

MTAC Workgroup 123
Service Information Needs, Reporting, and Communication Channels

September 24, 2008 Meeting Notes

Review of Previous Meeting Minutes

Becky Dobbins, USPS, reviewed the September 15, 2008, meeting minutes. There were no additions or corrections to the minutes. She reminded the workgroup participants that suggested agenda items for future meetings should be communicated to the co-chairs.

Kathy Siviter asked if we could track participation at the meetings since it appears that there are some members on the roster that have yet to attend a meeting/telecon, and should be more actively engaged. Jody Berenblatt suggested that workgroup participants should also be reviewed in light of business sector representation, not specific companies. For instance, she represents the American Bankers Association (ABA) on the workgroup, not just Bank of America.

Ms. Dobbins noted that there is much commonality between the documents submitted to date outlining what mailers need in terms of measurement data. She encouraged workgroup participants that have not yet submitted their one-page outline (see Action Items) to do so as soon as possible. She then will prepare a comparison chart. She will share each participant's information for the chart with that participant before sharing the chart with the larger workgroup.

PostCom Presentation

Ms. Siviter gave a presentation on what PostCom members need in terms of service performance data (a copy of the presentation was distributed to workgroup participants).

PostCom's presentation reviewed the past 23 years of service performance-related initiatives where business customers have communicated their needs for service performance data to the USPS. Ms. Siviter noted milestones where the USPS first implemented its EXFC program, then later EX2C and EX3C, which subsequently were abandoned by the USPS in 1995. Since that time, there has been no effort by the USPS to follow through on the commitment it gave business customers in 1995 that additional service performance measurement systems for mail not measured in EXFC would be developed.

Ms. Dobbins noted that EXFC was not initially designed to be a diagnostic system, but has been used for that purpose by the USPS over the years.

Ms. Siviter walked through the multitude of senior level task forces, MTAC workgroups, and other venues where the USPS has asked business customers what they need in terms of service performance measurement and data, and customers have provided that information. Repeatedly, business customers have told the Postal Service that they need access to actionable, timely, granular service performance data to better manage their businesses and add value to the mail. She reviewed a long list of reasons why business customers need aggregate service performance data, noting that the list is not meant to be all-inclusive and would easily grow if you sat a group of customers down and asked them why they need the data and what they would use it for.

Ms. Siviter discussed the difference between mailer-specific data and aggregate data from like mailers (e.g., by shape, time period, geography, etc.), and why business customers need access to both types of data because it fulfills different needs. Mailer-specific data is available through USPS products/services such as Confirm and Delivery Confirmation, however there currently is no opportunity for access to aggregate data beyond the new service performance measurement reports the USPS will be publishing on a quarterly basis. Business customers find little value in those reports, however, because the data is more of a “look back” and isn’t current, actionable or granular enough to meet their needs.

Ms. Siviter then reviewed the reasons why business customers need access to aggregate service performance data, again noting that the needs vary by industry segment, by mailer type, by activity, and sometimes by mailing.

One reason both the USPS and mailers need to jointly access current, actionable and granular data is to identify and resolve service deficiencies. PostCom frequently receives calls from members, for instance, asking whether service issues are being reported for a specific part of the country, or nationwide, or for a particular type of product (e.g., Standard Mail flats). The customer is asking for the information because they have had a negative experience with service and/or response to their mailing and they are trying to determine whether there are service issues that contribute, or whether they have other issues they need to address.

Business customers also need access to aggregate data because currently available services such as Confirm are not a viable option for many business customers for a variety of reasons. Companies who are not enrolled in Confirm also need an option for access to service performance data to help them better manage their businesses and use of the mail.

The bottom line is that business customers need access to current, actionable and granular service performance measurement data. Ms. Siviter noted that PostCom, and nearly every other constituency that commented on the Postal Service’s proposed service performance measurement system, raised this issue. Business mailers need near real-time access to aggregated service performance measurement data that can be dis-aggregated by factors such as geography, product shape (letters, flats, parcels), time period, etc. Ms. Siviter laid out a variety of reasons why business customers need the ability to dis-aggregate the data by these categories.

Certain industry segments need data broken out by sub-product categories. For instance, users of remittance mail need access to data that isolates the service performance for that product. Standard Mail parcel users need data that is separated from other Standard Mail volume. This type of dis-aggregated, product specific data is needed to monitor and respond to service performance of a particular product type.

