

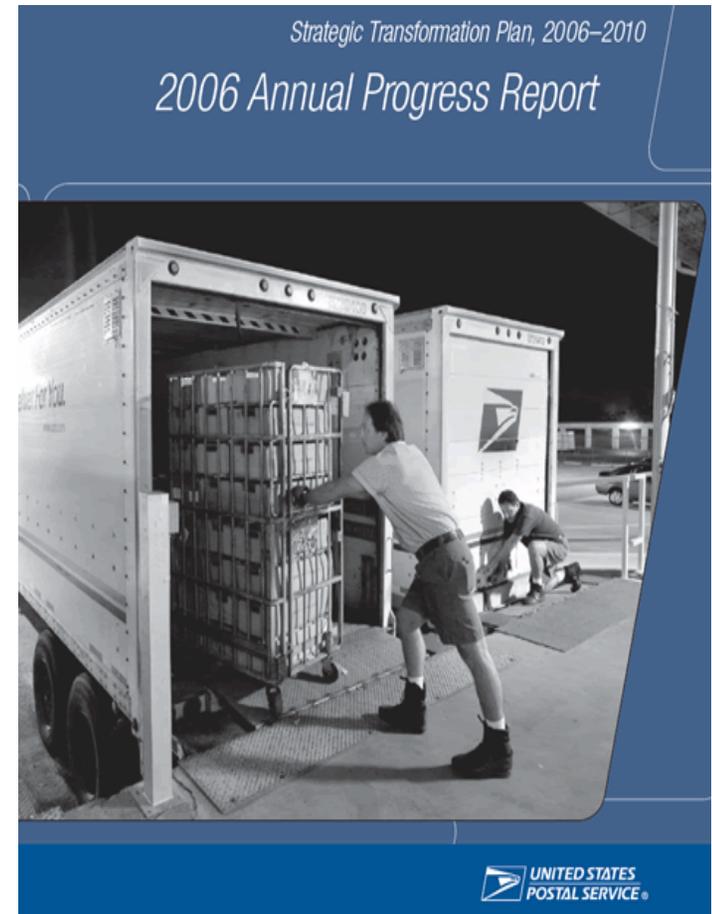
# **Implementing Intelligent Mail to Drive Business Results**

