



Maximize Postal Efficiencies

Multi-Channel Delivery & Print Suppression



Agenda

What are we here to discuss

Reviewing several methods by which Print Service Providers (PSP's), mailers, and industry leaders reduce Postage costs. These cost reducing techniques have a positive effect on the bottom line without disrupting the delivery of critical communication, bills, statements, and correspondence to clients, customers and members.

Why are we here

Print & Mail is still the best way to communicate however every organization is looking for ways to improve the effectiveness of how and when communication is delivered yet reduce the cost of print & mail.

“Snail mail is bulletproof”

**“Embrace technology & profit from it
Don't hide your head in the sand”**

USPS Update

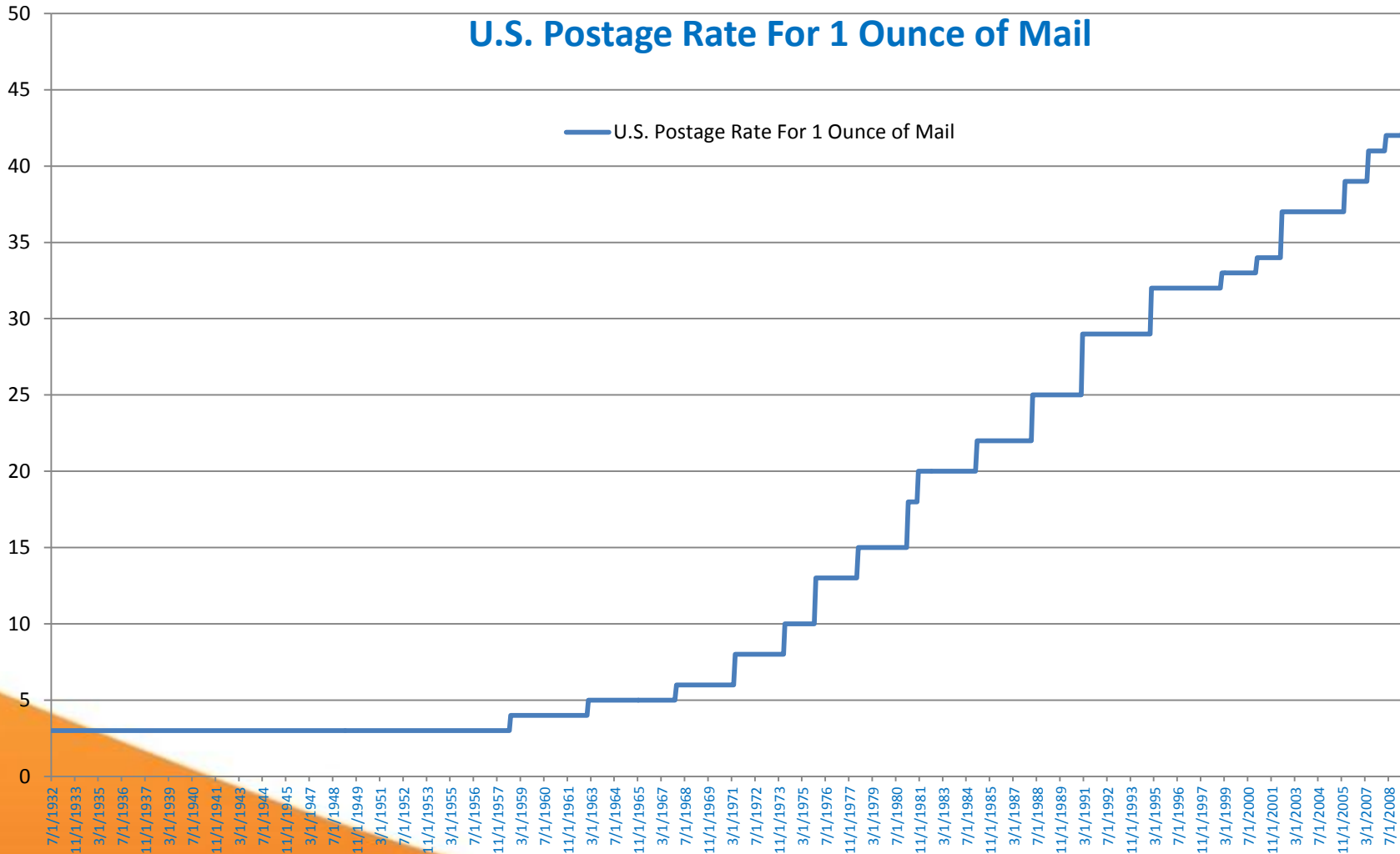
- **Postal Service on the Brink of Default**
http://about.usps.com/news/national-releases/2011/pr11_102.htm
- **Postal Service Faces New Reality**
http://about.usps.com/news/national-releases/2011/pr11_102.htm
- **Post Office History for Sale**
<http://online.wsj.com/article/SB10001424053111903532804576569110126911004.html>
- **Postal Service Begins Labor Contract Negotiations With Two Unions**
http://about.usps.com/news/national-releases/2011/pr11_097.htm

