

Event-Driven Intelligence in Telecommunications

The Latest Corporate Mandate Provides Carriers the Practical Insights
They Need to Transform Businesses for the Better

WHITE PAPER:

MAILING EFFICIENCY AND COMMUNICATIONS INTELLIGENCE



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LEADING TELECOMMUNICATIONS COMPANIES ARE FINDING WAYS TO INTEGRATE DATA INTO BUSINESS PROCESSES, AND IN SOME CASES, AUTOMATE DECISIONS WITH ON-DEMAND BUSINESS ANALYTICS. NEW TOOLS INCLUDE EVENT-DRIVEN DATA PLATFORMS THAT CAPTURE BUSINESS EVENTS IN REAL TIME, AGGREGATE INTELLIGENCE, APPLY RULES AND CAN EVEN TRIGGER QUERIES WHEN PREDEFINED THRESHOLDS HAVE BEEN REACHED.

THIS WHITE PAPER HAS BEEN DEVELOPED TO PROVIDE YOU WITH BACKGROUND ON INTELLIGENT MAIL®, WITH AN EMPHASIS ON THE 21 PRACTICAL WAYS YOU CAN LEVERAGE MAILSTREAM INTELLIGENCE TO IMPROVE YOUR BUSINESS TODAY. WITH EXPERTISE IN CUSTOMER DATA QUALITY, DATA INTEGRATION AND POSTAL COMPLIANCE SOFTWARE, PITNEY BOWES BUSINESS INSIGHT IS UNIQUELY POSITIONED TO PROVIDE YOU WITH THE INFORMATION AND KNOW-HOW YOU NEED TO MAXIMIZE THIS OPPORTUNITY.

FOR THE MOST UP-TO-DATE INFORMATION ALL YEAR, VISIT COMMUNICATIONS INTELLIGENCE, THE NEW WEB-COMMUNITY FOR PITNEY BOWES BUSINESS INSIGHT CUSTOMERS AT <http://commintel.net>.

LEVERAGE MAILSTREAM INTELLIGENCE TO IMPROVE YOUR BUSINESS AND GAIN A COMPETITIVE ADVANTAGE

Information has been described as a source of learning, the currency of democracy and the oxygen of the modern age. That's why some companies invest as much as five percent of revenues on information and information technologies — constantly looking for new ways to gain a competitive advantage.

Such an advantage is especially important in the telecommunications industry, where bundled packages, new technologies, add-on services and high infrastructure costs have created both opportunities and challenges. Every day, marketing managers, network planners, financial analysts, service reps and department heads are called on to make on-the-spot choices that affect bottom-line performance, impacting whether or not your company will:

- increase response to marketing efforts
- provide accurate, timely customer service
- expedite cash flow and reduce the cost of funds
- eliminate waste and redundancies
- retain the best customers

Leading telecommunications companies are finding ways to integrate data into business processes, and in some cases, automate decisions with on-demand business analytics. New tools include event-driven data platforms that capture business events in real time, aggregate intelligence, apply rules and can even trigger queries when predefined thresholds have been reached.

New Corporate Mandate Presents a Unique Opportunity

Starting in May 2009, your organization can harness a new class of event-driven data that will transform business processes for the better. The unlikely source of this data is your company's own print and mail production center, a group that will be required to comply with a postal mandate known as the Intelligent Mail® Barcode.

While most managers spend little time thinking about mail production, the value of this new mail-based intelligence has already attracted over 200 top corporations — companies who have adopted the Intelligent Mail® Barcode early in order to reduce costs, streamline processes and drive incremental revenue.

Three factors are driving the sudden interest in mail-based intelligence:

1. The information involves current customer transactions and can drive decision making in timely, practical ways.
2. The information is pervasive, giving you the ability to impact results across your entire enterprise.
3. Once your mail center complies with the Intelligent Mail® mandate, the information will already be in-house — ready and available exclusively to your business.

