Accenture helps United States Postal Service pioneer innovative mail services to achieve high performance

- Consulting
- Technology
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Operating for more than 230 years on a maxim of trust, the United States Postal Service (USPS) aims to provide customers with outstanding service. In 2009, the organization was rated by the American public in the top six most trusted public and private organizations while delivering a sizable 177 billion pieces and revenues of more than US$68 billion.

Yet while USPS collects substantial quantities of data about the mail it delivers, only a fraction of that vital information could be accessed and used by postal employees and customers to gain greater visibility of mail in its journey from origin to delivery and help achieve a competitive edge.

USPS outlined a vision—“to enhance the value of mail by using information and insight from the mail to deliver increased customer value and drive operational efficiency.” To achieve this vision, USPS realized it would need to create robust and resilient business processes and practices, introducing an Intelligent Mail® capability and transforming traditional mailer services. To that end, the Full Service initiative was born.

The Full Service program combines information encoded in the new suite of Intelligent Mail® barcodes with electronic mailing data from customers, plus information about the mail from USPS operations, and mail quality feedback. Mailer-submitted data about the make-up of the mail is then integrated with operational data from the USPS network to create end-to-end insight for both mailers and USPS.
How does Full Service work?

Full Service applies an Intelligent Mail® barcode which enables unique identification of mail assets—whether individual mail pieces, trays or containers. Mail processing equipment and handheld devices scan each asset, either at USPS’ facilities or at the mailer’s location, using a robust infrastructure to capture and store Intelligent Mail® data for use by USPS and mailers. This enables USPS to validate preparation of the mail, correct payment, and address quality at the piece level, bringing visibility and transparency to the supply chain. In addition to a rate discount, mailers receive immediate feedback on address errors, greater payment accuracy and a reduction in paperwork. The USPS reduces undeliverable mail, assures its revenue stream and increases revenue with new products. The result is a higher-value mail piece which benefits everyone.
Business challenge

Economic volatility aside, the postal industry is challenged by many different pressures—diversification, substitution, declining mail volumes and structural changes in the industry to name a few. Alongside fundamental changes in technology and commerce, USPS has found itself competing in an environment where information about the mail is valued by large business mailers as being of almost equal importance as the mail itself. However, until now, mailing information and the insight it provides has been either lacking or unavailable to postal organizations and customers alike.

Accenture research1 has shown that one of the differentiators between postal organizations that achieve high performance and their peers is the emphasis on customer experience and having customer insight capabilities. In fact, postal organizations that have focused on the customer experience have outperformed their peers from a profitable growth perspective over the past five years. In Accenture research of more than 20 postal and express organizations, players with robust customer experience agendas had two to three times the revenue growth and a strong, positive return on invested capital when compared with traditionalist postal organizations.

By offering greater insight to mailing customers while using mailing data to improve customer service and create new services and products, USPS pioneered a new approach to stay ahead of the game in a highly competitive landscape.

There were four aspects of the Intelligent Mail® vision that USPS sought to address with Full Service.

1) Measure and improve commercial mail performance: Establish robust measurement capabilities to assess the performance of commercial mail and drive service improvements.

2) Drive product innovation: Use the power of Intelligent Mail® to create products that enhance the value of mail.

3) Sharpen operational insight: Develop focused analytics that provide insight into operations and a clear understanding of cost drivers.

4) Enrich the customer experience: Strengthen relationships with customers by using Intelligent Mail® data to enhance verification and mail quality and to become more proactive in communicating and addressing issues.

Because of the importance and magnitude of change this transformation would entail, USPS knew there would be challenges to implementing Full Service. These included:

- **Pace**—with a first release completed in just seven months, major business changes and systems development had to be undertaken at speed.

- **Breadth**—the project involved multiple divisions within USPS, considerable changes for their customers and technology development driven by more than 10,000 requirements across 18 systems.

- **Communications**—despite the scale and speed, keeping everyone up-to-date and clear about the requirements, what mailers needed to do and when changes would be operational, was essential. Full Service initiated a significant process change affecting a wide variety of internal and external stakeholders.

Fast facts on Full Service

**Size:**
- More than 60,000 workday effort across seven team sites.
- More than 10,000 individual requirements.
- Coordinated release of 18 systems.
- Initial release implemented in seven-month timeframe.

**Scale:**
- Sized to handle 500 million mail pieces/day (manifest and scans).
- Expected adoption of more than 50,000 customers generating over US $25 billion in postage (approximately 40 percent of mail-related revenue).
- Sized to handle over one billion scans daily.

**Benefits:**
- Higher operating profit
  - Helps eliminate costs associated with poor mail quality.
  - Incent high quality mailers to mail more.
  - Enables robust revenue protection.
- Improved customer service
  - Provides pallet-level induction detail to determine when shipments arrived.
  - Captures detailed insight into the performance of mail.
  - Provides operational insight needed to proactively address customer issues.
- New product offerings
  - Creates data-driven mailing products
  - Enables synchronized delivery of physical mail with electronic messages.
  - Supports new rate structure.
- Improved service performance measurement
  - Meets legislative requirements using low cost, passive measurement.
  - Enables granular insight to diagnose and improve service issues.

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“Full Service is a paradigm change and significant implementation effort involving several hundred people and more than 20 IT and business process work streams. I have no hesitation in freely evangelizing the benefits of Full Service: we’ve changed the mindset in USPS, further improved our good relationships with our mailer customers and established a distinct capability that sets the standard for next-generation mailing.”

