



The Future of Mailing Systems – Get Connected

As recently as 20 years ago, mailing systems were standalone devices that only plugged into a power outlet. When the meter needed to be filled, it was taken to the Post Office where they added funds. Then came filling your meter over the phone which required that you have an analog phone line connected to the back of the unit. Many of these same analog connections are still in place today. There is a huge push in the industry to move everyone from analog to network connections. This article will detail what is happening in technology and why this change will streamline operations for the future.

Issues with Analog Connections

Let's start with the hard truth: It is going to be harder and harder to get analog phone lines in the future. Many of the large phone companies are pushing the Federal Communications Commission (FCC) to allow them to stop providing analog services and in turn raising prices. The mailing vendors are also not including analog modems with new equipment orders. If they are required, there are extra fees ranging from \$100-400 per meter.

By moving to network connected meters, you could have a significant savings in phone charges. Many organizations are keeping analog lines for their postage meter and fax machine without other uses. In other words, their main phone system is digitally and run through their network. As fax machines are replaced by digital multi-functional devices, the mail machine may be the only thing used on the \$300-600 per year analog line.

The biggest challenge we encounter when switching mailing systems from analog to network enabled is firewall issues. The systems are basically designed to work when you plug them into the network jack, but many companies have security standards that require IT to get involved. This can delay the installation and require multiple departments to be brought in with what used to be a simple process. Additionally, the question is if there is a network connection near where the equipment is located. The good news is there are many options ranging from wireless adapters to connecting to the back of IP phones that have an extra port.

Benefits of Network Enabled Mailing Systems

The good news for clients is that network enabled mailing systems can do many more functions that will make them easier to use and provide additional value for your organization. Increased quantities of data can be transmitted at faster speeds which will be the future direction for this industry.

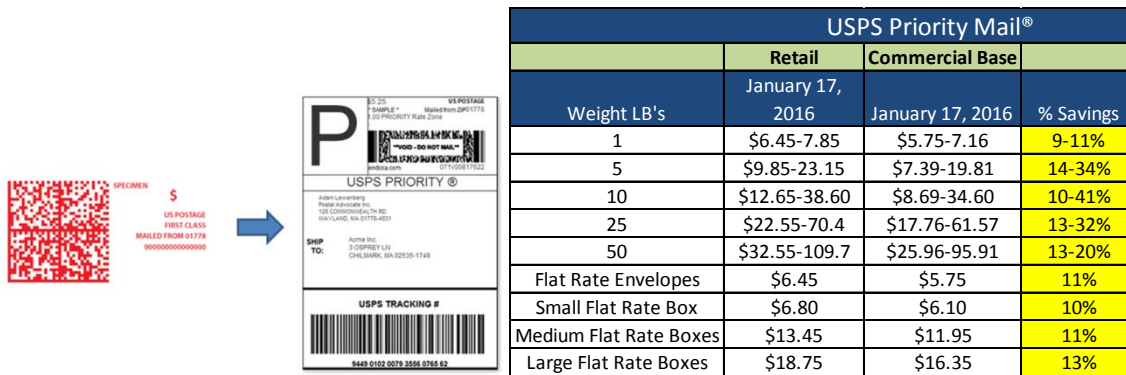
Clients will see the biggest impact in the shipping space. This is looked at as the new frontier for the Post Office and mailing vendors are trying to boost their capabilities to serve clients at higher levels. The USPS® is having huge growth in the shipping space because they are typically the least expensive carrier for light weight packages going to residences (vs.





businesses). Also, their tracking capabilities and delivery networks have gotten better to make them a stronger competitor to the private carriers.

The key impact driving this change is the push by the USPS to have package level detail for all shipments. If you can provide the 4X6 shipping label with the destination address and barcode, you are able to get Commercial Base vs. the Retail rates offered in postage meters and at the Post Office counter. The additional discounts range from 9-41% per package based on weight and distance. The meter vendors have developed network enabled software that can generate these rates and labels.



USPS Priority Mail®			
	Retail	Commercial Base	
Weight LB's	January 17, 2016	January 17, 2016	% Savings
1	\$6.45-7.85	\$5.75-7.16	9-11%
5	\$9.85-23.15	\$7.39-19.81	14-34%
10	\$12.65-38.60	\$8.69-34.60	10-41%
25	\$22.55-70.4	\$17.76-61.57	13-32%
50	\$32.55-109.7	\$25.96-95.91	13-20%
Flat Rate Envelopes	\$6.45	\$5.75	11%
Small Flat Rate Box	\$6.80	\$6.10	10%
Medium Flat Rate Boxes	\$13.45	\$11.95	11%
Large Flat Rate Boxes	\$18.75	\$16.35	13%

On top of mail discounts this can also streamline the entire package process. This includes the following:

- Validating that the address is correct and matches the USPS national database.
- Storing an address database where contacts can be resent with ease.
- Providing reporting details on all packages shipped.
- Premier Service options that let you rate and ship third party carriers from the mailing system.
- Tracking for USPS and other carriers through the same user interface.
- One method of payment for all mailing and shipping.

Outside of shipping, there are also multiple benefits of the having meters network connected.

- **Automatic Rate Updates** – Network enabled devices may be able to push the correct rates to your system vs. needing to wait for the next time you refill your meter. This would be especially important with this last rate change where the pricing went down.
- **Web Accounting** – One of the biggest developments with mailing systems is being able to enter department accounting information on the meter and access on the web through the vendor's website. You used to need expensive accounting systems or have printers connected that required retyping information into your business system. Now you can access this data from the web and then export it into Excel to be used internally.





- **Mail Class Detail** – You can now see the details of the mail classes used at each meter. You can use this information to find savings strategies for the future. Here are some examples of places to find savings:
 - Certified Mail with Return Receipt – By switching to electronic versions saves \$1.35.
 - Priority and Express Mail® - By moving from Retail to Commercial (As described above) can save up to 55%.
 - First-Class Mail® - If the volumes exist, could you use a presort service or barcode your mailings internally to reduce costs?

It was made clear at a recent product launch by Pitney Bowes that the future of the mailing system will be web enabled functions that can be added to the system to increase its value to the client. It is adding cloud based applications will allow the appliance to do more for the client than just printing postage. We have seen the same thing from Neopost where they are creating value having a computer linked to the mailing system to be able to automate shipping and accounting. We see this trend increasing as the vendors try to offset declining mail volumes with the increase in USPS shipping. We strongly recommend that as clients migrate to new mailing systems, that they connect them to the network vs. holding onto antiquated analog phone lines. There will be savings across the board along with increased capabilities and information available through their systems.

Adam Lewenberg, CMDSS, MDC, President of Postal Advocate Inc., runs the largest provider of mail audit and recovery services in the US and Canada. They manage the largest mail equipment fleet in the world and their mission is to help organizations with multi-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 57% and over \$23 million on equipment, fees and lost postage. He can be reached at (617)372-6853 or adam.lewenberg@postaladvocate.com.