USPS Update

- **Closing Facilities**
- **5-Day Delivery Schedule**
- **2% Price increase in Jan 2012**
- **Service standards moving 1-3 to 2-3 days**



Postage over 80 years



Fact's

- Postage is the single largest expenditure in the print and mail process normally accounting for at least 65% of the total unit cost
- Every company has an accountant looking at the bottom line
- Technology is changing the way we do business
- 1% or 2% response is simply not good enough in todays market

10 ways to reduce your postage & improve delivery of critical communication.....



10 ways to maximize postage

- **Proper Address Management**
 - It is common to have 5% of a mailing be undeliverable due to address errors
 - Cleansing and standardization of addresses with CASS & PAVE certified software
 - Use DPV and LACS to confirm a valid and accurate delivery point
 - Use NCOA or ACS for move updates as over 40 million Americans change their addresses annually
- **Sorting via a MLOCR (outsource to presort house or purchase internally)**
 - Outsourcing this function is most common due to simplicity
 - Outsourcing can be expensive with additional processing fees
 - Is your mail bonded? Are you getting the best postage rates?
 - Purchasing an MLOCR keeps the process in-house but creates an additional process
 - Purchasing sorting equipment is a substantial capital investment which is hard to justify
 - Can I co-mingle internally without a MLOCR?



10 ways to maximize postage

- **Electronic Co-mingling**

- Merging multiple files or jobs into a single, combined mailing
- No need for outsourcing or purchasing expensive sorting equipment
- Optimize saturation levels to maximize postage discounts
- Longer production runs increase machine throughput driving down cost per piece
- Can force standardization
- Does require some manual sorting and IT resources

- **Print Suppression**

- Decreasing postage and paper cost by reducing the need for pages to be printed
- Duplex printing reduces page count
- Use targeted inserts or “onserts” over buck slips
- Suppress any mail piece for people who view online



10 ways to maximize postage

- **House holding**
 - Combining multiple documents intended for the same delivery point into a single package to be mailed together (i.e. merge by address or account ID)
 - Often a result of company acquisitions/mergers or incomplete IT projects
 - Only send 1 letter to a recipient, (include an opt out)
- **Package Standardization**
 - Shape based mailing
 - Double window envelopes coupled with standard form designs/layouts
 - Simplex printing does not take advantage of unused blank space
- **E-Delivery (eliminate postage cost)**
 - Email versus mail
 - Normally requires action by end user
 - Compliance, acceptance, security

10 ways to maximize postage

- **Redesign – with Target Marketing**
 - Allows for more effective communication
 - Reduce shotgun marketing (remember when 1-2% response was good?)
 - Marketing is happy to pay for postage if they can advertise
 - Focus on the message
 - TransPromo equals better company wide communication-Up sell/Cross sell
 - Mail the second ounce for free (*Email me for details*)
- **Survey your departments**
 - Do we need to mail this?
 - Are people reading this?
 - Are we duplicating communication?