Mr. Sexton noted that the data needs for all product users are fairly consistent in terms of the type of data. Ms. Siviter agreed, noting that in MTAC Workgroup 114’s recommendations there were few differences in the needs outlined for each product group.

The USPS also needs access to actionable, timely and granular data, Ms. Siviter noted. In order to identify and respond to service issues, the Postal Service needs the ability to obtain the data in a timely

fashion, and be able to break out the data in a manner that allows it to identify the potential root causes of the service issue. That is why the USPS is building and enhancing its internal “diagnostic” system.

So why not allow mailers some form of access to that same system/data? Ms. Siviter reviewed concerns that have informally been raised between USPS managers and PostCom members over the years. One reason given is that the cost to the USPS would be significant. PostCom disagrees with that assumption, noting that business mailers are not interested in data from external reporters, only Intelligent Mail data. Customers do not want the USPS to prepare a multitude of various canned reports with the data, they want web-based access to raw data with the ability to drill down in the data by key categories. Ms. Siviter also noted that any costs of setting up such a system would be offset by cost reductions in decreasing customer complaint calls and calls to the USPS’ Business Service Network (BSN) to research service issues, as well as by allowing the USPS and customers to better identify and resolve service issues, which would result in increased efficiencies and cost reductions.

In response to the suggestion that “visibility” data could be a revenue source for the USPS (comparable to Confirm-type of access), PostCom also disagrees. The USPS makes little profit on such services today (e.g., Confirm, DelCon) because prices must be set at what the market will bear. There are significant costs to business customers to set up systems and processes to manage and interpret the data as well, which means that they already are incurring significant expenses in some cases. Adding additional costs to their business by pricing for such data does not add value to the mail or help grow revenue/volume. *[Postal view: USPS is concerned about IT infrastructure and support costs and any other costs that would have to be incorporated into future price increases.]*

Ms. Siviter noted that adding value to mail that often faces competition from other media choices (e.g., Standard Mail) could help the USPS grow revenue and volume. Enhancing the predictability and consistency of Standard Mail delivery would make it a more competitive product as well as helping business customers better manage pre- and post mailing activities, resulting in better response/sales and increasing the value of direct mail.

The USPS also could use service performance data to demonstrate the impact of quality issues on service. In MTAC Workgroup 114, Ms. Siviter noted, the USPS had said a diagnostic system would include service performance data not included in the formal SPM system that will produce public reports. For instance, data from pieces/mailings not presorted correctly, or with barcode or address quality issues, etc. would not be included in the formal SPM system. This data still has value, however, and could be used by the USPS to further incent mailers to improve their mail preparation and entry processes. *[Postal view: Quality information on mail preparation and appropriate feedback loops could be part of the full Service option or automated acceptance processes.]*

Ms. Siviter said the bottom line is that both the USPS and its business customers need access to timely, actionable, granular service performance data. With today’s economic climate and declining mail volumes, it’s time to work jointly on satisfying this business need.

Needs of Parcel Users

Rich Porras, Newgistics, gave a presentation on what parcel users need in terms of service performance data (a copy of the presentation was distributed to workgroup participants).

He noted that the presentation was prepared through discussions with Parcel Shippers Association (PSA) members, and represents their collective opinion. Mr. Porras discussed the existing USPS Product Tracking System (PTS), which parcel users can use to measure USPS' performance. He said that parcel users have a great interest in getting more granular data than what is presented through PTS today. Getting quarterly reports as the USPS plans to publish is different from access to diagnostic data. Parcel users can't wait three months to get service problems resolved, he noted, because they would be out of business.

Mr. Porras said that parcel users deal with both competitive and market dominant parcel products, and while much service performance data is available on competitive parcels (e.g., Parcel Select), little is offered on the market dominant product side.

In terms of what parcel users do with the data, Mr. Porras noted that there are varying uses depending on the industry segment. Most transportation companies are providing non-USPS scan data so there is visibility during cross-country transportation, but then that ends when the product is tendered to the USPS.

