



Traditional Paper Mail – An Intelligent Complement to Customer Service

RFG believes the flow of corporate mail is seldom managed to optimize the effectiveness of customer service and enterprise economics. The management of traditional "paper" mail is routinely treated as a stand-alone task within the enterprise and is seldom integrated into the overall customer service process as managed in the multi-channel customer contact center. A more informed management approach to the traditional mail process would likely result in the improvement of customer service and enhanced efficiencies throughout many aspects of corporate efficiency and effectiveness metrics. IT executives should develop an appreciation for "intelligent mail" capabilities and implement improved handling methods and integrated management routines to enhance cost savings and customer service process efficiencies.

Business Imperatives:

- In the case of many enterprises the flow of traditional paper mail and its lack of assimilation into other sophisticated customer service tools and processes does not leverage customer service and overall corporate effectiveness. IT executives should develop plans to automate and integrate mail processes with other corporate customer service practices and plan to implement strategies that will maximize the effectiveness of overall customer interactions.
- In many cases corporate acquisitions, mergers, and restructuring have left the mail document processes isolated from other business processes that drive or are driven by transactional document output, such as bills and statements. IT executives should take ownership of this process before the legacy systems are completely outdated. They should implement planning for systems to add enhanced features, deliver bills electronically, provide account information in real time, and work cooperatively with marketing, accounts payable and other business functions to eliminate inefficient corporate silos.
- Tracking the delivery of inbound and outbound mail can add a significant level of accuracy and efficiency to the management of corporate mail and related personnel and processes. However, using advanced mail capabilities to add the knowledge of envelope content can dramatically enhance the functionality of corporate systems. IT executives should attempt to perfect customer service capabilities and enhance system effectiveness, reliability, and security while minimizing risk by implementing an Intelligent Mail tracking program within their corporations.

Pressures to improve corporate economic performance and increase competitiveness through enhanced customer service have driven IT executives to implement new technologies across multiple access channels in the customer contact center at an increasing rate. (See the RFG Research Notes "[Moving the Contact Center to a Channel Performance Optimization Model](#)" and "[Best Practices to Improve Customer Relationship Management](#).") However, the management of traditional "paper" mail has been slow to transition to an automated system in many corporations. While the management of paper mail can often be the responsibility of the contact center manager, the process is seldom integrated with other contact center systems despite the potential advantages of such a linkage.

Instead, many corporations continue to manage customer service functions including mail, the voice call center, and/or Web-based self-service operations as discrete corporate functions. Seldom do they consolidate the functions or the information gathered in order to improve customer service efficiencies and offer better service to their customers. RFG believes there is a great potential for improvement of the enterprise paper mail process that can result in a higher value, information-rich mail stream that can be more accessible, affordable, and secure than today's segregated, and often manual systems.



Intelligent Mail

Intelligent Mail is the *"use of standardized data-rich, machine-readable barcodes to make each mailing piece unique and trackable."* Source: [National Postal Forum, Mailing Industry Task Force](#). Several businesses have joined together to support U.S. mail through [The Mailing Industry CEO Council](#) that "will focus on establishment and maintenance of public policies, as well as mailing industry standards, which enable the growth of the industry going forward."

In December 2002 the [United States Postal Service](#) (USPS) established a nine-member, bipartisan commission to develop recommendations for the future of the U.S. Postal Service. This National Postal Forum Mailing Industry Task Force, made up of members of industry and the U.S. Postal Service, developed concepts and recommendations to enhance collaboration between industry and the USPS. The task force focused on driving cost savings through more efficient operations, increasing USPS ease of use, and quality improvement. One major result of the task force effort was the development of a concept known as "Intelligent Mail."

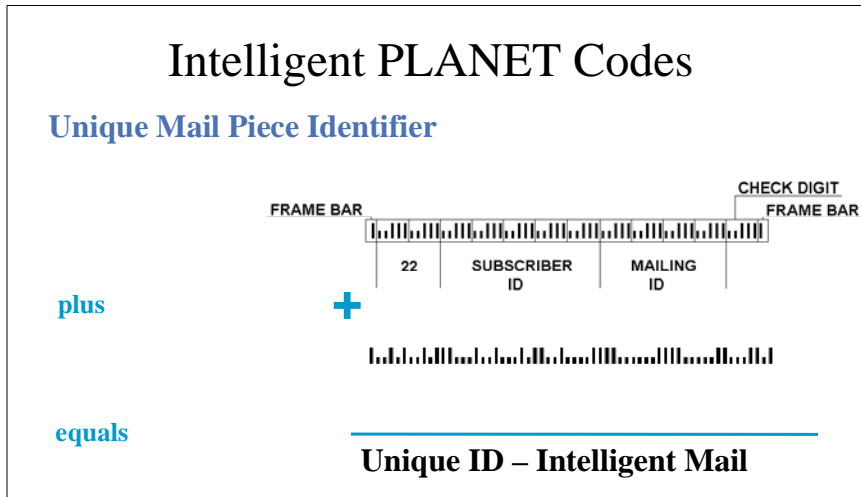
The usefulness and value of Intelligent Mail is based on a simple yet very credible theory. That is, that the knowledge of where an individual piece of mail is within the postal system, on a "real-time" basis, could help the mailer, the recipient, and the postal service better and more efficiently manage their respective activities. This is a theory that has been proven by a number of very successful services that have developed the overnight package delivery business into a lucrative global industry over the past two decades. The Task Force also sought methods to make Intelligent Mail improve the operating efficiencies of businesses as well as enhance customer relationships -- two goals driving the strategies of many corporations today. (See the RFG Research Note "[Customer Care Contact Center Best Practices – Learning from the Leaders](#).")

