

IMb Compliance: More than Just a Barcode

Seven core capabilities required for successful implementation

WHITE PAPER:

INTELLIGENT MAIL IMPLEMENTATION



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EXECUTIVE SUMMARY

COMPLIANCE WITH FULL SERVICE INTELLIGENT MAIL PROCESSES OFFERS MANY UNIQUE BENEFITS, AND MAILERS SHOULD ACT NOW IF THEY WANT TO TAKE ADVANTAGE OF THE MAXIMUM POSTAGE DISCOUNTS. AS INTELLIGENT MAIL COULD HAVE LONG-TERM IMPLICATIONS FOR YOUR BUSINESS, GETTING IT RIGHT IS CRITICALLY IMPORTANT.

MORE THAN A BARCODE, INTELLIGENT MAIL REQUIRES A SET OF SEVEN WELL-DEFINED CAPABILITIES FOR PROPER IMPLEMENTATION. THIS WHITE PAPER WILL DESCRIBE THE FULL SERVICE IMB COMPLIANCE PROCESS IN WAYS THAT WILL HELP YOU UNDERSTAND THE REQUIREMENTS AND YOUR OPTIONS SO YOU CAN CHOOSE SOLUTIONS THAT ARE RIGHT FOR YOU AND YOUR BUSINESS.

INTELLIGENT MAIL OVERVIEW

USPS defines its Intelligent Mail program as 'a comprehensive information technology infrastructure that will enable the Postal Service to meld its myriad bits of data into comprehensible and useful information'. But in all reality, Intelligent Mail represents the future of the mail in the U.S. The electronic documentation and tracking features of Intelligent Mail provide increased visibility into all categories of mail – First-Class, Standard Mail, Periodicals – plus a new level of accountability.

The postage cost savings resulting from Intelligent Mail can be substantial, especially for high-volume transactional mailers and other compliance-driven mailings for financial services, insurance and healthcare. Additional savings may be obtained by looking at the larger impact that Intelligent Mail can make on an organization's overall business systems and processes. With Intelligent Mail, your direct mail programs can become more accurate, as automatic address corrections and updates are applied to customer databases that are used by other departments, including marketing, billing, service delivery, and customer support. The savviest organizations also consider Intelligent Mail in the larger context of customer engagement, as more timely and relevant communications reach their intended recipient at a lower cost.

Intelligent Mail offers advantages that benefit organizations in many ways, including:

- **Maximum Postal Savings:** Intelligent Mail compliance allows for the maximum postage discounts.
- **Deliverability Tracking:** Intelligent Mail allows you to track deliverability – giving you visibility from the entire mailing down to the individual mail piece.
- **Low-cost Proof of Mailing:** Use of Intelligent Mail for deliverability tracking data provides you with advanced notice about when your high-value mail pieces will reach their destinations – eliminating the need for higher cost proof of mailing services.
- **Payment Tracking:** One can manage revenues, avoid unnecessary cancellations and improve overall collections efforts by applying barcodes to incoming mail. You can use inbound tracking to anticipate when an individual customer's check (or response) is on the way back to you.
- **More Efficient Customer Care:** With the right interface, you can provide mailstream visibility to your customer care representatives, reduce talk time and make better informed fee-waiver decisions.
- **More Effective Marketing:** Being notified of in-home dates allows for increased precision with integrated marketing efforts.
- **Stronger Performance Management:** You can improve data capture processes to validate the service levels of mail preparation and delivery of your internal and external mail service organization and the USPS.

Selecting the right software will make a world of difference in the successful deployment of Intelligent Mail. The most robust solutions provide comprehensive services that cover the entire mail process, from preparation and presort through tracking, audit and data capture. While there are many Intelligent Mail software vendors to choose from, the best solutions come from organizations with expertise in the field and a long track record of success with Postal Service programs.

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Seven core capabilities to achieve full service IMb compliance

No matter where you are on the implementation path for Full Service Intelligent Mail, as the deadline approaches you may want help in meeting compliance requirements. Look for software that provides these seven core capabilities that can get you to full compliance quickly and easily.