Mr. Porras suggested that the USPS' Enterprise Data Warehouse (EDW) reporting could be used as a starting point to provide service performance data for market dominant parcels. EDW already is used for Parcel Select, he noted, and product/shape distinctions could be created for separate data on Bound Printed Matter (BPM) parcels, Standard Mail machinable parcels, Standard Mail irregular parcels and Media Mail parcels. The USPS noted that this would require eVS enhancements and other programming changes to the PTS and mailer acceptance systems.

Parcel users need the ability to disaggregate the data by entry point (local, DBMC, DSCF, DDU); by the container level; and by product type (as above). Mr. Porras also noted issues with data integrity and loss of data with the current data feeds into the EDW reports, and said the USPS needs to work on this issue.

In conclusion, Mr. Porras noted that PSA is proposing a parcel subgroup for MTAC Workgroup 123 so that focus remains on parcel-specific issues with access to service performance data.

Ms. Dobbins noted that she had the opportunity recently to review something the USPS has recently deployed, which is an outstanding failed packages report based on the service standards. This is in the initial phases, but new. She noted the USPS has had similar reports for Priority and Express Mail in the past, so that managers could see data on failures in their District, Area, or the nation. But this new report had data on market dominant parcels so that managers can identify those failures and focus on identifying the problem to improve processes. The report breaks out the data by service standard, not by type of market dominant parcel, she noted, and included only those parcels where a Delivery Confirmation scan is obtained.

Mr. Porras said that Delivery Confirmation can be expensive for users of market dominant products and suggested that the data should be included in the price, based on use of Intelligent Mail barcodes. The USPS needs to measure and keep visible the performance of these products, not bury the data with other groups of mail (e.g., combining First-Class Mail parcel data with all First-Class Mail).

USPS Diagnostic Data Today

Ms. Dobbins presented to the group an example of how the USPS uses data internally to identify service issues and improve processes. She shared some examples of data and reports from FY 2007 that she had used as a District Manager in the Southeast Area, which monitors service performance at all levels on a daily, weekly, monthly and sometimes hourly basis.

The data reports focus on failure analysis rather than on success, and utilize the Six Sigma DMAIC (define, measure, analyze, improve control) methodology to identify where issues are and improve performance. Ms. Dobbins went through the data reports, showing how the USPS can drill down to very specific data, even down to machine end of run and specific process data. The overall service performance data on which the system is based in EXFC data, she noted, but then other data sources are integrated to give managers the ability to drill down and identify issues.

The data used in the system is First-Class Mail weekly EXFC data, and Ms. Dobbins noted that although the USPS is not allowed to have EXFC data to the 5-digit ZIP Code level, there is the ability to drill down with some granularity from other data sources. The system has regression analysis and control charts built in, as well as quadrant analysis functions, which Ms. Dobbins demonstrated. The system is Excel software based, Bob Fisher, USPS noted, and is used by Pat Donahoe in his weekly telecons with Area managers. The data can be viewed at the District level and incorporates the service standards. The data includes EXFC, Priority Mail, Express Mail and recently First-Class Mail parcels with DelCon were added.

The data presented at the meeting focused on overnight and two-day service. Each District Manager has a different focus on service improvement issues as appropriate for their performance. Ms. Dobbins noted that in using the system, you have to disaggregate data to see what it is really telling you. The USPS uses a lot of Pareto information to compare areas and a weighted Pareto chart to show what contributes the most, the least and where making targets. There are many corporate level indicators integrated into the core business review processes.

The EXFC failure analysis summary shows USPS Planet Code and EXFC data by USPS Area, broken out by plant, customer service function, etc. so that the USPS user can help determine potential factors underlying the service failure. Ms. Dobbins said the USPS focuses on “red” indicators first, and if there are problems between specific 3-digit ZIP Code pairs, then a pair management analysis can be performed.

Ms. Dobbins noted that while the reports are not statistically valid because of the low number of pieces included in some of the drill downs, it provides data points that the USPS can use for diagnostic purposes.

The USPS noted that it internally is working on a continuous improvement effort to help with the institutionalization of service standards at the USPS. Jody Berenblatt asked about the USPS use of Six Sigma approaches to reduce redundancies. Mr. Fisher said that Six Sigma is an evolving process within the USPS. Ms. Berenblatt asked how the voice of the customer is reflected in the USPS’ version of Six Sigma, and the USPS said that some are internal customer situations and some are external, and the

customer “voice” is part of the process. The group expressed concern that the voice of the external customer be represented in the USPS’ Six Sigma processes.

