

Western Area First Class Service Performance 90-Day Report

The Western Area is working diligently to improve service performance for all of its customers. This report explains top root cause failures for First Class Mail (FCM) products and the Area's plan for improving FCM performance in FY 2019.

I. FY2018 Top Root Causes of Failures

1. Last Mile Failure

Single Piece (EXFC)

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	Last Mile Failure	Destination	Flat	2	2.89	2
FY18 Q1	Last Mile Failure	Destination	Letter/Card	2	1.80	1
FY18 Q2	Last Mile Failure	Destination	Flat	2	2.88	2
FY18 Q2	Last Mile Failure	Destination	Letter/Card	2	1.64	1
FY18 Q3	Last Mile Failure	Destination	Flat	2	3.31	1
FY18 Q3	Last Mile Failure	Destination	Letter/Card	2	1.50	1
FY18 Q4	Last Mile Failure	Destination	Flat	2	2.59	2
FY18 Q4	Last Mile Failure	Destination	Letter/Card	2	1.58	1

Presort Commercial

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	Last Mile Failure	Destination	Letter	1	0.95	1
FY18 Q2	Last Mile Failure	Destination	Letter	1	0.91	1
FY18 Q3	Last Mile Failure	Destination	Letter	1	0.99	1
FY18 Q4	Last Mile Failure	Destination	Letter	1	1.17	1
FY18 Q4	Last Mile Failure	Destination	Letter	2	0.83	2

In FY 2018 Last Mile Failure impacted FCM letters and flats, both single piece and commercial, in the overnight and 2 day service standards. To improve this indicator Area leadership began holding weekly First/Last Mile meetings with districts to address opportunity EXFC lanes to deep dive to root causes; this effort reduced Last Mile Failure impact from quarter 1 to quarter 4 of FY 2018. Moving into FY 2019, to address measurement system change, the focus has moved to Last Mile Diagnostic tools to identify opportunities by 5-digit delivery unit and communication on eliminating scanning "stale" pieces at the delivery point.

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2. Late Incoming Secondary Single Piece (EXFC)

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	Late Incoming Secondary Processing	Destination	Flat	2	4.63	1
FY18 Q1	Late Incoming Secondary Processing	Destination	Letter/Card	2	1.00	2
FY18 Q2	Late Incoming Secondary Processing	Destination	Flat	2	3.19	1
FY18 Q2	Late Incoming Secondary Processing	Destination	Letter/Card	2	1.04	2
FY18 Q3	Late Incoming Secondary Processing	Destination	Flat	2	2.93	2
FY18 Q3	Late Incoming Secondary Processing	Destination	Letter/Card	2	0.79	2
FY18 Q4	Late Incoming Secondary Processing	Destination	Flat	2	3.07	1
FY18 Q4	Late Incoming Secondary Processing	Destination	Letter/Card	2	0.75	2

In FY 2018, Late Incoming Secondary impacted FCM letters and flats, 2-day single piece. To improve this indicator, the Area focused on the 2-Day Mail History Tracking System (MHTS) Advancement tool with emphasis on facility turnaround volumes, which reduced service point impact to Area service performance by .25 percent from quarter 1 to quarter 4 of FY 2018. In FY 2019 turnaround advancement opportunities is a daily topic reviewed with the districts, focusing on areas of opportunity.

3. AADC/ADC Processing Delay and DOA (Dead on Arrival) Single Piece (EXFC) – AADC/ADC Processing Delay

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	AADC/ADC Processing Delay	Destination	Flat	3 to 5	7.66	2
FY18 Q1	AADC/ADC Processing Delay	Destination	Letter/Card	3 to 5	8.34	1
FY18 Q2	AADC/ADC Processing Delay	Destination	Flat	3 to 5	7.58	2
FY18 Q2	AADC/ADC Processing Delay	Destination	Letter/Card	3 to 5	9.01	1
FY18 Q3	AADC/ADC Processing Delay	Destination	Flat	3 to 5	6.08	1
FY18 Q3	AADC/ADC Processing Delay	Destination	Letter/Card	3 to 5	5.39	1
FY18 Q4	AADC/ADC Processing Delay	Destination	Flat	3 to 5	5.44	2
FY18 Q4	AADC/ADC Processing Delay	Destination	Letter/Card	3 to 5	5.01	1