Capabilities Checklist

You need a software solution that provides the following:

1. Address coding
2. Move update capabilities
3. Presort and IMb generation
4. Ability to manipulate the printstream
5. Manifesting
6. Post-presort processing
7. Data capture capabilities

1. Address Coding

Getting the mail delivered to the correct recipient starts with the right address. A correct address saves the Postal Service time, money and manpower by reducing the volume of undeliverable mail, unsorted mail and mail that is deliverable, but requires extra effort to determine the proper location to which it should be delivered. That means you need to stay on top of your customer data. While critical for effective customer engagement, maintaining address integrity can be a challenge given that there are over 152 million deliverable addresses in the United States and over 650 thousand new deliverable addresses added each year.

That's where Address Coding comes into play, as it can help mailers accomplish several key tasks:

- Identify the customer address as deliverable within the USPS dataset
- Update the address to match the USPS data
- Format the address for delivery by the USPS
- Add missing address information, such as directionals, suite numbers and ZIP codes
- Convert rural address data to actual deliverable dwelling
- Check against USPS records to update addresses that have been renamed or renumbered
- Assign the appropriate data that correspond to the 5-digit ZIP®, ZIP + 4®, delivery point (DPCs), and carrier route codes.

MAINTAINING ADDRESS INTEGRITY CAN BE A CHALLENGE AS THERE ARE OVER 152 MILLION DELIVERABLE ADDRESSES IN THE U.S. AND OVER 650 THOUSAND NEW DELIVERABLE ADDRESSES ADDED EACH YEAR.

Address coding accuracy is important because in order to qualify for the lowest postal rates, a match must be found for each address and the correct 11-digit Delivery Point ZIP code should be included in the Intelligent Mail barcode (IMb) of the mail piece. Getting the customer's addresses right every time is not just important for getting the message across, but minor errors can seriously damage a company's reputation. Address accuracy directly affects customer satisfaction levels and mistakes can be costly.

When selecting a mailing software solution, be certain to look for these features:

- CASS Certification from the USPS
- Speed – solutions that can consistently handle large volumes of mail comprising millions of records
- Ability to operate on a wide variety of environments, including mainframe, open systems, and SaaS
- Code addresses consistency regardless of processing – real time vs. batch or operating environment
- Insight into the address characteristics such as rural route, seasonal, business or residential, commercial mailbox, or vacant
- Ability to integrate address cleansing across business systems

Address-Coding Technology

Pitney Bowes Software offers address-coding technology that can boost address-coding rates, while adhering to CASS standards. We have a proven track record in coding large volumes of addresses. Our software can be operated on open systems, mainframe, and SaaS operating environments, and contains a robust set of interfaces to connect to business platforms regardless of technology boundaries.

Code-1 Plus: validates, corrects and standardizes US address data in batch or real-time.

Finalist: verifies, standardizes and corrects addresses with a high level of accuracy.

Canadian Code-1 Plus: provides efficient, accurate address matching product for Canadian mailings. Links to broader data quality and customer analytic functionality.

Spectrum Universal Addressing Module: verifies addresses in more than 220 countries in real-time situations. Can automatically recognize data by country, and even confirm primary house numbers and apartment numbers.

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2. Move Update

Your customers don't stay still, which makes it difficult for you to reach them via mail – and that can be especially problematic when you need to deliver important transactional, legal or compliance communications. In fact, the USPS estimates that about 40 million people move annually – and that results in an undeliverable rate of about 5%. Incorrect addresses cost businesses money in wasted postage as well as print production costs.

Thankfully, move update software can cut the costs of returned mail and move forwarding – while increasing efficiency, productivity and customer satisfaction. Better addresses improve deliverability and, when addresses are correct, businesses do not waste money on postage.

In fact, proper move update processing can provide a 3.2% lift on average for address accuracy and deliverability. Move update software can update addresses by matching them to USPS change of address records, for any class of mail that has been updated within 95 days of the mail date.