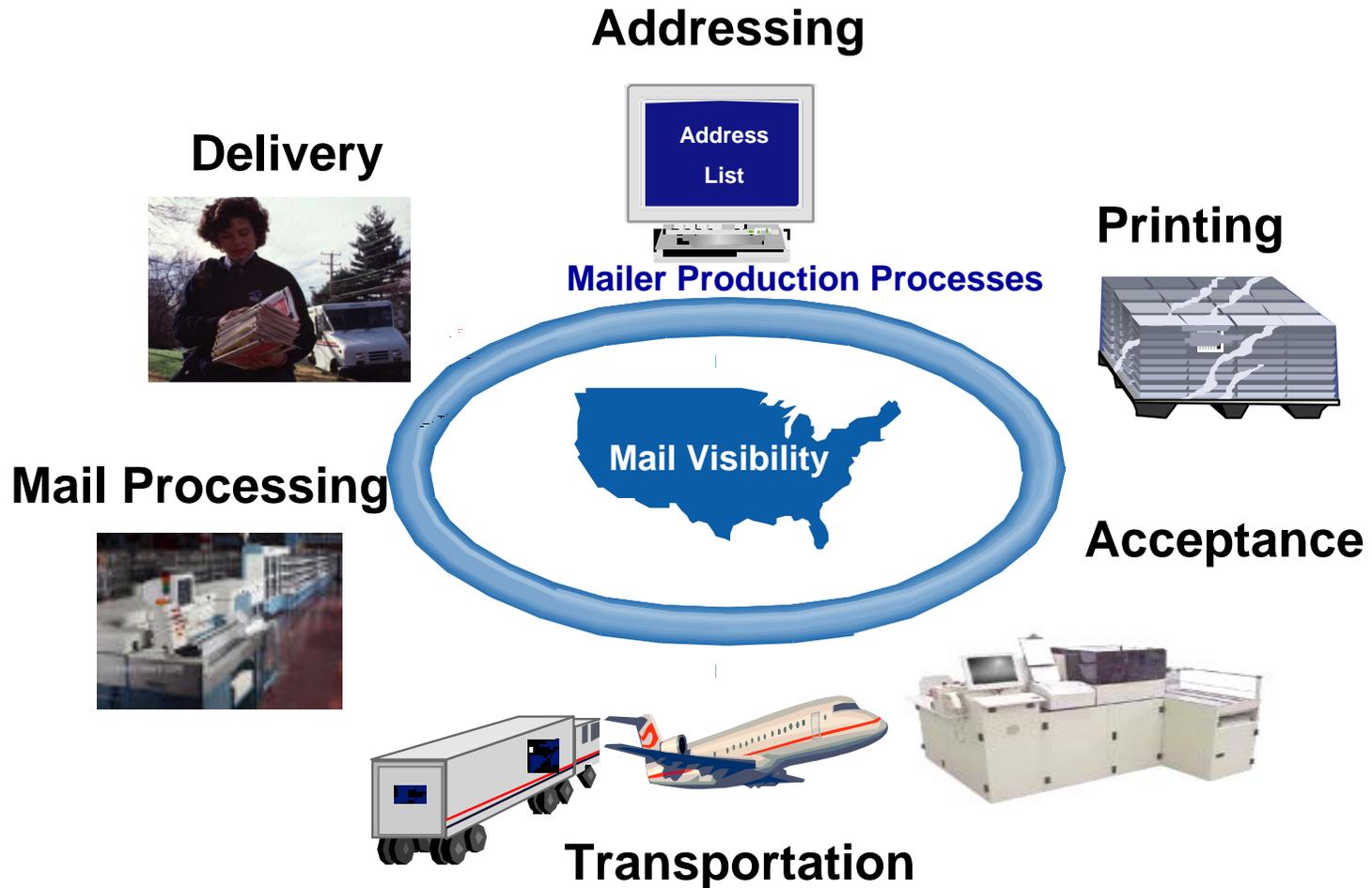
**Charlie Bravo  
Senior Vice President  
Intelligent Mail & Address Quality**

