

The Man with the Plan

Bob Bernstock had no hesitation about taking over the Mailing and Shipping Services division at USPS during one of the worst economic crises in American history. And despite the doom and gloom that most people are discussing, Bernstock is optimistic about these challenges.

— By Amanda Cook Armendariz —

For the past year or so, times in this country have been difficult. Unemployment is increasing, 401k values have plummeted, and for the majority of companies — including the United States Postal Service — revenue loss is significant. Judging by those factors alone, one might guess that it would be rather challenging to find someone willing to take the helm of a prominent, worldwide organization.

Enter Bob Bernstock. The former president and/or CEO at Scotts Miracle Gro, Vlasic Foods International and Campbell Soup Company didn't just accept the position as the President of Mailing and Shipping Services at USPS — he embraced it. "Marketing is my passion," he explains. He's not joking, either. When the man who was responsible for the Chunky Soup ad campaign featuring NFL players and their mothers speaks of his vision of marketing the Postal Service and all it has to offer, it's clear he's found his calling.

And he believes it is this experience and passion, combined with all that USPS has to offer, that will help the Postal Service navigate these rough economic waters and, dare we say, emerge from the recession on top. "We have outstanding brands and terrific products, and these are key components to building success. When you start with a great institution and add the brands and

products that are universally recognized and trusted, then, you're building strength," which Bernstock sees as a definite bonus.

An Easy Transition

Most people are reluctant to switch from the public sector to the private, or vice versa. However, going from private to public wasn't that difficult for Bernstock. "The Postal Service is actually more similar than dissimilar to the private sector," he states. Organizations in both sectors require visionary leadership, tenacious discipline and innovation to get through these tough times. But, of course, there are differences between the two sectors as well. "The Postal Service has been around a long time — 230 years, which is quite a history," Bernstock continues. "There are very few private companies that have been incorporated for that long and had the success that we have. USPS has delivered on its mission of universal service at affordable prices while becoming one of the most trusted organizations and enterprises within the United States. The Postal Service has done a number of things extraordinarily well, and only the best private-sector companies have a record that can compare with ours."



One of his top priorities is to leverage the strength of USPS assets in order to best serve the public and USPS itself. He is focused on organizing USPS in such a way that it is best able to take advantage of all the capabilities of the roughly \$70 billion enterprise. "In order to be a revenue-generating organization, we want to create a customer-facing structure and then, within that structure, organize by products," he elaborates. "The second thing we need to do is to take full advantage of our selling channels because there are very few organizations that have both products and channels that directly touch our business customers and our consumers. We've made some organizational changes that allow us to leverage this unique capability." Bernstock has taken a long look at the extensive list of initiatives incubating at the Postal Service and is focusing on the breakthrough opportunities within that list. He will unleash marketing behind the best of these ideas to drive the growth of these opportunities.

One area Bernstock feels strongly about is the Postal Service website, www.usps.com, saying he wants to create a "world-class" website that links all USPS retail opportunities together, whether a customer goes online, visits a brick-and-mortar retail center or uses the call centers for information. Providing a consistent customer experience is key, perhaps second only to the need to have the website be more responsive and easier to navigate for customers.

"Whether you're a consumer looking for free packaging supplies or a large business mailer interested in finding out how to tap into our competitive shipping prices and product mix, what you're seeing today on the website is somewhat of a cosmetic change, with much more to come. We will transform the customer experience," Bernstock says.

USPS will launch its first mobile applications sometime this fall.

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Finding the Silver Lining

No interview with one of the highest-ranking officials in one of the most well-known and largest organizations in the United States would be complete without asking his views on the economy and how it is impacting his leadership. He seems calm as he answers, stating that this current economic downturn is just a phase, one that our country has seen before and will see again, so this is an ideal time for leaders to reset their priorities. "I think it's hard to find a leader of a business in our country who doesn't face challenges from the recession and the economic downturn. We're all in this together," he states.

But accepting that we're all equal and we're all facing the same challenges doesn't mean that there are no positives. Bernstock is extraordinarily proud of what the Postal Service has accomplished in the face of this recession. "The operations and supply chain teams have done a tremendous job in improving our productivity, and we've made great progress in that area," he points out. "In terms of revenue generation, the major initiatives now underway are about providing superior value and service. An excellent example would be the flat-rate box in shipping services and the Standard Mail Summer Sale in mailing services. These are marketing campaigns that are very appropriate for the current economic times."

The Priority Mail Flat Rate Box has always been popular, but perhaps never more so than now. "This product has a series of benefits that we summarize with the tagline, 'A simpler way to ship.'" And it truly is a simpler, more cost-effective way to ship anywhere in the country. "The flat-rate box offers a powerful series of benefits, starting with the fact that there's no need to weigh; if it fits, it ships all over the country. It's a big country [laughs]; Alaska is part of the country, so you can send a package from Alabama to Alaska or New York to New Mexico for that one low price; it's just a lot simpler to ship anywhere in the country for one flat rate. And add the benefits of carrier pickup and the fact that the packaging itself is free — all in all, it's a pretty powerful combination of benefits."