There are several mail update software solutions on the market, so when you are making your selection use this checklist to measure the software against these features:

Ability to process move updates using all valid methods:

- **National Change of Address (NCOA)** – matches against a dataset of approximately 160 million permanent change-of-address (COA) records consisting of the names and addresses of individuals, families and businesses who have filed a change-of-address with the USPS® over the past 18 months.
- **Attempted Not Known (ANK)** – provides an additional 30 months of COA information.
- **Address Change Service (ACS)** – is a post-mailing service that allows mailers to receive change-of-address (COA) and other reasons for non-delivery electronically. With SingleSource ACS, all of the electronic change-of-address and undeliverable mail notices are combined into a single file format and provided electronically.

Move Update

Pitney Bowes Software offers address management tools that help businesses cut costs of returned mail and move forwarding, while increasing efficiency and productivity in mail operations.

VeriMove™:

- Available as hosted and on-demand – can strip out undeliverable data for large volume mailers. VeriMove users have reported processing in excess of 2 billion records/month run through VeriMove. VeriMove can provide proof that mailer is adhering to USPS move update standards.
- Operates on a wide range of platforms with an easy-to-use graphical user interface.
- Incorporates an internal CASS Certified™ software solution that provides address validation, correction and standardization. This helps companies more accurately identify matches with the Move Update process.

THE USPS ESTIMATES THAT ABOUT 40 MILLION PEOPLE MOVE ANNUALLY – AND THAT RESULTS IN AN UNDELIVERABLE RATE OF ABOUT 5%.

When should you generate your Intelligent Mail barcode?

In addition to the delivery point ZIP Code®, the IMb requires up to four new data inputs, including a barcode identifier, a service-type indicator, a Mailer ID, and a mailpiece serial/sequence ID. The graphics, fonts, coding and print specifications for the Intelligent Mail® barcode are different from all other barcodes

Even if you outsource mail processing, there are advantages to generating barcodes in-house.

Generate barcodes as you create documents

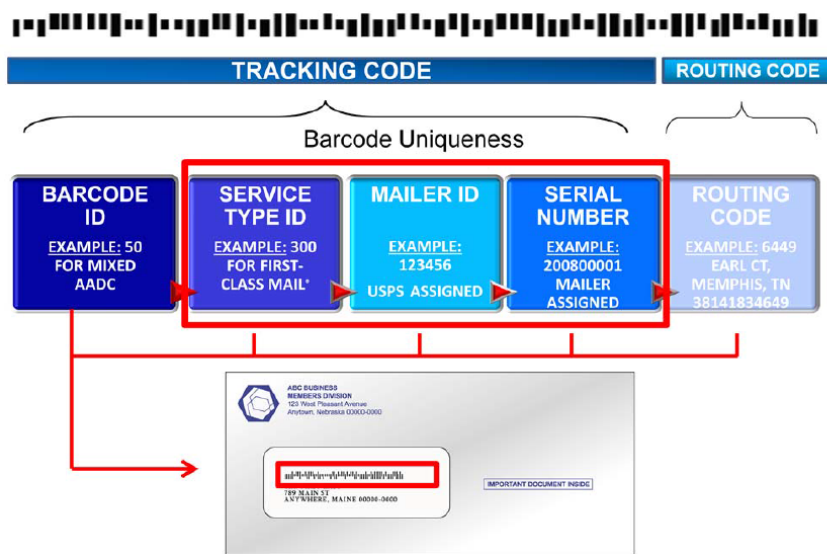
- Create barcodes directly from source data for greater integrity
- Take advantage of ACS™ benefits
- Leverage visibility of your mail with barcode tracking throughout your process

Print barcodes as part of your mail assembly

- Create barcodes directly from payload data
- No application changes required
- Easily create enterprise standards
- Utilize in a production environment
- Implement with minimal dependency on IT

By generating IMb barcodes in-house, you can link your mail piece sequence number to your source data to simplify updates and take advantage of all mailpiece tracking benefits.

Four new data inputs required in an Intelligent Mail Barcode



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3. Postal Presort and IMb Assignment

Presort is a critical step in achieving maximum cost savings through Full Service Intelligent Mail. With Full Service Intelligent Mail, the Postal Service now requires each piece of a mailing to have a barcode – the mailpiece, the presort tray and the pallet – because it is the only way that mailing can be tracked effectively.