**March 26, 2007**

- ▶ **Jody Berenblatt**  
*Senior Vice President, Global Postal Strategy  
Bank of America*
  
- ▶ **Jay Oxtan**  
*President & Chief Operating Officer  
PSI Group, Inc.*
  
- ▶ **Martin Bernstein**  
*Director, Carrier Relations/Postal Affairs  
J.C. Penney Company, Inc.*

- Provide end-to-end visibility and a
- seamless process for mail acceptance and delivery,
- using standardized intelligent barcodes,
- continuous mail tracking,
- mail quality feedback in real-time,
- and service measurement,
- to position Letters and Flats as a Key Communications Medium

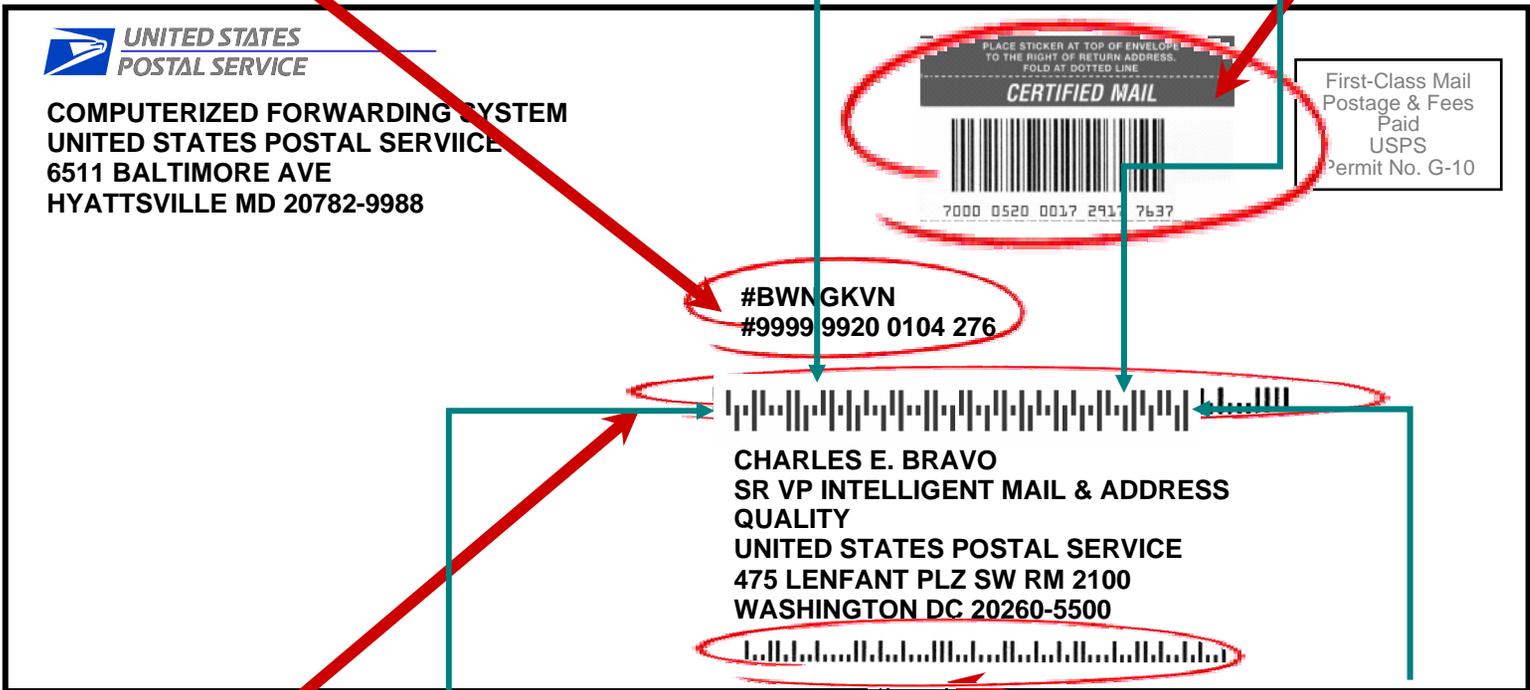




**Enable mail visibility across the entire mail value chain**

## Address Change & Special Services

## Address Quality Services



## CONFIRM Service

## Sortation

PLANET Code for CONFIRM Service

POSTNET Code for Sortation

*"One code per mail type that points to a suite of services"*

# Future Visibility – Nesting into Unit Loads

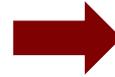
Unique Identification at All Levels of Aggregation is the Foundation of Total Mail Visibility



Unique Mailpiece ID  
(ex: Intelligent Mail barcode)



Unique Tray Label



Container Barcode



Assigned Transportation



Unique Tray Label



Unique Mailpiece ID  
(Intelligent Mail barcode, IBI)

Continuous feedback at each step in process

## Letters – Sept. 1, 2006

- Barcode will be available for automation discounts:
  - » With services – September 1, 2006
  - » All letter mail – March 1, 2007
  - » (Note: Customer ID required)
- OneCode Confirm
  - » First-Class and Standard Mail
  - » Barcode Location same as POSTNET
- OneCode ACS
  - » First-Class Mail – September 1
  - » Standard Mail – Fall '07
  - » (Note: dependent upon full deployment of PARS)
  - » Barcode location – above address block until Fall '07

- Flats – May 1, 2007
  - » Barcode will be acceptable for automation discounts
  - » OneCode Confirm for First-Class, Periodicals and Standard
  - » OneCode ACS for mail
    - ▶ First-Class
    - ▶ Periodicals
    - ▶ Standard – Fall '07

- **Converting largest customer mailings**
  - » Move confirmation letters (MVL / CNL) – Jan '07
  - » Dialog campaign – June '07