This white paper has been developed to provide you with background on Intelligent Mail®, with an emphasis on the 21 practical ways you can leverage mailstream intelligence to improve your business today. With expertise in customer data quality, data integration and postal compliance software, Pitney Bowes Business Insight is uniquely positioned to provide you with the information and know-how you need to maximize this opportunity.

Background on Intelligent Mail® and What it Means to You

The Intelligent Mail® initiative was first announced in 2003. This service, offered by the U.S. Postal Service®, uses unique, standardized, machine-readable barcodes that make it easy to monitor, track and manage incoming and outgoing mail. Market leaders began using the new barcode to support marketing and customer service operations in 2006.

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From a postal perspective, the Intelligent Mail® program increases the value of mail, makes delivery more efficient and provides companies with access to innovative services that can help manage resources, reduce expenses, adapt to market conditions and be more responsive to customers.

Beginning in May 2009, the new Intelligent Mail® Barcode will become the new standard, and by the fall of 2009, a required element for all companies looking to earn the maximum postal discounts. In May 2011, the Postal Service™ will require the Intelligent Mail® Barcode to qualify for automation discounts.

Right now, managers within your company are likely making plans on how to switch over to the new Intelligent Mail® Barcode, as the postal savings alone could represent hundreds of thousands of dollars or more. Whether you know it or not, your company's transition to Intelligent Mail® will generate millions of data points that can help you improve marketing, enhance customer service and streamline billing and collections — data that is already being used by market leaders to generate new revenues, cut costs and strengthen the overall customer experience.

The Intelligent Mail® Barcode – The Source of New Business Intelligence

Right now, your company is taking steps to add the new Intelligent Mail® Barcode to incoming and outgoing mail. This 65-bar code, which will become the standard in May and a requirement in the fall of 2009 for all companies looking to maximize postal automation discounts, produces a wealth of customer information and event-driven data.

In simplest terms, this data connects companies with their customers and all postal operations — creating an automated, two-way dialog that can feed essential mailstream data to marketing, customer care, billing and finance.

1. Mailstream Visibility

Monitor and track customer communications automatically, including confirmation of all incoming and outgoing mail and packages. Benefit from a centralized repository of event-driven data that can be used to reduce costs and improve business processes throughout a company.

2. Increased Customer Knowledge

Get immediate feedback when your customers move to a new address or other changes that could negatively impact your ability to communicate with them in a timely manner.



THE BEAUTY OF INTELLIGENT MAIL® IS THAT IT HAS ALREADY PROVEN ITS VALUE AT SOME OF THE TOP CORPORATIONS IN AMERICA

Twenty-One Ways Your New-Found Intelligence Can Help Transform Your Business — Enterprise-Wide

The beauty of Intelligent Mail® is that it is not a concept — it has already proven its value at some of the top communications firms in America. By simply tapping into the dialogue that transpires between your company and your subscribers, you can use mail-based intelligence to make better decisions in virtually every aspect of your business, including:

- Marketing
- Customer Care
- Operations
- Billing
- Finance
- Customer Experience Management

The following list is not comprehensive — in fact, it is likely that once you get to learn more about the value of Intelligent Mail®, you will find ways to create even greater value for your business.

Marketing: Sell More Effectively

Marketing departments were one of the first groups to adopt mail-based intelligence, probably because it is so easy to measure its impact. Significant opportunities include:

Optimize call center staffing. Across the country, telemarketing teams are waiting for customers to pick up

the phone and respond. Each call is important because it represents a possible new order or service add-on. And when it comes to call center staffing, timing is everything. With too few agents, calls go unanswered; having more agents than needed adds a tremendous cost.

As so much direct mail is sent standard class — with delivery times ranging from two days to two weeks — being able to pinpoint delivery dates with precision allows telco marketers to optimize call center staffing, ensuring the right number of agents, no more, no less, are ready to take new orders on any given day.

Target in-home windows. The ability to track and monitor mail delivery across the country also provides marketers with a competitive edge: the ability to plan communications so that they arrive at precisely the right time.

