



The Smart Choice

A case study about how the right equipment can reduce your costs

— By Clark Cassell —

Smart Choice Shipping (SCS) is helping corporations in the northeastern corridor achieve impressive postage savings on their parcel shipments in the United States while improving delivery time and simplifying processing. The shipping and mail management company accomplishes this by combining unique postage conversion programs with the use of a versatile parcel processing system by Engineering Innovation called The Champ.

SCS owners Frank Davis and Dick Albert, who bring decades of industry experience to the table, create customized solutions for all customers that harness The Champ's manifesting capabilities. Albert says, "I really like how The Champ handles multiple types of mail simultaneously and helps me determine

optimal mailing strategies for particular parcels, depending on my customer's need to maximize postage savings or improve delivery time."

An insurance company SCS provides services for was sending out 250-500 policies daily that weighed one to three pounds using Federal Express 3-Day service — and spending \$30,000 each month. By converting the packages to Commercial Priority Mail and using a special Flat-Rate Envelope, which they designed in conjunction with the U.S. Postal Service, SCS reduced shipping costs by more than a third and knocked \$150,000 off the annual outlay.

"The key to this conversion program," Davis explains, "was the willingness of the Postal Service to work with us in

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developing a special Priority Mail flat-rate envelope that works perfectly for this type of mail. It minimizes my client's mail preparation time while enabling us to provide them with a single rate for all of these parcels regardless of their weight.”

The Champ works in conjunction with a unique Delivery/Signature Confirmation portal called EZ-Confirm.com. The 100% web-based solution automates the entire process for Accountable mail, from addressing and labeling to electronic tracking and managing the electronic USPS Return Receipts. The client uploads its customer file each day into EZ-Confirm's address book, where the USPS tracking number is assigned. Address sheets are generated then placed face-out on the see-through side of the Flat Rate Envelope and collated with the policies being sent out.

According to Albert, “The client obviously loves the postage savings we have been able to provide, but they have been pleasantly surprised that we have also been able to improve delivery. Parcels generated in New York are delivered even to recipients in Alaska and Hawaii in three days. They also love how we have eliminated their need to address the mail and enabled them to track any mailpiece by the recipient's name or policy number.”

SCS has created a postage savings program for another client — an Internet-based retailer of DVDs, CDs, how-to guides and assorted memorabilia — by converting segmented portions of the mail stream to different mail classes. Three hundred packages per day (13 ounces and under) sent to residential and business locations throughout the US were converted to First Class Parcels. SCS converted parcels ranging from 14 ounces to five pounds to Flat-Rate Priority Mail boxes.

Overall delivery time markedly improved from 11 days to one to four days. Tracking for both the First Class Parcels and the Priority Mail was automated and enhanced via the EZ-Confirm portal. SCS was able to help this client achieve total cost savings of \$150,000 per year, improve processing efficiency, decrease delivery time and complete mail accountability through the combination Champ/EZ-Confirm mail management system.

A third customer was the recipient of two back-to-back SCS conversion programs. The application features four mailings each year of 25,000 mailpieces, one group weighing one to four pounds, the other five to 12 pounds. Items to street addresses were being sent via Federal Express ground service and PO Box/APO addresses via Priority Mail.

SCS converted the entire mail stream to Priority Mail. With the lighter pieces dropped into flat-rate envelopes and the heavier group into conventional flat-rate boxes, they were

able to reduce delivery costs by a dollar, thus reducing costs \$25,000 for each mailing.

This approach ensued through three cycles, but while dropping the mail contents into the flat-rate containers, SCS began noticing that the contents consistently qualified for Bound Printed Matter. SCS began working with the client to improve internal processes for establishing a lead time so that fast delivery was no longer critical. This conversion saved the customer an additional \$20,000 for each mailing. With this conversion, SCS has added more than \$180,000 back to this customer's annual bottom line.

Ronald Robbins, president of The M.A.I.L. Group in Lafayette, Indiana, and the original developer of the Champ manifesting system, has been working with postage rate conversion programs for 28 years. He views “SCS's conversion programs as cutting edge in mailing creativity,” and adds that, “their clients are fortunate to have a consultant who understands the world of mail processing and the many postage saving possibilities.”

Key to SCS's success is expanding the manifesting concept from the shipping department to the mail center floor. Davis points out that “the Champ solution provides a strategic advantage as this mail manifest system rapidly expedites processing several mail classes of both lightweight and heavier mail simultaneously. We can handle several types of mixed-weight packages on the fly or focus on more larger-volume automated applications based on our conversion programs.”

“Especially useful,” Albert goes on to explain, “is the ease in which the system allows for Flat-Rate Container conversion. In many instances, corporate end users generating heavier mailpieces, especially in office settings, do not have the time or the inclination to determine which approach will save the company the most money. The Champ gives us the ability to do that for our clients as we process their mail.”

While postage savings and conversion programs provide valuable reasons for bringing manifesting into the mail center, The Champ's ability to carry individual mailpiece information to cost centers gives SCS a turn-key process for delivering itemized, departmental billing back to its clients. Metering requirements are eliminated while individual departments track postage or delivery information on every piece of mail. ■

CLARK CASSELL is the Business Development Manager for Engineering Innovation. Contact him at 800-350-6450.