Unleashing the power of the Intelligent Mail® Barcode

Pitney Bowes
Every connection is a new opportunity™

May 24, 2012

Agenda

- Key Dates

- Importance / Value

- Building an IM® BC Program

- Unleashing the Power

- Implementation

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Key Dates for Intelligent Mail®
Don't run out of time

January 27, 2013

- Intelligent Mail® barcode (IM® BC) required for automation letters and flats and Qualified Business Reply Mail (QBRM) price eligibility
- Individual piece IM® BC required

January, 2014

- Full Service Intelligent Mail® compliance
- Unique IM® BC for mailpieces and handling
- Electronic submission of postal documentation
- Electronic scheduling of drop shipments

Intelligent Mail® Compliance

Benefits

- Continued automation discounts
- Enabler for increased visibility of mail delivery
- Required for participation in future USPS incentives*

Threats

- January 2013 compliance date
- Electronic documentation will be required by January 2014
- Free tracking is not tied to the business data

ROI

- Lower postage costs
- Ability to participate in future incentives
- Increased visibility of mail delivery

Requires submission of electronic documentation

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Building an IM® BC Program

1. Technology Decisions Drive Implementation
2. Requirements Drive Technology Decisions
3. Business Values Drive Requirements
4. Determine Business Values

We've Got You Covered!

1. If your company does not have IM® BC in place today. Outsourcers like PB Presort can apply the IM® BC to get you compliant.
2. OR, PB Consulting Services can work with you to implement to a platform that matches to the company's strategy to use IM® BC data to drive decisions.

Getting Started
Know the Components, Options, and Process

- Physical Characteristics

- Components & Options
    - Basic vs. Full Service
    - Services
        - Address Correction Service (ACS™) – 3 options
        - Track & Trace

- Process:
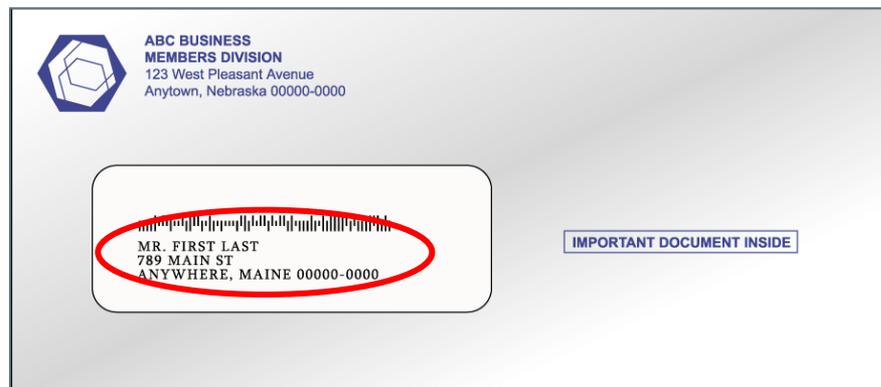   - MID's, CRID's, Business Customer Gateway, TEM, eDoc…

