



## Why Mailing Fleet Asset Management Is So Important

We manage some of the largest mailing equipment fleets in the world and find the same issues happening in every organization that leads to overspending, fees and lost postage. It does not matter if you have 5 locations or 2000, there are certain processes that need to be in place to effectively manage the equipment and postage spends. Without these, you can rest assured you are overspending. You might think that it is just a few dollars, but our average savings numbers are over 50% of equipment spends from companies that thought they had proactive processes. The goal of this article is to give you the tools needed to do this on your own or at least to be able to better diagnose holes that need to be filled in the way you manage equipment and postage spends throughout your organization.

### Step 1 - Identify Current Equipment and Postage Spends Throughout your Locations.

This sounds like an obvious first step, but you would be surprised how many companies do not have any reports outlining this spend. Even those that do are mostly incomplete. Without this data there is no way to effectively manage this category. Here are the core pieces of information that you need to pull together:

- Listing of all locations with mailing equipment. This needs to have the following items included on the report:
  - Location address with contact information.
  - Model and serial numbers of all equipment along with installation dates.
  - Lease terms – End of lease dates, amounts, and items included on the lease.
  - Annual meter, maintenance and rate change costs along with any parts and labor charges listed out by item.
  - Postage spent over a 12 month period by location including balances in each account.
- Listing of all USPS® permit accounts along with current balances and the past 12 month usage levels.

There are a few places that you will need to go to get this information:

- **Mailing Equipment Vendors** – If you have a dedicated account manager, they should be able to provide you some of the reporting discussed above. You can also call into their customer service area to get the needed information.
- **Mailing Equipment Vendors Website** – All of the vendors have a way to view postage activity, see invoices and monitor your accounts online. It takes some work getting everything set up but it is worth it to be able to manage the process.
- **Accounts Payable** – This is where you find rogue spend that was not provided by the vendor. You can typically find the invoice or account number, vendor name and amount paid. This is the best way to fill in the blanks on your mailing spends.





- **USPS Account Managers and USPS Business Customer Gateway** – If you have enough mail spend, the USPS will assign an account manager to you. Regardless, you should link every current and past permit account to the USPS Business Customer Gateway <https://gateway.usps.com> .

### Step 2 – Validate the Spends With your Internal Account Owners.

We find that 5-15% of all mailing equipment and accounts are not in use and need to be cancelled. The issue is that no one is reaching out to the locations to validate the equipment and postage that is being paid for or sitting on accounts. We have found over 500 meters either sitting in storage or that people did not realize they were paying for and could have the equipment removed. The equipment vendor has no incentive to do this type of service because they would lose revenue. Here are the key items to check to find these inactive accounts:

- **Postage Refill Activity** - Any meter that has not been refilled in over 6 months, check with the location to make sure it is still needed.
- **High Spend Ratios (Equipment Cost/Postage Use)** - For any meter that is spending more for the equipment than the postage, see if it can be rightsized or moved to another location (if the lease is not expired) or removed.
- **Annual Maintenance Agreements** – Make sure the equipment is still being used and the contract is justified.

### Step 3 – Manage all Postage Accounts

We have found millions for our clients in dormant/lost postage accounts and there are simple ways to keep this from happening for the future. The key is to have visibility to all of your accounts and monitor the funds in each monthly. When you send money into your meter vendor or the USPS to fund postage it is an asset. You are actually sending it in to a bank account that needs to be managed. The issue is most companies expense these funds as soon as they send them in, which leads to loss. Here are some best in class ways to eliminate losing postage in the future.

- **Consolidate your metered postage accounts** – The vendors should let you set up all of your meters on a single funded postage account. The benefits are it is easy to manage, you get a consolidated statement of activity and if meters get turned in, the funds go back to the master account vs. potentially getting lost.
- **Decide on a postage funding method and stick to it** – We find many companies prepay for some accounts and then borrow funds from the vendor for others (Sometimes even within the same account). All of this leads to loss, confusion and fees.
- **View your permit balances on the USPS Gateway as discussed above.**
- **Check your balances at least monthly.**





#### Step 4 – Rightsize your Fleet

The bottom line is businesses spend less on mail than they did just a few years before. With electronic substitution, outsourcing and consolidating to production areas, many locations are left with small day to day mail volumes that do not demand the same levels of equipment. Most organizations have huge overcapacity in their equipment and the vendors again have no incentive to help properly rightsize. To make matters worse, this is one of the categories that you cannot search the internet to see what things are supposed to cost. Here are the key strategies to properly rightsize your fleet.

- Consolidate your mailing spends to one or two vendors and use your total spend to leverage better rates for everyone. We recommend setting up master service agreements that define your rates and terms for years to come.
- Set up defined mailing equipment packages at fixed price points that cover the spectrum of usage throughout your locations.
- Stop relying on the mailing vendor to survey your locations – You want to be in control of what your locations core requirements for machine speeds, sealing, feeding, accounting, weighing etc. This will eliminate any chances of vendor upselling on features or pushing to larger models than needed.
- Make sure to get 2-3 options for every renewal to make the best decision.
- Consider PC Postage for low/mid volume locations. The way that this software can distribute postage and consolidate data throughout the locations may be superior to meters for the right application.

#### Step 5 – Develop a Standardized Reporting Platform

The key to effective fleet management is to have a system to keep track of all of this spend and activity, so you can be in control to make better decisions in the future. Many organizations might look at this spend at one point in time, but will not continue to monitor activity to be able to implement future changes as they are needed. This continual tracking is the key to savings because agreements, mail volumes, location moves/consolidations and issue management are a continual fact of life in every organization. You need a way to be able to monitor the following:

- **Equipment Changes** – Mailing equipment is constantly being updated and it is important to know what you have out in the current fleet.
- **End of Lease Dates** – Most mailing fleets have varying end of lease dates that need to be managed. Most of the vendors have automatic lease extensions if you do not act by a specific time. Also, you want to make changes at the end of lease to avoid remaining balances added to the new agreement or paying longer than required.
- **Postage Spends** – We recommend that you have a way to monitor the refill activity of each meter and transaction from every permit account.
- **Vendor Invoices** – We have found clients spending tens of thousands in vendor fees and overcharges that can easily be eliminated if the bills were being properly managed.





- **Location Activity and Contact Notes** – It is important to be able to know who you spoke to at the locations and what they needed. Also, what changes took place and when. Without this, it is difficult to know the history of the account and what is needed for the future.
- **Issue Management** – There are always things coming up throughout the locations that need to be managed. In your reporting we recommend that you have a way to track renewals, terminations, new equipment requests, billing issues, service problems and location moves and consolidations.

What I have described might sound like a lot of work, but once it is set up and things are being proactively managed, it is easy to maintain and actually a time savings. The best part is that by having this much data at your fingertips it gives you complete control and full transparency to make changes to reduce costs. When you factor the equipment and postage together, this can be a very large spend for an organization. With the process and tools above, you can build a holistic strategy to save money and to optimize this category.

**Adam Lewenberg**, CMDSS, MDC, President of [Postal Advocate Inc.](http://PostalAdvocate.com), runs the largest Mail Audit and Recovery firm in the United States and Canada. 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 \$20 million on equipment, fees and lost postage. He can be reached at (617)372-6853 or [adam.lewenberg@postaladvocate.com](mailto:adam.lewenberg@postaladvocate.com).

