



11 Common Mail Mistakes That Could Be Impacting Your Bottom Line

Over the last 24 years I have met with thousands of organizations of all types and sizes to find that there are some core mistakes that drastically impact costs and efficiency. As mail volumes have decreased and more has been outsourced to professionals, there is less on-site expertise. This increases the level of these mistakes as well as costs. The focus of this article is to call out the biggest issues that you may be facing with ideas on how these could be fixed for the future.

1. **Limited Reporting and Visibility** – The most important element of running a successful mailing operation is to have detailed reporting on the different spends. You would be surprised how few organizations have this information. As an example, we found less than 30% of the clients we work with had any detail on their mailing spends outside of the headquarters or production area prior to our involvement. At a bare minimum, every organization should have reporting on the following:
 - Postage spends by month
 - Details on the largest mailing projects with historical numbers and future projections.
 - Equipment and mailing service provider costs and terms

This detail can help you analyze how your costs are changing, are the projects profitable as well as the future needs of the organization.

2. **Not Taking Advantage of USPS Savings Programs** – There are many ways to reduce costs through the USPS that many organizations are missing. Here are a few, but this topic alone could take up the rest of this article.
 - **First-Class® Mail – Automate with Barcodes** – If you have 500 pieces or more and can run your mailing through an approved software program to validate the addresses and apply barcodes, you can reduce costs by 8-58%.
 - **Priority Mail® - Commercial Rates** – Most organizations are running Priority Mail® at Retail rates through their postage meter or bringing to the USPS. There are very inexpensive software programs, that can work on their own or tie into your mailing system, to get Commercial rates that have a 14% average savings. They also provide better tracking and visibility.
 - **USPS Promotions and Incentives** – The USPS has a schedule of different promotions they offer to higher volume mailers, typically geared to using the latest technologies that can improve the value of mail. These promotions have limited time periods and require the client to be proactive in its management and refunds.
3. **Reactive vs. Proactive Returned Mail Processes** – This is one of the greatest mailing costs to an organization that few have quantified. When mail comes back as undeliverable as addressed what steps are done to make sure the addresses get updated in your systems for the next mailing? More importantly, can there be steps to update these addresses prior to sending the piece in the first place? Here are the processes used by best in class mail operations:





- They run their mail list through USPS CASS (Coding Accuracy Support System) tools to validate that all addresses match the national database. Next, it is run through the USPS National Change of Address (NCOA) database to validate that the recipient is at that address.
 - Simple address fixes are made automatically. If the address has changed, they will decide to either send the mail to the new address or reach out to the recipient to validate the change prior to updating the system.
 - If the mail piece gets returned, there will be deeper processes to directly reach out to the recipient to validate the correct address.
4. **Not Rate Shopping Multiple Carriers and Service Levels** – The line “we have always done it that way” cannot hold true anymore and using one carrier can no longer be accepted. Many packages that were shipped through private carriers may be less expensive with the USPS and vice versa. Even within a carrier, rate and service levels need to be explored. Here are examples that prove this:
- USPS Priority Mail® over 1 LB going *to a business* may be less expensive with faster delivery going through your private carriers if you have a decent negotiated discount.
 - Private carrier packages less than 10LB’s going *to a residence* may be less expensive sending through the USPS because of residential, delivery area and fuel surcharges.
 - Private carrier next day, two day and three day shipments may be less expensive with the same or faster delivery shipping through that carrier’s ground service.
 - USPS First-Class Package Service should be used for instead of USPS Priority Mail® for any package less than 1LB.

Best in class operations have automated tools that can compare rates through multiple carriers and service levels at the touch of a button.

5. **Not Comparing In-House to Outsource Costs** - One of the biggest trends that we see in the mailing industry is organizations outsourcing mail functions to groups that have higher levels of resources (Staff, equipment, expertise). Infrequently do we see projects that were outsourced come back in-house. To determine if this is a good fit, there needs to be a detailed costs and resources comparison. Here are the most common levels of outsourcing that we see:
- **Presort Services** – These companies will pick up your completed mail pieces and run it through their sorters to get you better postal rates. This compares to automating and barcoding mailings internally and then bringing to the USPS.
 - **Mail Service Providers** (Also known as mail houses) – From only a data file, they will print your documents, fold, insert, seal, barcode and present to the USPS. Look at the mailings you are doing on a regular basis to compare your total costs against their service fees.
 - **On Site Mail and Print Service Providers** – They will set up staff and equipment at your location to manage the production of mailing projects as well as day to day mail. This can take the headache out of managing the mail and print areas while making a third party accountable to service level standards.
6. **Working With Only One Vendor** – Many organizations will partner with one vendor and never go to the market to validate that they are getting the best rates and service levels. When we help





our clients through bids, we typically find savings of 10-40% and often the outcome involves keeping the same vendors.