Ms. Siviter asked what group at USPS is responsible for the development and generation of service reports. Currently a group under Pat Donahoe is responsible for the activity. The group expressed concern that there is not a dedicated group within the USPS’ organization that is responsible for developing and managing all service performance data systems and reporting, even for the USPS’ internal organization. With the anticipated huge increase in data the USPS will be provided with Full Service IMb, there needs to be a stronger organizational focus on management, analysis and interpretation of the data as well as making that data available to USPS managers in a way that is timely, actionable, and granular. Mailers have been training USPS field managers for years on how to use and interpret Confirm data, and there is concern that such a need will still exist with IMb data, but even more because of the additional amounts of data, types of data, and complexity.

The USPS noted that there are four internal groups that deal with service performance data: IMAQ, BSN, Consumer Advocate and Operations. Todd Black asked if the USPS’ vision is to have similar reports for all classes of mail and the USPS responded that if there is data available, the report formats can be developed. Mr. Fisher said he is not sure what the USPS’ vision is for future service performance data and internal systems. Different USPS groups may have different visions and different ownership. The group again expressed the concern that there needs to be central oversight and a defined mission.

Time, Inc. Use of Service Performance Data

Todd Black discussed how Time Inc. uses service performance data today. He noted that Time is in a unique position in that it owns its fulfillment company, which provides an extra piece of the piece in viewing service performance data on a daily basis.

He noted that the DelTrak seed program contains very similar data to the Red Tag system, but provides a slightly different look in terms of publication size and geographic density. External seed programs have been around long enough to organize in a way that is actual, presenting an on-time performance percentage by early, late and how many days late, at the Area, District and plant levels. Data is available down to the 5-digit level, with actual seed data available by ZIP Code. Facility managers can see which USPS Delivery Unit is having an issue.

Mr. Black stressed that Time does not plan on replacing its system if the USPS does provide data, but sees the USPS’ data as an enhancement. The existing seed-based systems are very inexpensive, he noted, particularly considering what users get out of it.

He stressed that the Postal Service does not understand its customers and to do so, it needs to understand its customer’s end customer, which are publication subscribers in this case. There are different subscriber reactions to delivery disturbances, he noted, depending on the frequency of the publication. For weekly publications, for instance, the content gets stale very quickly and there are many competing channels for the information. Mr. Black said that one of Time’s main responsibilities is dealing with complaints coming in at call centers. There is a direct correlation between on-time delivery and the volume of customer complaints the fulfillment house receives.

In August, for instance, Time received 89,000 complaint calls. This represents a huge expense for the business, but is somewhat behind the curtain to the USPS. The cost to publishers of the USPS not delivering on time is a significant one. Of the calls received, 31,000 were directly related to late or undeliverable publications, and the rest likely represent some kind of damage issue. Time has a huge infrastructure expense to support keeping customers happy, which costs it millions of dollars a year. The company's cost of calls model is to take its overhead costs and divide by the number of transactions, which would be about \$2 per call. So 88-90,000 complaint calls is a cost of about \$200,000 for Time for that month alone.

For a company like Time that wears both a publishing and fulfillment hat, the service performance data is pushed to the person receiving the complaint call in an effort to plug those issues. Under Full Service IMb, there potentially will be scan data to tell the customer exactly where their publication is and exactly when it should arrive (e.g., the last scan off FSS would predict next day delivery). Time has no grand ideas of over-training its customer service reps to diagnose service issues, Mr. Black noted, but there will be more data they can have today under IMb to help resolve complaints.

In addition to the cost per customer complaint call, Mr. Black noted the company focuses on trying to limit the length of time of calls and make them short and effective. The shortest way to get off the call is to extend two issues for free to the customer's subscription. That creates costs of two more issues in terms of paper, production, postage and potentially more customer service calls for no more additional revenue. Which means that in the case of August, if 30,000 customer complaint calls were directly related to service issues, then potentially 60,000 additional publication copies were extended with no additional revenue for Time. That is a significant cost to the company.

