

GETTING SMART ABOUT THE INTELLIGENT MAIL® BARCODE

PREPARE YOURSELF FOR THE MOST SIGNIFICANT
POSTAL CHANGE IN YEARS.





GETTING SMART ABOUT INTELLIGENT MAIL®

It's been referred to as OneCode™, IM™ barcode and the 4-State Barcode, but for most mailers, the Intelligent Mail® barcode has been a non-event.. a side-bar story on postal innovation that has flown under the radar for several years.

But that is about to change in a major way.

This initiative, which was announced in 2003, became available in 2006, and was expanded upon and enhanced in 2007, is expected to become a required element for USPS® automotion discounts in May 2009.

As the first mandated barcode change since the Postal Service™ invented POSTNET™ back in 1980, many companies will find themselves in uncharted territories. Not only will there be budget implications in 2008 and beyond, the impact may be felt well outside the walls of your mail production, affecting legacy systems, critical communications, business unit applications, document creation, paper stocks, database management, marketing, call centers and IT resources.

There are many advantages to the proposed Intelligent Mail® barcode, but how you manage the near-term implementation of this mandate, could have long-term implications for your business. While it may seem complex, there are ways to simplify the process, minimize your costs and maximize the value you receive and Secap is here to guide you along the way.

As the first in a series of insightful articles and practical resources that will help you generate better results for your company, this white paper provides an introduction to the:

- Expected requirements of the USPS mandate
- Factors that make this barcode so different
- Key considerations to focus on now
- Benefits one can expect to receive from using it

When you get smart about Intelligent Mail, you put yourself and your company in position to achieve more with your mailstream.

“To capitalize on the value of information about mail, the Postal Service and its customers will place an information-rich code on all mail, aggregates of mail, and business forms, enabling end-to-end visibility into the mail stream.”

Intelligent Mail® Corporate Plan
Published by the United States Postal Service
April, 2003



INTELLIGENT MAIL® AT A GLANCE

While certain specifics have not yet been finalized, the expected USPS mandate will likely address the following key points listed below:

1. In May 2009, the USPS would no longer allow mailings utilizing the POSTNET™ barcode to qualify for the full USPS automation discounts available.
2. To earn all available discounts after this date, you may be required to utilize the new Intelligent Mail® barcode.
3. The POSTNET™ Barcode will remain eligible for an automation price until May 2010. These prices will be announced with the May 2009 change.
4. The Intelligent Mail barcode, previously referred to as the “OneCode”, will combine the functionality of several barcodes into one multi-service code, replacing ACS™, POSTNET and PLANET Code®.
5. The new requirement not only covers mail piece barcodes, but also new codes for trays and containers such as pallets. Plus, the electronic submission of postage statements using Mail.dat®, Wizard Web Services or Postage Statement Wizard®.
6. The new barcode offers more accurate and detailed information about mailings, plus participation in USPS special services that allow you to track individual mail pieces, correct addresses and more.
7. The Intelligent Mail barcode would include the same delivery point data contained in POSTNET™, plus four entirely new data fields.
8. You may be expected to populate these new fields, which could entail multiple data sources. One such field is the Sequence Number, a six- or ninedigit identifier for each mail piece that must remain unique across your mailings for each 45-day period.
9. The graphics, fonts, coding and print specifications for the Intelligent Mail® barcode are different from any existing barcode used today.
10. Migrating to the new Intelligent Mail® barcode may entail creating the new barcode, plus eliminating all existing postal barcodes.
11. Overall, the Intelligent Mail® barcode was designed with innovation in mind – meaning that it will be used to enable additional USPS services, new applications and future benefits.

THE USPS PERSPECTIVE: BETTER MAIL

The “Full Service” Intelligent Mail option promises to raise the level of service the USPS provides to its customers while allowing them to control costs in the face of new rate increase limits, higher fuel costs and changing workforce skills. While a major change such as this will require an effort from mailers, this initiative will help the USPS deal with four key issues essential to the long-term success of mail.

New value-added services

The new barcode creates a platform for intelligence-based services that add value to the mailstream, and makes it easier to access OneCode ACS™ and OneCode Confirm™.

Improved deliverability

With streamlined address correction and piece-level tracking, it will help eliminate undeliverable and returned-mail – and the associated costs.

