

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

September 30, 2008 Meeting Notes

Opening

Linda Kingsley, USPS senior vice president, strategic transformation, joined the call to check on progress being made. She thanked the group for its efforts and reminded participants that results are needed by January 2009.

Becky Dobbins reiterated the need to work toward preparing recommendations and said the group is due to give a progress report at the November MTAC meeting. It will need to focus on finalizing results and recommendations, identify priorities, etc. in order to meet the January deadline.

Future Meeting Schedule

Ms. Dobbins noted that a tentative schedule for telecons and meetings has been sent out to workgroup participants. Already noted are conflicts with the proposed October 7 date, issues with the October 29 telecon date, and a possible time change on the November 18 in-person meeting date. She asked workgroup participants to continue to provide feedback on the schedule so it can be finalized and noted she will look at the rest of the calendar between mid-November and the end of the year because meeting dates will not be possible too close to the holidays. She reminded the group we have much to do in a very short period of time.

Process Check

Ms. Dobbins reviewed the workgroup's progress to date, noting that presentations have been given by PostCom (Standard Mail and FCM users), PSA (parcel users) and Time (Periodicals) as to their need for service performance data. There are two presentations still to go, including another Standard Mail presentation (Ty Taylor), an international mail presentation (Larry Chaido). Participants have been forthright in their comments and suggestions. The next step after the presentations will be to develop a recommended report format by industry, then determine a set of priorities on which major tasks should be accomplished first.

Ms. Kingsley asked if the group has made any headway on identifying existing systems that could be done away with, such as ADVANCE, etc. Kathy Siviter responded that is somewhat dependent on what the USPS plans to provide in the future. Jim Lombard emphasized his company's need for granular data, noting that much of the USPS' current reporting of information is not user-friendly. For example, the 3-digit ZIP Code pairs service standard posted on the USPS' web site, while it may be useful for software developers, is cumbersome for less sophisticated users. He recommended that the USPS make its service performance measurement reporting (and service standards) very user-friendly, with the ability to drill down by user-defined criteria.

Ms. Siviter noted that she had recently requested through MTAC that the simple charts showing the service standards (from the USPS' *Federal Register* notice or other USPS presentations) be added to the USPS' web site where the 3-digit ZIP Code pairs service standards reside.

Ms. Kingsley said the systems and web site resources will evolve. She said that while the USPS appreciates the input, the group shouldn't waste time on those areas because the USPS will be making those changes.

Mr. Lombard reiterated that for service performance measurement, his company needs data with the ability to drill down to subsets that look at delivery performance by location, by class and by shape. The USPS should

allow querying functionality to simplify report requests so that it does not create reports that look good but are of little use. Ms. Kingsley responded that the USPS has committed to what it will post initially in terms of the public reports, but wants input on what might be provided later on.

Ms. Dobbins noted that the USPS is updating RIBBS to become more user-friendly. Ms. Kingsley said that the service performance measurement data in the reports submitted to the Postal Regulatory Commission (PRC) will be posted on the USPS' external web site.

Dennis Farley said that the service standards disk that the USPS used to publish was a great tool which provided a geographical representation by class of 3-digit ZIP Code pair service standards. He said years ago it was even better because it would show where to bring mail to achieve a specific service standard (i.e., reverse look-up feature). Mr. Lombard said he remembered the disk and if service performance information were available through a customer interface on the USPS web site, that would be good.

Todd Black asked if the USPS plans to stop distribution of the service standards disk, or has just halted the process temporarily while the new standards are incorporated. His company uses the tool all the time. Ms. Kingsley said the USPS will check on that and let the group know the status.

Standard Mail Presentation

Ty Taylor, J. C. Penney, shared with the workgroup a synopsis of how his company manages and uses its Confirm data for service performance reporting. He noted that his presentation is not intended to be an industry report for Standard Mail, although J. C. Penney is a large Standard Mail user.

Mr. Taylor said J. C. Penney has been using Confirm since 1998-1999 when it was first introduced, and began by using PLANET coding, building their own tools and seed programs. Initially only 300-500 seed mailpieces were included in their Confirm program to serve as an indicator of service. In 2006, the company began using Intelligent Mail barcodes and in late 2007 converted to 100 percent IMB. The data being shared today is all IMB data, he noted. The company also went from 300-500 pieces to 100 percent barcoding. Currently, he noted, the program is used for the retail mail that supports the company's stores. They are in the process of working with the catalog division and printers, as well as Harte Hanks, to develop a system for catalog pieces.