Presort Commercial DOA (Dead on Arrival)

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	DOA (Dead on Arrival)	Destination	Letter	1	0.67	2
FY18 Q1	DOA (Dead on Arrival)	Destination	Letter	2	1.75	1
FY18 Q1	DOA (Dead on Arrival)	Origin	Letter	2	1.55	2
FY18 Q1	DOA (Dead on Arrival)	Origin	Letter	3 to 5	5.12	1
FY18 Q1	DOA (Dead on Arrival)	Destination	Letter	3 to 5	5.00	2
FY18 Q2	DOA (Dead on Arrival)	Destination	Letter	1	0.82	2

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FY18 Q2	DOA (Dead on Arrival)	Destination	Letter	2	1.79	1
FY18 Q2	DOA (Dead on Arrival)	Origin	Letter	2	1.44	2
FY18 Q2	DOA (Dead on Arrival)	Origin	Letter	3 to 5	5.90	1
FY18 Q2	DOA (Dead on Arrival)	Destination	Letter	3 to 5	5.56	2
FY18 Q3	DOA (Dead on Arrival)	Destination	Letter	1	0.71	2
FY18 Q3	DOA (Dead on Arrival)	Destination	Letter	2	1.43	1
FY18 Q3	DOA (Dead on Arrival)	Origin	Letter	2	1.11	2
FY18 Q3	DOA (Dead on Arrival)	Origin	Letter	3 to 5	3.27	1
FY18 Q3	DOA (Dead on Arrival)	Destination	Letter	3 to 5	2.74	2
FY18 Q4	DOA (Dead on Arrival)	Destination	Letter	1	0.66	2
FY18 Q4	DOA (Dead on Arrival)	Destination	Letter	2	0.94	1
FY18 Q4	DOA (Dead on Arrival)	Destination	Letter	3 to 5	2.72	1
FY18 Q4	DOA (Dead on Arrival)	Origin	Letter	3 to 5	2.38	2

In FY 2018, AADC/ADC Processing Delay and DOA (Dead on Arrival) root causes impacted FCM letters and flats, both single piece and commercial, in the overnight, 2-day, and 3-5 day service standards. To improve these indicators, the Western Area focused on processing any Managed Mail Program (MMP) volume arriving at destination after critical entry time (CET) of 08:00 by 15:00 (12:00 for FSS flats) with rescue staging lanes to expedite volume to induction. Air Network Delays were also an impact; to address this issue, starting in quarter 2 FY 2018, Operations/In Plant Support joined planning telecons, with processing delays separately identified in the Mail Condition Reporting System to ensure more complete volumes available for next day's flights. With these focuses, the AADC/ADC Processing Delay and DOA point impact to Area service was reduced by 3.33 percent for letters and 2.57 percent for flats quarter 1 over quarter 4 of FY 2018. In FY 2019, the focus is on MHTS MMP Processing Profile and MMP Expected-vs.-Actual, to validate clearance and timely processing of incoming volumes. FY 2019 has also continued FY 2018's planning structure, utilizing bed loading, offloading, and chartering to mitigate planning shortfalls.

4. Origin Processing Delay Single Piece (EXFC)

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q1	Origin Processing Delay	Origin	Flat	3 to 5	8.01	1
FY18 Q1	Origin Processing Delay	Origin	Letter/Card	3 to 5	5.18	2
FY18 Q2	Origin Processing Delay	Origin	Flat	3 to 5	8.37	1
FY18 Q2	Origin Processing Delay	Origin	Letter/Card	3 to 5	3.11	2
FY18 Q3	Origin Processing Delay	Origin	Letter/Card	3 to 5	2.11	2
FY18 Q4	Origin Processing Delay	Origin	Letter/Card	3 to 5	2.41	2

In FY 2018, to improve the indicator for Origin Processing Delay 3-5 day single-piece letters and flats, the Area focused on Voice of the Process (VOP) clearance times for cancellation, with a specific emphasis on Outgoing Primary operations improving; these efforts resulted in a quarter 4 Area average of 95 percent

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meeting clearance expectations. This reduced the overall point impact of origin processing delays by 2.77 percent for letters and 3.14 percent for flats when comparing quarter 1 to quarter 4 of FY 2018. FY 2019 has been focused on the MHTS Outgoing Processing Profile to validate timely operational clearance.