- Important Site:
    https://ribbs.usps.gov/index.cfm?page=intelligentmail

Intelligent Mail® Barcode Symbology
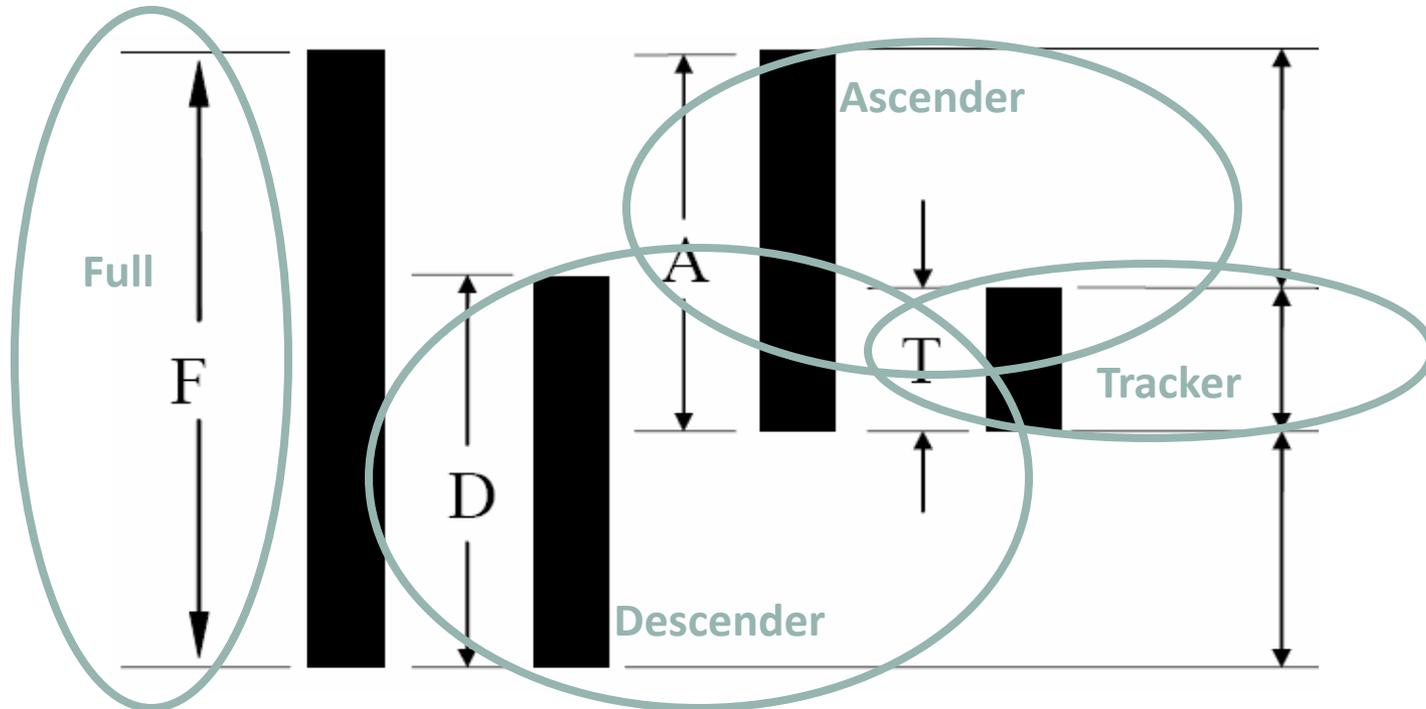
Barcode Placement

Letters

- Address block
  - Above or below address
- Lower right corner

Flats

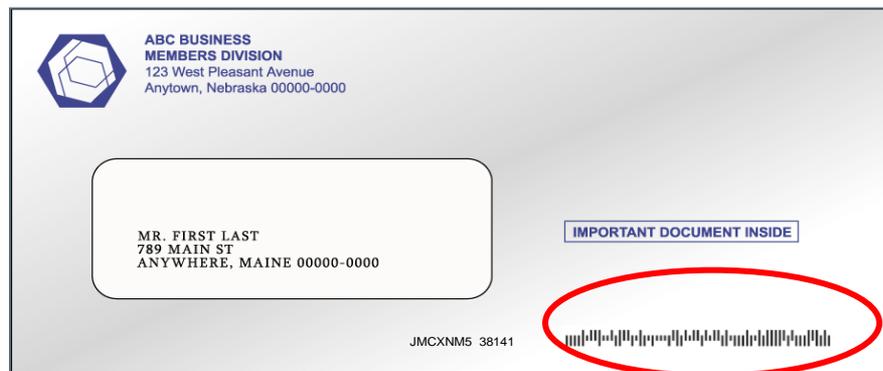- One barcode permitted
- 1/8" from any edge

Components

Intelligent Mail Barcode for Letters and Flats: 6-Digit and 9-Digit Mailer IDs																														
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
Barcode ID (2N)		Service Type ID (3N)			Mailer ID (6N)						Serial Number (9N)									Routing Code (0, 5, 9, or 11N)										
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
Barcode ID (2N)		Service Type ID (3N)			Mailer ID (9N)									Serial Number (6N)						Routing Code (0, 5, 9, or 11N)										

- The Intelligent Mail® barcode for mailpieces is a 5 field, maximum 31-digit string that converts into 65 bars of 4 different heights.