The report being shared today is a letter mail event, Mr. Taylor noted. For retail, the company puts barcodes on both letters and flats. A higher percent scan rate is achieved on letters because of the way they are processed. He noted that when the company switched from PLANET code to IMB on flats, the scans as a percent of total mailpieces went down significantly because between 80 and 90 percent of the mail is carrier route presort. With PLANET codes, scan rates were generally around 50-60 percent. With IMB today, the scan rates are more around 10-12 percent because of the high carrier route presort and 100 percent barcoded mailing (as opposed to only barcoding the non-CR pieces when using Planet Codes).

Mr. Taylor noted that letter mail scan rates for this particular job were about 94% for IMB scans, including any scan, not necessarily final scans.

J. C. Penney shares its data with the USPS on a daily, weekly, monthly, quarterly and annual basis. While an event is running, reports are sent to the USPS with the first, second and third requested in-home date (IHD), noting which ZIP Codes have not scanned any pieces and requesting action. The key, he noted, is that the company has the data and shares it with USPS and that the USPS understands the data and report formats

because it has been a long-standing practice. The company has calls with BSNs on a regular basis, and the Confirm data backs up the issues being seen.

Mr. Taylor briefly walked the group through the reports, including the National Area Summary which shows all the data gathered for a particular event, then broken out by Area, by District, and by postal facility. Another tab in the report shows the event by day, including early, on-time and late scans. The facility report also shows facilities that did not scan 8125s, and Mr. Taylor noted that a facility that scans an 8125 two weeks after the fact is shown as not scanning because the form should have been scanned when received. He said the ASN from the 8125 is critical because it acts as the start-the-clock for the time being. Going forward, the company hopes to create a similar report based on container scans.

Mr. Taylor said the reports dramatically affect USPS behavior in the field. Facilities that are not scanning or not running mail to the right machines are identified in the report and it is invaluable in helping the USPS to improve its performance because it gets to the key issues. Bob Fisher, USPS, said that it helps to have a customer put the data into the USPS organizational structure in terms of Areas, District, facilities, etc. The Area Summary allows an Area vice president to look at Districts, then by facility, the event by day is a good overall summary, and the problems can be identified.

Mr. Taylor noted that when the company first started doing the reports, vendors and USPS representatives were involved, including Bob Fisher, who helped create how the data should be reported. Some still call them the "Fisher" reports, he said. Mr. Taylor said it has taken a long time to create a teamwork mentality between J. C. Penney and the USPS, but they are finally over the hump of the USPS questioning the validity of the data, and have moved on to identifying and resolving issues.

Mr. Fisher said the USPS went through a process to validate the Confirm data to be sure the start-the-clock was correct and not a mismatch between data in the service file and the actual mailing. When trying to aggregate raw data from mailers, he noted, if there is a bad mismatch, it can skew the results. The key is to be sure there is a good match between the two and then the aggregation is valid.

Ms. Kingsley said that process is of value because if a standardized format can be developed then USPS managers do not need to learn 20 different report formats from 20 different companies.

Mr. Taylor noted that the report is an Excel spreadsheet, so the data can be sliced and diced in different ways and the USPS can pull out what it needs. It is user-friendly and easy to work with, he noted.

Ms. Siviter asked for clarification on whether container scans will act as a start-the-clock in the future. Ms. Dobbins noted that the start-the-clock in the future will be based on FAST appointments, with validation of on-time arrival by container scans. Barcodes on trucks could be used in the future as well and the processes may evolve over time. Mr. Taylor said his company has been piloting container barcodes for the past 1.5 years and has monitored container scan performance by USPS facility. The data is being shared with the USPS on weekly telecons.

Mr. Taylor said that while his company may not need aggregate data as frequently as others, they would want to see a quarterly re-cap to assess their service experience against that of others.

He noted that if J. C. Penney moves forward with this type of reporting, the sheer volume of data coming back that will need to be managed is incredible, with 8 million pieces in a mailing and 3-5 scans per piece. When the company flipped the switch in December, he noted, the USPS had a tough time managing the data on its end.