Whether it's the expansion into a new market, an end-of-contract offer or an invitation to an exclusive customer event, the ability to design a marketing campaign so that it reaches its target audience on a certain date can increase response and avoid the embarrassment (and wasted expense) of mailings that arrive too late.

Reach more customers, more often. Every year, nearly 50 million Americans move to a new residence — and many make no effort to let you know. That's one of the reasons why 1.6 billion communications were returned to sender last year, and an additional six billion pieces of mail were simply discarded by the USPS® because they were undeliverable as addressed.

For marketers, that not only represents a huge cost, it also represents a lost opportunity. Nearly eight billion communications were never delivered — meaning that people who may have been interested in your service never even heard about your offer. With Intelligent Mail®,

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however, the Postal Service™ will provide you with address corrections absolutely free of charge so you can stay connected.

Leverage life-event triggers. Knowing when subscribers move offers another significant advantage to marketers, as these life events correspond with new communication needs, changes in service availability and potential relationships with alternative providers. Capturing mail-based intelligence — often the first sign of a change in address — makes it easier for you to develop automated, trigger marketing programs to capitalize on the opportunities that new movers present.

Customer Care: Deliver Timely, Accurate Response

Call centers are increasingly relying on technology to improve productivity and increase customer satisfaction. Tools that incorporate Intelligent Mail® data help companies manage performance at a higher level.

Reduce talk time. While most call centers measure talk time, everyone agrees that the quality of the call can be even more important. The ability to monitor and track the status of mail-based communications — including check disbursement, fulfillment kits, statements and compliance notifications — arms your representatives with the facts they need to respond to customer inquiries with speed and accuracy.

Prompt fewer calls. In many call centers, a high percentage of calls are related to mail communications — confirming whether parcels, payments and orders have been sent or received. With Intelligent Mail® Barcodes, exact delivery status can be tracked from your production floor right through to delivery; and you can make that information available to customers through AVR and web-based portals,

Use the data generated within your company to:

1. Optimize call center staffing.
2. Target in-home windows.
3. Reach more customers, more often.
4. Leverage life-event triggers.
5. Reduce talk-time.
6. Prompt fewer in-bound calls.
7. Make better fee-waiver decisions.
8. Prevent missed communications.
9. Reduce cancellations.
10. Manage risks and decrease fraud.
11. Generate low-cost proof of mailings.
12. Avoid unnecessary re-mails.
13. Save millions on returned mail.
14. Expedite invoicing.
15. Improve lockbox performance.
16. Predict cash flow.
17. Collect more effectively.
18. Maximize discounts.
19. Safeguard revenues.
20. Ensure compliance.
21. Strengthen the customer experience.

PITNEY BOWES BUSINESS INSIGHT OFFERS THE EXPERIENCE YOU NEED TO MAXIMIZE THE FULL VALUE OF INTELLIGENT® MAIL

eliminating follow-up calls and inquiries.

Make better fee-waiver decisions. If there's any confusion as to when a bill was received or when payment was sent, many carriers will forego legitimate late fee charges in the interest of customer service. Armed with precise information, however, customer service reps will have the confidence they need to make smarter decisions.

At one company, intelligent tracking proved far more profitable than the benefit of the doubt. Verifiable tracking data on payments entering the USPS® resulted in fewer late-fee waivers — generating \$15 million in additional revenue.

Prevent missed or delayed communication. It is not uncommon for companies to send communications to an incorrect address month after month — simply because they don't have a mechanism in place to capture and update address changes. This can lead to significant customer service issues and numerous phone calls.

Integrating mail-based intelligence into your processing systems (in addition to normal move update processing) makes it possible for you to incorporate more accurate information early on, thereby ensuring that your mission-critical communications, including invoices, arrive in a timely manner.

