

The Key

TO APPROVAL

Justifying that upgrade

By Scott Watson and Jim Gray

This is the age of “nickels and dimes,” the driving force behind what companies are having to do to survive. Cutting costs and saving money at every turn has never been more of an enterprise-wide policy, and don't expect it to end anytime soon.

As your organization's mail center manager, a great deal is expected of you as a contributor to this business philosophy. More difficult still is the question of how you are expected to convince upper management that now is the time to take action on upgrading mail processing in order to better prepare your company for the demands it will surely face as the business climate improves and competition gets tougher. It has never been more important for upper management to understand the impact its mailing operations are having on the company's bottom line, especially given the decisions it must make regarding budget cutbacks and doing more with less.

It is obvious that mail processing is no longer just, well... mail processing. Today, it's document generation and consolidation; accurate monitoring and tracking; high-speed processing; cost-effective packaging; and keeping informed of ever-changing USPS regulations and requirements. And that makes you — your company's mail stream gatekeeper — an integral component of what needs to be a well-oiled machine. It also means your role will never be the same.

In many ways, a mail center manager in 2009 needs to be a combination of a technology guru, postal savings monitor, quality control supervisor and security specialist, as well as a resident expert in mailpiece design and in leveraging postal programs. And let's not forget document generation. Today's mail stream now begins whenever and wherever an external-bound document is generated, be it an invoice, statement, report or direct marketing

piece. So asking for a little help is no sign of weakness.

Evaluate, Identify, Implement

So let's talk mailflow — efficient, value-added, cost-saving mailflow — and what a mail center manager must do to convince upper management of the most cost-effective way to ensure its implementation. Today it's all about investment and ROI. Organizations need to be persuaded that every man-hour committed and every dollar spent will result in a productivity gain and cost savings, ideally both short- and long-term.

Many companies commit valuable dollars to their mail centers. Unfortunately, for the most part, these “investments” often only maintain the existing infrastructure, spending additional time and money continuing the status quo. Worse, it is especially counter-productive during difficult business cycles and will actually end up costing you more than if you had invested in the right upgrades to your mailing operations. To make your case to management for taking mail processing to the next level, today's mail center manager needs the “inside information” about the entire mail stream process — what works, what doesn't work and what's available and most cost-effective to make it work.

Step #1 — Evaluation

Organizations that truly want to convert today's postal changes into positive mail stream efficiencies, especially during tight economic times, should consider adopting a fundamental principle that we call mailflow optimization (MFO). Mailflow optimization is a systematic approach to evaluating and providing solutions for the entire mailflow process, solutions that virtually guarantee dramatic efficiencies and significant cost savings. It puts every aspect of an organization's mailflow under intense scrutiny, including document

creation, mail processing, delivery management, mail tracking and cost accounting. The goal of mailflow optimization is to help mail managers find the costly flaws throughout the entire mail process, which in turn generates the money needed for today's new equipment and software products. MFO will help you quantify the financial impact and ROI the company would never realize were it not to undertake this evaluation.

Step #2 — Identification

After careful review of your entire document generation and mailing process, you may be surprised at your ability to identify specific areas of opportunity for improving productivity and creating processing efficiencies. For example:

- **Track and analyze spending** Monitor department mailing activities using a system that not only tracks spending but also captures and tracks what classes of mail and special services departments are using. This saves money by enabling you to quickly identify and correct bad mailing habits.
- **Find the discounts** Here's an easy money maker. All mailings that qualify for discounts should be identified (usually as few as a couple hundred). If financially justifiable, processes should be re-engineered and technology used to capture the maximum discounts available.
- **Design to save money** Understand proper addressing, barcoding requirements and other Postal Service regulations. Mailpieces that are designed to comply with USPS guidelines can significantly reduce postage costs and enhance service. In addition, learning about automation will allow mailers to take advantage of postage discounts, which will further reduce mailing costs.
- **Create "machinable" mail** Become an acknowledged consultant to all departments that generate mail by helping to educate colleagues on the impact of "out of shape" and "non-machinable" mail. A simple evaluation of the mailing materials each department generates will usually uncover practices that drive up costs. There will almost always be opportunities to create smaller, thinner and lighter mailpieces that can translate into significant savings.
- **Eliminate undeliverables** Undeliverable mail is often a major expense to companies. Lead an all-out assault on identifying departments and assessing costs, then take the steps necessary to prevent runaway "undeliverables."
- **Compare carriers** Slash spending on all your carriers. Since mailing and shipping functions typically fall under the jurisdiction of the mail center manager, opportunities abound for saving money. Securing systems that enforce business rules, committing to a comparison of multiple carriers (including the USPS) and tracking shipping activities can often produce truly astronomical savings.

Step #3 — Implementation

These are just a few initial steps to cut costs and enhance mailing operations. Once specific areas have been identified, you can then further streamline your mailflow process and generate valuable cost savings by adopting the use of today's high-speed and very efficient document control and mail processing technology. It's a win-win scenario for you when you are able to show how, for example, a two-person mail center with the right technology can dramatically improve productivity and generate savings over a staff of six operating "yesterday's" mail center.

It's all about doing more with less.

Value-added Technologies

The solutions offered by today's advanced mail center technologies provide a level of cost savings unprecedented in our industry, bringing a terrific return on investment that can be quantified by your executive management team. Today's highly productive mail processing products — mailing systems, folder/inserters, address printers and document/mail management software — are measurable investments in mail processing improvements, generating speed, accuracy, postal discounts, quality control, flexibility and tracking of both inbound and outbound mail.

For example, today's postal scales accurately compute the weight of each mailpiece to ensure that over-posting does not occur. And mailing systems connect online to guarantee the latest rates are always ready and downloaded the day they take effect. In conjunction with the Postal Service's National Change of Address (NCOA^{Link}) program,



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software now identifies incorrect addresses before pieces go out the door. In addition, efficient document and mail management systems generate, accumulate, store, retrieve and report on mailing information, resulting in labor and cost savings.

These are just a few examples of why you should be taking advantage of dramatic increases in efficiencies rather than just replacing existing infrastructure and "renewing old investments." And it's not just larger companies that benefit from today's graduated mail center solutions. There is an assortment of customized solutions for virtually any size mail center.

Regardless of the challenges you face along any point in your mail stream, evaluating and optimizing every aspect of your mailflow and employing the cost-effective infrastructure of today's sophisticated, yet simple-to-use, equipment and software is a persuasive strategy resulting in a dramatic upgrade of your mail center and significant ROI for your management team. ■

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