

GREAT LAKES AREA REPORT:
IMPROVEMENTS ON SERVICE PERFORMANCE FOR FIRST-CLASS MAIL

Introduction:

The Great Lakes Area (Area) has more than **76,000 employees** and approximately **17.8 million delivery points**. The Area strives to serve the **197,000 square miles of territory** that make up the seven Great Lakes Area districts spread across five states. Below is information on improvement efforts and action plans currently in place or being implemented, to address service performance for First-Class Mail, including Single-Piece and Presort.

SECTION I: Evaluation of FY 2018 and FY 2019

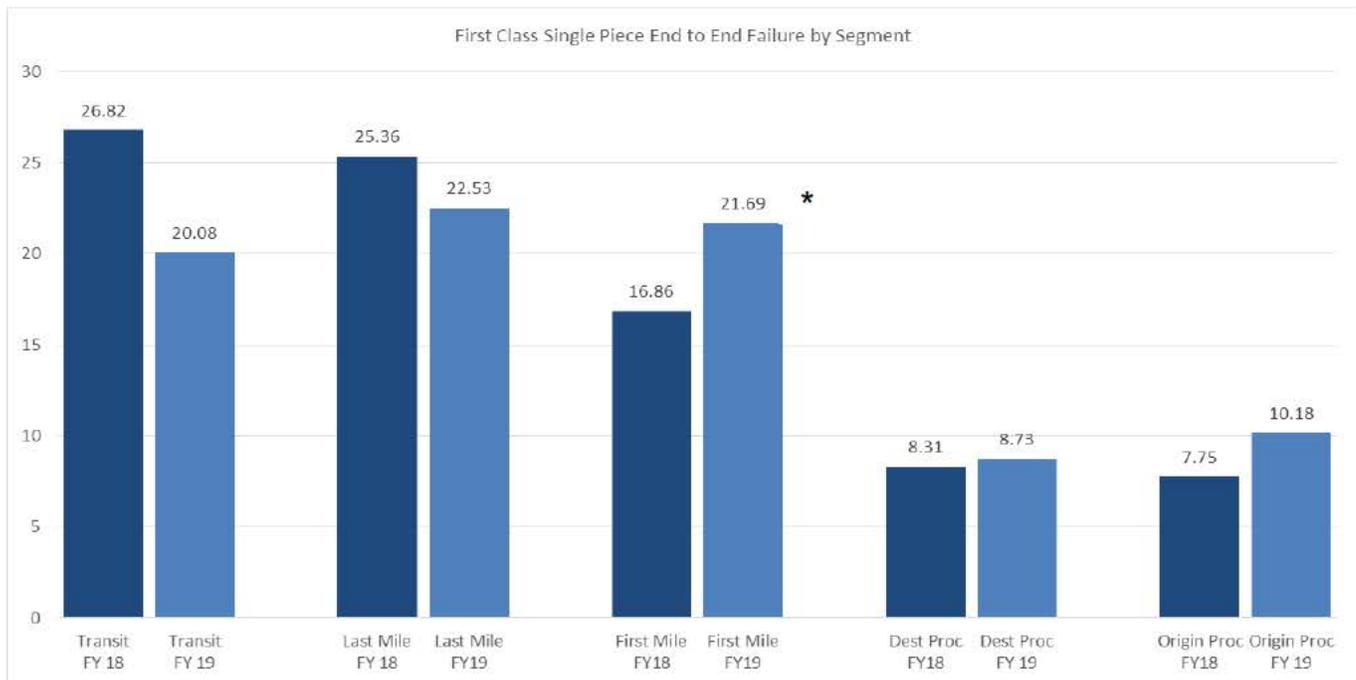
This section provides a synopsis of the Great Lakes Area's initiatives focused on First-Class Mail (Single-Piece and Presort) service performance improvements. The information covers the top five root causes of service performance failures, provides a discussion of progress made to address root causes, and includes a summary on root causes for which minimal or no progress has been made, along with a detailed explanation.

