

Shipping solutions,  
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White paper



Shipping

# Optimizing your shipping and receiving operation — an expert's perspective



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## Introduction

Secure, timely and cost-effective shipping and delivery are fast becoming top priorities for business today due primarily to the increase in client expectations and the resulting surge in parcel volume, both inbound and outbound. Today shipping and delivery are an integral part of the customer experience and a major contributor to the corporate image. Despite this evolution, the shipping and receiving technologies and practices used by many corporate mail centers have become antiquated and ill-suited for the demands of the job. With little pressure or funding to change, few mail centers have updated to accommodate new growth and challenges. Most remain largely manual operations, never designed for today's more complicated multi-carrier workflows, compliance requirements or shipping demands.



Pitney Bowes wishes to thank Nick Staffieri, Director of Administrative Services at The MCS Group, Inc. for lending his expertise and insights to this paper. Nick began his career in a mailroom and is still there today, 30 years later, providing consulting support to improve operational efficiency and lower costs. Passionate about the mail industry, he is one of only a few hundred Certified Mail and Distribution Systems Managers (CMDSM). He is a National Board Member for the Mail Systems Management Association (MSMA) and a speaker for MAILCOM, MSMA, ALA and other organizations. As a speaker and author of publications for the office services industry, Nick regularly shares his wisdom on workforce and office management, workflow analysis, leadership, space planning and mailroom design.

The expanding range of carrier alternatives enables organizations to compare rates and surcharges and make the best shipping decisions for their business. They can capitalize on the differences between carriers and build the ideal carrier mix. However, the evolving array of carrier-specific services and rates can introduce considerable complexity into an already complex shipping and receiving operation, particularly in the areas of tracking and billing. This is due in no small part to carriers' diverse requirements, including different paperwork, procedures and systems. With no real way to integrate the processes, the risk of shipping errors, delays and loss is increased.

The level of difficulty and confusion can be overwhelming for organizations that ship and receive documents and packages every day, like law offices, hospitals, and colleges and universities. In all of these business settings, the efficient transfer of parcels and mail is vital to daily operations. There is a sense of urgency to ensure that parcels flow quickly and securely to their proper destinations and recipients. Shipping solutions must be cost-effective, and parcels must be fully tracked, inbound and outbound, with appropriate notifications and signatures. In almost every industry, organizations are grappling with the logistic and compliance demands of what has become an increasingly business-critical function.

Recently, mail operations consultant Nick Staffieri sat down with Pitney Bowes to talk about the changing nature of the parcel business, the concerns facing specific industries and the challenges and opportunities for mail operations professionals going forward. He paints a portrait of today's busiest mail centers that should resonate with every individual working in the business today.

## Time for a wake-up call

Today's mail centers have developed a certain rhythm. For most, package and parcel handling is labor-intensive, relying on manual methods for inbound and outbound processing, logistics and billing. Still the job is getting done and there is an overall sense of satisfaction. When a misstep occurs, such as a package being delayed or lost, there is a tendency to address it and move on instead of analyzing what happened, why it happened and determining how to prevent it from happening again. There is little incentive to put new measures in place or change existing workflows.



While most mail operations managers have an underlying awareness that things could be better, it's not until something really dire happens that they seriously consider the need for change. It could be the delay of a high-profile package that results in revenue loss or exposes a serious performance issue impacting clients or employees. Or it could be a non-compliance issue that leads to heavy fines and customer loss. In either case, mail operations managers are forced to respond, so they do. It is a painful but often necessary wake-up call that puts an end to mail center complacency.

## Technology and automation can't wait

Digital communication—namely, email, social media and mobile applications—have increased consumer expectations for shipping and delivery efficiency. Inbound and outbound packages are no exception. Getting parcels delivered on time and to the right place is the objective, but manual logging, sorting and distribution processes can interfere with that. Parcels can get lost, misplaced or sorted inaccurately, expending valuable resources in the process. The resulting damage to a company's reputation and customer relationships can be severe.

Technology has a significant role to play in alleviating the losses and delays that can hinder employee productivity. That makes it imperative for mail center managers to recognize the potential. They should absolutely be looking at technologies that can automate their inbound and outbound operations and simplify tracking and accountability.

Today's automation technologies can streamline shipping and receiving, creating digital histories that make it possible to trace each package and piece of mail and identify its whereabouts at any point in time. This saves the time and expense of manual searches and replacing lost items. In the event a problem does occur, tracking technology enables management to quickly pinpoint where it originated. With greater visibility and accountability, it's easier to rectify problems when they do happen and also avoid their reoccurrence.