- Unlike the POSTNET™ barcode the IM® BC is always 65 bars, regardless of ZIP Code™ length, and does not require a check-digit (correction character) or frame bars.
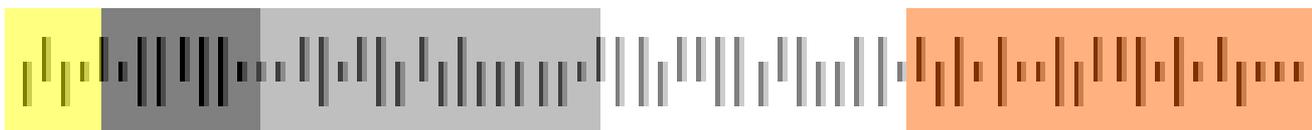
Current Intelligent Mail® Requirements

Intelligent Mail®: Basic and Full-Service Programs		
	Basic Program	Full-Service Program
IM® BC on each mailpiece (Letters & Flats) *(First-Class™, Standard, Periodicals)*	**Required**	**Required**
IM® BC on each handling unit (Sacks & Trays)	Optional	**Required**
IM® BC on each container (Pallets)	Optional	**Required**
IM® BC uniqueness	None	**Required**
Electronic submission of Postal Statements	Optional	**Required**
Online scheduling of Drop Shipment appointments	Optional	**Required**

Current Intelligent Mail® Service Options

| Intelligent Mail®: Basic and Full-Service Programs		
	Basic Program	Full-Service Program
No Services	✔	✔
IMb Tracing™	✔	✔
Full Service ACS™	X	✔
OneCode ACS®	✔	X
Traditional ACS™	✔	✔
Manual Corrections / Notices	✔	✔

Unleashing the Power of the IM® BC

- Identify mailstream objectives

    - Automation incentives

    - Address Quality, i.e., OneCode ACS® / Full-Service ACS™

    - Tracking, i.e., IMb Tracing™ service

- Match objectives to addressing and IMb Tracing™ solution(s)

Business Needs

Group	Application	IMB Data	Confirm	Delivery Predict	ACS	Job #	Name	Acct #	Doc Data	Remit IMBC	Remit $
MAIL	Discounts	✓									
MAIL	Job Tracking	✓	✓			✓					
MAIL	Job Delivery	✓	✓			✓					
MKTG	Campaign Mgmt	✓	✓		✓	✓					
MKTG	Call Center Plan	✓	✓	✓	✓	✓					
SVS	Piece Queries	✓	✓	✓	✓		✓	✓	✓	✓	
LEGAL	Proof of Mailing	✓	✓				✓	✓	✓		
FIN	Cash Flow	✓	✓						✓	✓	✓
FIN	Collections	✓	✓	✓	✓		✓	✓	✓	✓	✓
BUS	Cancellations	✓	✓					✓	✓	✓	
BUS	UAA reduction	✓			✓		✓	✓	✓		

Intelligent Mail®: Get a Holistic View

- Monitor how each operation is performing (meeting SLA's)