Top 5 Root Causes/failure types for Great Lakes Area are (in order):

1. Transit
2. Last Mile
3. First Mile
4. Origin Processing
5. Destination Processing

The graphs shown below illustrate failure impacts by root cause for First-Class Mail in both Single-Piece and Presort:

Great Lakes Area First-Class Mail (Single-Piece):



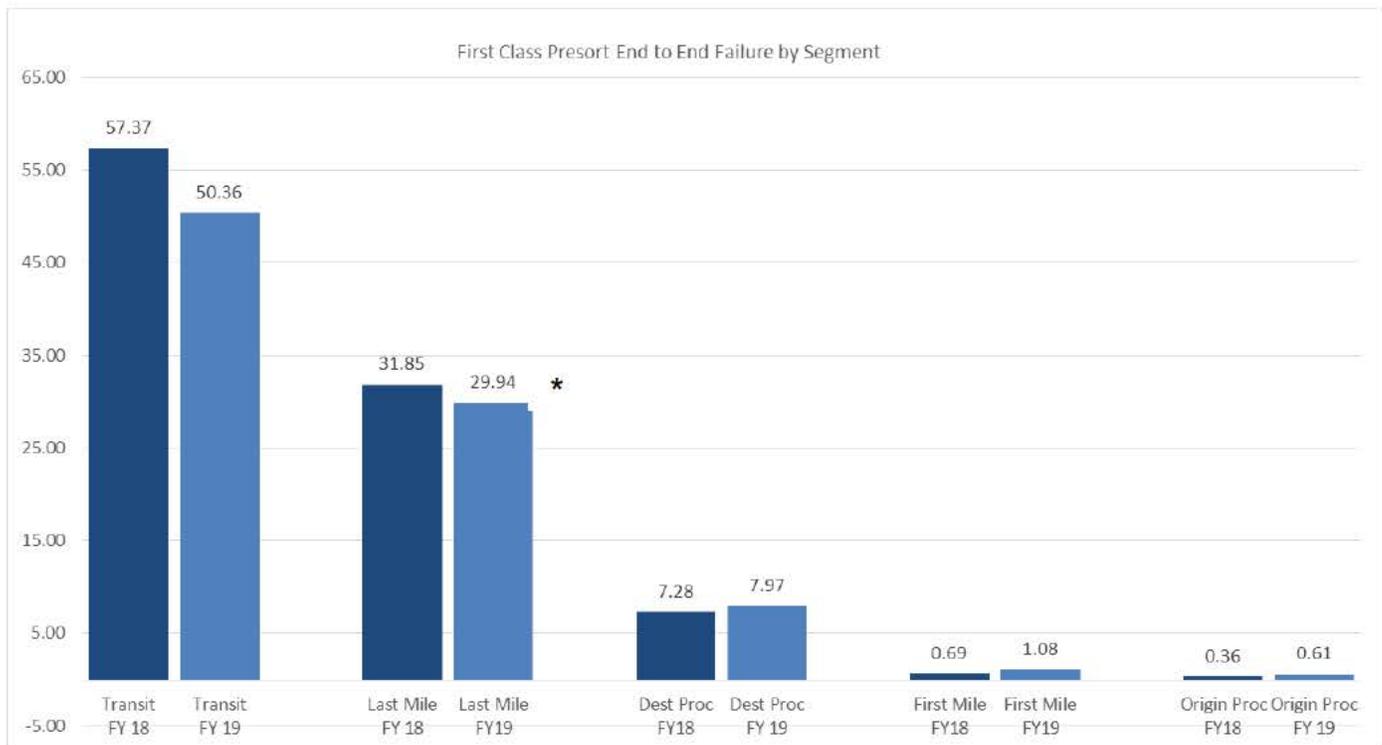
*Polar Vortex – January 30 & 31 2019. Due to extreme weather conditions, all deliveries across the 7 districts of the GLA were suspended. First Mile Impact was -5.3%. Last Mile Impact was -13.5%. Impacts were seen during weeks 18 and 19.