## Dialog Campaign



## Customer Notification Letter



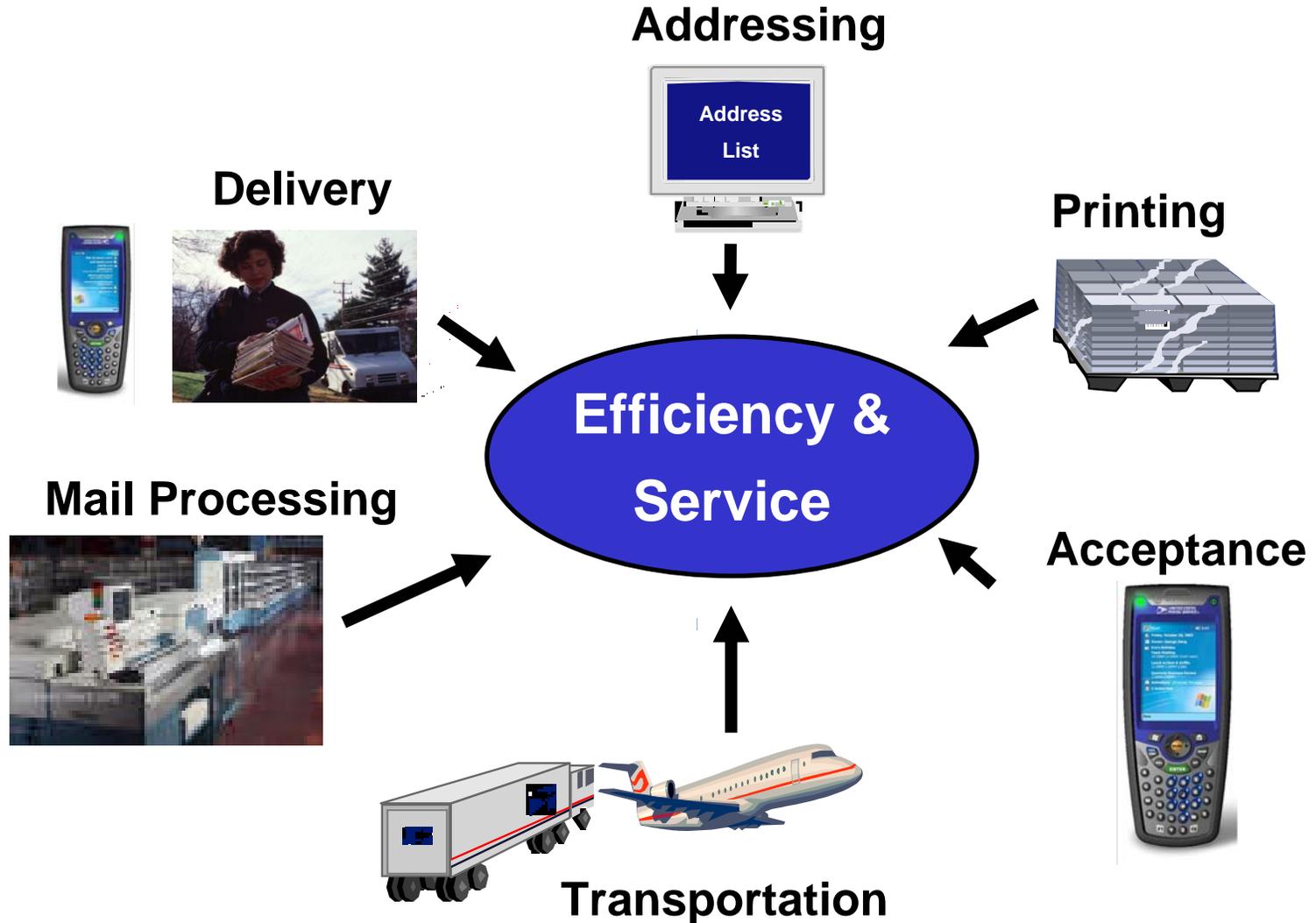
## Move Validation Letter



- **Converting largest employee mailings**

- » Payroll – Spring '07
- » Area Updates – TBD





**Jody Berenblatt**  
**Senior Vice President**  
**Global Postal Strategy**

National Postal Forum, Washington DC, March 2007



# Using Intelligent Mail to Drive Business Results

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- Bank of America Mail Use
  - 3.3 billion pieces per year
  - 60 percent Standard, 40 percent First Class
  - Most solicitations Standard
- Intelligent Mail critical for newly filed NSA
  - PRC approval: fast
  - Rich data allows baselining, performance measurement, improvement
- Six Sigma
  - Disciplined, data-driven method of process control
  - Used to reduce defects in any process
  - Less than 3.4 defects per million opportunities