Mr. Black noted that Time's distribution group pushes out reports to USPS Areas for every month. There is about a two-week lag for producing and distributing the reports. For August, performance is at 92%, which is better than has been seen in the past and directly relates to customer satisfaction. While 90,000 complaint calls is still high, it was 200,000 at this time last year. Mr. Fisher asked if Time provides BSNs with the customer call data for a geographic area. Mr. Black said they have not done so, but use their regional distribution managers to work with USPS managers in that area.

The USPS noted that it has two pilot tests going on today to look at data being fed to the District/Area BSNs to try and identify the top issues. The goal is to get down to 6-8 hours resolution time for some issues and point to where issues are coming from. There will be significant amounts of data available to look at problems, but the existing BSN system is not very well designed at this point. It can tell you all the issues a specific customer has reported, or issues by type of mail, but not by location. BSNs are manually looking at where issues are reported to compare with data from the operations group around machine performance, on-hand volumes, etc. That is a challenge for the USPS going forward.

Ms. Siviter asked what data a BSN manager asks a customer to provide when they are reporting service issues. The USPS said there is a list for interviewing customers. The BSN developed the list by taking the top ten issues it received inquiries on, and developing a template of questions the customer needs to answer before the issue is turned over within USPS.

Business Service Network Flow Chart

The BSN discussed its vision flow chart (copy distributed to workgroup participants). Service requests can be received by e-mail, phone, or in-person. The BSN rep inputs all the information into the CustomerFirst system, then makes a decision on whether to re-direct the request to another location or whether it can be worked/managed locally. The USPS said 80% of service requests are resolved with the input of a customer service team member (CST). The CST includes in-plant support, delivery units, on the plant floor, window units, etc. Each BSN maintains a list of key USPS representatives they can tap into if they have an issue, categorized by what they do.

Sometimes BSN reps will meet the mail at entry and follow it through the system to identify issues and potential process improvements, the USPS noted. The USPS BSN is interested in obtaining information from mailers on the customer complaint calls they are getting about service.

Other Issues/Updates

In response to question from the workgroup, Ms. Dobbins reiterated that the USPS will be able to share the baseline service performance targets for FY 2009 for all market dominant products once they have been approved by the USPS’ Board of Governors and shared with the Postal Regulatory Commission (PRC).

Ty Taylor asked if the issue of early mail delivery can be raised on this workgroup. It has been discussed on workgroup 120 but is not going anywhere. The group briefly discussed and concluded that the measurement report aspects of the issue could be raised in this workgroup for discussion.

Action Items

The following list represents new action items added from today’s telecon, as well as those still pending from the prior meeting.

New or Pending	Action Item	Assigned To
New	The USPS will review and respond to the list provided by PCH showing the types of discrepancies over a one month period between the USPS’ EDW data and DelCon data from PCH’s consolidator.	USPS
Pending	The USPS will put together a comparison grid showing what workgroup members are doing in terms of measurement data.	Becky Dobbins
Pending	The USPS at a future meeting will present information on the data systems it envisions having in place in the future, for its internal use.	Becky Dobbins

New or Pending	Action Item	Assigned To
Pending	Provide the USPS with additional agenda items for upcoming meetings	All participants
Pending – need ASAP	Workgroup participants will submit to the co-chairs a one-page, easy to read, simple outline of their recommendations in terms of what they want from service performance measurement that they do not get today.	All industry participants
Pending	Workgroup participants will review the roster when they receive it to identify any participation gaps in terms of industry segments that should be encouraged to participate.	All participants

Next Meeting

The next workgroup meeting is scheduled for Tuesday, September 30, 2008, from 11:00 a.m. to 12:30 pm (EST) and will be held by telecon.

Suggested agenda items include:

- re-cap of workgroup progress to date
- presentation on service performance data needs for Standard Mail users (Ty Taylor)
- presentation on service performance data needs for International Mail (Larry Chaido)
- data requested by the BSN from customers with service issues
- call center feedback for the USPS
- Six Sigma process information
- discussion of parcel data inconsistencies
- potential draft of feedback from mailing community on service performance data needs
- early mail delivery (service performance measurement data aspect)

Any other agenda suggestions should be sent to Ms. Dobbins and Mr. Sexton.

Ms. Siviter suggested that another in-person meeting be planned to take place in a month or so. Ms. Dobbins will circulate potential meeting dates in early October. Ms. Berenblatt offered use of conference rooms at Bank of America's Washington DC offices.