



# Overcoming Increasing Mail and Shipping Costs

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## The Purpose of Cost Savings Awareness is threefold:

- To educate individuals to intentionally identify and pursue savings within the site operations
- To evaluate current cost savings practices and processes, ensuring that they are efficient and effective
- To enhance team members understanding and knowledge of the value of cost savings

Cost Savings Awareness is capturing and documenting savings in order to understand the success of a cost saving initiative and further reinforce the value to all involved.

## Standard Practices for Savings:

1. Proper care of office equipment
  - Perform routine preventive maintenance checks
  - Use maintenance log to track and monitor service issues
  - Be knowledgeable of policy and terms of maintenance agreement for equipment
  - Follow Proper Procedures
    - Safety
    - Capacity
    - Throughput
2. Consolidate mailings
  - Monitor internal mail being delivered to the same locations by departments or an individual
  - Educate users regarding postage expenses

*Ex: 2 Priority mailings that can be combined generate 50% savings with Flat Rate Priority*
3. Rate shopping
  - What is the fastest and least expensive alternative?
  - Discuss various shipping vendors and options available with your customers
  - One vendor is rarely always the best choice

## Postal Savings Awareness:

What are some of the current issues we are facing?

Financial Issues

- Declining volumes
- Retiree Benefit Requirement
- Union Issues
- Congressional Opposition

Proposed/enacted Solutions

- Plant Optimization Plan
- Intelligent Mail Barcode
- Five Day Delivery
- Rate Increase
- Congressional Reform Proposals

### 1. First Class Mail

- Mail Via Presort where possible
  - Fully evaluate value of presort services against costs
- Co-Mingle Mail when Possible
  - 6 pages in an envelope is same postage as 1 page
- Use letter size envelopes instead of flat envelopes when possible
  - Validate maximum standards for letters not exceeded
- Ensure proper postage is affixed by meter equipment
  - Follow proper procedures and methodology

### 2. First Class Presort Mail

- Maintains all the service levels and requirements for First Class (Often called Full First Class)
- Sorting mail pieces by Zip Codes allows the mail to skip steps in the mailing process and reduce USPS workload

### 3. Priority Mail

- Validate your meters are Commercial Base Pricing
- Compare all Priority Options with each mail piece
- Flat Rate (envelopes and boxes)
- Regional Rate
- UPS or FedEx Alternatives
- PO Box addresses must be mailed via USPS
- Co-Mingle Mail when Possible
- Flat Rate: If it Fits it Ships!

### 4. Expedited/Over Night Service

- Validate Service Level for Delivery Point
- Compare against other carriers
- USPS Expedited services most expensive in industry
- UPS or FedEx
- PO Box addresses must be mailed via USPS
- Utilize USPS Flat Rate Express Envelopes
- Again: If it Fits it Ships! ☺
- Understand client's purpose for mailing
- Communicate options

### 5. Special Services

- Certified Mail
  - Communicate options (Bulk Certificate, etc.)
  - Validate Return Receipt is necessary!!
- USPS Tracking
  - FREE on Priority Mail- VAULE ADDED
  - Communicate to customers
- Business Reply Mail
  - Understand all the costs
  - Validate IMB is being used on each piece
  - Communicate alternatives

### 6. Business Reply Mail

Business Reply programs should be fully evaluated to ensure other options are not more cost effective and still meet assigned objectives. The fee paid for each piece received back can vary from \$.79 to \$.009! **Receiving 5,000 BRM pieces has potential savings of \$45,000**

Other Options:

- Courtesy Reply Envelope
- Pre-Stamp Envelope
- Electronic Response (web-based, e-mail, etc.)

**Summary of Postal Savings Awareness:**

In order to initiate cost savings at the highest level, be mindful of the customer's needs, and be the expert in:

- Mail Shapes and Sizes
- Effectively utilizing the different classes of mail
  - Pay particular attention to the benefits of presorted mail and how it can help the customer's business
- Understand the cost and value of Special Services
  - Certified Mail/Return Receipt
  - Priority Mail Flat Rate services

**For more information on how you can save money on Postage and Shipping, please contact OMG at 513-429-9526 or e-mail us at [info@omgservices.com](mailto:info@omgservices.com).**