd Party consolidators – no one yet

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Comprehensive Communication Plans: What is it?

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

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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

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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

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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

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Questions?

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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.

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Strategy Development
Project Management
Outsource vs. Insource
Mail Center Security
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