Automation also relieves the complexity inherent in multi-carrier shipping operations, helping organizations accurately track and bill for individual carrier services. It helps restore control and simplicity, especially for organizations with multiple locations, whether across a campus or around the world.

*“When shipping is handled manually, there are inefficiencies, longer processes and more chance of data entry error. That's always been a challenge. Putting technology to use for you is the key to resolving those issues.”*

—Nick Staffieri, CMDSM

## So where is tracking automation technology making a difference?

Tracking automation technology is already having an enormous impact in highly regulated, communications-intensive environments like law offices, healthcare organizations and college campuses where the volume of student packages has radically increased demands on campus mail centers. In these environments, what happens in the mail center is serious business. Inbound and outbound package processing must be fast, precise and secure to satisfy business needs and growing expectations.

### Simplifying volume and demand

Mail centers are a major hub of activity at most colleges and universities. But today interdepartmental communications, faculty mail and other routine communications are eclipsed by the sheer number of parcels being shipped to and from students. Students are arriving at college with fewer belongings, knowing they can buy whatever they need online and have it delivered. Purchasing everything from textbooks and groceries to dorm furnishings, students are ordering more packages than ever. And that's on top of the traditional care packages from home. One major New York City university reported a 32 percent increase in package volume at the start of the school year compared to the same period the prior year. This increase mirrors what campus mail centers across the country are experiencing.

The meteoric rise in package volume has superseded the capabilities of traditional campus mail centers, which were never designed with this kind of volume in mind. With considerable space already allocated to individual student-assigned mailboxes, storage space for packages is at a premium. It has made the quick turnaround of parcels a priority for institutions that would rather focus their concerns on more pressing student life matters. It has also increased the backend workload for mail centers. Staff are contending with more emails and calls about packages, sending more delivery notifications and investigating missing packages.

Slower processing along with outdated receiving, notification and pickup procedures can upset uber-connected students and parents who have come to expect technology-enabled efficiency in everything they do. Many colleges still log packages manually using whiteboards and paper notebooks, and they notify students by leaving slips in their mailbox. By the time students check their mailboxes (if they check them at all), packages have been sitting in the mail center, taking up space, far longer than they should. When students do come for pickup, their packages may have been moved around so many times, they are difficult to locate. It is not uncommon for mail center staff to hunt for packages that have gone unclaimed for short periods. It is also not uncommon for students to show up to find their package hasn't yet arrived or been processed. Expecting two-day delivery, they may head to the mail center for pickup on the specified date. Instead they leave empty-handed, having to make time for another trip before they can claim their package.

*“Automating notifications and getting the communication to a mobile device so students can at least understand that a package is waiting is definitely something that improves the process.”*

—Nick Staffieri, CMDSM

Student and parent frustrations are exacerbated by the lack of accessibility of campus mail centers. Budget cuts have reduced the hours of operation and led to longer pickup lines and wait times. With shorter windows and students' unpredictable schedules, it can be difficult for students to find an acceptable time to retrieve their packages. This becomes especially problematic when packages contain medication, perishable food or other items requiring rapid pickup.

All of these issues are addressed with inbound tracking and automation software:

- Portable tracking devices scan carrier barcodes and log incoming and outgoing packages, enabling shippers and recipients to look up their location and status at any time
- Automated logging of parcels enables more volume to be processed in a shorter amount of time, speeding delivery to recipients
- Assignment of storage location numbers improves package organization and speeds retrieval once recipients arrive for pickup
- Automatic alerting of recipients via email or text once packages have been logged ends confusion about when and where to pick up packages
- Instant confirmation of package receipt with captured digital signatures provides assurance to both parties when packages are picked up

### Case study: University of Connecticut reengineers package delivery for a new generation

During the 2014–2015 school year, the University of Connecticut (UConn) received nearly 144,000 packages for students alone. Processing the enormous volume of incoming parcels was complicated by multi-carrier delivery procedures. USPS delivered to eight different campus mail centers. FedEx and UPS delivered directly to students' dorm rooms. Errors were not uncommon. Packages were delayed, others were lost. Repeated delivery problems led to public student backlash.

UConn knew its mail operations had to change. The school took on the challenge of consolidating mail services and improving the accuracy and speed of delivery by implementing Pitney Bowes® SendSuite® Tracking software. SendSuite met UConn's need for a high-volume, multi-location solution. The solution automates UConn's mail receiving areas, scanning incoming parcels, providing real-time package location status and notifying students by text and email when their packages arrive. It also simplifies multi-carrier delivery, eliminating the need for carriers to deliver to different locations. All packages are now delivered to the main mail services facility, entered into an online system and tracked across the campus to their final destination.