Postal presorting essentially groups the mail by ZIP Code™ or carrier route. It's a way to organize and sequence the mail for induction into the Postal Service at the lowest possible cost, ensuring that all of the pieces going to the same destination get grouped into the same bundle or tray. Presort results are validated by the USPS MERLIN™ program, which examines the tray labels, package sortation, and container sortation according to USPS requirements. If the sample tested by MERLIN yields a score greater than 95 percent or higher, the mailing qualifies for the rates claimed.

Given the need for accurate assignment of barcodes during presort processing, mailers need to have software and production tools that can create the right sequence of barcodes for the mailpiece, the tray, the pallet and the mail sack. The most sophisticated software tools will automatically create this “nesting” structure with high levels of accuracy.

Consider these features in your checklist for Presort:

- PAVE-Gold Certified in every category.
- Ability to generate the extensive audit trail and mail production reports you need to speed mail preparation and postal acceptance.
- Track record of speed and reliability. These factors are critical for presort and IMb assignment, so look for a solution that can handle large volumes of mail without error.
- Ability to support both Open System and Mainframe.
- Generate necessary IMb barcodes for trays, sacks and pallets:
 - > Bay & Tray Discounts
 - > Palletization Discounts
 - > Drop-ship and Zone-ship Discounts
- Manifest reporting.
- Mail.dat files that are fully compliant electronic reporting requirements.
- Ability to handle large volume mailings with properly sequenced IMb.
- Ability to create and attach a unique IMb tracking on every piece delivered to the Postal Service.

Postal Presort and IMb Assignment

Pitney Bowes Software offers several solutions that combine the logistics of presort with the visibility and tracking capabilities of Full Service Intelligent Mail:

MailStream Plus acts as a “traffic cop” to ensure preparation of all mail to Postal Service Standards. Users can presort to the highest level possible with to maximize postal discounts on every class of U.S. Mail. MailStream Plus is PAVE Gold-certified in every single category. MailStream Plus can automatically create the nesting logic of the mail piece, according to the IMb number – so the appropriate number goes on the piece, the tray, the pallet, etc. Pitney Bowes Software lets you add-on modules to MailStream Plus that can be custom fit to your issues. For example, you may have two clients with mission-critical mail at low quantities. With MailStream Plus you can co-pallet different projects from separate clients to achieve better postage rates.

MAIL360 is an innovative solution that automates the translation of USPS and third-party mail tracking data into a standardized format that can be readily integrated into your business processes. MAIL360 software actually generates the IMb numbers – and can generate a million numbers if needed, all sequenced. Users can comply with the new barcode standard as part of the high-volume list cleansing process. With MAIL360, you can incorporate barcodes without any disruption to workflow using CASS-Certified solutions. In addition, MAIL360 guarantees that your IMb number is unique for 45 days; which lets customers tie the IMb to a specific business process for greater accountability.

4. Printstream Manipulation

An effective customer engagement strategy typically includes all types of mail, from marketing to compliance to transactional. At the same time, rising customer expectations and demands for personalization, privacy and security place greater focus on communications software to meet these evolving needs.

Printstream re-engineering software allows users to modify and enhance print-ready documents without the need to change the underlying business applications systems. In terms of Intelligent Mail compliance, this offers mailers the flexibility to generate and manage Intelligent Mail barcodes in a production environment without disrupting your underlying operations or systems.

More than just a technology solution, printstream manipulation lets you work with documents intelligently so that changes can occur on the fly, as needed. There are a number of software solutions that claim expertise in printstream manipulation, but the most robust solutions include these features:

- Works in conjunction with your existing print-ready file creating applications.
- High-speed, high-quality output.
- Update, modify and redirect print streams on-the-fly.
- Run applications that work with most popular business document formats.
- Easily analyze, develop and test your print stream processes with built-in tools, including WYSIWYG viewers.

Printstream Manipulation

Pitney Bowes Software offers strong capabilities in this area, backed by a track record of client success:

StreamWeaver works with the print-ready files created by your existing applications, so you can achieve high-quality, high-speed implementation of Intelligent Mail® barcoding and file-based processing, postal automation, document consolidation and effective personalization and target marketing. StreamWeaver enables you to achieve multiple tasks:

- Quickly and easily manipulate and alter documents and print streams to leverage the most efficient print, mail and digital delivery options.
- Access data from external files and databases to enhance documents in a print file or to control processing logic for maximum efficiency.
- Extract document data to create reports and produce data files for new applications.
- Comply with USPS® Intelligent Mail® barcode requirements to maximize postal discounts.