- Compare performance between mailing operations (find Best Practices)
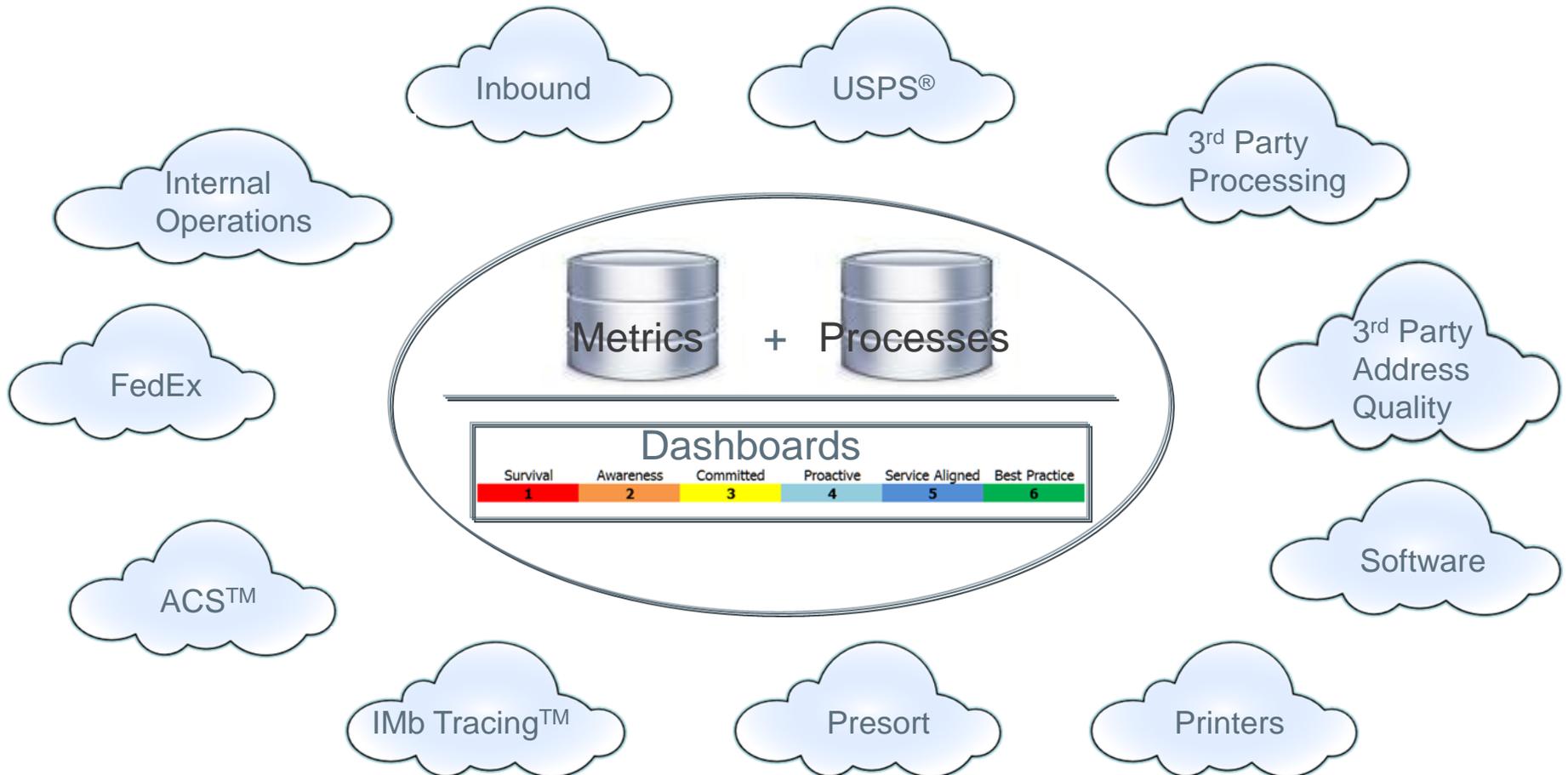