When students arrive at the mail center to pick up their package, the wait time is reduced. They simply swipe their ID and the system pulls up any packages that have arrived for them along with the exact shelf location.

Learn more about UConn's mail center capabilities by visiting [pb.com/us/shipping-and-mailing/case-studies/university-of-connecticut.html](http://pb.com/us/shipping-and-mailing/case-studies/university-of-connecticut.html)

### Multi-carrier integration

With single-carrier contracts no longer providing the savings they once did, organizations are employing multiple carriers to lower costs across the range of parcels they ship. But more carriers mean more complexity. And many organizations don't have the ability to navigate a multi-carrier environment.

Sorting through the broad array of carrier-specific services and costs is just the beginning. Shipping options vary based on each carrier's intricate rules about dimensions, weight, delivery time and distance. With actual costs calculated from what is often seen as a convoluted set of rates and surcharges, it's not always clear which shipping method is least expensive or best. In addition, each carrier uses different procedures and requires different paperwork. For the average mail center, it can be extremely confusing and difficult to satisfy all of the different carrier requirements, locally and globally.

Today's shipping technology simplifies multi-carrier processing by making it possible to integrate pricing and services for the big guys—UPS®, FedEx®, USPS®—as well as their smaller and regional counterparts. The software typically includes a single interface that allows mail centers and their customers to compare carrier options and costs and determine the optimal outbound service for each parcel's delivery requirements. It simplifies shipping decisions along with address verification, label printing and tracking by enabling multi-carrier services to be dispatched and monitored centrally with a single solution. Using one integrated multi-carrier platform helps organizations streamline their shipping operations, lower costs and improve customer service. In addition, management can more easily audit carrier delivery times and account for all carrier spending across the organization.

*“Being able to look at all of the available shipping options from one location is extremely valuable. It allows organizations to make the best decision for each parcel based on when they want it to arrive and how much it's going to cost.”*

—Nick Staffieri, CMDSM





### Better pricing and terms

Making it possible for senders to compare rates and service options—whether from a corporate mail center or their own desk—incentivizes carriers to keep rates competitive. It also enables organizations to negotiate the most favorable terms, which can include discounted rates and the reduction or sometimes even elimination of surcharges.

This plays well with tech savvy college students, who routinely use online resources and social media to research the best price and service options before they make a purchase. Being able to provide them with the lowest price option on the spot goes a long way to meeting their expectations for speed and efficiency. It also helps faculty and administrators who are under pressure to carefully allocate expenses and control spending.

*“Having all the information at your fingertips as you’re entering the shipping parameters is very, very important. Organizations don’t have to limit their options because they don’t have the time to look things up, research costs and go over everything.”*

—Nick Stafferi, CMDSM

### Simplified compliance

When shipping and receiving practices fail to comply with accepted standards and regulations, it can cost an organization dearly. This is especially true in the legal, financial and insurance professions, which routinely send important documents to clients and rely on some form of written acknowledgement to verify clients have received them.

In law offices, it is standard practice (and in some cases, state law) to send important documents as certified mail, return receipt requested, with proof of receipt provided in the form of a traditional green card or electronic return receipt. When a firm has no record of that receipt, the consequences can be damaging. A case could be dropped if the firm has no proof of a defendant receiving a lien notice or a canceled insurance policy. The firm could lose clients and substantial revenue. Worse yet, its reputation and credibility could be called into question.

In the pharmaceutical industry, where shipping is tightly regulated, the consequences of non-compliance can be even more severe. Many pharmaceutical products—such as temperature-sensitive drugs, vaccines and blood products—require precise monitoring from the time they leave a manufacturer to the time they reach their destinations at hospitals, laboratories and research facilities in the U.S. and abroad. The chain of custody can become long and complicated as these products pass between the sender, the airline, the distributor, and ultimately to the customer or patient.

Compliance can be difficult to maintain with known shipping carriers. When less experienced regional carriers must be used, the risk of non-compliance can increase considerably. The right packaging, following the right route, and the right expertise in each local market is crucial to providing an uninterrupted chain of custody for life-saving drugs, medical and surgical devices, and research and development. In this environment where every detail counts, the safe transport and arrival of each parcel in perfect condition is fundamental.