5. Origin Missent Single Piece (EXFC)

Quarter	Root Cause	Root Cause Plant	Shape	Service Standard	Point Impact	Rank
FY18 Q3	Origin Missent	Origin	Flat	3 to 5	5.69	2
FY18 Q4	Origin Missent	Origin	Flat	3 to 5	5.54	1

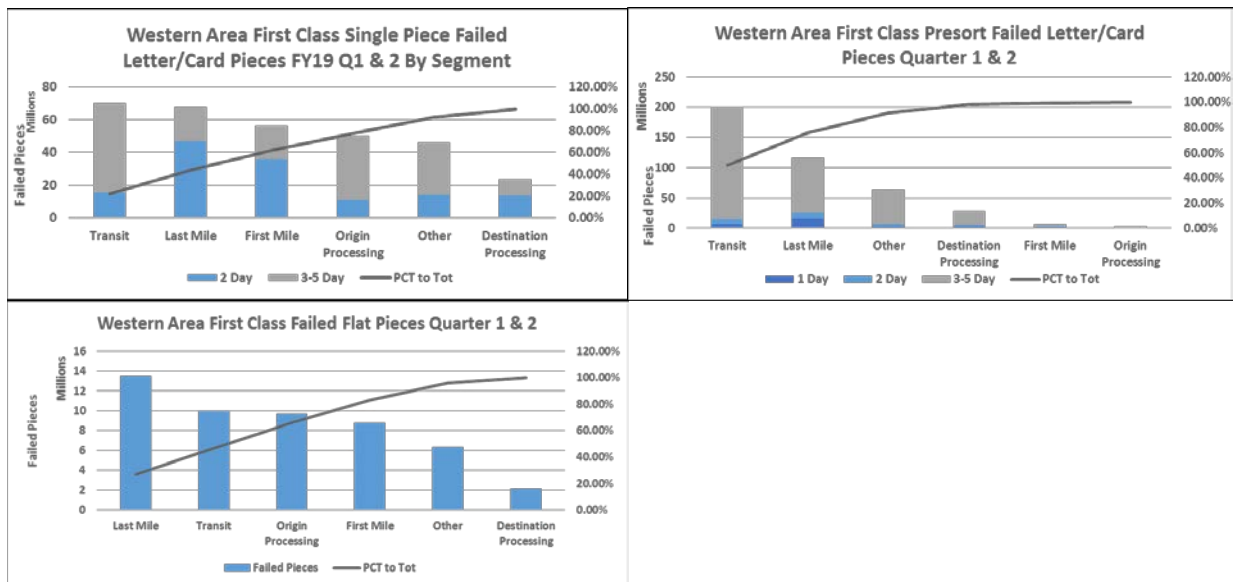
In FY 2018, to improve the indicator for Origin Processing Delay 3-5 day single piece flats, the Western Area focused on AFSM machine at-risk indicators to ensure machine proper sortation of flats. Through this effort, there was an improvement of .15 percent in Origin Missent during FY 2018. During FY 2019, the Area has continued focus on AFSM performance to include maintenance in service performance reviews.

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II. Plan for FCM Improvements Going Forward

Failed Pieces by Segment FY 2019 Quarter 1 and 2

The following charts illustrate recent failure counts in the Western Area by segment:



Improvement Tactics for FY 2019

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

To improve the “processing” segments of End to End Diagnostics¹ (Origin Processing, Transit, and Destination Processing) for 3-5 day single piece and commercial letters and flats within the Western Area, first, leadership has implemented 19 Lean Six Sigma projects focused on 3-5 day service improvement (example in Appendix). The goal is to assess plant-level root causes and corrective actions to build Area-wide- best practices to sustain high levels of performance. Quick win service improvement efforts began in April/May 2019, with efforts to improve phase overall institutional process in June 2019. Second, the Area will implement strategic and direct improvement efforts on top Area/national pairs selected, to create a focus on inter-Area/district leadership down to work cell level to correct issues. Improvements from this effort started in May 2019. Third, Area personnel have begun site level focus on advancement of 3-day volume into 2-day, with a weekly Area focus on the MHTS Advanced Capture 3 into 2 tool, emphasizing

¹ Informed Visibility – End to End Mail Diagnostics (<https://iv.usps.gov/ivui/#/spm/diagnostics/e2eDiagnostics?>)

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volume that arrives at its destination on day 1 by 15:00 and is processed through MMP and secondary for final processing on day 2. Improvements are expected by June/July 2019. Fourth, there is a daily focus on destination freight house clearance, which includes plant level clearance through NOCC to ensure all freight houses are clear of all delivered volume daily. Improvements were implemented starting in April 2019 on Commercial Air Volumes.