# “D—M—A—I—C.”

---

**D**

**Define Opportunities**

**M**

**Measure Performance**

**A**

**Analyze Opportunity**

**I**

**Improve Performance**

**C**

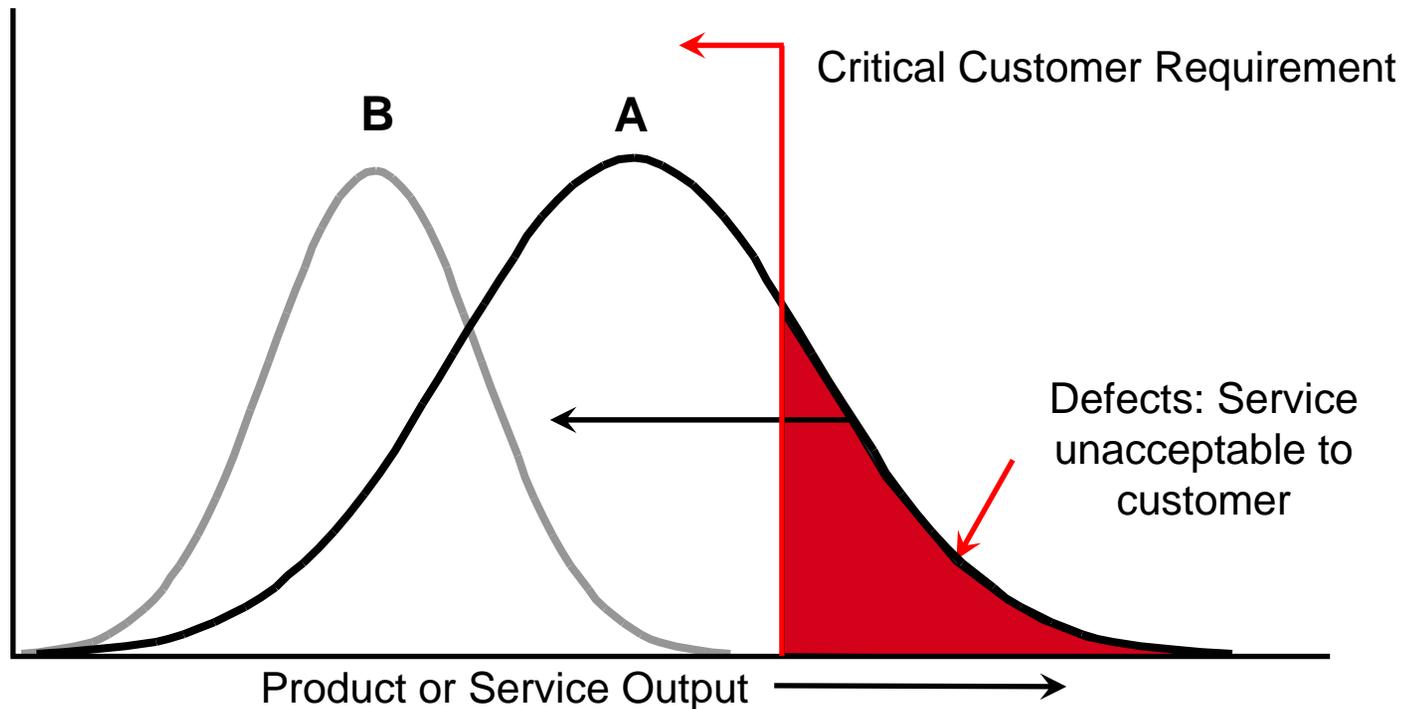
**Control Performance**

- Focuses on “real bottom-line problems”
- Fast results
- Multiple tools
- Sustains long-term improvement
- Disseminates improvement widely
- Change vehicle

## 6 Sigma Basics

Achieve results: Move distribution completely within customer requirements

Example: 'the timely delivery of a statement'.



# Using Intelligent Mail to Drive Business Results

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- Identify 3 key things... what were the business reasons we decided to move forward  
....
- **BAC and USPS entering into NSA.** Agreement benefits us, USPS, all other mailers.
  - BAC on leading edge of cost savings initiatives
  - Makes our mailing more cost-efficient
  - Helps improve communications with customers
  - BAC and USPS will uncover process flaws; improve end-to-end mailing process
  - Intelligent Mail data enables Six Sigma and influences decision process

# Using Intelligent Mail to Drive Business Results

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- Describe plans for using one code – which services
  - Plan to use all Intelligent Mail services
    - basic sorting
    - tracking
    - electronic address change service
  - Six Sigma frameworks for determining cost-effective approach to using USPS and related products
  - Enhanced accountability from visibility to handoffs in multiple supplier supply chain

# Using Intelligent Mail to Drive Business Results

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- Baseline Undeliverable As Addressed rates low, but value in further improvements
  - First Class – Schedule A – Mainly Operational
    - 0.7% Baseline.
  - First Class – Schedule B – Mainly Marketing
    - 2.7% Baseline.
- Address Hygiene a constant process
  - As USPS raises the bar, complexity tremendous.
  - Process flows significantly affected by timing; will need to be thoroughly re-examined.
  - Significant monetary investment and time commitment managing address hygiene and maintaining high priority within the company

# Using Intelligent Mail to Drive Business Results

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- Define problem, find solution
- Executive sponsorship
- Narrow scope of improvements
  - Project spin-offs
- Measure success financially: Pay for Performance
- Get ready...
  - Follow flow of mail and addresses ( touches large portion of company)
  - Identify and Engage All Stakeholders
  - Review current Process Flows/Create “Future State” flows
  - Review and Modify Mailpiece Design
  - Review Supplier “Readiness” Capability

# Thank you for the Opportunity to Participate

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[Jody.Berenblatt@bankofamerica.com](mailto:Jody.Berenblatt@bankofamerica.com)