Operations: Make Smarter Decisions

Operations groups often support the needs of multiple departments, offering companies the opportunity to impact results on a larger scale because of the sheer number of transactions involved. A small sampling of Intelligent Mail® applications include:

Reduce cancellations. When you don't receive payment, you have every right to cancel service. But every week,

telecommunications companies spend thousands of dollars turning off service — only to reinstate these customers a few days later when payment is received.

These costs — including the corresponding strain on customer relationships — can be avoided in many cases by incorporating mailstream intelligence into your operations. By barcoding remittance coupons, for example, you can gain visibility on incoming payments up to three or more days in advance, giving you the insights you need to make smarter business decisions.

Manage risks and decrease fraud. When high-value mail such as checks and pre-paid phone cards do not reach their intended destination, that could signal an instance of theft or potential fraud. Items can be taken from the production floor of a third-party mail shop or lost in transit. It is even possible that communications and payments can be redirected to a new address by the named recipient in an attempt to disguise their home location. Gaining the intelligence to trace delivery from beginning to end offers companies a powerful tool that can help manage risk and identify potential issues before they become a liability.

Generate low-cost proof of mailings. To safeguard delivery, many companies spend thousands of dollars on Certified Mail™ and Delivery Confirmation™. On the other hand, Intelligent Mail® tracking solutions generate verifiable data that can quickly resolve a wide range of disputes. Information can be archived and shared with internal constituents, service bureaus, regulators, senior management and others to verify compliance and streamline service-level agreement management. In addition, USPS® performance can also be validated to help identify lapses in service delivery.

Avoid unnecessary remails. Today when a customer calls to advise you that they did not receive an expected

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communication, the easiest response is to request a remail — an out-of-process mailing that could cost much more than the original. Armed with accurate, on-demand information, however, you can provide exact status including the expected delivery date and avoid sending duplicate mailings for pieces that are still in transit.

Save millions on returned mail. In many companies, returned mail is considered a cost of doing business. But the true cost is far greater than many executives care to admit. When you add up the print and mail costs for the initial mailer, the increased call volumes, handling of returned mail, and the subsequent remail costs, you could find yourself spending between \$3.00 and \$11.00 per piece. And that's not counting the lost sales opportunities, communication delays, customer dissatisfaction and delayed revenue receipt.

Historically, tackling the problem of returned mail has been seen as a dramatic undertaking; and because the costs were absorbed by many departments across an enterprise, no one group was willing to lead a company-wide initiative. With the advent of Intelligent Mail®, however, the data needed to update addresses and reduce Undeliverable-as-Addressed mail is already in-house. The payoff can be large: one company who dealt with this problem head on decreased the total number of returned mail pieces by nearly 40%, saving hundreds of thousands of dollars. They were also able to redeploy a total of 22 full-time employees who had been working on one aspect or another of the returned mail problem.

Billing: Follow the Money

Telecommunications firms depend on the mailstream for invoicing and remittance, and managing this communication channel more effectively can have a direct link to your ability to improve overall cash flow.

Expedite invoicing. Your company's revenue depends on timely payments from subscribers, and when an invoice reaches its intended recipient late — or not at all — your revenue stream may suffer. The United States Postal Service® estimates that 34 percent of mail contains address errors that could delay or prevent proper delivery.

With your new Intelligent Mail® capabilities, the Post Office™ will make available address correction data at no cost to your organization. When used in conjunction with traditional move update solutions, you can update records or take corrective action before your next invoice is sent, which will help keep your receivables flowing on schedule.

Improve lockbox performance. Time is money, and the time it takes for your lockbox service to process and post remittance checks can cost you thousands of dollars in interest revenue. By monitoring the flow of payments from the time they leave your customers' hands to the time revenue is posted to your account, you can identify potential gaps in the process and take the necessary corrective action.

Predict cash flow. You can use the same intelligence to predict cash flow days in advance, because you will know the exact date that each payment is mailed. Such data will make it easier for your treasury department to make more informed decisions in terms of corporate capital.