In addition to the above 3-5 day tactics, there are continuing efforts to improve overnight, 2-Day, and 3-5 Day single piece and commercial letters and flats. First, the focus on proper planning for the shared air network includes targeted Priority Air to Surface diversions where volume planning exceeds allotted capacity on the network. Next, there is a new Area-wide focus on all network surface trips departing on time, ensuring sites meet operating plans to facilitate network trips departing on time, so that mail arrives at transfer points/destinations on time. Lastly, the Area is focusing on validation of mailer preparation and documentation. Validation of Customer/Supplier Agreements (CSAs) is being performed, with preparation to include locale key use to ensure entry points are entered correctly so that volume is measured as it actually flows.

Finally, to improve the First Mile and Last Mile segments of End to End Diagnostics², the Western Area has implemented 9 Lean Six Sigma Projects focused on First Mile Impact improvement and 8 Lean Six Sigma Projects focused on Last Mile Impact Improvement. In these projects, teams are assessing root causes of First/Last Mile opportunities and identifying corrective actions to improve performance. Quick win improvements were made in April and May 2019, and phase process improvements started in June/July 2019.

Area Point of contact

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² Informed Visibility – End to End Mail Diagnostics (<https://iv.usps.gov/ivui/#/spm/diagnostics/e2eDiagnostics?>)

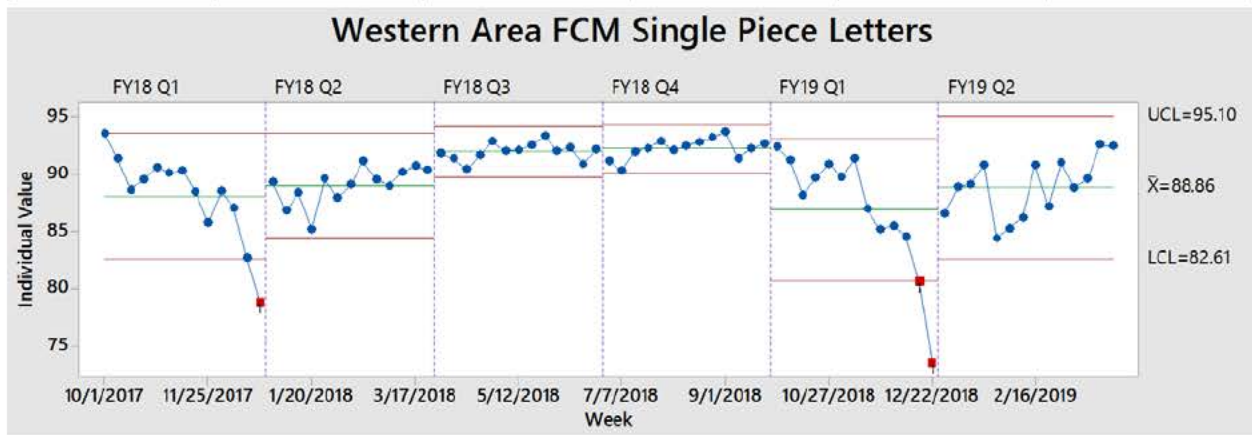
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Appendix – Additional information/details:

Service Performance Trends

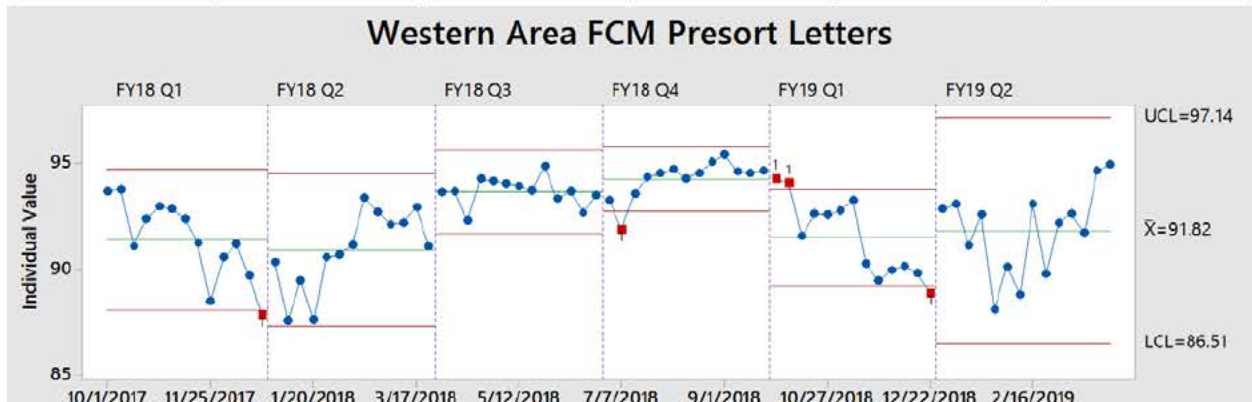
FCM Single Piece Letters

FY 2018				FY 2019	
Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2
87.27%	88.98%	91.99%	92.31%	85.68%	88.53%



FCM Presort Letters

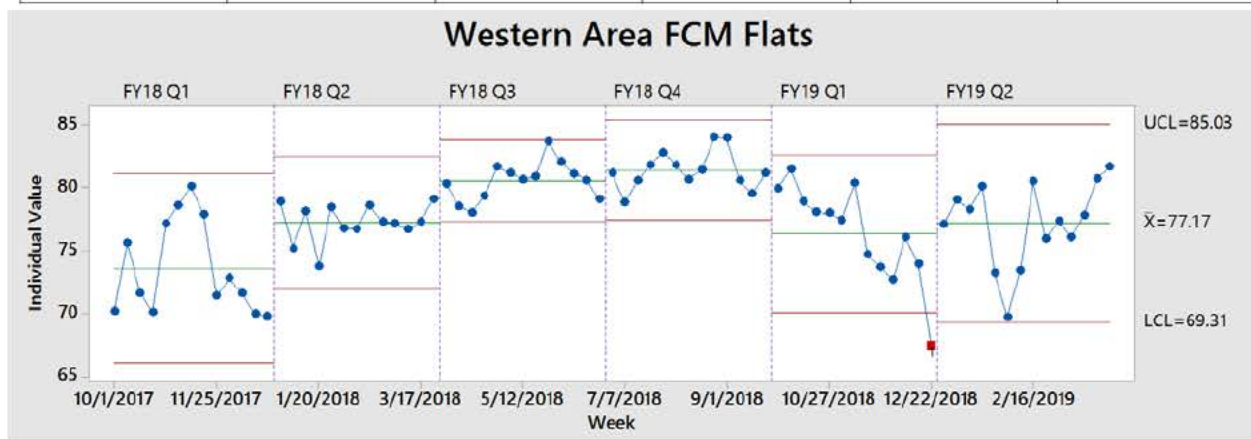
FY 2018				FY 2019	
Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2
91.33%	90.85%	93.66%	94.22%	91.64%	91.49%



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FCM Flats

FY 2018				FY 2019	
Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2
73.48%	77.10%	80.40%	81.26%	76.42%	76.72%



[Additional Network Improvement Information:](#)

FY2019 FCM Service Improvement Plan

- **Daily Mitigate Network Delays**
 - Air to Surface, utilize current pairs as needed.
 - Identify new Air to Surface pairs with earlier departure for mailer volume tendered at the origins
 - Campus off-loads to sites within Western Area that have identified to cover deficit
- **Daily Work with HQ (Air Transportation Office)**
 - Plan service responsive Bedloads as needed to support spikes in volumes.
 - Plan for charters to cover shortfall potential shortfalls.