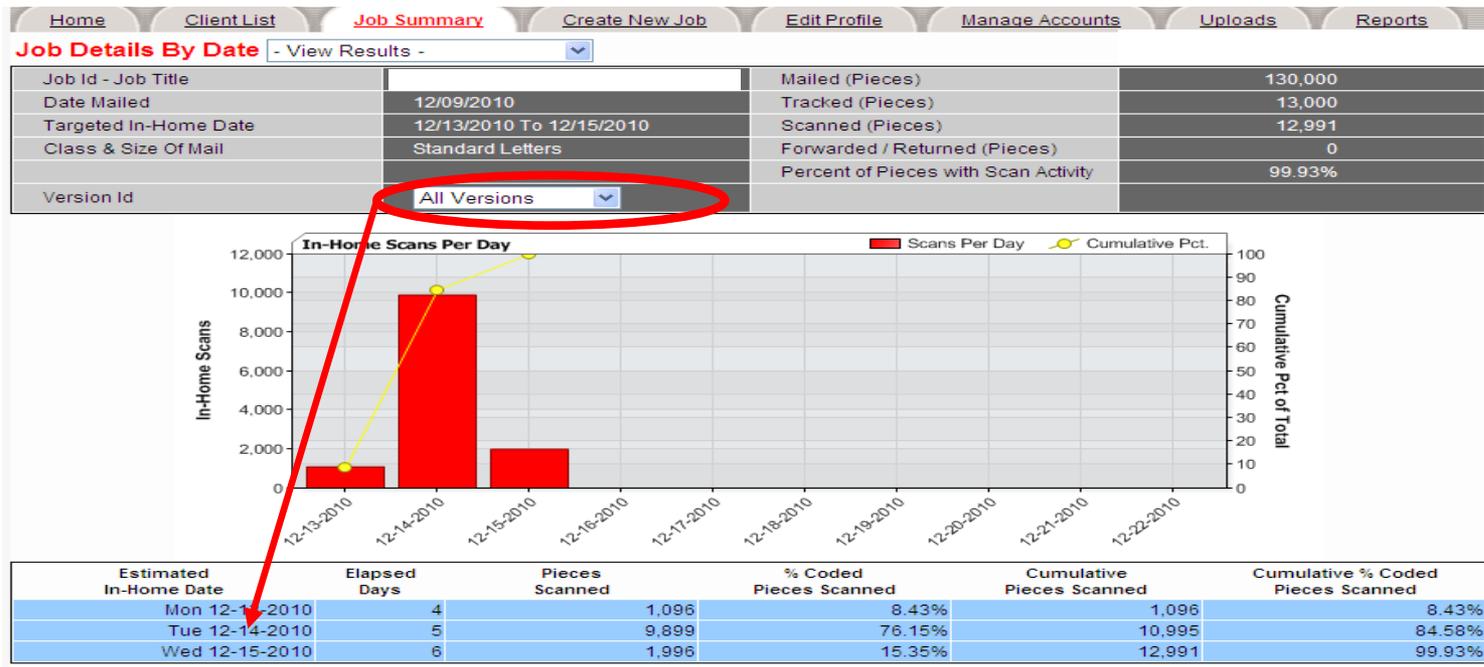
How can tracking data be beneficial to business?

