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## Getting the Most from Full Service IMB

The move to Intelligent Mail® barcodes (IMB) pushed by the United State Postal Service® (USPS®) is the most significant change in recent postal history. This is being driven by the USPS's need to improve efficiencies and reduce costs. The IMB enables unprecedented transparency that will help both customers and the USPS measure performance and track individual items throughout the mailing lifecycle.

The USPS provides two options for using the IMB – Basic Service and Full Service. The Full Service option provides the best benefits, including the deepest postal discounts and free Address Change Service (ACS™). Indirect benefits include item-level tracking and lowered complexity for additional services. Considering these, moving to Full Service IMB appears to be the way to go for mailers. To be Full Service compliant, the requirements are:

- Apply an IMB on all pieces with required fields and 11-digit delivery ZIP™
- Maintain uniqueness for mailpiece, tray and pallet identifiers for 45 days
- Submit mailing documents electronically (using Mail.dat® and Mail.XML™)

However, implementation can be more involved than it seems. Selecting the right software and implementation strategy are important to reduce the implementation effort, as well as to maximize the benefits available through Full Service IMB.

The IMB can be applied either upstream during mailpiece creation or downstream during the sorting process. Both strategies have their relative advantages and disadvantages, but downstream application of IMBs using a sorter seems to be the easiest to implement and least complex to manage.

Adoption of the right software plays a critical role. NetSort™, the latest software platform from BBH, is based on an item-level architecture that will enable you to not just meet Full Service requirements, but gain from its additional capabilities. Some of the benefits include improving postage discounts by sharing complementary mail with other sites without losing integrity, improving operational transparency and providing solutions for Move Update compliance concerns.

### Full Service IMB benefits

To promote the use of Full Service Intelligent Mail barcodes, the USPS has provided several incentives that can significantly benefit mailers:

- **Additional discounts**—First-Class Mail® that complies with Full Service requirements will earn an additional discount of \$3 per 1,000 pieces and Standard Mail® will earn \$1 per 1,000 pieces, starting November 2009
- **Free start-the-clock information**—Informs mailers when the mail was inducted into the postal network
- **Free ACS information**—With Basic Service, the cost of ACS for First-Class Mail is \$.02 for the first two hits and \$.08 for every additional hit. Standard Mail incurs a cost of \$.05 and \$.10, respectively. But with Full Service IMB, ACS information is free for the first 95 days for First-Class Mail and 30 days for Standard Mail.

Apart from these direct benefits, there are additional, indirect benefits from adopting Full Service IMB:

- ACS and Confirm® services are easier to use:
  - Full Service manages the uniqueness of the individual mailpiece. Both ACS and Confirm can utilize this uniqueness to tie the response from USPS back to the individual pieces.



- The IMB specification allows ACS and Confirm services to be selected through the application of the right service code in the assigned fields in the barcode, eliminating the need for additional endorsements or markings.
  - For mailers hesitating to use Confirm services because of the difficulty of applying a PLANET Code® and/or the constraints on the design of a mailpiece, the IMB eliminates the need for the PLANET Code.
- Sharing mail with complementary ZIP Codes™ between sites can significantly improve qualification levels and therefore improve postage discounts. This will be valuable for those presorters challenged by very large players who are able to provide lower prices because of their higher volumes. Even if there are no extreme competitive threats, sharing complementary mail can result in improved profits and/or reduced costs for mail owners and preparers, and can benefit the USPS as well by having more mail presorted to a deeper level.
  - The 45-day uniqueness of the IMB for Full Service enables presorters and mail preparers to trace mailpieces back to the mail owners. This is an important component of a Move Update compliance strategy because the mail owners of non-compliant pieces can be identified, and appropriate actions can be initiated with them.

## Implementation challenges

Mail preparers typically receive mail from a variety of sources, and the combined volume enables them to provide efficient services to their internal and external customers. However, this raises some concerns for Full Service IMB implementation, such as:

- When processing pre-barcoded pieces, the mail preparer is dependent on the mail owner applying barcodes that are unique for 45 days. Discussions with mail preparers indicate that many of their customers (mail owners) are not likely to be able to exercise sufficient control to accomplish this.
- The mail owner could use the same Mailer Identifier (MID) in a different mailing sent to a different mail

preparer or even directly to the USPS, and in this case, the mail preparer would not be able to determine based on past data whether the mail is unique.

- In some cases, the mail preparer's customer may in turn be receiving mail from multiple sources, and this adds to the complexity.
- For end-to-end production environments, moving from POSTNET™ to IMB can be a very difficult process and can involve significant effort to control the MIDs and sequence numbers for every print and finishing job.
- The USPS does not allow the "cast of characters" functionality until later on. This would allow the mail preparer to identify the MID of the true mail owner for each piece, regardless of the MID applied on the envelope.

## Applying the IMB: upstream or downstream?

When moving to Full Service IMB, the decision of whether or not to apply the IMB during mail creation or sorting is an important one. With the POSTNET barcode, many mail owners preferred the application of the barcode to be done at the sorter, allowing the multiline optical character reader (MLOCR) to determine the right delivery ZIP through its CASS™-certified software and directory rather than ensure that all upstream address sources utilized CASS-certified software. This consideration still remains valid with the move to IMB along with other factors.