Test Environment for Mailers

For mailers who have procrastinated with implementing Full Service IMb, the Postal Service created a type of “fail safe” verification process called “Test Environment for Mailers.” The purpose of TEMs testing is to ensure that a mailer is ready to produce Full Service IMb mailings. Based on input from early adopters, the Postal Service streamlined the verification process. Now, mailers use an excel worksheet developed by the Postal Service to submit for TEM testing. The mailer simply fills out their information (organization name, contact, phone, etc.), their presort application, and the types of mailings they are submitting. The worksheet immediately indicates the next steps to complete TEM testing. For most mailers, the worksheet will direct them to submit only one eDoc test job.

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5. Manifesting

Electronic documentation is one of the cornerstones of the new Full Service Intelligent Mail program and mailers must make e-doc capabilities a top priority for compliance. This electronic representation of the mail is called a “mail.dat” file – and, as of January 2013, mailers have been required to present a mail.dat file to the USPS. This move toward e-docs is part of the overall USPS mandate for increased efficiency wherein much of the mail acceptance and verification process has been automated, resulting in faster and more accurate mail processing and acceptance. Mailers save significant time since they no longer have to complete manual qualification reports or postage statements. Instead, electronic documentation now accounts for the makeup of each mailing, including the number of pieces and the total cost – as well as all required postal statements.

Organizations that want to achieve the most efficient manifesting processes have access to a number of commercially available software solutions. When evaluating your choices, be certain that the software can perform the following tasks:

- Deliver output data files that allow users to print tray tags and pallet tags using their preferred output device.
- Create pallet placards and barcoded skid sheets for every pallet you produce and have your pallet counts show up on your postage statements and 8125's without editing statements.
- Ensure that all of your mail is electronically represented on pallets in Mail.dat®, thereby facilitating transportation of this mail.
- Generate statements with correct pallet counts based on the pallet data in your Mail.dat files, thereby eliminating the need to edit statements to add this data.
- Ability to create separate manifest reports for each specific project (even if processed in a single run) so you can validate mail quantities and charge backs by project.

Manifesting

Pitney Bowes Software offers:

Simplify your workflow by producing a single Full Service IMb manifest. Pitney Bowes manifesting software can also enable USPS incentives – so users can track the mailpiece by incentive – and can also identify contents of each mailing. Support mail entry of finished mail pieces, even if the total mailing is not complete. Pay only the postage you need with dynamic manifest updates based on actual production data.

DFWorks Full Service IMb Postal Manifesting is a module within DFWorks that allows you to run multiple jobs and still create proper documentation. The helps you increase overall efficiency with on-the-fly pallet and tag creation based on completed trays.

- Provide accurate postage chargeback reporting through tight integration with postage accounting.
- QR code application – to support digital/print multichannel communications.

The Full Service IMb manifest software allows users to create a single submission to the USPS containing any completed trays from multiple presorted jobs, including on-the-fly pallet and tag creation based on completed trays. Electronic documentation required for Full Service submission is automatically updated based on mailpiece processing results. And since the entire process is fully tracked, they are able to provide accurate chargeback reports for their internal stakeholders due to tight integration with their postage accounting system.

ELECTRONIC DOCUMENTATION NOW ACCOUNTS FOR THE MAKEUP OF EACH MAILING, INCLUDING THE NUMBER OF PIECES AND THE TOTAL COST – AS WELL AS ALL REQUIRED POSTAL STATEMENTS.

6. Post-presort Processing

Every organization looks to save money these days. With post-presort processing, you can combine multiple mail runs into a single pallet, and submit mail at a lower rate.

Plus, while reports are initially generated based on the original mail file, it is not unusual to have “spoilage” during the mail production process. With post-presort processing, large mailers can identify specific mail pieces that are not included due to spoilage, so you can remove those counts from the manifest and avoid paying that postage.

