



Industry Insider – “5 Hidden Tricks” to Save Money on Mail

There are three major influences increasing mailing costs that every organization face:

1. Postage and shipping rates keep rising – The USPS® had 2 increases in 2020 and will have another this January 2021.
2. COVID-19 has hurt the economy and made it harder to staff based on remote workers.
3. There is less expertise in mail services as people retire or move out of this space.

All of these create a need to find better ways to optimize processes to reduce costs and find savings. I have been in this industry for 27 years and worked with over 20,000 clients of all sizes, volume and applications. As an industry insider, my goal is to bring to you the best ideas that can reduce costs and streamline your mailing application. Below are five core areas that can save you the most money in 2021 and help make your operations more efficient.

Compare USPS Rates to the Private Carriers

There is no one best way to ship because it depends on many factors such as distance, weight, box size, speed of delivery and the parameters of destination address such as if it is residential or rural. Best in class organizations know that this calculation is too complex for their staff to make and will have multi carrier tools that can compare rates on a transaction by transaction basis to optimize speed and costs. As you can see from the chart below, these are the main areas that can save the most money through rate shopping using these automated tools.

1. USPS may be able to provide faster delivery (To specific zones) at lower costs for light weight items (Less than 10 LBs) and should be shopped regardless of your private carrier discount. Here are the main reasons why:
 - a. The private carriers typically have a base rate (Minimum Service Charge) that they do not go below regardless of your negotiated discount. When you take this rate, plus the additional fees for residential, delivery area surcharge, fuel surcharge, address corrections and Saturday delivery, USPS may be a bargain.
 - b. The USPS has amazing rates on lightweight packages less than 16 ounces (\$2.99-5.95 vs. most private carriers that start over \$8.00). No one can typically come close to these rates, which is why the main e-Tailors will typically send these lightweight items through the Post Office.
 - c. When comparing Ground and Three Day service to USPS Priority Mail®, many areas will get faster delivery at lower costs.
2. Private carrier Ground services have guaranteed next day delivery in zone 2 that extends about 250 miles from where the package originated. This can reduce costs over their air rivals and provide faster delivery than 2 and 3 day services as well as some USPS Priority Mail® items. It can also offer the same delivery times as 2 and 3 day services for zone 3 and 4 packages but at lower costs.





Weight	Overnight	2 Day	3 Day	Ground	USPS Priority	USPS First Class Parcel
Zone 2 - Local within 250 miles (Delivery Time Days)	1	2	3	1	1-2	1-3
0.5 LB Ltr	\$25.00	\$19.00	\$11.00	\$8.00	\$7.42	\$3.46
1 LB	\$28.00	\$19.00	\$12.00	\$8.00	\$7.42	\$5.29
Zone 4 - Half way across country (Delivery Time Days)	1	2	3	2-3	2-3	2-3
0.5 LB Ltr	\$38.00	\$21.00	\$14.00	\$9.00	\$7.55	\$3.50
1 LB	\$53.00	\$21.00	\$16.00	\$9.00	\$7.55	\$5.37
Zone 8 - Coast to Coast	1	2	3	2-3	2-3	2-3
0.5 LB Ltr	\$47.00	\$31.00	\$25.00	\$10.00	\$7.55	\$3.77
1 LB	\$73.00	\$32.00	\$30.00	\$10.00	\$7.55	\$5.95
Other Charges						
Fuel Surcharge	4-6%	4-6%	4-6%	4-6%	\$0	\$0
Residential Fee	\$4-5	\$4-5	\$4-5	\$4-5	\$0	\$0
Delivery Area Surcharges	\$3-5	\$3-5	\$3-5	\$3-5	\$0	\$0
Saturday Delivery Fee	\$16.00	\$16.00	\$4.00	\$4.00	\$0	\$0
Address Correction Fee	\$17.00	\$17.00	\$17.00	\$17.00	\$0	\$0
Discounts	Varies by Client	Varies by Client	Varies by Client	Varies by Client		
Minimum Service Fees	Varies by Client	Varies by Client	Varies by Client	Varies by Client		

Manage your Box and Envelope Sizing

One of the biggest savings areas is to optimize the container size for your chosen item. This can have a great impact on cost with the following examples:

1. Private Carriers have envelope rates for 1, and 2 and 3-Day services that are less than the corresponding 1LB rate as you can see from the chart above. Many people will not pay attention to this, and either choose the wrong packaging or enter the item in the shipping platform without selecting the container type.
2. USPS has Flat Rate envelopes and boxes that are less expensive than all but the local zones and allow you to put as much weight as you can fit for one low price.
3. All carriers including the USPS use dimensional rating for items bigger than a 6x6" cube, meaning that your weight may be determined by the box size vs. the actual weight. This makes it crucial to use the smallest boxes that can meet the contents requirements.
4. When you look at the chart above, two of the biggest savings areas are Ground and USPS First Class Package, both of which do not provide any boxes or envelopes. We recommend sourcing a cardboard "express like" envelope that allows you to use these services for documents to eliminate sending through air services. These envelopes should be purchased in bulk and distributed throughout your locations to encourage use of these services due to their significant savings.