## Upstream

The advantage of applying the IMB before sorting (during the printing and inserting process) is that it can be used for tracking at an item level from that point on. Another advantage is the ability to have more visually appealing print quality using laser print technology. A key limitation of this approach is that it is necessary to ensure that CASS-certified software was used for determining the POSTNET barcode. This can be very difficult to ensure in an environment with multiple address list sources.

Another limitation of this approach is that the IMB specifications do not allow much flexibility in the use of numbering, and a cross-reference file will be required that contains the additional data necessary for effective item-level tracking. In addition to this fact, it is necessary to ensure that the IMB is unique. Maintaining this uniqueness across multiple printing and inserting machines can be complex. In most cases this will involve significant IT cost as well.

The mail preparer is responsible for submitting mail to the USPS compliant with Full Service IMB requirements. This becomes difficult where the supporting actions are distributed across multiple stakeholders because of the complexity in coordinating these efforts.

## Downstream

Applying the IMB at the sorter provides the fastest, lowest-cost approach to being Full Service compliant, and it is also easier to maintain over time. As with the application of the POSTNET barcode, determining the right delivery point ZIP Code can continue to be the responsibility of the MLOCR. Maintaining uniqueness is much simpler at the sorter because there are generally fewer sorters than there are inserters for the same volume of mail.

In most cases, mail is sorted close to the date (or the same day) of the mailing. For item-level tracking from mail creation to sorting and to utilize ACS and Confirm effectively, an ID can be applied during printing or inserting using the mail owner's format, and this can be associated with the unique IMB applied at the sorter. This is a much simpler approach that reduces the IT and system modifications required. Further, all the requirements for being Full Service compliant will now be under the same stakeholder (mail preparer), making it easier to ensure compliance and make process adjustments as required.

Considering the relative advantages and disadvantages of both upstream and downstream application of IMB,

the latter approach using a sorter seems to be a better option. This approach minimizes the effort of making the necessary changes, provides better flexibility and is easier to maintain on an ongoing basis.

## NetSort: A complete Full Service IMB solution

NetSort, the new sorting software platform from BÖWE BELL + HOWELL, provides support for Full Service IMB that can reduce your efforts to be compliant, and offers a wide range of upgrade options for additional benefits. NetSort is a client/server product and is designed to deal with high volumes of data while maintaining data integrity and ease of use. It improves on functionality from BBH's MaxiSORT® and WinSort® software with an underlying architecture designed for continued growth.



### Uniqueness

NetSort manages the uniqueness of mailpieces across multiple sorters, trays and containers, and also creates and submits electronic mailing reports (Mail.dat and Mail.XML).

### Item-level tracking

An extensive audit trail will be available for each piece, allowing the mailer to trace the piece back if it is found to be non-compliant with Move Update standards

### FFMUN and ACS support

NetSort supports ACS and FFMUN (*FASTforward*® Move Update Notification) services. Further, it will be possible to associate an identifier applied during the mail-creation process to the unique IMB applied using NetSort-enabling traceability to upstream processes. Mail preparers can provide FFMUN and ACS data as value-added services to their customers, receiving data from the USPS on behalf of their customers and providing this data to them, cross-referenced to the mail owner's own identifier. This approach allows mail quality to be monitored by both the mail preparer and the mail owner, ensuring that corrective methods can be put in place to ensure that more of the mail gets delivered to the right addresses and the risks for Move Update non-compliance is minimized.

## OneCode Confirm service

NetSort also integrates with Track N Trace®, a hosted service from BBH that utilizes OneCode Confirm® data to provide user-friendly item-level tracking reports to customers. To simplify end-to-end tracking, it will be possible to cross-reference an identifier applied during mailpiece creation to the IMB applied with NetSort so that a mail owner can use their own identifier to retrieve item-level data. The data and reports provided can be used in multiple ways. For example, dunning notices can be reduced by tracking incoming payments, call centers can be staffed appropriately as they track outgoing statements, and marketing messages can be timed to reach their target audience at the appropriate date. In addition, mailers will also be able to measure the performance of the USPS delivery network.

## Reduce postage costs

MultiSite is a NetSort option that allows different sites to share mail with complementary ZIP Codes, thereby maximizing qualification levels and available postage discounts, without losing integrity. The USPS requires item-level validation for all mailpieces being moved across sites, and NetSort provides more than the necessary level of detail. NetSort enables multiple mailers to share mail across their different sites, while maintaining item-level traceability across all sites. This capability enables mailers under severe competitive threats to be able to reduce their postage costs and counter effectively, while reducing costs for their customers.

The benefits of implementing a Full Service IMB solution are clear. BÖWE BELL + HOWELL can help you construct a meaningful approach to Full Service IMB by bringing together improvements in workflow, software and hardware to maximize your postal discounts and provide the best service to your customers. Contact us to learn more. We welcome the opportunity to work with you.

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