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The Challenge

To put the mail owner back in charge, no matter how many lettershops are involved in handling their mailings..

The Solution

GrayHair's Predictive Presort, which performs early analysis to determine the optimal assignment of individual mailpieces – and allows the mail owner to develop consistent business rules throughout their vendor network.

The Benefits

Improved mail processing and dramatic savings.

Case Study: SelectSolutions and Predictive Presort from GrayHair Software Wanted: Consistent Business Rules and Maximum Postal Economy

GrayHair helps a major financial company improve its business practices and its bottom line.

Challenge

Having delegated too much control over its mailings to downstream vendors, a major financial company needed a way to optimize economy and efficiency.

As mailings face increasingly complex postal regulations, it can be easy for a mail owner to find the details of large jobs slipping through their proverbial fingertips. To a mail owner, ceding some control over a given job to downstream mail-processing vendors may seem like an unavoidable and even acceptable trade-off in exchange for the promise of efficiency. But what if that "promise" isn't enough to compensate for unrealized potential savings? And what if those savings could be easily recouped, thanks to an integrated enterprise-level solution?

This was the situation faced by a major financial company, which over time had created a mail-processing system that included working with 10 different lettershops and mail service providers for direct-mail campaigns, as well as a transportation company for its freight needs. The vendors were doing their jobs; but with few overarching direct-mail business rules or guidelines in place, each third-party shop was free to handle the company's campaigns based on its own operational preferences and efficiency models. In other words, they set up mailings according to their own priorities, and not necessarily those of their clients.

As a result, the company knew its mailings were costing hundreds of thousands of dollars more than they needed to, every year.

Solution

SelectSolutions and Predictive Presort from GrayHair, providing enterprise-level consistency, integrated mailing control, and optimal postal economy and efficiency

SelectSolutions™ technology from GrayHair uses all available industry-standard tools – CASS™, NCOA^{Link}®, ACS® and more – to achieve the highest discounts possible for mailing jobs of all sizes and levels of complexity. Predictive Presort, a key component within SelectSolutions, performs advanced analyses of complete mailing jobs before they are distributed to multiple vendors, and uses that analytical data to recommend specific induction patterns that will optimize mailing economy and efficiency.

GrayHair's Predictive Presort solution dynamically evaluates mailpieces to determine if they should be considered for commingle or co-palletization; records are tagged with Predictive Presort Indicators (PPIs) and assigned one of three designations:



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The Challenge

To reduce the amount of returned mailed to recognize increased business opportunities and decreased unproductive paper and postage expenses.

The Solution

GrayHair's ACS Services, which, when used in conjunction with NCOA and CASS, provide the maximum coverage for updating addresses.

The Benefits

Increased number of mailpieces are delivered to the correct recipients and updated addresses.

- **Commingle:** The vendor merges the client's mailpieces with those from other clients' jobs, creating a larger "single" mailing of full pallets or trays. Because the job enters the postal stream through either a Destination Bulk Mail Center or a Destination Sectional Center Facility (DSCF), the mailpieces qualify for the highest possible postal discounts. This process also cuts down average in-home delivery times, and reduced handling also decreases the chances of damaged or misplaced mailpieces.
- **Co-palletization (Standard Mail® only):** Co-palletized mailpieces are sorted to the beginning or end of the mail file, with 3-digit and 5-digit ZIP Code® pieces segregated and processed according to USPS regulations and placed in trays on separate pallets. The pieces are then combined with other mail on pallets, and those full pallets are delivered to the DSCF for deeper postal system penetration – again resulting in higher postal discounts and reduced delivery times.
- **Direct Presentment:** Having already been presorted to the highest possible discount rates, the mail will be presented directly to the USPS for induction.

Benefit

Dramatic potential savings for the mail owner, thanks to Predictive Presort and the entire SelectSolutions package from GrayHair

Jobs leveraging GrayHair Predictive Presort typical see savings of \$8 to \$15 per 1,000 pieces, with even greater economies sometimes yielded, depending on the job's particulars.

GrayHair analyzed a sample job for the mail owner (total pieces: 8,331,346) to determine how a SelectSolutions implementation, including use of Predictive Presort, could improve the company's ultimate mailing results.

First, processing via SelectSolutions used ACS technology on the sample job to reveal that approximately 32 percent of the pieces had address-quality issues that could have impacted their deliverability. Without SelectSolutions identifying those problems, nearly a third of the entire job – more than 2.6 million records – would have been compromised. (Because the job was mailed at the Full Service level of Intelligent Mail®, the majority of the USPS ACS updates were obtained without charge.) This alone resulted in a savings of more than \$75 million for the mail owner.

Next, Predictive Presort was used to determine the unrealized potential savings and efficiencies that could be found through commingling and co-palletization. The advanced analysis performed by Predictive Presort as part of the SelectSolutions process yielded recommended reassignments of almost 30 percent of the job's total address records (see box, right). With that portion of the job being properly reassigned to either commingled or co-palletized mailing processes, the mailing was now estimated to save the company over \$7,000 in postage costs – with projected annualized savings of nearly \$90,000

Predictive Presort Results	
Total Job Quantity: 8,331,346 pieces	
Recommended PPI Assignments:	
• Direct Presentment	5,879,758 (70.57%)
• Commingle	228,749 (2.75%)
Cost per thousand	\$225.90
Current Postage	\$54,791.13
Savings (/1,000 pieces)	\$13.63
Savings (/Job)	\$3,116.73
Savings (Annual)	\$37,400.70
• Co-Pallet	2,222,839 (26.69%)
Cost per thousand	\$11.65
Current Postage	\$483,474.17
Savings (/1,000 pieces)	\$1.84
Savings (/Job)	\$4,091.67
Savings (Annual)	\$49,099.99





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The Bottom Line

GrayHair solutions deliver greater front-end postal control, drive improved business results and sharpen overall mailing effectiveness.

By implementing these analysis tools prior to turning over the list data to each vendor in the established mail-processing chain, the mail owner can apply a single consistent set of business rules to its postal activities. With all vendors operating under a shared understanding of the parameters of that mailing, their client can be assured of optimal mailing efficiency and effectiveness, along with improved postal economy – all thanks to SelectSolutions and Predictive Presort from Grayhair Software.

About GrayHair Software

GrayHair Software, Inc. is an innovator and industry leader in the development of products and services that improve and automate the management of business mail. GrayHair's offerings are delivered via Select Solutions™, a cloud-based platform that merges software as a service with managed services. This customizable set of critical mailing services includes IM™ barcode assignment, mail tracking, address quality, presort, postage reconciliation and a variety of other mail processing software. GrayHair's groundbreaking solutions are designed by the leading minds in the mail industry and backed by an experienced, dedicated customer support team.