They seem to have overcome that, he said, and have assured customers that they will be ready by May to handle the enormous volumes of IMB data.

BSN Issue Investigation Tool

Mr. Vance, USPS, reported that the BSN last year created a tool for field use to increase the level of the BSN's effectiveness and its ability to resolve service issues. The tool is Excel-based, simple, uses some data validation features and simple macros, and serves as a visual checklist for BSN interactions with customers reporting service issues.

Once the worksheet is completed with data supplied by the customer, separate files are created which can be sent to the Customer Support Manager. The tool helps resolve problems in the long-term not just the short term.

Mr. Vance reported that in looking at all the issues handled by the BSN in FY 2006, a top 10 issues list was created. The top 9 represent almost 71% of the entire number of issues, he noted, and the top three represent 81% of the list. [It should be noted that of the top 10 issues, at least 4-5 relate to delivery/service performance issues.]

When asked by the group how the tool is used in a complex example, Mr. Vance used the issue of early delivery as compared to the company's requested in-home date as an example. The tool would help the BSN collect information about entry times, process, delayed status in facilities, problems with transportation, etc. This allows the BSM to weed out possible causes and narrow down the root cause.

Charley Howard said that if customers had the checklist of what information was going to be requested by the BSN in advance, it would help put together information ahead of time. The USPS said the form could be posted on RIBBS for the mailer to complete. Maureen Noe, Quad/Graphics, said mailers would not want it to be a requirement because when reporting repetitive problems, it would be too much duplication of data to fill in which may not always be relevant.

Ms. Dobbins will talk with Angie Burns, BSN, to see if there is a way to incorporate the information and make it useful.

Six Sigma Quality Levels

Ms. Dobbins noted that from a quality perspective, the USPS wants to focus on what is wrong, focus on the errors and focus on correcting the errors to achieve as close to Six Sigma as possible. Tracy Urman has put together some slides with the Six Sigma levels, which were presented to the workgroup. The USPS is between a Six Sigma level 3 and 5, depending on what you are looking at, but is striving for a level 6, Ms. Dobbins said.

Next Steps

Ms. Dobbins suggested that before making a decision about whether to break into subgroups, each product group should prepare recommendations for report formats. There has been much commonality in terms of the

data each group needs, but there are some significant differences, she suggested. She asked for volunteers to report on recommended report formats. The following volunteered:

- Todd Black (Periodicals)
- Kathy Siviter (First-Class and Standard Mail)

Ms. Siviter said that business customers are envisioning a web-based system where users can pull information using user-defined criteria, and both the USPS and customers would have access to the system so common data reports could be obtained.

Ms. Dobbins said that with use of IMb, there are up to 750 million to 1 billion scans per week. When talking about raw data and manipulating that amount of raw data, computer costs can become exponential. The USPS wants to manipulate a smaller group of data. Whatever system would be developed would fall out of the Full Service IMb option. Report formats are important, she said, because the structure must be kept in mind for developing the requirements to put it together.

Ms. Siviter noted that the USPS will need access to more data than industry, because industry does not need much of the data that the USPS would use to identify the specific cause of the service issues (e.g., machine end of run data, etc.). Mr. Black suggested making a list of the different types of audiences that may want the data and report formats for each audience, since their needs may be different.

Wendy Smith said that parcel users still want a separate subgroup to discuss parcel industry needs. Ms. Dobbins said the USPS is unsure what the tasks would be for a parcel subgroup. Ms. Dobbins and Ms. Smith will talk offline and the USPS will ensure that a USPS parcel product representative is available for that discussion as well.

Ms. Kingsley said that there are some standardized issues for all product users, then a few things that differ by product, such as different data sources. The group should focus on getting the core needs defined, getting agreement, then if someone needs more that could be identified by product.

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 check on the status of plans to continue distribution of the service standards disk tool.	USPS
Pending	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

New or Pending	Action Item	Assigned To
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
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

Ms. Dobbins thanked the group for the information shared at the meeting. She noted that the proposal for an October 7 telecon was not good for some participants, October 8 is not good for USPS. After some discussion, the group agreed that the next meeting should be a telecon scheduled for October 14 from 12:00 noon to 1:30 p.m. EST. She encouraged workgroup participants to submit agenda items between now and then and noted the USPS will hold a telecon with the package industry prior to the October 14 12:00 noon telecon.