Ross Philo, Executive Vice President and Chief Information Officer, USPS.

Technology

USPS, with the help of Accenture, is using cutting-edge technology on a substantial scale. Accenture teamed with USPS to design, build, test and deploy 10 of the 18 Full Service systems, including the development of the core systems to capture electronic mailing data and operational scans as well as two of the three handheld machines used to collect scan data for the program.

In addition to the development work, Accenture was also contracted to run the program management office for the Full Service program, and provided cross-application support in the areas of business readiness, deployment planning and functional solution architecture oversight.

The Full Service application utilizes a SUSE Linux open source operating system running on tried and tested IBM z10 mainframes through the use of IBM’s Integrated Facility for Linux. This innovative combination of technologies has enabled superior products to be deployed to a highly robust, resilient and secure yet flexible platform, with a small physical footprint and substantially lower operating system and software licensing costs. Full Service utilizes a clustered Oracle RAC database and employs Oracle PL/SQL for execution of business logic, Informatica for ETL and IBM WebSphere MQ for integration, with a Java-based execution control architecture. These components enable the Full Service application to process data in a highly flexible manner, ranging from conventional scheduled batch execution through on-demand processing of files and messages.

USPS has worked closely with the key technology vendors IBM, Novell, Oracle and Informatica—to confirm that Full Service delivers performance, scalability and availability. The application is capable of loading, accessing and updating unprecedented volumes of data in a highly efficient manner: benchmark testing of the Oracle database yielded average transaction rates in excess of 240,000 transactions per second.

2 Integrated Facility for Linux (IFL) can help extend the life of IBM z-series mainframes by allowing them to run the more modern Linux operating system.
USPS was aware of the breadth and importance of the Full Service program, encompassing such facets as product innovation, the power of data to facilitate analytics and revitalizing customer experience. Full Service was more than a reconfiguration of the USPS business; it was a milestone in the transformation of the whole postal industry.

Having worked with USPS on a proof-of-concept since 2006, it was a natural fit for the postal organization to choose Accenture to implement the Full Service program. What is more, backed by a solid history of postal experience and a decade of working together, Accenture brought a combination of program management, technology, process and change skills combined with deep understanding of the postal industry. A recognized leader in systems integration, Accenture offered USPS a reliable, large-scale, experienced team capable of delivering technology-enabled business results on an accelerated schedule.

USPS’s decision to embrace an ambitious project for cutting-edge mail capabilities had implications from both postal and technology perspectives:

- Postal: transforming the value of mail while setting a new standard for conducting traditional business mail transactions. Intelligent Mail® uses mailing data to deliver insight to customers, create new products and services that make mail more valuable to customers, move the organization toward a more customer-centric approach, and provide operational insight necessary to drive efficiency.

- Technology: employing a state-of-the-art platform that leverages the performance and reliability of a mainframe and the flexibility and low total cost of ownership of the Linux operating system. Deployed to this platform is a custom architecture that utilizes industry-leading data processing, integration and database applications. The system is architected to process more than one billion Intelligent Mail® barcode scans per day and store detailed, transaction-level data for 45 days.

In mid-May 2009, USPS released the Full Service initiative, making USPS the first postal organization in the world to offer national Intelligent Mail®. Having been offered the incentive to use the new service with free operational data (such as updated address information) and a lower postage rate, mailing companies immediately began submitting electronic documentation and inducting Full Service mailings. Subsequent releases in November 2009 and March 2010 added new electronic mailing data options to begin to use piece-level data to measure service performance.

Adoption has been rapid, with electronic data submissions totaling more than US$200 million in postage per week as of January 2010 and rising. In that same time period, the program averaged more than 500 million pieces of Full Service mail per week with continued significant growth, such that total volume through the system has already surpassed seven billion pieces. With a backlog of mailers working through the certification process, Full Service has been one of the most successful new products USPS has ever launched.

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USPS and Accenture delivered the Full Service solution in record time; indeed, 60,000 days of work were completed in an accelerated seven-month timeframe as a result of the robust program governance and the “one-team” mindset adopted from the outset.

What is more, the project has had involvement at the most senior levels of both organizations throughout the planning and execution phases. Bill Green, CEO of Accenture actively participated in monthly meetings with USPS COO, Pat Donahoe, to review the status of the program and ensure the team delivered.

In line with its vision of future postal practices, Accenture is helping USPS take the lead in a new era of mail delivery that improves significantly the way the Postal Service works with its largest customers, reinventing the services the postal organization provides, revitalizing its network and employing new performance measures for the regulators. By transforming the business to better create operational efficiencies without having to alter existing rate structures, USPS is taking an intelligent approach to accelerated change that places it firmly on the path to high performance.

“The USPS Full Service initiative is a tremendous accomplishment. Through my personal involvement in the program and regular conversations with USPS, I am very familiar with the critical nature of the mission, the aggressive schedule and the scale and complexity of the technology being implemented. Accenture has the satisfaction of knowing that we have helped USPS enjoy a successful outcome in the eyes of their customers. Above all, we believe we have helped USPS achieve high performance.”

Bill Green, Chairman and CEO, Accenture.

High performance delivered

USPS and Accenture are moving ahead with future enhancements and further development of the Full Service capabilities.

“Full Service is helping us reshape the horizon, not just for our business but for the whole postal industry,” said Tom Day, Senior VP of Intelligent Mail® and Address Quality and co-lead for the program at USPS. “A range of features offer us a whole new platform of services so that we can introduce product innovations like dynamic pricing and create new value-driven interactions with our customers.”
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