NY1-050-07-03  
50 Rockefeller Plaza  
New York NY 10020



 **Pitney Bowes*****PSI*****PRESORT SERVICES**

# Intelligent Mail Implementation National Postal Forum - 2007

**Pitney Bowes – PSI Presort Services**

**Jay Oxtan**

**President & Chief Operating Officer**



# PSI Overview

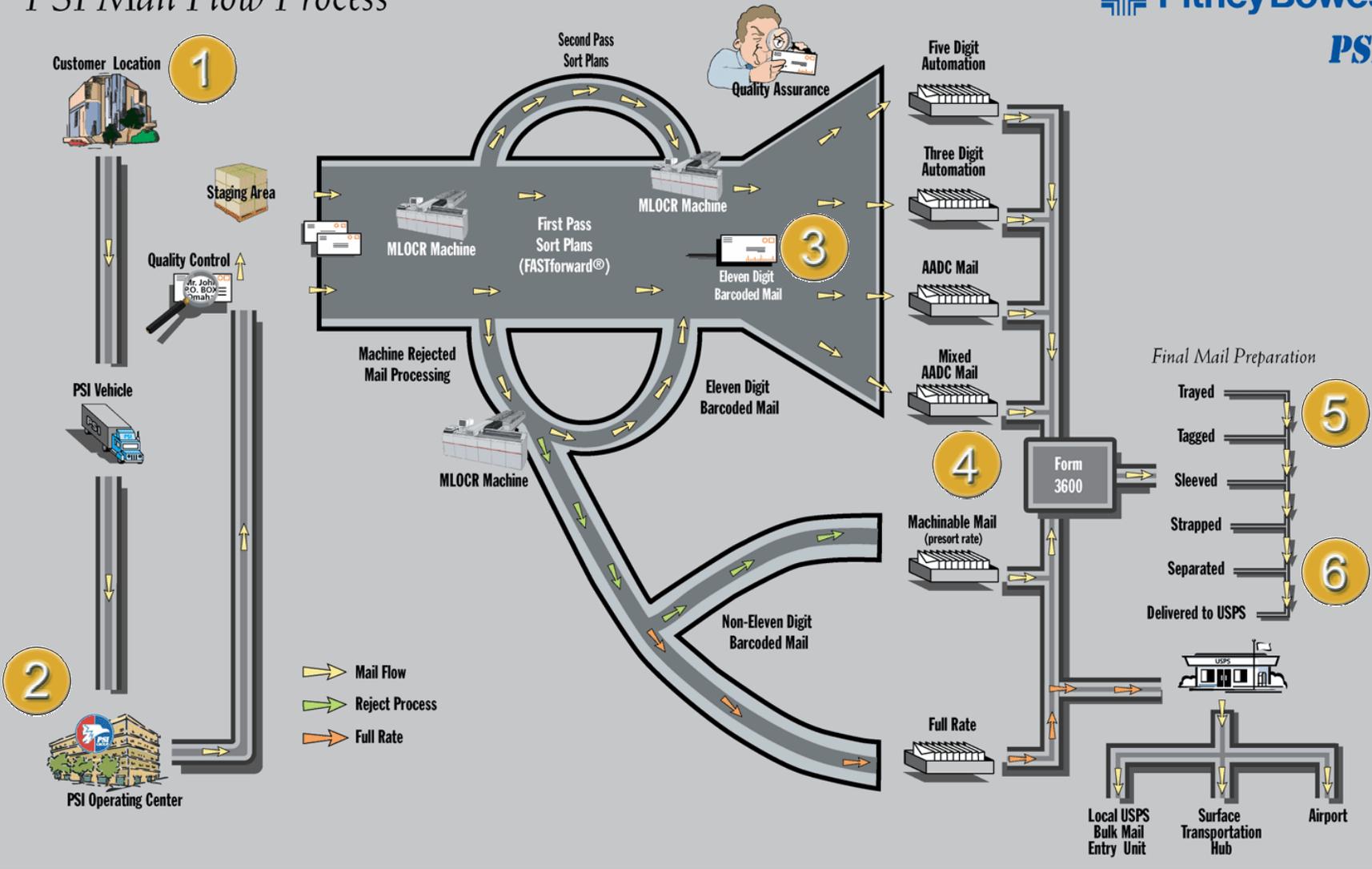
- Wholly owned subsidiary of Pitney Bowes, Inc.
- Largest presort service bureau with a national network of:
  - 33 operating locations;
  - 2,900 employees;
  - 260 sorters; and an
  - Average daily volume in excess of 42 million.

# Business Reasons for Implementing Intelligent Mail

- Pitney Bowes was a leading proponent of the Intelligent Mail initiative within the Mailing Industry Task Force.
- Opportunity to “drive cost out of the equation” for the USPS, our clients and PSI
- Provides the infrastructure for accurate service measurement and visibility from PSI processing to in-home delivery including PSI’s regional Mail Exchange programs
- Provides PSI with the opportunity to further leverage our National Network of Operating Centers and our long term investment in IT infrastructure and Software.
- Our clients see an opportunity and they want to use the capabilities to increase the value of their mailstream.
- Reduction and eventual elimination of manual verification processes insures everyone is treated equally.