More efficient operations

Intelligent Mail® barcodes add speed, quality and accuracy to the entire process of mail delivery. By some estimates, mail sent using the Intelligent Mail® barcode can be several times less expensive to deliver than other automated mail.

Greater Accountability

Mailers will have increased visibility into the performance of the Postal Service, leveraging the same technology that will be used by the USPS to meet the service measurement requirements set forth by the Postal Accountability and Enhancement Act. Likewise, as each mail piece can now be tracked back to a specific sender, the USPS will be able to accurately assess which mailers are sorting, traying and preparing their mail according to USPS specifications.

However, while the Postal Service promotes the fact that Intelligent Mail provides customers with greater visibility into the mailstream – these barcodes also provide the USPS with better visibility into your mail operations, too. For mailers that are vigilant about address quality and proper postal presort techniques, this could be advantageous, but if you are less than diligent there may be significant repercussions.

TODAY'S MAIL PIECE

Address Correction Service Codes



PLANET Code for Confirm® Service

POSTNET™ Code for Sortation

TOMORROW'S MAIL PIECE

One code per mail type that points to a suite of services



Envelope Samples are for Illustration Purposes only.

THE BUSINESS PERSPECTIVE: NEW OPPORTUNITIES & BENEFITS

For years, businesses have understood the benefits offered by mail piece tracking in terms of cost efficiencies, accurate forecasting, fraud prevention, improved cash flow and customer satisfaction. Companies who are already using these intelligence-based services can point to millions in bottom-line savings.

Achieving these benefits, however, requires a change to business-critical communications such as invoicing, statement process and check remittance. As you are well aware, companies do not want to change business-critical applications unless absolutely required; and now, that requirement will soon be upon us.

Implementing the Intelligent Mail® barcode offers the following benefits:

OneCode Confirm™

Through this mail tracking service, you can measure service performance, predict delivery, document proof of mailing and provide customer service departments with track and trace information on mailings. There are hundreds of business applications for this service, with benefits including cost reduction, cash flow improvement and improved satisfaction. Unlike the current PLANET Code®, with Intelligent Mail® you will not need a second barcode, and the tracking will now follow a piece through the forwarding process.

OneCode ACS™

This electronic Address Change Service enables mailers to receive updated address information whenever mail is forwarded or returned by the USPS. For businesses, not only can you eliminate the costs of reprints and returned mail, you can ensure your mission-critical communications reach their intended recipients faster. The Intelligent Mail

barcode eliminates the need for the current keyline, which requires two lines of real estate. And you can't beat the price – for First-Class Mail® OneCode ACS™ is free for the first two notices of any name and address.

Other Intelligent Mail Benefits

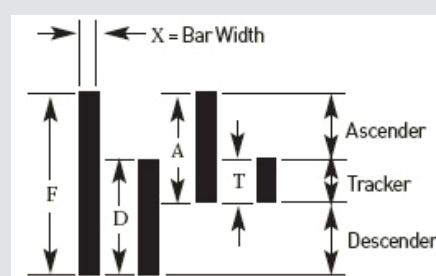
In addition, the Intelligent Mail® barcode provides several other advantages:

- One standardized barcode gives you a cleaner, consistent, more visually impactful address block
- An easier-to-scan barcode improves the accuracy of sorting equipment and reliability of delivery
- Enables participation in the new USPS Seamless Acceptance program, which will eliminate the need to run mail through MERLIN®
- Plus, you can continue to qualify for the lowest postal rates available

SPECIFICS AROUND THE NEW BARCODE

The Intelligent Mail® barcode is a height-modulated barcode that encodes up to 31-digits of mailpiece data into 65 vertical bars.

The code is made up of four distinct symbols, which is why this barcode was once referred to as the 4-State Customer Barcode. These are the tracker, ascender, descender, and full bar (TADF).





10 Clipper Rd | West Conshohocken, PA | 19428-2721
tel: 800.523.0320 | fax: 610.825.1397
email: marketing@secap.com | www.secap.com

NOTICE: The Federal Registry outlining the specifics of this new mandate by USPS has not been published as of the printing of this White Paper. As such, details are subject to change. ACS, Confirm, First-Class Mail, Intelligent Mail, MERLIN, OneCode, OneCode ACS, OneCode Confirm, Postage Statement Wizard, PLANET Code, POSTNET, IM barcode, United States Postal Service and USPS are trademarks owned by the United States Postal Service®. All other trademarks are property of the respective owners.