Tracking automation technology is really making a difference in both the pharmaceutical and legal industries because it simplifies compliance and improves accountability. It does this by:

- Tightly managing the flow of parcels and documents
- Documenting the complete chain of custody to provide proof of receipt and authenticate that parcels are void of tampering
- Enabling shippers to instantly identify the status and location of parcels in real time and verify delivery with electronic signatures
- Ensuring that confidentiality is preserved and highly sensitive contents are not compromised

### Greater visibility across the enterprise

Tracking software that employs barcode scanners and captures electronic signatures allows for greater visibility of incoming parcels. When a parcel arrives at a law office mail center, it is scanned in and automatically logged. From that point forward, no matter where it travels across the organization, it can be located very quickly. Mail center staff can easily identify whether the parcel has been received at the final destination, who signed for it and where it is.

In large campus operations, where there are multiple mail facilities or loading docks, having the ability to track a parcel to its final destination is even more critical. Colleges and universities can be especially challenging in this regard, with mail centers spread across dozens of housing facilities and school buildings. Having greater visibility of incoming carrier shipments enables mail center staff to predict exactly how and when packages will be available for student pickup. This can ease the anxiety of students and parents, resulting in less time spent answering queries and hunting down packages.



### Faster, more accurate addressing

Customer and employee addresses are often scattered across the organization, maintained in separate databases by individuals and departments that use them. This is a veritable nightmare for busy mail centers that don't have a lot of time to locate addresses when parcels are shipped or received. Tracking down the right address is often complicated by inaccuracies and redundancies, which can have real financial consequences. Even addresses that are off by a little bit can be subject to hefty carrier surcharges, including \$14 for UPS incidents and \$13.40 for FedEx incidents, as of this writing.

The growth of parcel shipping, particularly on a global scale, makes centralizing and automating campus and corporate address books imperative. It allows address fields to be automatically populated when recipients' names are entered, reducing errors, eliminating redundancies and accelerating delivery.

### Faster, more accurate billing and accounting

Parcel billing can be a tedious, time-consuming task, particularly for organizations that employ a chargeback model to capture their costs. Law firms frequently use client chargeback billing practices. They traditionally charge clients for all of the services provided associated with their case, including parcel shipping. With hundreds of time-sensitive, confidential case documents, contracts and court filings shipped every day, keeping track of every client's parcel charges is neither easy nor top of mind for mail center staff. And the larger the firm—think multiple offices using multiple carrier—the more complicated it is.

When weekly itemized bills arrive from the carriers, someone in accounting has to manually assign the cost of each shipped parcel to the right client. Human error aside, the process has become such a burden that some law firms have decided to stop billing clients for parcel shipping. Since these firms are no longer recouping their shipping costs, they have become more cost-conscious. Finding the most cost-effective way of sending parcels is a priority, and they are considering lower-cost multi-carrier shipping options they would not have cared about in the past.

Hospitals share the chargeback burden. It is standard procedure for patients to be billed for all of the hospital services and products use, including parcels shipped to them containing medical equipment or copies of medical records. Mistakes are not uncommon, with patients being double-billed or overcharged for shipping or being invoiced for parcels they never received.

What's needed is a solution that integrates multi-carrier parcel processing software with an organization's own billing and accounting systems, so that client charges captured in the mail center are automatically accessible by accounting and billing personnel. With online access to the cost of every shipment and piece of mail sent in a client's name, accounting can easily allocate charges to the right client. This would end the need to manually itemize and calculate client charges, eliminating errors and delays. Clients could be billed more quickly for the full amount they owe, and organizations could recoup their costs more quickly. With billing streamlined and more precise, there would be far less strain on the accounting department and far less time spent on these processes.

## Getting there from here

Transforming from a manual shipping operation to an automated and tracked operation is a major change, but it doesn't have to be a painful one. Some key considerations can help ensure a smooth transition.

### Get buy-in across the board

Often the most difficult part of making process improvements is getting buy-in from the very people who are most affected. Getting everyone onboard requires a unified management team that is itself fully committed to the improvements that automation will bring. Good, proactive communication is essential. Management should have a plan to explain the need for change, the impact on current practices and the new opportunities created for employees.

### Set reasonable expectations

When implementing automation technology, there's a tendency to focus only on hard-dollar cost savings. The savings can be soft as well, attributable to efficiency and accountability. When organizations analyze the return on their automation investment (ROI), more often than not, they find that they have made substantial gains in the daily activities that used to bog them down.

In a law firm, that might mean knowing the exact location and status of an affidavit or case file and being able to identify the current user and when and where the file was signed out or delivered. Gains are made in time saved, due to fewer disruptions and missing files. Instead of spending time tracking down parcels, firms can spend that time doing billable work. The ROI from these improvements can be considerable.