# PSI's Vision of Transparency

## PSI Mail Flow Process



1

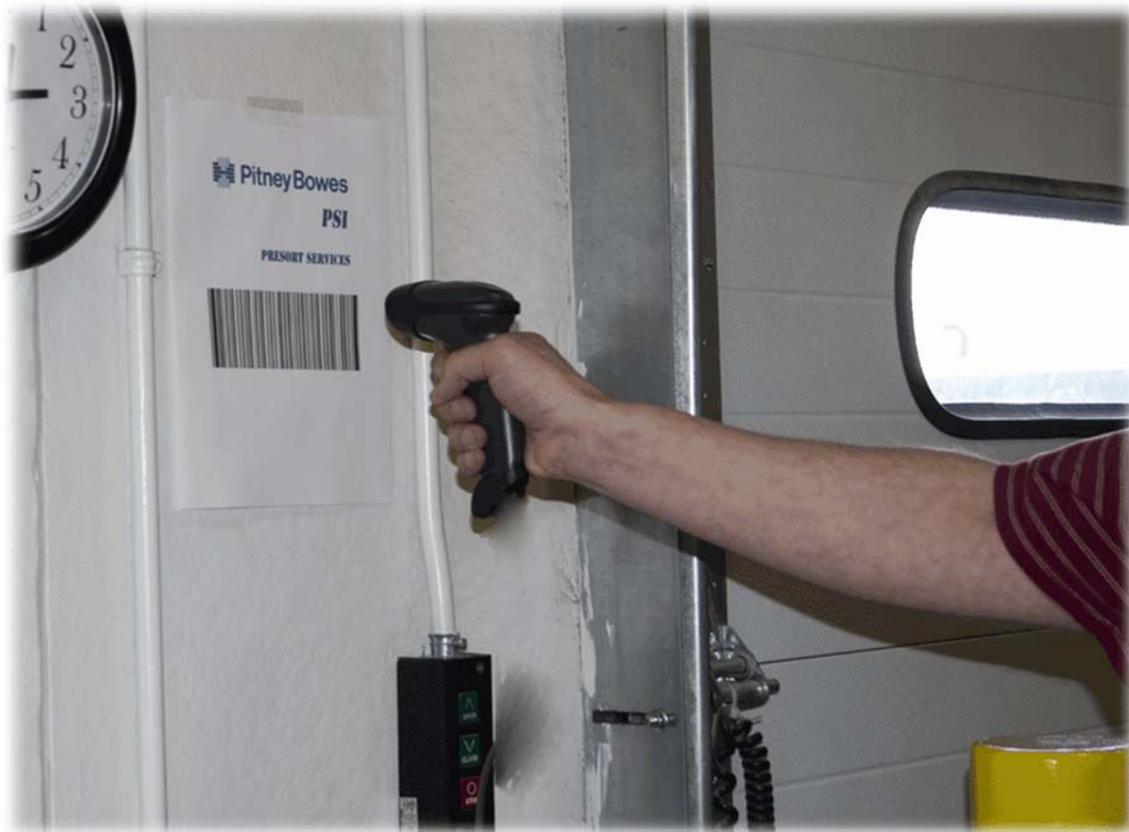
# Departure Scan - Customer



back

2

# Arrival Scan - PSI



back

# Intelligent Mail Barcode



Destination Confirm 4-State Customer Barcode Format Structure Digits

2		3			6						9									11										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Bar-code ID		Service Type ID			Confirm Service Subscriber ID						Confirm Service Mailing ID ("Open" Digits)									Routing ZIP™ (POSTNET Digits)										

back

# Mail.dat Dashboard


[Feedback](#) | [Personal Profile](#) | [Logout](#)

Restricted Information

Preparer

Select Default Time frame 

Today's Date: 03/12/2007

Dashboard

Submit a Form

Dashboard

File Transfer

Download Batch Processor

File Validator

Metrics Search

Metrics - File Transfer

Disqualified Mail

CET Reports

Preparer Help

<b>Location Zip</b>	<input type="text" value="All Locations"/>	<b>Qualification Report Class</b>	<input type="text" value="All"/>		
<b>Mailing Group</b>	<input type="text"/>	<b>Begin Date</b>	<input type="text" value="02/26/2007"/> <small>MM/DD/YYYY</small>	<b>Status</b>	<input type="text" value="All"/>
<b>Mailer's Job #</b>	<input type="text"/>	<b>End Date</b>	<input type="text"/> <small>MM/DD/YYYY</small>		
<b>Preparer Permit #</b>	<input type="text"/>	<b>Preparer Permit Type</b>	<input type="text" value="Select a Permit Type"/>		
<b>Permit Holder Permit #</b>	<input type="text"/>	<b>Permit Holder Permit Type</b>	<input type="text" value="Select a Permit Type"/>		
					<input type="button" value="Search"/>

[Download Transaction List](#)