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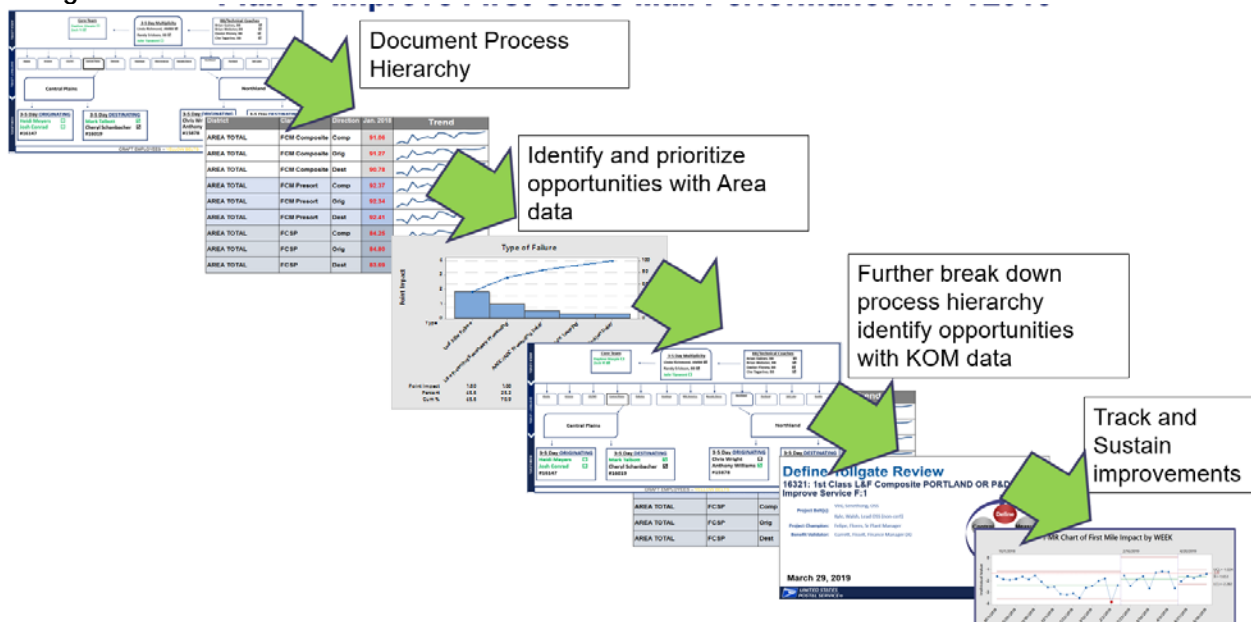
- Plan off-load from Western Area to locations in Pacific Area with identified lift to cover deficit
- Daily work with District Teams and Marketing as necessary to identify shortfall and plan mitigation due to mailers
- Increase communication with local THS vendors on daily mitigation for their sites
- Increase bypass utilization

Additional Weather Impact Information

During FY 2019 Quarter 1 and 2 there have also been significant weather event-related delays that impacted collection, processing, transport, and delivery of FCM letters and flats. The most significant of these weather events in FY 2019 were the Arctic Polar Vortex in January, Winter Storm Oren in February, the “Bomb Cyclone” in March, and Winter Storm Wesley in April. These events caused numerous delays in both the air and surface networks as well as abnormally high amounts of non-delivery.

Lean Six Sigma Project Methodology/Example:

Using DMAIC Process



- Document Process Hierarchy from Area to District to KOM
- Collect Service Performance scores for Area
- Identify biggest opportunities at Area level (gap from as-is to desired state)
- Break down Process Hierarchy from District to KOM

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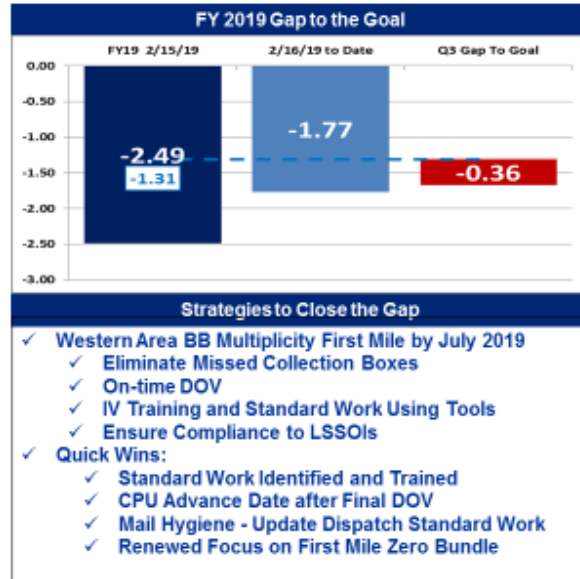
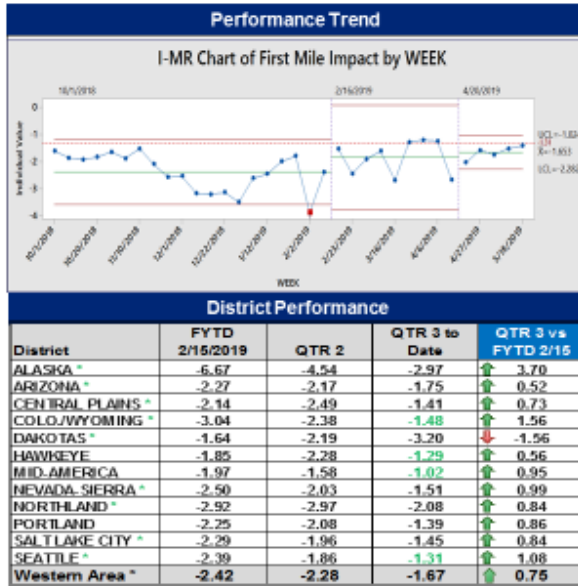
- Identify biggest opportunities at District level
- Assign resources to projects to improve largest opportunities in Districts
- Execute projects, track and sustain improvement