This desire to improve efficiencies and enhance customer service resulted in a strategic vision to drive better street address quality. Better address quality should provide better control over mailed items and reduce mailing and customer service costs because fewer mailed items would be lost, misrouted, or returned. In addition, more precise customization of mailings, based on improved addressing, would increase customer response rates. More precise targeting of mail to customer segments would make mailings more valuable and therefore reduce the incidence of "junk mail." Finally, the resulting improved tracking of business reply mail has the potential to improve the ability of corporations to time the receipt of outbound mail offers with messages sent via other customer contact channels, e.g., e-mail or follow-up with outbound telephone calls.

The implementation of Intelligent Mail involves a unique mail piece identification defined by the addition of two tracking numbers to be placed on each document. The "Piece ID" linked to an account/individual and channel tracking symbols known as the "Planet Bar Code." These identifiers allow the mailed item to be tracked from creation through production, delivery, and response. The Intelligent Mail identification system is simply an aggregation of the customer name and account number, the mail piece status within the document flow, and its incoming and outgoing USPS channel movement. Figure 1 depicts the plan for unique USPS mail identifiers required on each piece of tracked mail.



Figure 1 – Intelligent Mail Unique Mail Piece Identifiers



Source: Pitney Bowes

The incremental value of Intelligent Mail over the tracking capabilities of the now very familiar overnight express mail services can be found in two major areas. The first is price. For a nominal fee, Intelligent Mail offers the same track and trace capabilities as overnight services for first class mail. The second is the capability to allow the corporation to track the content of specific pieces of mail. The latter can be a significant advantage in customer service and customer relationship management activities. Not only can a corporation track and trace individual pieces of mail but, with proper system integration and appropriate software tools, the corporation can "learn" more about the customer to better time and anticipate the receipt of payments, documents, and other high-value mail content items.

In addition, fraud and loss situations can be mitigated by closely tracking credit card deliveries, bill payments, and other deliveries with high fraud potential ratings. Corporations such as [Bowe Bell & Howell Company, Inc.](#) (Mail and Messaging Technologies) and [Pitney Bowes Inc.](#) (DM Series Delivery Tracking System) provide products and services designed to supplement USPS Intelligent Mail applications as well as other paper mail handling capabilities. For high volume mailers, those dealing with more than 10,000 items per day, Pitney Bowes offers its recently introduced OnRoute mail tracking system.

Mail Handling Solutions

Leading-edge mail handling tools can enable enterprises to link their mail/document channels with other customer service access channels such as a multi-channel customer contact center and/or a voice call center. This would facilitate the development of proactive customer relationship strategies and allow entities to initiate knowledge-based marketing/sales programs and cross channel "upselling" capabilities. (See the RFG Research Notes "[Predictive CRM – The Missing Piece of the Customer Relationship Equation](#)" and "[The Case for the Real-Time Contact Center Today](#).")



The ability to provide call center agents with visibility into document processes and document content could be as big a leap for customer service as the development of the multi-channel customer contact center itself. Integrating Intelligent Mail databases with the multi-channel contact center information flow will open up new approaches to customer service encompassing the entire spectrum of account access. Savvy IT executives will quickly grasp and appreciate the value and benefits of offering agents access to documents such as statement images, as well as the ability to trace the mail flow in a real-time fashion.

Linking Mail to Other Business Processes

The link to other customer service processes can be especially crucial in the financial services sector where RFG customers report ten percent of call activity, or more, is a direct result of the receipt of a monthly statement. Agents will be intrinsically better equipped to handle call queues, shorten calling times, make well-informed decisions about waiving late payment fees, and affect better corporate actions regarding the initiation of credit collection activities. RFG anticipates future applications that will allow CFOs to better predict company cash flow based on analyses of inbound corporate mail enabled by knowledge-based customer data systems that can estimate the content of inbounds Intelligent Mail. (See the RFG Research Note "[Planning for the Metamorphosis of the Customer Service Representative.](#)")

Through the use of Intelligent Mail marketing organizations and other line of businesses within an organization will have increased capabilities to coordinate multi-channel messages. Historically, marketing messages and delivery channels have often been uncoordinated and seldom linked. Intelligent Mail can facilitate the coordinated delivery of direct mail marketing messages and print and broadcast advertising with telemarketing and the delivery of monthly transaction statements. Ultimately statement-based marketing campaigns could replace insert-based mailings as the industry staple because of timeliness and ability to be creative between billing cycles, allowing a rapid focus on quickly changing or one-time events.

Security and fraud prevention are supplementary areas that can be positively affected by the introduction of Intelligent Mail into a customer service and relationship management program. Intelligent Mail technologies can be used to track and monitor high-value mail items including new customer credit cards, gift cards, and travelers' checks. Monitoring routines can be implemented to help assure prompt and direct delivery to the intended recipients and to detect patterns of loss to foil efforts by thieves to penetrate and steal from the U.S. mail. Theft patterns and security breaches can be identified, and in some case even predicted, therefore derailing fraud before it occurs.



RFG believes automated mail tracking systems can do much to improve the enterprise customer service experience while improving corporate performance metrics. Automated and Intelligent Mail systems, coupled with other leading-edge customer contact center and customer service technologies, can reduce customer calls and call times and actually assist in workforce planning efforts to match workload with workflow. In addition, customer retention and critical call center functions such as first call resolution percentages can be enhanced. IT executives should look to Intelligent Mail systems as an important supplement to overall customer service initiatives.

RFG analyst Ken Landoline wrote this Research Note. Interested readers should contact RFG Client Services to arrange further discussion or an interview with Mr. Landoline.