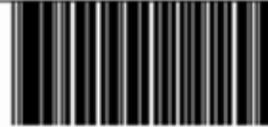
Date Submitted	Mailer's Job #	Documents Submitted	Document Information						
			Permit	Name	Class	Status	Pieces	Postage	
3/10/07	PSI11387	Group 24852853 - National 2 3/9/2007	MT 2806	PSI GROUP INC					
		<a href="#">1 Qualification Report(s)</a>	MULTI	QR ID: 0001	FC			474,283	
	3/10/07	<a href="#">Master Statement 22439292 -- First Class</a>					UPD	474,283	\$147,201.74
		<a href="#">Postage Statement Summary Report</a>							

PSI

PRESORT SERVICES



# Intelligent Container Barcode



P0000056

Pallet No: 000056

Entry: BMC NEW JERSEY NJ 00102

Job: cat\_256

1 ft MM Trays: 6

2 ft MM Trays: 46

Est. Wt.: 870.8 Lbs

Actual Wt.:

Scheduled Mail Date: 9/18/2002

In Home Date: 9/19/2002

[back](#)

# Implementation Plans

- Involvement in Seamless Acceptance pilot test has provided us with a positive view of the future:
  - immediate feedback;
  - opportunity for improvement;
  - provide input regarding rules and regulations; and,
  - phased rollout through 2007 & 2008.
- Begin rollout of Intelligent Barcodes in 2007.
  - Multi-million dollar investment in new ink jet printers, verifiers and hardware upgrades

# Challenges

- Capital investment – initial and on-going.
- 5 equipment vendors with 8 sorting “platforms”.
- Transition period from present state to full-blown Intelligent Mail environment in 2009.
- Managing client expectations in terms of delivery timeframes and 2008 budget.
- Pace of change associated with USPS Rate Case, Delivery Point Validation and Intelligent Barcodes and shift from FASTforward to ACS.
- Adaptation and accountability of operations and transportation teams to a transparent data-driven environment.

**Martin Bernstein**  
**Director, Carrier Relations/  
Postal Affairs**  
**JCPenney Company, Inc.**



**Every Day Matters™**  
jcp.com

- » JCPenney is one of the largest Retailers in the Nation
- » Based outside of Dallas, Texas
- » \$19 billion in sales for 2006
- » JCPenney has 1200+ retail Stores
- » One of the largest Catalog mailers
- » JCP.com passed \$1.3 billion in sales for 2006
- » Annually mail over 1 billion pieces with the USPS

- Why is JCPenney moving forward with the Intelligent Mail Barcode?
  - » Provides us more space on the mail piece
  - » Improves overall appearance
  - » Allows more data capacity for our own coding purposes

- » To date JCPenney has tested 81.3 million pieces with the Intelligent Barcode
- » Results are in line with data from the Planetcode data
- » The overall scan % rate is between 40%-50%
- » On a typical mailing JCPenney will Barcode 300-500 thousand pieces per event
- » Nearly 90% of our flat mail is ECR

- What are some of the challenges?
  
- Postal
  - » Training the field on new technology
  - » Amount of data
  - » Each piece to be unique
  
- JCPenney
  - » Marketing and Creative
  - » Printing and Tracking
  - » Formatting of files
  - » Communications between suppliers/vendors

- Where will JCPenney go with Intelligent Mail?
  - » We are currently testing the Intelligent Mail Barcode on flats
  - » We plan to use the Intelligent Mail Barcode for sorting and One Code services
  - » Implementation date is targeted for August 2007

- » Visibility of the mail is critical
- » Value of CONFIRM is not only for the mailers, but for the USPS which utilizes the data
- » Technology should be expanded for visibility of pallets, trays, etc.
- » The Intelligent Mail Barcode is the beginning

## ▶ Workshops

- Intelligent Mail & Seamless Acceptance (Mon 3:15pm)

- Intelligent Mail Barcode: What Printers Need to Know (Tues 11:15am)

## ▶ USPS Sales Booth #431

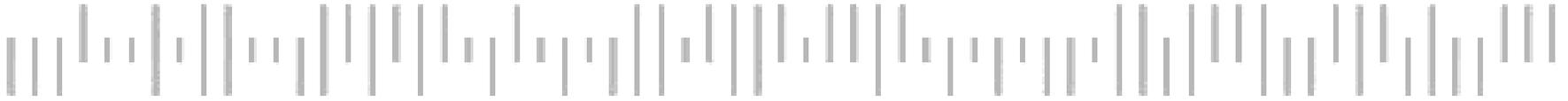
- Intelligent Mail Vision

- OneCode ACS

- Confirm featuring Intelligent Mail Barcode

- Intelligent Mail Tray Label

## ▶ Intelligent Mail Consultation Table #192



**Thank You**

**Questions**  
**???**