Fastest Growing Areas for Savings



Print Suppression



Electronically Co-mingling



E-Delivery

Print Suppression

- Strategy to reduce the number of pages printed
- Reducing paper cost & postage expense
- Consolidating detailed information
- Maintain standards for document and package creation
- Push people towards the Web for larger documents
- Utilize technology to communicate better
 - Summarize bills
 - Include details on other channels
 - Campaigns link up
- Marketing dollars to delivery better communication
 - Reduce piece weight using TransPromo rather than inserts
 - Target marketing can address

Level of Complexity

Moderate

Level of savings

Average



Print Suppression

- Methods of Print suppression can be as simple as:
 - Reducing font size
 - Putting T's & C's on the web
 - Utilizing post composition solutions
 - Creating a summary page
- Materials have an effect on postage:
 - 20# versus 24# paper means one additional page at the 1 ounce rate
 - Flat 11# Tyvek envelope is 1/3 of the weight of Kraft envelope
- Discuss Print Suppression with internal groups
 - Legal is not generally concerned with postage cost
 - Marketing is not always familiar with document production process
 - Accounting is normally concerned with “DSO”
- Not an overnight project

Level of Complexity

Moderate

Level of savings

Average





Electronically Co-mingling

The ability to ingest multiple data input streams (can be different formats) and then combine into a single file that can be postal processed, sorted, printed, inserted, and mailed as a single, combined production run/ mailing.

Take in XML, CSV, PDF, Line Data, ASCII, PCL, RTF, Print Image, etc. and process together to create one mailing:

Traditional Workflow:

Postal > Print > Insert > Sort > Mail

Electronic Co-mingling Workflow:

Postal > **Co-mingle & Sort** > Print > Insert > Mail

Level of Complexity

Complex
w/IT involvement

Level of savings

Extensive





Electronically Co-mingling

Too many organizations believe they are stuck outputting small individual files and are therefore restricted from obtaining postage discounts (unless outsourced) or maximizing production efficiencies.

Level of Complexity

**Complex
w/IT involvement**

Level of savings

Extensive

Benefits of this type of system:

- Single Mail.dat file for USPS
- One set of postal reports to manage
- Central funnel for all data
- Realize production efficiencies
- Maximize postage discounts
- Simplifies Reprint process
- Sorting process stays in-house
- Improved mail piece tracking



E-Delivery

- Electronic delivery has become a standard option
- Adoption rates are 10-65% (average of 15% & growing)
- Removes the cost of postage (b/t \$0.335 and \$0.44)
- Eliminates the cost of inventory and warehousing
- Labor cost is replaced by a server and software
- Delivery times are instantaneous
- What about compliance? Sensitive data, Risks, How to enroll
- What is the best method?
 - PDF
 - HTML
 - PNG-Meets Compliance Standards over PDF
 - The famous App
 - Tablets

Level of Complexity

Moderate
Legal Input
IT Input

Level of savings

Greatest



E-Delivery

- E-Delivery is here to stay
 - Further strengthens Brand Loyalty
 - Great for Cross Selling/Up Selling
 - Considerably less expensive than mail
 - Offers fastest delivery of communication
 - Less Reliable than “Traditional Mail”
 - Email the statement or the link (Push/Pull)
 - Generational – usage of E-Pay is increasing rapidly

- Does E-Delivery work
 - Acceptance is increasing
 - Every company is expected to have a strategy
 - Works well in conjunction with hard copy

- How do you plan and implement E-Delivery
 - Research
 - Buy in from IT & Marketing
 - Ensure that campaigns utilize multiple channels

Level of Complexity

Moderate

Level of savings

Greatest



Most Important

- Do you know what your cost per mail piece is?
- Do you measure metrics?
 - Everyone generally knows what their printer per image click is
 - Very few know the total cost per piece
- Maximizing postage starts with understanding where you are today
 - Why utilize co-mingling, print suppression or E-Delivery?
 - What did you save the company?
 - Who gets credit?
- Download our Cost Per Piece Calculator www.Uluro.com



Recap Maximizing Postal

- Cleansing of Addresses (CASS, DPV, NCOA)
- MLOCR (Outsource or In-house)
- Electronically Co-mingling/Presort
- Print Suppression
- House holding
- Package Standardization
- E-Delivery
- Redesign – Target Marketing
- Survey your departments
- What is your cost per mail piece?

Questions?

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