*"It all comes down to accountability. Being able to show that, yes, the parcel came in, we tracked it, and we delivered it to the correct person. And if you need us to track it down, we know exactly where it is."*

—Nick Staffieri, CMDSM

### Involve IT

Getting IT involved from the beginning of any technology initiative is important to any technology investment. In this case, it's important to nail down whether the tracking and multi-carrier automation solution should be deployed on premise or in the cloud. Since IT may have to support the solution either way, they need to participate in and be comfortable with the decision.

### Integrate data

Too often, addresses, costs and client data that ought to be shared resides on separate systems accessible only by the departments that created it. These information silos lead to data redundancies and process inefficiencies that can limit the benefits of tracking and automation technologies.

Integrating new inbound and outbound solutions with existing client data and client accounting systems eliminates duplication and inefficiency by sharing information automatically. It makes sender and recipient names and locations easily accessible to the entire organization, minimizing the need for data entry and accelerating shipping and delivery. IT can help facilitate integration via simple scheduled information import and export.

### Prepping your shipping operation for future change and demand

Shipping and delivery expectations have changed dramatically over the last decade, and they will continue to change. One thing that organizations need to realize is that they're not going to future-proof their shipping operation by doing the same old thing. Instead, they have to keep adapting and innovating. They have to offer their customers a wide array of shipping options to meet increasing demands for speed, efficiency and service. Multi-carrier shipping is a big part of that. Customers increasingly want to control the carrier decision and choose providers that best match their budgetary and service requirements.

### The need for innovative thinking

Innovation has been one of the biggest pain points for mail operations. Still viewed largely as a cost center by the rest of the organization, the mail center has traditionally not been included in corporate innovation initiatives. But times are changing. Companies are recognizing the impact that shipping and receiving are having on customer satisfaction and their corporate image.

*"When organizations analyze the return on their automation investment (ROI), more often than not, they find that they have made substantial gains in the daily activities that used to bog them down."*

The same innovative thinking and expertise that has been called upon to refresh marketing, sales and finance needs to become standard practice in mail operations as well. Creating a culture of innovation that encourages employees to generate and explore new ideas is essential to uncovering new efficiencies and cost savings.

*“Today there are so many shipping options, organizations have an obligation to meet client expectations. They also have to understand that it’s not just the product they’re shipping that presents their image. It’s the efficiency and the cost of getting it there that also affects their image.”*

—Nick Staffieri, CMDSM

### Selecting the right technology partner

With technology so intrinsic to the future of parcel and mail center management, implementing the right solutions is critical. Few mail centers have the in-house technical expertise to go it alone. Most will partner with a technology consultant or provider to get the support and guidance they need assessing current operations, prioritizing business and IT requirements, and narrowing the field of solutions.

Choosing the right partner can make a huge difference in the long-term success of the mail operation. Several factors should be considered, including industry experience, subject matter expertise and commitment.

The ideal partner should have their client’s best interests at heart and share their commitment to achieve desired goals. They should have a solid track record of collaboration, transparency and communication that reflects a genuine understanding of their client’s processes and needs. They should know the mail operations business and be well versed in the field of carrier management, regulations and complexities affecting the client’s industry. Finally, there needs to be a willingness and availability to listen to concerns and questions and become an extended arm of the client’s organization.

## Conclusion

Gone are the days when the mail center was just another cost center. Today’s mail centers are active business hubs, contributing to the bottom line and playing a major role in business, internal and external customer satisfaction and the organization’s reputation. For most of these centers, standing still is no longer an option. Shipping and receiving operations must adapt in order to manage growing multi-carrier complexity and the skyrocketing volume of inbound and outbound parcels. Tracking and automation technologies provide the answer, doing away with tedious manual procedures and simplifying complicated shipping workflows.

Across every industry, business has become communications-intensive. The opportunity for mail center operations to reduce costs, operate more efficiently, and simplify compliance is enormous if they embrace technology. With greater visibility across the enterprise and the entire chain of custody, it’s possible to analyze and improve operations continuously and proactively. The key is to act now before it becomes imperative.

To learn how your mail operations can thrive in an increasingly complex carrier landscape, speak with the shipping and receiving management experts. Contact Pitney Bowes, the Craftsmen of Commerce, at 800.327.8627 or visit [pitneybowes.com/us/shipping](http://pitneybowes.com/us/shipping).

Nick Staffieri shares shipping insights and opportunities in a series of videos Click below to listen in.

<http://pbi.bz/SendSuitePlaylist>



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