- In-home delivery projections

- Staffing

- Multi-channel marketing

- Postage savings

- Revenue anticipation

- Critical mail alerts

- Segmentation Analysis

# Use tracking data to project in-home delivery dates

- Compare targeted in-home dates to actual in-home dates provided by confirm scans.

Sample shown is Trackmymail® "Job Details By Date"

Use tracking data to enable postage savings

- Mailing First-Class™ because it's more dependable?
- Yes, Standard Mail® takes longer to get delivered- but smart mailers are saving by using tracking data to better plan mail dates and monitor delivery.
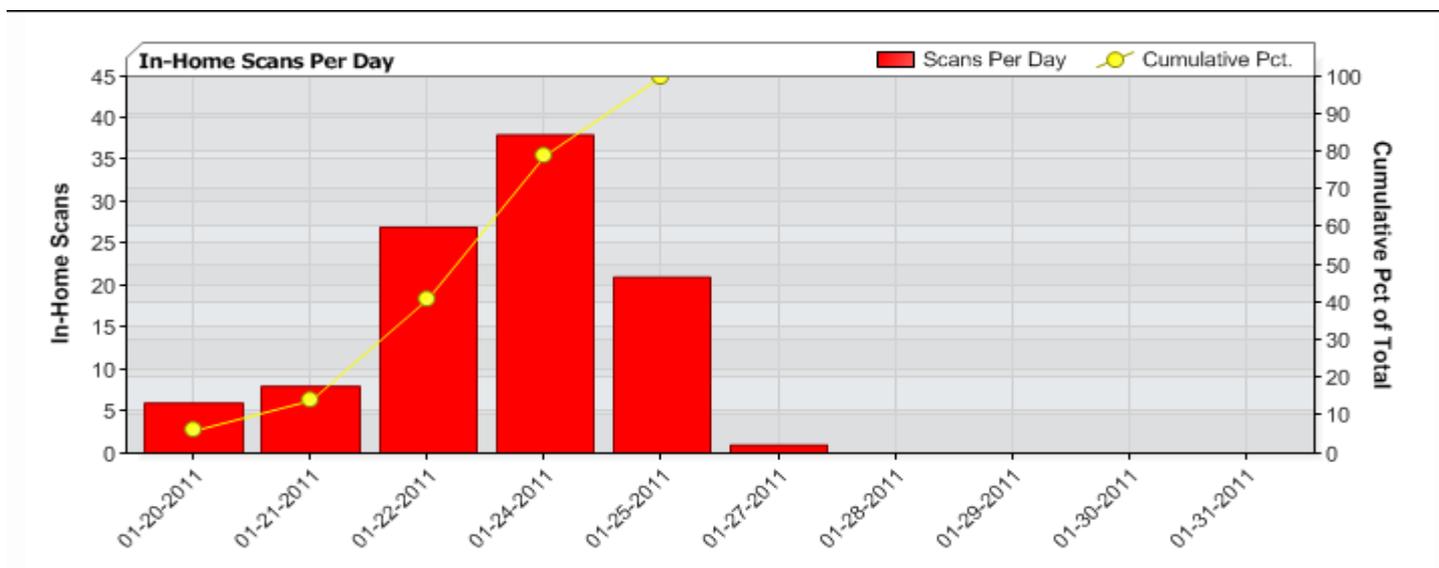
Graph is from is Trackmymail® "Job Details by Date" report

Use tracking data to manage multi channel marketing

Coordinate other multi-channel activities such as mobile messaging and emails based upon projected in-home dates.

| Name	Address	City	St	DestZip	Account Number	Projected In-HomeDate
Bob Smith	2424 Smith Way	Minneapolis	MN	55427634646	123456	02-01-2011
Walter Chandler	5643 Oxford Dr	Crystal	MN	55428512310	456754	02-01-2011
Mark Jones	6742 Barker St.	Minneapolis	MN	55435563053	423643	02-01-2011
Scott Brown	3245 West Ave	Rochester	MN	55901010504	675642	02-01-2011
Mary Bell	7542 Orange St	Rochester	MN	55901582822	645242	02-01-2011
Joseph Tuttle	8643 Blake Rd	Rochester	MN	55901760515	386432	02-01-2011

Triggers other multi channel activity such as:

- Phone
- Email
- Text messages

Sample shown is Trackmymail® "Mail Piece History" report, exportable or delivered daily via email

Intelligent Mail®: Transactional Mail Strategic Analytics

Use USPS® to track inbound and outbound mail to know when the recipient received the mail and then sent a remittance

Elapsed Days In-home to First Remit Scan
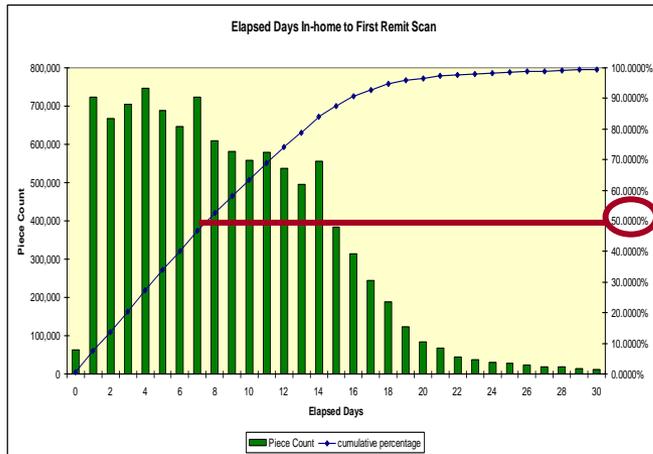
**Customer payment behavior analyses**
- Identify in-home to remittance response time
- Predict cash flow and necessary processing support
- Establish production to minimize remittance time