Folding your Flats

If you are sending out lightweight items in flat-sized envelopes (9X12 or 10X13) you may be able to save by folding them in half into 6 x 9.5" envelopes or in thirds into #10's. The savings is significant in four ways.

1. The postage savings is huge because you are changing from a Flat to a Letter category.
2. The envelope costs are much less expensive.
3. The envelopes are lighter.
4. If you barcode your mail or use a presort service, up to 3.5 ounces goes at the 1-ounce rate!





	Flat Envelope	Letter Envelope - Example 6X9 or #10			
Sheets	First Class Mail® Flat - Large Envelope	First Class Mail® Letter - 6X9 Envelope (Metered)	Typical Presort Service - First-Class Mail® Letter	First-Class Mail® - Automation Letter	Savings
1-2	\$1.00	\$0.50	\$.419-.46	\$.389-.439	50-61%
3-4	\$1.20	\$0.50	\$.419-.46	\$.389-.439	58-67%
6-10	\$1.40	\$0.65	\$.419-.46	\$.389-.439	54-72%

Weight Assumptions - Paper = .16 Ounces, Flat = .6 Ounces, 6X9 Envelope = .3 Ounces

Use Presort Services

If you are a huge volume mailer, have everything going through large jobs that can be programmed to print through an automated software utility that can validate the addresses, sort into the desired order, print with postal barcodes and can transport to the USPS, then you are the exception. For everyone else, consider using a Presort service to get postal discounts.

Presort Services will pick up your mail daily, weekly, or as needed, and commingle it with other clients on their sorting systems to get you lower postage rates. They will make sure your mail meets all postal regulations and there should be no work involved except scheduling the pickups. These services will save you 2-58% based on your volumes, densities, weights, and types of mail submitted. Best of all, they will pick up your mail and submit it to the USPS.

The typical requirements are that you have 500 pieces per day or single piece mailings of 1000 or greater.

	Single Piece Rates		
Mail Piece Examples	First-Class Mail® Retail Single Piece	First-Class Mail® Metered Single Piece	Typical Presort Service - First-Class Mail®
1 Ounce #10 Envelope	\$0.55	\$0.50	\$.419-.46
3 Ounce Newsletter (6X9)	\$0.85	\$0.80	\$.419-.46
8 Ounce Flat (9X12)	\$2.40	\$2.40	\$2.12-2.21
Post Card	\$0.35	\$0.35	\$0.280

Remote Printing

It is not efficient for small locations or home office users to print larger mail jobs because they will not have the proper equipment, supplies and staffing to get them out the door effectively. Organizations will need to be able to send mailing projects to areas with the proper infrastructure. There have been tremendous developments in the technology to do this efficiently and at lower costs. There are two main ways this can be done:

1. **Onsite Production Facilities** – There is software in place that can create a virtual print driver on the desktop where the job can be created. It can then be sent to a location inside your organization that has the staff, equipment, and support to get the pieces out in a more efficient and lower cost method. This eliminates the need to have mailing equipment scattered





throughout your locations when there can be trained staff and higher-level automated solutions in a central location more suited to process this mail.





2. **Sent to a Professional Mail Service Provider** – Using a similar virtual print driver, the same job could be sent to a third-party company that specializes in this type of work. They will have the infrastructure in place to process your mailings quickly and at the lowest postage costs.

Regardless of which model is chosen, there are significant benefits in having mail produced in a central environment.

- Postage Discounts – As you can see in the chart below, moving mail from single piece rates to automation with barcodes provides huge savings.

Mail Piece Examples	Single Piece Rates			Automation Mail with Barcodes		
	First-Class Mail® Retail Single Piece	First-Class Mail® Metered Single Piece	Typical Presort Service - First-Class Mail®	First-Class Mail® - Automation	Marketing Mail® - Automation	Marketing Mail® Non Profit-Automation
1 Ounce #10 Envelope	\$0.55	\$0.50	\$.419-.46	\$.389-.439	\$.259-.299	\$.138-.178
3 Ounce Newsletter (6X9)	\$0.85	\$0.80	\$.419-.46	\$.389-.439	\$.259-.299	\$.138-.178
8 Ounce Flat (9X12)	\$2.40	\$2.40	\$2.12-2.21	\$1.83-2.12	\$.651-.90	\$.44-.69
Post Card	\$0.35	\$0.35	\$0.280	\$.26-.285	n/a	n/a

- Flexibility with Output – Using the newest tools, provide the flexibility on how the item is sent. This can include paper, or electronic client delivery as an email, fax or text.
- Mail moves faster from centrally automated processes.
- Mail tracking capabilities.
- Documents are archived for retrieval in a central repository.

Conclusion

The five areas above are the main ways that you can reduce your mailing and shipping costs and they are not just my opinion but have been implemented in the most efficient mailrooms across the United States. On top of savings, when the right tools are put in place, these processes all save labor, get items out the door faster and provide better visibility and tracking. It is nice to know with all the influences facing every mailer, that there are ways to fight against them to maximize savings.

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