When looking for post-presort processing software, you want to be able to take the output from your mail.dat file and plug it into any third party presort process. With the right software and a proper mail.dat file, processing time can be reduced significantly. Most post-presort processing software lets you edit your mail.dat file and generate the appropriate postage statements for all mailings, large and small. The most robust programs allow you to query records by account and name, providing greater visibility and accountability.

Post-presort Processing

Pitney Bowes Software offers:

MAIL360 Data Manager ingests your mailing files—including the Mail.dat file and mail deliverability data from the USPS—providing you a single, organized, repository providing insight on the deliverability of each element of the mail processed by the USPS. Using the MAIL360 Data Manager enables you to track and report mail deliverability at both the mailing (batch) and record (mailpiece) level.

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7. Data Capture

The final piece of the Intelligent Mail infrastructure is data capture – a process that has long-range impact on the quality of your communications. Data integrity is the bedrock of any customer engagement program, and the IMb process includes several opportunities for address cleansing and capture of updated customer information. IMb tracking also provides the ability to track remittance data – which benefits the call center in terms of staffing. When you know “the check is in the mail”, you need less people making collection calls.

At the data-capture stage the USPS IMb tracking data is captured and matched back to specific customer mailings – and then the information is sent in near real-time to different systems and/or workflows across the organization. Reps and self-serve systems can validate mail delivery and expected in-home dates using common search terms, such as account number or name.

Data Capture

Pitney Bowes has over 90 years of experience in mail production, and has been on the forefront of IMb adoption from its inception. Pitney Bowes Software knows the ins-and-outs of Intelligent Mail compliance and has the tools to support the successful implementation of Full Service Intelligent Mail.

MAIL360 can update and enrich data as well as increase mailing efficiency by:

- Central management of Intelligent Mail barcodes
- Linking Intelligent Mail barcodes to a recognizable enterprise key - to tie relevant mailing and database information to a specific mail piece
- Integrating correspondence to improve business processes in departments such as billing, marketing and customer support
- Generating customizable reports for mail delivery performance

One of the main attractions of Intelligent Mail applications is that the captured data is based on actual customer transactions; information that most customers expect you to have available at your fingertips. By managing this single source of data better, improvements can be made across dozens of key customer touchpoints, including billing, automated response units, customer care, collections and online account management.

Intelligent Mail applications enable organizations to increase the effectiveness of their efforts, including:

- Collect more effectively.
- Optimize call center staffing.
- Target in-home windows.
- Create more efficient call center experiences.
- Reduce cancellations.
- Manage risks and decrease fraud.
- Make better fee-waiver decisions.

When selecting a software solution, look for a vendor that has a track record in data quality—these software providers understand and respect a business’ need for accurate customer data, and they tend to offer products and services beyond merely IMb generation. Important considerations include:

- Ability to store up to six in-house data elements along with each IMb record – meta data known as “enterprise keys” that make it easy to match back a specific barcode to an account, customer, mailing or event.
- Automatically updated address info that will improve deliverability going forward. Look for software that provides a NIXIE report, so you can eliminate wasted mail, as well as COA. The COA (change of address) mail will be delivered, but if you can capture that information in your program, then you can fix your address database for future mailings.

THE NEW INTELLIGENT MAIL® BARCODE IS MUCH MORE THAN A BARCODE, IT IS A FUNDAMENTAL PROCESS FOR EFFECTIVE CUSTOMER ENGAGEMENT

Leverage the IMb to improve data quality and customer knowledge

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IMb is much more than a barcode, it is a fundamental process for effective customer engagement. When you successfully implement Full Service IMb, you will be able to update your customer data, view response and remittance rates, and capture additional customer intelligence as part of an integrated process. The new Intelligent Mail® barcode will make it easier for you to make address corrections. You will receive corrected electronic data to update your source data or start your notification, consent and updating processes.

You just need to get started. Use the “seven core capabilities” described above as a measuring stick to evaluate the Intelligent Mail software and consulting services on the market; you will see that there are some solutions that are more comprehensive, more robust than any others. It will make your decision that much easier, and you can rest assured that you will meet the Intelligent Mail requirements.



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