To get the message out about this product, USPS has been showing 30-second commercials extolling the benefits of flat-rate boxes. "We really like to show the letter carrier as a hero who can communicate the message. The commercials allow you to meet Al, the friendly carrier. The advertising seems to be doing well — it's a very memorable and persuasive campaign. We've been running it since May, and we'll probably run it through the end of the summer. We're off to a good start and pleased with the results we've seen over that three-month time period."

Bernstock freely acknowledges that the integrated campaign is an area where he has applied his knowledge from the private sector. "These commercials are one piece of a total campaign," he explains. "We have our own website, www.prioritymail.com, which we created solely for the purpose of educating small and medium-sized businesses and consumers. If you go to retail, you'll see Al; he's life-sized and hands out the free packaging for the flat-rate boxes. For larger customers, our sales force gets involved.

“The Standard Mail Summer Sale has been a good initiative for us,” he continues. “Our approach is that we believe we have a responsibility to help create a growth stimulus for the mailing industry. The intent is to give the mailing community the opportunity to grow their volume of mail by pricing incremental pieces at a discount.”

The Summer Sale is one of the best examples of USPS ability to take advantage of the pricing freedoms the Postal Service now has under the Postal Accountability and Enhancement Act. The law enabled USPS to offer a short-term price incentive to qualifying mailers for the first time in its history.

“We can pursue markets we couldn’t pursue as readily or easily before. The ability to tailor pricing products to meet specific customer needs is a tremendously important tool for any business, and we are leveraging that tool to its fullest capability,” he says.

Restructuring the USPS Sales Force

Another major initiative of Bernstock’s has been the restructuring of the USPS sales force. When asked about his goals behind this restructuring, he answers that they are three-fold. “First, we wanted to align with our customers and partners,” he shares. “And we want to make sure that we service our largest customers extraordinarily well; they tend to know a lot about the mail and are very well-educated about our products and services. The goal there is to meet their service needs. Smaller customers might not ship as frequently, so we have more of a selling and educational role; therefore, we have really intensified and increased our efforts to get out there among small and medium-sized companies and educate them on the benefits of using USPS products and services. We’re also working with our business partners to generate demand.”

Bernstock’s second goal is to be aligned with operations because, as he puts it, USPS had an organizational sales structure that wasn’t quite a perfect fit. Now the organization is aligned geographically, and the sales managers are linked to the area VP and marketing managers. “The revenue goals are aligned geographically as well,” he explains, “which makes us much more productive for both our customers and USPS.”

Thirdly, USPS has developed business initiatives that ensure that the sales team is also aligned with each of the shipping and mailing business units — basically, sales is now aligned with product management. This is especially true “as you go deeper into the specific products,” Bernstock shares. “That creates a much more effective organization, and we’re much clearer at communication.”

It is this commitment to effective communication, to developing truly effective initiatives, that will see USPS through this global economic slump. In a time of uncertainty, one thing is clear — Bob Bernstock is the man for the job. ■

The First-Class Mail Incentive Program Facts

In its effort to continue giving its customers the most value for the least amount of money, the USPS will soon be launching its Fall Incentive Program. Here’s a quick rundown of what it entails:

What is the First-Class Mail Incentive?

The USPS knows times are hard and companies are feeling the pinch of the economic downturn. In an effort to help its valued business customers get through these challenging times, for the first time ever, the Postal Service launched the Standard Mail Summer Sale. And now that summer is well underway, the USPS thinks it is an excellent time to introduce its next big event.

The First-Class Mail Incentive will give eligible companies a 20% postage rebate on presorted letter, flat and card volumes that exceed a predetermined threshold. The Incentive runs October 1 through December 31, 2009. This is how the program works:

- To be eligible for the Incentive, a company must have mailed 500,000 or more non-parcel non-single-piece First-Class Mail presort pieces between October 1 and December 31 in both 2007 and 2008.
- Companies interested in taking advantage of the Incentive can register online at www.usps.com/fallsale.com. The deadline for registration is October 15, 2009.
- Participants will be asked to provide documentation to verify their 2007 and 2008 monthly volumes for the period of September 1 to December 31, and January 2009. Some companies may need to work with their Mail Service Provider to obtain accurate counts.
- The percentage increase or decrease calculated between 2007 and 2008 volumes will be applied to the company’s 2008 volume to establish the Incentive threshold.
- First-Class Mail presort volume above the threshold will qualify for a 20% postage rebate, which will be credited to the company’s Trust Account after the Incentive ends and all qualifying volumes are reconciled.
- A volume threshold will also be established for September 2009 and January 2010 using the same calculation as the Incentive threshold. If a participating company’s First-Class Mail presort volume does not meet these thresholds, the difference will be deducted from the Incentive Rebate Volume.

In accordance with the Postal Accountability and Enhancement Act, First-Class Mail Incentive will undergo a 45-day review prior to implementation. Questions regarding the First-Class Mail Incentive may be sent to: firstclassmailincentive@usps.gov.