Lean Six Sigma FCM Related Projects:

10 x First Mile improvement projects launched and active

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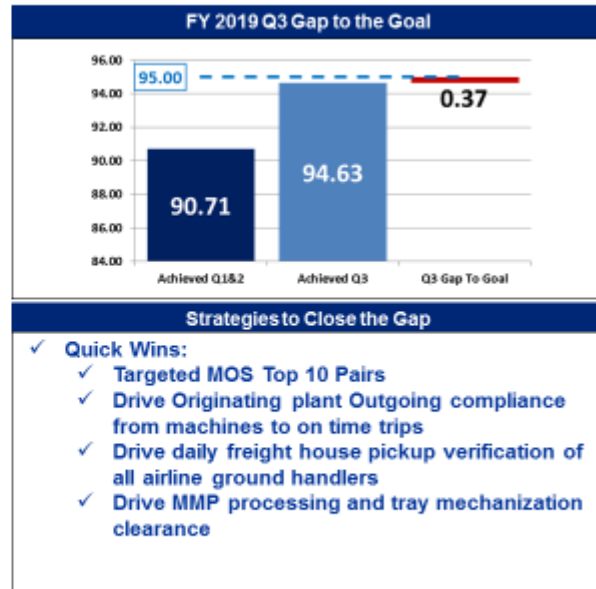
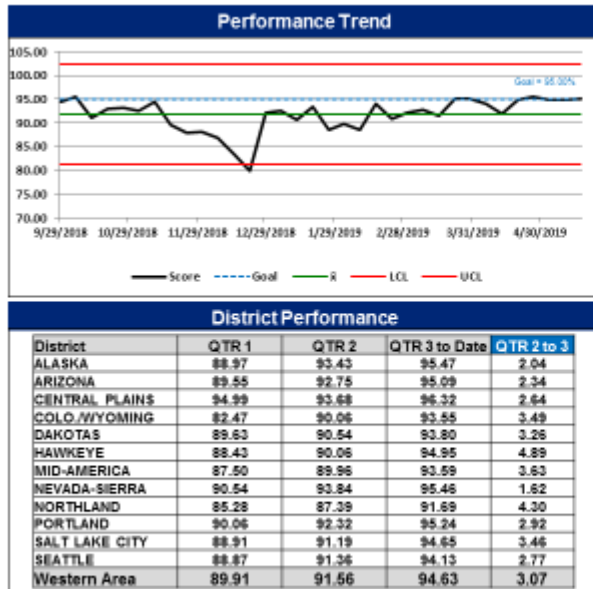
#16098: Western Area Improve First Mile Impact Performance



Western Area First Class Service Performance

19 x 3-5 Day improvement projects launched and active

Western Area First Class Letters & Flats Composite – (3-5 Day)

