

Postage Survival Strategies



Brief



## Coping Strategies for 2009 Postage Increases

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Now an annual event, the USPS recently announced the 2009 postage rate increases. Effective May 11, a First Class stamp will require 44 cents, up 2 cents, to mail a utility bill payment or that special occasion card. If you send a high volume of correspondence using the fully paid rate, consider purchasing Forever stamps prior to May 11 to continue to take advantage of the 42 cent rate for under one ounce mail.

## BUSINESS MAILERS, WHAT ARE YOU GOING TO DO?

Here are the facts: postage rates will continue to increase annually with more work share efforts required by mailers in order to maintain discounts.

Business mailers need a strategy to help cope with this latest round of increases and the effect that they will have on the corporate bottom line.

Without making drastic changes to your operation, here are three coping strategies for 2009 that can be areas for potential savings.

### **Coping Strategy 1: Postage Discounts**

Are you sorting all mail internally and taking the extra postage hit for pieces that qualify only for the AADC or mixed AADC rate? If the volume is significant, think about sending these pieces to a presort company to comingle with other mail for better qualification rates. Keep only the 5 digit and 3 digit mail in house.

While applying your Six Sigma methodology to AADC and mixed AADC mail, expand your project to consider including your 5 digit and 3 digit mail as cost savings opportunities. Does it make sense to outsource all sorting to a presort company?

### **Coping Strategy 2: Intelligent Mail Barcode**

If you are one of the full service Intelligent Mail Barcode early adopters, first class presort letter mailers will receive a savings of .003 cents per piece. This discount will take effect November 29, 2009. The verdict is still out whether this will be sufficient savings to motivate mailers to utilize full service IMB, weighing the cost of implementation and on going support compared to the benefits that are available thru basic IMB.

Perhaps the costs greatly outweigh the benefits for a smaller mailer, but adopting IMB basic can have significant savings in the required changes to your barcode to support automation postage discounts. The USPS will soon require all mailers seeking presort discounts to use the IMB basic barcode.

## Coping Strategy 3: Convert Flats to Letter Size Mail

The May 11, 2009 rate increase indicates flat mailers are once again getting hit with significant postage increases. It's time to take a serious look at your mailing operation to determine what can be converted from flats to letter size mail. Not only is the postage savings significant, there will be additional benefits in material savings of forms and envelopes.

The USPS will continue to bring mailers new information throughout the year and Kern will be a resource for communications on the latest postal issues.



Gerri Harrison is the Director of Business Development for Kern, Inc and has dedicated 30 years to the mailing industry. If you would like any information on mailing solutions from Kern or just want to talk mail, you can contact Gerri directly at 888-KERN-INC or via email at [gharrison@kerninc.com](mailto:gharrison@kerninc.com)