7. **Processing Manually vs Automated** – You would be surprised how many organizations are still processing items by hand vs. through simple automated equipment that is 80-90% more efficient. As you can see from the table below, we have listed the speed differences by type of job. There are starter equipment levels that can be inexpensive and we have included the typical minimum monthly volumes where this equipment may make sense to explore.

Job	Manual Speeds	Automated Speeds	Typical Equipment Investment Range Monthly	Typical Minimum Threshold
Folding and Inserting	1-300/hr	900-10,000/hr	\$150+ per month	>1000 per month
Addressing/Labeling	1-400/hr	3-20,000/hr	\$200+ per month	>2000 per month
Mail Opening	200-400/hr	5-20,000/hr	\$100+ per month	>1000 per month
Logging incoming packages/overnights	30-100/hr	120-240/hr	\$200+ per month	>1000 per month

8. **Not Exploring New Technologies** – The primary focus of the mailing industry is finding ways to reduce costs and with that has come new solutions that should be explored. Here are a few as examples, but it is important to be researching what is available in the market to fit your needs.
 - **Postal Automation Software that is IMB Compliant** – The USPS is trying to get everyone using their Intelligent Mail Barcodes (IMB) and are passing on mail savings of \$.001-.003 per piece for those who use it.
 - **Cloud based software to easily add barcodes to every page of a document** – These barcodes can be read by automated inserters to validate that the right number of sheets are being inserted.
 - **Simple Mail Ready Data File (MRDF) creation and optimization** – This means being able to send a file to the inserter, so when it scans a document, it knows all the details about the piece (Job number, number of pages, additional inserters needed etc.) and reports can be generated to validate completed sets. This used to be only available for the largest production mailers, but is now an option at the table top equipment level at significantly lower costs.
 - **Cloud based rate shopping tools** – We mentioned this above, but now for as little as \$30 per month you can compare your private carrier rates against the USPS on a package by package basis.
9. **Not Validating Invoices For Contract Compliance** – We see organizations paying tens of thousands of dollars per year in fees and overcharges because they are not looking at their invoices and comparing them to the original contract terms. Unfortunately, most vendors are far from perfect billers and mistakes often occur. We have helped our clients recover millions in these fees and vendor overcharges and by taking a proactive stance internally, you can do the same. Here are some of the most common issues that we see:
 - Mailing vendor invoices adding equipment insurance, reset, postage advance, late fees finance charges incorrectly.
 - Invoices not reflecting corporate negotiated discount levels.
 - Charges on equipment or projects that are no longer active.





10. Treating Postage as an Expense Instead of an Asset – Most organizations will send money to the meter vendors, USPS or mail service providers to fund mailings and these values are immediately expensed. The issue is that this money is an asset until it is used. Because of this difference, these funds are not tracked to the same levels as they would with other bank accounts or prepaid funds. We have found millions of dollars for our clients in lost postage accounts because these funds are not tracked. Here are the most common places to look:

- Returned postage meters where the funds are never requested back.
- Huge balances sitting in seldom used postage accounts.
- Postage Meter and USPS Permit accounts used to fund different locations and mail service providers with no visibility to balances.

11. Not Getting Involved in the Mailing Community – I am the Industry Co-Chair of the Boston Postal Customer Council(PCC) and it is amazing to me how few organizations get involved in their local mailing community. This is one of the key ways to eliminate the mail mistakes above because we (And most other PCC and Mail Systems Management Association (MSMA) groups) make this our focus. There are local and national events as well as webinars that can educate members of how to run best in class operations. Here are some examples of their impact:

- Rate change meetings going over what areas need to be addressed, how to budget for the changes and what is needed to optimize any savings available.
 - Vendor presentations of new technologies.
 - USPS presentations on how to optimize services.
- National events that will have education and vendor sessions as well as industry certifications.

The best part of these 11 common mail mistakes is they are all fixable and could lead to significant savings. The key is having the detail to what you are doing today and understanding the resources and options available to dive into the specific areas that impact your organization.

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