PostalAdvocate
MAIL MADE EASY

Mail Equipment
and Postage

Home and Small
Office Mail

USPS® Permit
Accounts

Outsourced
Mail Services

Expedited Document
and Parcel Shipping

Mail: The Largest Unmanaged Spend Category With the Highest Savings Potential

I am going to start with a blanket statement based on years of customer research: 99% of medium-to-large organizations have limited to no visibility to their mail spends across their enterprises. This leads to overspending, lack of control and lost funds. This has become a bigger issue as postage costs have gone up 32-64% over the last 3 years with a 10% increase expected in July 2025. You may question this statement or even be self-righteous about what you are managing today, but ask yourself the question if you have complete visibility to all the categories in the chart below for all areas of your organization?

Mail is typically the largest spending category with limited processes in place to reduce costs. Can you imagine running a company with as little visibility to other major areas such as real estate, labor, or raw materials? People may think that this is a small area, but when you factor all spend segments, it is typically in the multiple millions of dollars with large savings opportunities. The entire print and mail industry is over $200 billion in spend and larger organizations make up the majority of this.

In this article, we will discuss how to put processes in place and the benefits of having enterprise visibility to drive savings.

Cause of Lack of Visibility

The main reason we have found that there is this lack of visibility is that the spend is fragmented around different groups and vendors, making it difficult to centralize the information. There is also a knowledge and ownership gap that makes this issue even larger. These are the main areas of mail spend:

Mail Equipment and Postage – These are the metered mail spends at the medium to larger locations. Offices may make their own decisions on equipment and are responsible for funding their own postage. There may not be a central owner who is managing this category, and even those that do, may not have decent reporting or any centralized invoicing.

Home and Small Office Mail – Now that more people are either working from home or from small offices, this category is increasing. People are buying postage on credit cards, filling out expense reports, using petty cash, or worst of all, sending things through expensive overnight services because it is easier to manage.

USPS Permit Accounts – Larger mailings are funded with direct USPS accounts. These are fragmented because there are different groups controlling their own USPS relationships which are infrequently linked to a master postage funding model. Examples are the following: Statements are processed by one account; business reply accounts are at the office level and marketing mailings are managed by the third-party vendors that are generating the mailings.

Outsourced Print and Mail Services – This can be one of the worst categories because there could be 1 to 50 different service providers used for different printing and mailing projects. There is no standardization, and their fees will vary greatly.

Expedited Document and Parcel Shipping – There are typically great controls for what ships from the main distribution centers that have traffic management oversight. Where most organizations fall is visibility to the desktop shipping done to send expedited letters and small packages from their field locations and home office workers.

Category	Savings Description	Savings %
Onsite Postage	High Volume Non Presort - Look for presort service coverage	14%
	High Volume Presort - Negotiate for better rates	4%
	High Volume Flats - Low weight to convert to 6 x 9	70%
	Certified Mail Without Electronic Return Receipt	17%
	Priority, Express and Ground Advantage to convert to Commercial Rate NSA	30%
USPS Permit Mail	Mail going at Full and Mixed AADC rates - Could get better rates through presort services	14%
	High Volume Flats - Low weight to convert to 6 x 9	70%
	Marketing mail not receiving SCF (Sectional Center Facility) discounts	9%
	High volume that could go at carrier routes	10%
	Priority, Express and Ground Advantage to convert to Commercial Rate NSA	30%
	Items that could qualify for USPS promotions and incentives.	2%
	Business Reply Mail® (BRM) set up at the wrong levels based on annual returns	70%
Outsource Print and Mail	Rates being paid by each service level to validate if they are inline with industry and volumes.	15%
	Postage rates paid by service provider to make sure they are getting best rates.	4%
	Mail not linked to client that could be included to qualify for USPS Growth incentives.	30%
	Georgraphic areas of outsource providers to see how they impact USPS delivery.	
	If they are using presort services, could they be under a direct client presort agreement.	10%

Savings Gained Through Visibility

There are major savings in every category, but having complete visibility is required. These are the main savings areas we typically find once the data can be viewed in a centralized format:

1. **Postage Savings** – As you can see from the chart above, there are many ways to reduce postage costs. The key is to have the data in a format where the mail volumes and costs are visible.
2. **Equipment Savings** – We are averaging 74% for equipment savings based on setting up national contract rates, rightsizing equipment to the proper levels and removing unneeded assets. These are items that can be done by any organization with proper visibility.
3. **Fee and Overcharge Savings** – There are specific overcharges and fees on mailing vendor invoices that can be caught once reviewed. We have saved our clients over $19,000,000 by reviewing their invoices and these savings can be made by having a central review process.
4. **Lost Postage Recovery** – With office closures, moves, divestures, staff eliminations, vendor changes and projects no longer funded, postage gets forgotten and lost. Postage Meters, USPS Permit Accounts and pre-deposited funds at mail service providers are all assets and should be

tracked accordingly. There are millions in lost funds every year that can be eliminated with the proper visibility and controls.

