The Wild West of Outsourced Print & Mail: Why Most Organizations Have No Idea What They're Really Paying

Ask your CFO whether your organization is paying competitive prices for office supplies, freight, or cloud services, and you'll likely find dashboards, procurement teams, and benchmarking tools dedicated to managing those expenses. Now ask the same question about outsourced print and mail services. For many organizations, the answer is surprisingly simple: **Nobody knows.**

As more customer communications have moved to third-party providers (Including invoices, statements, marketing campaigns, compliance notices, and customer correspondence), outsourced print and mail has quietly become one of the largest unmanaged spending categories in many enterprises.

We often refer to it as the Wild West because unlike most procurement categories, outsourced print and mail often lacks:

- Centralized ownership
- Enterprise-wide visibility
- Standardized reporting
- Competitive benchmarking
- Internal subject matter expertise

The result is inconsistent pricing, missed USPS® optimization opportunities, and organizations that may be overspending without ever realizing it.

The Wild West Has No Sheriff

The biggest challenge isn't that organizations use multiple print and mail providers, it's that no one is responsible for managing the category across the enterprise.

Marketing hires one provider, Finance uses another for invoices and statements, and Human Resources outsources employee communications. Each department makes decisions based on its own needs, with little visibility into what other business units are doing. This problem gets bigger with multiple divisions and acquisitions.

Over time, organizations often lose the ability to answer fundamental questions:

- How many outsourced print and mail providers are we using?
- How much are we spending by application or business unit?
- Are different departments paying different rates for similar work?
- Are we using providers that specialize in the applications they're producing?
- Are we receiving competitive pricing?

Without enterprise visibility, meaningful cost management becomes almost impossible.

Every Provider Speaks a Different Language

One of the biggest misconceptions is that outsourced print and mail providers can be compared simply by looking at print costs. They can't.

Every provider invoices differently. One may bundle programming, data processing, print production, inserting, transportation, postage, and storage into a single charge. Another may separate those same services into dozens of individual line items. Comparing those invoices becomes an "apples to oranges" exercise.

The solution is surprisingly simple but rarely done. Organizations need to create a **common language** by standardizing every invoice into consistent cost categories, such as:

- Materials
- Data Processing
- Mail Automation
- Printing
- Mail Preparation
- Transportation
- Postage
- Digital Delivery
- Data Storage
- Miscellaneous Services

Once invoices are organized into standardized categories, organizations can finally compare providers, identify pricing differences, and benchmark similar applications across the enterprise. Only then does meaningful analysis begin.

Benchmark Before You Negotiate

Many organizations jump directly to negotiating lower prices. That is often the wrong first step. Without benchmarking, there is no way to know whether current pricing is competitive or where opportunities exist. Once costs have been standardized, organizations have three effective ways to benchmark their providers:

- **Compare providers already being used internally.** Many large organizations unknowingly use multiple vendors producing similar applications. These comparisons often reveal significant pricing differences.
- **Conduct a Request for Proposal (RFP).** A standardized pricing template allows providers to quote the same services, making comparisons much more meaningful.

- **Work with an independent third-party expert.** Specialists who understand production mail, USPS pricing, and industry benchmarks can often identify opportunities that are difficult to recognize internally.

The objective isn't simply finding the lowest bidder. It's understanding whether you're paying market rates for the services being provided to help set a course for a new frontier.

The Biggest Savings Usually Aren't on the Invoice

One of the biggest surprises for clients is that the largest savings opportunities often have little to do with the prices charged by their outsource provider. Instead, they come from **how the mail is designed, prepared, and entered into the postal system.**

Examples include:

- Converting flats to letters when possible
- Selecting the most appropriate USPS mail class
- Taking advantage of USPS promotions and incentive programs
- Improving presort preparation
- Optimizing transportation and USPS entry points
- Increasing USPS automation levels
- Improving address quality
- Expanding digital delivery where appropriate

In many organizations, procurement teams negotiate production rates every few years but never evaluate whether the mailing itself is being produced in the most efficient way. Those operational improvements frequently generate larger savings than vendor price negotiations alone.

Why Similar Jobs Can Cost Very Different Amounts

Unlike many procurement categories, there is no published market price for outsourced print and mail services.

Cost varies based on:

- Equipment and technology
- Cost of living at the production hubs
- Postal preparation methods
- Transportation strategies and how central the mailer is to your clients.
- Application complexity
- Contract structures

- Value-added services
- The margins each provider is trying to achieve

Two providers producing nearly identical customer statements may charge dramatically different amounts. Without benchmarking, organizations have little way of knowing whether those differences are justified.

Visibility Creates Leverage

Once spending is standardized and reviewed across the enterprise, organizations begin asking much better questions.

Instead of asking: *"How much did we spend with Vendor A?"* They begin asking:

- Why are different providers charging different rates for similar work?
- Why are some applications still mailing as flats costing 70% more but have low page counts?
- Why aren't USPS promotions being utilized?
- Why are the postage rates so different between suppliers using the same mail classes?
- Are we using the right provider for each type of mailing?

Those questions often uncover opportunities that have existed for years but remained hidden because no one had complete visibility.

Bringing Order to the Wild West

Outsourced print and mail has become one of the largest unmanaged spending categories in many organizations, not because companies don't care about costs, but because the category is fragmented across departments, providers, technologies, and mailing applications. There is often no central owner with the data, expertise, and authority to optimize it.

The organizations achieving the greatest long-term success aren't simply negotiating lower vendor prices. They create enterprise visibility, standardize data, benchmark provider performance, and continually evaluate how mail is designed, produced, and entered into the postal network. The goal isn't just lower invoices. It's understanding what you're buying, how it compares to the market, and whether every mailing is being produced in the most efficient and cost-effective manner.

Bringing order to the **Wild West of outsourced print and mail** starts with visibility. Once organizations have the right information, they can make better decisions, reduce costs, improve service, and finally gain control of one of the least understood and most overlooked spending categories in the enterprise.

Adam Lewenberg, CMDSS, MDC, is President of Postal Advocate Inc., the nation's leading enterprise mail optimization and spend management firm. Postal Advocate manages the world's largest portfolio of mail equipment, postage, USPS accounts, and outsourced mail service providers, helping some of the largest organizations in North America gain visibility and control over their mailing operations. Since 2011, the company has delivered more than $112 million in documented savings with an average 74% reduction in mailing-related costs for its clients. Postal Advocate is nationally recognized as experts on enterprise mailing strategy, postage optimization, mail technology, and outsourced print and mail operations.
Adam can be reached at adam.lewenberg@postaladvocate.com.