



Maximize Savings in the Mailroom

Staff Writers

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You may not have realized it, but if you are like most U.S. businesses sending invoices, letters, and packages to customers or vendors, your mailing and shipping costs account for a large percentage of your overall operational expenses. A mid-size company spending a few thousand dollars in postage every month is likely to spend two to three times that amount in express shipping charges. Add these charges together and you could easily be looking at more than \$50,000 in mailing and shipping costs per year, without your CFO officially signing off on them.

The good news is that your organization can easily maximize savings—a feat other companies have already been able to achieve. By integrating mail accounting and shipping software solutions into your business practice, all cost-analysis and rate shopping is done for you, thus leaving more time and money at your disposal.

Consider the major changes that the USPS implemented last year: the current postage rates, as well as fuel surcharges commercial carriers are passing on to you. Under the USPS Shape-Based Pricing (SBP) rules, mail items that weigh and look the same now have to be priced depending on their length, height, thickness and weight. Organizations that have not yet adapted their mail operation to these specifications could experience postage cost increases of up to 50 percent compared to last year, simply by sending letters, flats and parcels the same way they used to.

To make things worse, commercial express carriers keep changing their rates and various fees, making it increasingly difficult to determine which carrier offers the best cost-to-service ratio for a specific shipment.

With mailing and shipping software solutions now readily available, it is easier than ever for companies to efficiently track and reduce postage and shipping costs. Informed businesses equipped with these solutions cannot only offset the new postal and carriers cost increases, but also work the system to their advantage with the touch of a button.

Before May 2007, mail accounting software solutions were only used to report how postage was spent and subsequently charged back to internal and external departments. Now, more and more companies rely on this type of software to not only report how postage is spent, but also to analyze expenses and maximize their savings by adjusting outbound mail. Postal expenditures by mail class usage, surcharges and department expenses are all monitored, and thus unnecessary costs are eliminated. In addition, software can be programmed to alert the user when the company's mailing budget for a specific department or account is about to be exceeded. Overall,

software solutions are a vital tool for postage expense analysis, which in turn translates into budget optimization for your business.

Some of the most recent software solutions, like Neopost's Mail Accounting Software (neopost MAS), allow real-time access via your company's intranet to all mailing data generated from one or multiple mailing machines, at single or multiple locations across the country. Mailing and postage data can be easily exported in various standard formats, including CSV, XML, and PDF, and then emailed to finance, accounting, or any other recipient for either reporting or charge-back purposes. The end result is that clear and precise data can be subsequently analyzed to monitor potential savings areas, such as presort discounted postage rates.

Eliminate Overspending

As the name indicates, a multi-carrier shipping system gives users the ability to ship with various carriers, such as USPS, UPS, FedEx or DHL. Primarily, it facilitates instant comparison of various carrier rates and service options, which can help eliminate unnecessary air and overnight premium rates and typically save you up to 20 percent on your shipping expenses. With the major parcel carriers increasing their costs and fees every year, it is more important than ever to ensure that your organization is not overspending on overnight or other expensive air shipping services when an item can be delivered on time for a fraction of the price.

By using a multi-carrier shipping software solution, it is also possible to guarantee data integrity and drastically reduce error entry, as there is no longer a need to manually consolidate shipping data from multiple software packages or to keep updating the same address book in multiple computers. What's more, shipping data access and visibility is increased throughout the organization and can be shared with customers or a third party.

The most recent "multi-carrier Web-based desktop shipping solutions," like the one offered by Neopost (friendShip Navigator Desktop Pre-Ship), allow employees to easily create a "shipping request" document from their desktop computer. The document is printed on a standard inkjet or laser office printer and attached to the letter or package that needs to be sent.

When the package arrives in the mail center, the "shipping request" document is scanned to allow quick and accurate retrieval of all necessary shipping information, and the tracking number is automatically emailed to both the sender and recipient.

Ultimately, desktop shipping solutions ensure that all of the company's standard and mandatory shipping business rules are enforced throughout the organization, while still allowing freedom of choice where and when it is appropriate.

Tracking and controlling mailing and shipping expenses has become a front-burner item because of the new business climate created by the sweeping USPS rate changes and escalating express carrier rates and fees. Staying up to date on the latest rules and regulations from the USPS and other carriers is only one piece of the puzzle.

Time invested in examining mailroom operations, particularly mail accounting and multi-carrier solutions, will eventually pay off with cost savings and improved mailroom operational efficiency. Most importantly, it will result in more satisfied employees and customers—a return on investment

that
is priceless!

Jerome Agnola is the senior marketing director, Software Solutions, for Neopost.



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