Great Lakes Area

	First Class Single Piece	
	FY18	FY19
Composite -All	87.36%	85.18%
Two-Day	90.62%	88.45%
Three-to-Five-Day	78.14%	75.73%
Air Wgt	6.14%	5.52%
Surface Wgt	93.86%	94.48%

	End to End Failure by Segment	
	FY 18	FY 19
First Mile	16.86%	21.69%
Origin Processing	7.75%	10.18%
Transit	26.82%	20.08%
Destination Processing	8.31%	8.73%
Last Mile	25.36%	22.53%

Great Lakes Area First-Class Mail (Presort):



*Polar Vortex – January 30 & 31 2019. Due to extreme weather conditions, all deliveries across the 7 districts of the GLA were suspended. First Mile Impact was -5.3%. Last Mile Impact was -13.5%. Impacts were seen during weeks 18 and 19.

Great Lakes Area

First Class Presort			End to End Failure by Segment		
	FY18	FY19		FY 18	FY 19
Composite -All	91.35%	91.39%	First Mile	0.69%	1.08%
Two-Day	92.85%	92.13%	Origin Processing	0.36%	0.61%
Three-to-Five-Day	90.18%	90.75%	Transit	57.37%	50.36%
Air Wgt	9.54%	8.67%	Destination Processing	7.28%	7.97%
Surface Wgt	90.46%	91.33%	Last Mile	31.85%	29.94%

FCM Letters/Flats

Failures Root Cause # 1: Transit

During the covered period, Transit failure root cause represents approximately 20 percent of the single piece and 50 percent of the presort failures. Common causes during this time frame included Late Departures from Origin, missed connections at transfer centers, air network volume exceeding capacity, and delayed volume to be picked up from the freight houses. Contract irregularities including DOT issues, vehicle breakdowns, and driver tardiness were also contributing factors to Transit Failures.

Improvement Action # 1: Transit

Note: While the Area expects continuous improvement once these actions are implemented, a definitive date for completion of the various actions and expected improvements in this report cannot be determined at this time. Depending on results, these actions may continue for the foreseeable future as best practices.

In FY19, the Great Lakes Area has improved Network Trips on-time by 9 percent. A review of the late network trips is discussed daily during the Area's morning processing call. The Great Lakes Area is driving its processing facilities to meet operating plans, so that trips are not being held. Great Lakes Area reviewed all dispatch plans and standardized all transfer times to ensure a 60 minute or greater transfer window at each transfer point. Great Lakes Area Network and In-plant Support personnel participate in a daily national call to mitigate potential shortfalls in its network planning. This standardized process has minimized the amount of air network volume and exceeded capacity in FY 19 by over 60,000 lbs. During QTR 2 FY 19, the Great Lakes Area held service reviews to understand the process failures at the freight houses, in order to improve the tender process from the couriers to the processing facilities. Ramp clerks and Transportation clerks developed a checklist to help correctly identify and communicate when committed volume has arrived and when it is ready to dispatch. The District Transportation teams reviewed their transportation schedules to streamline their routings and maximize freight house volume arrival profiles. The Network Operations Control Center (NOCC) confirms daily that the freight houses are clear of mail. In addition, there is a daily review of failures, and sites must provide an action plan daily to eliminate the failures.

Failures Root Cause # 2: Last Mile

Last Mile Impact - FY 2018			
Q1	Q2	Q3	Q4
-1.60%	-1.70%	-1.50%	-1.50%

Common causes identified through reviews conducted at delivery units are late arriving mail, manual letters and flats exceeding thresholds, out-of-sequence volumes in automated mail, and mail delivered after the processing date.

Improvement Action # 2: Last Mile

The Area held weekly discussions with districts on Informed Visibility/Service Performance Measurement scanning achievements, specific to addressing ignored work orders, no scans when pieces were expected, and prevention of stale mail scanning through Post Office Box Mail.

In an effort to continue to improve Last Mile measurement, the Area developed a Last Mile service review process explicit to the Informed Visibility/Service Performance Measurement (SPM) environment. These reviews, conducted by the districts, are in delivery units identified by the Area, with priority given to units with continuous week-over-week impact on overall District score.

Last Mile Impact		
	FY 18	FY 19
Quarter 1	-1.60%	-1.90%
Quarter 2	-1.70%	-2.50%

In Quarter II, the Polar Vortex in Week 18 (-13.5%) had an immense impact on all Districts within the Great Lakes Area. Non-deliveries for January 30, 2019 and January 31, 2019 were 13,790,080 each day. FY18 Q3 performance was -1.5% vs, FY19 Q3, which was -1.3%.

