



How Mail Audit and Recovery Firms Can Reduce Costs By Up To 80%

One of the few growth spots in the mail industry are managed service providers who focus solely on helping you manage your mailing equipment and postage spends to find cost savings, eliminate fees and recover overpayments and lost postage funds. With the dramatic postage changes happening, these firms are uniquely positioned to know where to bring money back to your organization and should be considered.

There are Managed Service Providers (MSPs) for every spend category and different business areas. Some that you may be familiar with are freight/supply chain, information technology, contracts and vendor management (Telephone, print, utility).

Benefits of a Managed Service Provider:

- 1) Time Savings – Handle time consuming and repetitive administrative work
- 2) Insight and Visibility – Provide a thorough spend analysis while you still maintain control and responsibility
- 3) Expertise – Knowledge and experience in the specific category that will allow for greater accuracy and detail
- 4) Best-in-Class Tools – Complete visibility to spend using the most innovative tools, resources available and ongoing support
- 5) Allows you to focus on bottom line growth and profit

Mail Audit and Recovery is a new area that should be explored because this spend is often overlooked and the potential savings can be large. In this area, these firms typically will not charge for their services but will only share in a piece of the documented savings or recovery. This gain share model is great for many companies because there is no risk. If they do not find any savings, the services are free.

Here are the main areas these firms explore to find cost savings and reduce spend:

Mail Equipment Savings – Up to 80% Reductions

- Analyze what you have for mailing equipment across your enterprise.
- Develop detailed spend reporting, analyze postage use and benchmark pricing against developed industry standards.
- Assist with site requirements and vendor negotiations to make sure you are paying the least amount of money for any new or renewed equipment.





The reason that the savings percentages are so high is because of the complexities of mailing equipment agreements. Most sites have multiple account numbers for equipment, leases and postage and it is difficult to get complete information on all of the different spends. This gets magnified when you have diverse locations scattered around the country or across the border. Also, there has historically been a lack of visibility to what this equipment costs. There are only a few vendors in the space and almost no published pricing. Finally, there can be “feature creep” for options that have costs but are not broken out to validate their worth. This makes it difficult to know that you are getting the best deal for the right equipment and services. These vendor neutral firms give you the leverage in negotiations to get what you need at the lowest prices.

Eliminating Avoidable Fees

Due to the complexities inside mailing agreements, often times fees are charged that can be eliminated. These fees are typically overlooked or not understood and paid as a cost of doing business. These audit and recovery firms will find where these fees are being paid and figure out ways to get them eliminated for the future. Here are some examples:

- Unneeded equipment insurance
- Annual fee loyalty plans
- Late fees
- Finance charges that can be over 20% of the cost of postage

Identifying Overpayments

With payments being made for leases, meter rental, maintenance, rate changes, supplies and postage, at times invoicing can be in error. These firms will look at the payment history and help you apply for refunds and credits. Here are some areas where these overpayments can occur:

- Contract Compliance - Invoices not billed under the firm’s national contract discount rate.
- Duplicate charges for meter rental, maintenance and rate changes that are covered under all-inclusive lease agreements.
- Closed sites still being billed.
- Expired leases with no activity.

Recovering Lost Postage

There has been a major downsize in the number of postage meters throughout the United States where 25% have been cancelled since 2008. This is due to reduced volume, office closings and consolidations. The question is what happened to all of the postage from these returned meters? Typically when a company puts money into their postage meter, the funds are expensed and it is no longer looked at as an asset. When the meter gets returned there could be money sitting on the device or in the attached postage account where funds are deposited.

These audit and recovery firms will look for previous postage accounts and assist in getting these funds returned. Lost postage funds could be sitting with your mailing vendor, at the state as unclaimed





property or with the USPS® from dormant meter or permit accounts. All of these can be explored to help you get your money back.

How to Select the Right Mail Audit and Recovery Firm

- Look for their experience in the industry
- Documented client successes – referrals and testimonials.
- On-going maintenance - Understand how they can help you maintain your equipment inventory and at what frequency they are going to be looking at your invoices and accounts for additional savings.
- Vendor Performance Management - Clients with multiple locations will typically have scattered renewal dates. It is important to have the audit firm managing this inventory and to make sure new agreements are done at the right times and remaining lease balances are not being incorporated.

These firms should become a partner to manage this spend area with a common goal for savings and simplicity. This includes everything from reviewing invoices to helping sites with questions as they arise.

Conclusion

If you have ever watched the show “Pawn Stars” it shows a pawn shop in Las Vegas (Far from what we typically picture as a pawn shop) where people bring in historic items to sell. What makes this the most successful shop in the country (and what makes the show great), is that Rick Harris the owner will call in experts to give him the value and background to these random items. Bringing in experts is the key to any organizations success because it is too costly to have this level of expertise on staff. Mail Audit and Recovery firms give you this expertise and can find you savings and recovery that would have typically been overlooked.

Adam Lewenberg, CMDSS, MDC, President of Postal Advocate Inc., runs the largest Mail Audit and Recovery firm in the United States and Canada. Their mission is to help organizations with large numbers of locations reduce mail related expenses, recover lost postage funds, and simplify visibility and oversight. Since 2013, they have helped their clients save an average of 52% and over \$17 million on equipment, fees and lost postage. He can be reached at (617)372-6853 or adam.lewenberg@postaladvocate.com.