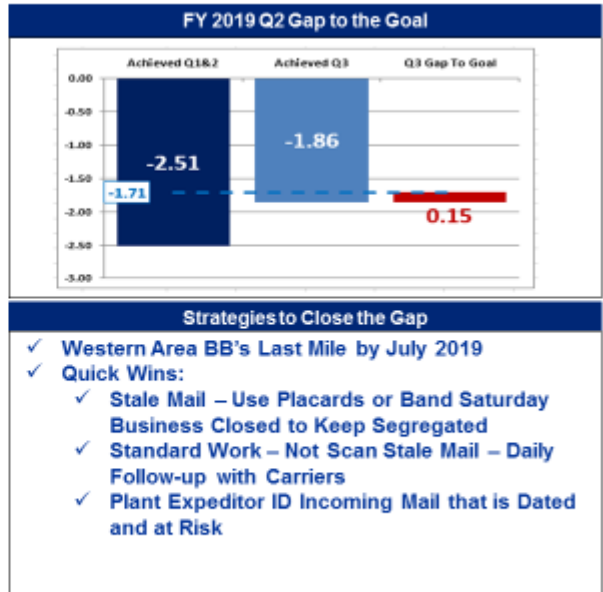
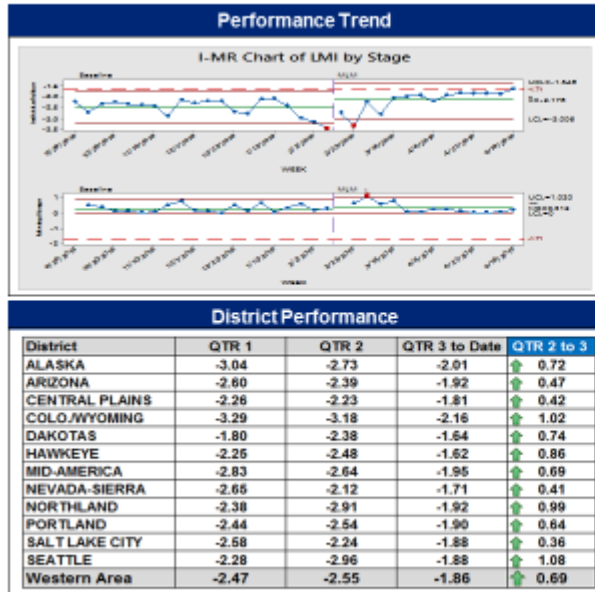


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8 x Last Mile improvement projects launched and active

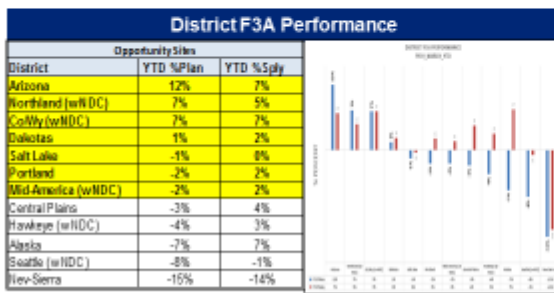
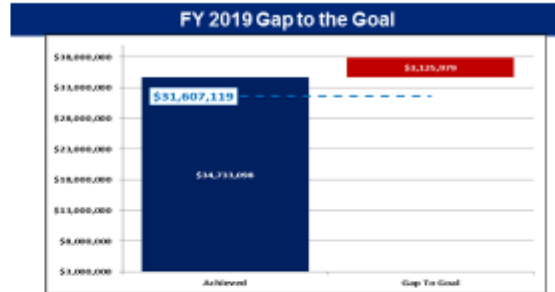
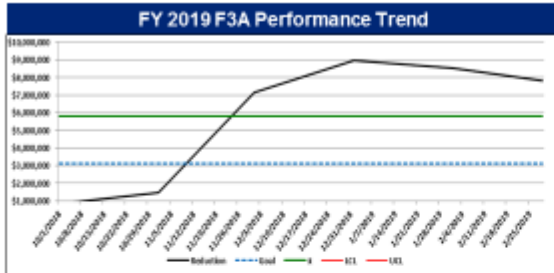
Western Area First Class Last Mile Impact



14 x Transportation improvement projects launched and active

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TOE Western Area Reduce Transportation F3A



- Strategies to Close the Gap**
- ❖ Eliminated duplicated trips, 0% trips and Canceled Trip
 - ❖ Dock Supervisor needs to follow up SV scan each trip
 - ❖ Track progress using TOT Score Card
 - ❖ Plants to align RPGs with transportation
 - ❖ Workhours, OT, POT both TTO and STO.
 - ❖ Quick Win from Nevada-Sierra District \$1,549,518 (Measure Tollgate)