USPS Performance on Remittances
- Optimize use and location of Lockbox operations to improve cash flow (improve control, performance, and predictability)

Lockbox float efficiency analyses

Elapsed days between receipt of statement and remittances
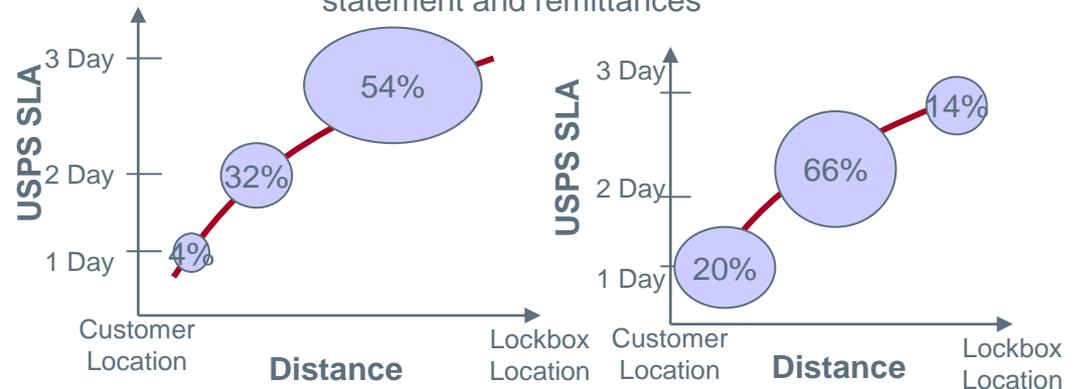
Intelligent Business Process

- IM® BC assigned as part of business process
- Define IM® BC elements
  - *Such as Mailer ID or Electronic Feedback desired*
- Embed intelligence into the barcode
  - **Such as business process or customer details**
- Enterprise Uniqueness
- Visibility – USPS®, Vendors, and Internal

Hexagon labels: Lettershop, Mail Pre-Sort, List Generation, IM® BC, Print Processing, Document Composition, Address Coding (CASS)

Differentiated IM® BC Implementation Solutions

Composition

Document Composition Software

Applied to address block during composition

Post-Composition

Distributed Output Management Software

Applied to address block after composition

Pre-Production

Distributed Printing Management Software

Applied to address block in output management system

Post-Production

Hardware Based
Sorters, Inserters

Generate, print and verify IM®BC on envelope; Piece-level tracking

Considerations:

- Printing environment must support new IM® BC graphic (drawn or fonts)
- Sequence # must be managed and associated with "keys" (full)
- For outsourced mail preparation, keys and sequence #s must be associated

Evaluate Implementation Options

Benefit	Fully Outsourced	Mixed: Services & Solutions	In House (with Solutions)
Full Service Discounts	🟩	🟩	🟩
Full Service ACS™	🟨	🟩	🟩
NIXIE Processing	Careful Planning	🟨	🟩
Time to Implement	🟩	🟨	Highest Risk
Implementation Cost	🟩	🟨	🟥
Recurring Costs	🟨	🟨	🟩
Control	🟨	🟩	🟩

Pitney Bowes:

Consulting services:
- **Educate**
- **Investigate**
- **Evaluate and design**
- **Implement**
- **Optimize**

Solutions:
- **Outsourced services**
- **Cloud solutions**
- **In-house solution**

In Summary –

Major Impacts:

- Production Costs

- Visibility

- Quality

- **Enhanced Customer Connection**

Questions and Answers

Pitney Bowes can assist you in complying with and gaining the most savings from the new IM® BC rules.

For more information:

- Website: www.pb.com/mailservices
- Email: mailservices@pb.com

THANK YOU.

Pitney Bowes

Every connection is a new opportunity™