

MAIL:

The Journal of Communication Distribution

V.22 N.5

SEPTEMBER/OCTOBER 2009

\$10.00

QUESTIONS THAT NEED TO BE ASKED BEFORE MAKING THE CRITICAL DECISION

Outsourcing Your Mail Flow: Will It Work For You?

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Outsourcing your mail flow has become a traditional part of doing business. It can refer to handing over a portion of your finished mail or your entire internal output to an outside company specializing in the production of mail operations. Technically, total or partial mail flow outsourcing should allow an organization to utilize outside experts, manpower and equipment to perform specific mail responsibilities previously performed by the company.

Without doubt, an outsourcing solution can be an important direction to consider. Using a full-service print-to-mail company that specializes in the design, production and delivery of your mail may have some merit. Many third-party companies print and mail thousands of monthly billing statements, invoices, letters and marketing mailers.

The process of outsourcing formalizes your mail center operation into a business relationship between you and an outside supplier. Under the agreement, the supplier has the responsibility of production, which may include peo-

ple, processes, technology and assets. The decision to outsource is often made in the interest of lowering costs and increasing efficiency. It may allow the best and most efficient use of labor, capital, technology and resources.

Therefore, it comes down to determining whether having someone else process your mail results in reduced costs and more profits while maintaining customer satisfaction.

Prerequisites

Being your own print-to-mail shop can be very difficult if you do not have the correct technology and experience in the critical area of postal regulations. Deadlines and bottlenecks may lead to your documents not getting out on time. Also, learning how to avoid sending out mail with errors, or mail that for one reason or another is undeliverable often requires additional resources. Ultimately, the decision process includes determining whether you can keep up with the current technologies and if you have the budget for mail finishing, implementation and maintenance. Each and every day a business needs to determine "mail production time." Therefore, the questions to be posed are, what type of burden is mail production for you, and will the decision to outsource your mail free up your resources?

Mail flow outsourcing may make sense once you deter-

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mine what direction to go with your critical business mail and whether it will lower your costs with minimal risks.

Mail Finishing

Mail finishing is the process of printing, folding and inserting documents, then sealing and postage metering the envelopes. It is important to investigate if outsourcing this process is the best way to accomplish your mail flow tasks. Over the last decade many organizations have outsourced their mail finishing. However, many others have kept their mail finishing in-house, while some who outsourced are now doing the process themselves.

The best way to determine if outsourcing is a solution is a careful evaluation of final document production. There are many important items to consider and a number of sensitive areas need to be evaluated. However it all starts with the document. So begin by first asking yourself a few questions.

1. What type of environment are you in? Do you generate confidential documents where outsourcing may compromise security? Is it critical that your documents not be viewed by others? Healthcare forms and financial and legal information are applications that generally require additional security.

2. Is your company's mail list important? Many companies generate their income based on a customer list. If your list is compromised, your company income may be affected, and therefore, your mail lists may need to be kept confidential. This is a sensitive area that may require more than a financial decision on which way to proceed.

3. Does your application change frequently? Making last minute changes in the document may not be possible. Once a job is sent to an outsourcing company, it becomes very difficult to control any changes.

4. What about additional mailings you may want to produce? Most outsourcing contracts are well-defined, many on a contract basis, and any additional mailing may cost substantially more. So it's important to anticipate changes.

5. What are your expectations for Mail Delivery Days Outstanding? Most companies must be sure their mail will be delivered to the addressee in the minimum amount of time. Should your outsourcing partner have a delay, then delivery to the postal system will be delayed.

6. Are you prepared to audit your partners? Most outsourcing companies are very reliable; however, companies that use outsourcing need to audit their partners often. This includes proof of destruction if your company's policy requires that leftover documents must be destroyed. If the outsourcing company is not local, then the additional costs of travel and employee time lost should be considered. Perform constant test mailing to yourself to get an idea of how long it takes to get to your address.

Some items to consider:

- Will the mail flow get to the addressee any faster?
- If I reduce labor or personnel costs, can I still maintain "mail quality control"?
- How much will my reduction in expenditures really be?
- If I have existing printers and mail finishing equipment, can I get out of the lease?
- Can I reduce customer frustration, questions and phone calls to my help desk?

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- Will I be able to create marketing opportunities by including customer messages in the same envelopes?
- How convenient is the archival system, especially if I use hard-copy storage?
- Will I need to get my IT department to change or modify the current format of the data?

Three Major Types Of Outsourcing

In the mail finishing industry there are three major types of outsourcing:

1. A company performs all the mail finishing and a third-party, presort company commingles your mail with others.

2. A company electronically outsources; the files are then sent to a third party, who prints and mails the documents.

3. A third-party company takes over your existing mail center and performs your mail flow tasks.

However, companies that decide to outsource must still at a minimum pre-treat the documents they print out themselves or the electronic files that are sent to a third party. Constant changes in the U.S. Postal Service regulations now give end users the ability to get discounts, eliminate signature confirmation cards being returned (Green Card), and track address changes with National Change of Address (NCOA). The main goal for all companies is error-free mail: "send out once; no returns."

Furthermore, having a bill that is understandable with clear, concise information is extremely important. If you are considering a total mail outsource, get a breakdown of the individual printing, folding, sorting, envelope stuffing and metering of your jobs. With individual printing, get the breakdown of statements, invoices, personalized letters and postcards. If contracting includes Postal Optimization, be sure you know the level of address cleansing, which is CASS Certification and level of presort (PAVE) discount.

Outsourcing may turn out to be the best decision for you. By reviewing the pros and cons, be sure you have a Service Level Agreement that specifies the levels of availability, serviceability, and performance. And lastly, in case of a disaster, have a back-up plan, either internally or at the outsource location. Your invoices and statements are the backbone of your company. Downtime is not an option.