5. **Outsourced Print and Mail Service Savings** – This can be the largest area of spend with the highest savings opportunity. Through managed bids, vendor consolidations, invoice validation and service level optimizations, the rates paid can be reduced dramatically.

6. **Expedited Document and Parcel Shipping Savings** – Through rate shopping, service level optimization and staff usage controls, shipping costs can be optimized.

Methodology for Enterprise Visibility

My firm manages the enterprise mail spends for the largest organizations in the world and we have set up a specific methodology to pull this data together which we will share below. This process we have found to be the easiest and fastest way to collect the data, with the highest level of accuracy, while involving the fewest people.

1. **Identify your current vendors** - The main vendors that should be searched are:
   a. Mail Equipment – Pitney Bowes, Purchase Power, Reserve Account, Quadient, Hasler, Neopost, Neofunds, Total Funds, Mail Finance, FP, Francotyp-Postalia, Postalia, Stamps.com, Endecia.com, CMRS.
   b. USPS – USPS, United States Postal Service, Post Office, Postmaster, US Postal Service
   c. Outsourced Mail Services – You should survey your main mail center, marketing department as well as the accounts receivable department to see what third party mail services are being used.
   d. Expedited Document and Parcel Shipping – UPS, United Parcel Service, FedEx, Federal Express, and DHL are the primary vendors used by most organizations.

2. **Work with Accounts Payable** – In most organizations, most of the mail spends will be paid by an invoice that flows through a central accounts payable department. Pull a report of the last 12 months of spend from the vendors above. We recommend using a wildcard * or % before or after the names of these vendors in case it is listed differently inside your system. This spend should be sorted by vendor and then cost center to find the unique relationships. You will find many that duplicate as you are paying for similar services throughout this period. Find one or two invoices from each vendor and cost center combination and request a PDF copy of the bill. This is needed because you will not have enough information in the excel export to understand the relationship. From the specific invoice, you will be able to pull the following: Location address, account number, services description, and agreement terms.

3. **Go to your largest vendors and see what support they can provide**. This is the type of support that we typically find:
   a. Mail Equipment – They can either provide you a report of their identified spends or you can take the information that you gather and create a profile on the vendors website. This will provide visibility to the equipment and postage spends throughout your locations. You can also request copies of agreements and end of lease dates where required.

    b.   USPS – You can link the identified spends to a centralized visibility account on the USPS Business Customer Gateway portal. This can provide you with the details of the specific transactions processed, balances and accounts serviced.

    c.   Outsourced Print & Mail Services – Request copies of agreements, invoice copies and access to their client portals.

    d.   Expedited Document and Parcel Shipping – The carriers should be able to provide you consolidated billing details as needed as well as annual reviews of the total corporate spends.

4. **Build a central repository for the information** – We have found that with the way that postage, equipment, and services link, it is best to have a web-based platform that can view these spends together in one place. If this is not possible, you can build a spreadsheet model that can suffice.

5. **Update the data** – The information is only valuable when it can be updated easily so you can monitor the changes over time.

Every year the USPS and the private carriers raise rates by 8-20%. The only way to combat this is to have the needed visibility to your spends and to optimize each category to make sure your costs are at the lowest rates. Although there is work in creating these controls up front, they are much easier to maintain, and they make managing the spend much easier. There is no reason mail must be the least managed category when there are ways to simplify its oversight to drive savings.

Adam Lewenberg, CMDSS, MDC, President/CEO of Postal Advocate Inc., runs the largest Mail Audit and Recovery firm in the United States and Canada. They manage the biggest mail equipment, postage and mail related services portfolio in the world. Their mission is to help organizations with multi-locations and mail streams reduce expenses, recover lost postage funds, and simplify visibility and oversight. Since 2011, they have helped their clients save an average of 74% and over $92 million on equipment, postage, shipping and outsourced mail service fees.   He can be reached at (617) 372-6853 or adam.lewenberg@postaladvocate.com.