Failures Root Cause # 3: First Mile

First Mile Impact - FY 2018			
Q1	Q2	Q3	Q4
-2.90%	-1.70%	-1.10%	-1.10%

Common causes, identified through reviews conducted at delivery units and mail processing, are outgoing mail placed into improper separations for dispatch, and failure to clear outgoing volumes by operating plan.

Improvement Action # 3: First Mile

The Great Lakes Area has continued activities around internal condition reporting and established a First Mile service review process explicit to the Informed Visibility/Service Performance Measurement (SPM) environment. These reviews, conducted by the Districts, are in Delivery Units (DU) identified by the Area, with priority given to DUs with continuous week-over-week impact on overall District score. First Mile impacts are discussed with each District weekly. The Area continues to conduct improvement activities, including reissuance of Standard Work Instructions (SWI) for SPM, Certified Mail acceptance at Retail, proper mail flow

of Certified Mail through cancellation, and Area-led service reviews in high impact Delivery Units and Plant Facilities.

First Mile Impact		
	FY 18	FY 19
Quarter 1	-2.90%	-3.40%
Quarter 2	-1.70%	-2.30%
Quarter 3*	-1.20%	-0.80%

**Data available through Week 35*

In Quarter II, the Area experienced a substantial impact to all Districts within the Great Lakes Area with the Polar Vortex in Week 18 (-5.3%); delivery operations were curtailed for two days in 4 of the 5 states Great Lakes covers. FY18 Q3 performance was -1.2% vs, FY19 Q3, which was -0.8%.

Failures Root Cause # 4: Origin Processing

During the covered period Origin Processing represented approximately 10 percent of the single piece and 1 percent of the presort failures. The main root causes of Origin Processing failures are not clearing outgoing operations per the Operating Plan, and missents from the origin facility. Late clearance led to mail not clearing timely in downstream operational units, missing assigned air networks, and surface transportation. Missents resulted in additional processing at the incorrect facility, and mail not arriving at the correct destination facility for timely processing and delivery.

Improvement Action # 4: Origin Processing

The outgoing clearance from cancellations, automation, and dispatch are reviewed and discussed daily. Since FY19 Q2, the Area has been involved in site-specific service reviews to ensure optimal processing operation flows and implementation of USPS best practices and continuous improvement initiatives. On a daily basis, all Great Lakes Area districts review USPS Analytics reporting tools to identify process failures and opportunities within local sites. Opportunity pairs are identified weekly. The district leadership performs a root cause analysis of the service failures, assigns corrective action items, and tracks compliance. Locals sites ensure old tray labels are removed, validate sort programs, and analyze transportation routings for correctness to reduce missents.

Failures Root Cause # 5: Destination Processing

FY18 and currently YTD FY19 Destination processing represents 9 percent of the single piece and 8 percent of the presort failures. Common causes of destination processing failures include excessive WIP (work in process) in the opening units, late clearance of destinating FCM in primary operations, and delays in reject downflows.

Improvement Action # 5: Destination Processing

Meeting operating times is critical to a successful processing night. Great Lakes Area has placed special emphasis on the opening units, driving for Day Zero Processing, and monitoring the cycle time from the dock to tray mechanization, and tray mechanization to automation. For managed mail processing (MMP), processing facilities have a target goal of clearing their destinating FCM by 1500. The Great Lakes Area continues to reinforce daily to its local sites the importance of meeting these target clearance times, in order to allow successful downflow processes. The Great Lakes Area utilizes USPS analytics reporting tools to help identify specific sites and provide recommendations to sustain MMP clearance and timely reject processing.

The Great Lakes Area reviews the processing plans daily, monitors compliance of prior day's performance, and reviews discrepancies with individual sites.

Conclusion:

The Great Lakes Area is committed to continuous improvement as it leverages the knowledge, skills, and experience of its entire team. The Area continues to identify issues, develop strategies, and launch specific actions to bring about rapid and long-lasting improvements for its internal and external stakeholders.

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