Collect more effectively. With precise knowledge of when customer remittances enter the postal system, you can eliminate excuses ("the check is in the mail") and prioritize who and who not to contact — saving you five dollars or more for every call you can avert. You can also suppress production of unnecessary dunning notices, which leads to big savings in both printing and postage costs.

At one leading company, Intelligent Mail® proved far more

EVENT-DRIVEN DATA CAN BE USED TO REDUCE COSTS AND IMPROVE BUSINESS PROCESSES THROUGHOUT A COMPANY

profitable than the power of persuasion. Verifiable tracking data on payments entering the USPS® slashed outbound call volume by 18% and generated annual savings in the millions — with no reduction in collection efficiency.

Finance: Calculate the Savings

Rarely does one data-application provide so much value across an enterprise. Given that companies rely on the mailstream for so many mission-critical functions, however, it is not surprising that mail-based intelligence can positively impact both revenue and expenses in so many ways.

Maximize discounts. Before you take advantage of any of the value-added intelligence offered by the new Intelligent Mail® Barcode, your company will reap the benefits of lower postage costs. Some telecommunications may be able to save millions of dollars by adopting the new barcode.

Safeguard revenues. As previously mentioned, the address correction service that's included free as part of the Intelligent Mail® program helps ensure that subscriber invoices — and the corresponding remittance — reach their intended destinations faster. And with greater visibility into the mailstream, companies can better manage collections, improve lockbox operations, optimize late fee revenues and manage cash flow with greater confidence.

Ensure compliance. While not promoted often, the data generated by the new barcode will also be used by postal officials to measure how well companies comply with rules and regulations. So when letters addressed to Iowa are mistakenly placed in a Florida-bound mail tray, the USPS® will be able to track back the source of these additional costs to a specific mailer — and penalties could be significant. By monitoring the same compliance data as the Post Office™, you can put yourself in a better position to take corrective action and avoid unnecessary costs.

Customer Experience: When Customer is King

In an attempt to build customer satisfaction and achieve the coveted triple- or even quad-play, many carriers have turned their attention to the customer experience. In some organizations, new roles have been created with titles such as VP of Customer Experience. And at one Fortune 500 firm, dozens of Customer Action Teams (CATs) have been formed to identify gaps, re-engineer processes and fix problems before they occur.

One of the reasons why Intelligent Mail® applications may be so attractive to individuals charged with managing the customer experience is that the data is based on actual customer transactions — information that most subscribers expect you to have available at your fingertips. Another big reason: by managing this single source of data better, improvements can be made across dozens of key customer touchpoints, including billing, automated response units, customer care, collections and online account management.

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Pitney Bowes Business Insight: Bringing This One-stop Opportunity to Life

If information truly is the oxygen of the modern age, Pitney Bowes Business Insight is a source of fresh air. No other company offers the experience and expertise you need to maximize the full value of Intelligent Mail®. Leveraging solutions designed for the telecommunications industry in customer data quality, data integration, business geographics, electronic content management and postal data optimization, you can improve the quality of decisions made throughout your organization.

With Pitney Bowes Business Insight you'll speak with experts who can explain your options, and provide a detailed analysis outlining the specific ways you can integrate this new mail-based data into business processes. We'll explain how you can automate decisions with on-demand business analytics and leverage event-driven triggers to improve customer satisfaction. Plus, you can learn how our latest innovation — the MAIL360™ Manager — can help you transform business processes for the better.

With the May 2009 mandate fast approaching, take time now to learn how this new source of customer intelligence can improve your company's performance. Contact a Pitney Bowes Business Insight expert at 1-800-327-8627 or visit www.g1.com.

PITNEY BOWES BUSINESS INSIGHT: YOUR SOURCE FOR ANSWERS AND SOLUTIONS

Pitney Bowes Business Insight

Operating as one division, Pitney Bowes Group 1 Software and Pitney Bowes MapInfo are now called Pitney Bowes Business Insight. Pitney Bowes Business Insight offers a unique combination of location and communication intelligence software, data and services that can be used throughout an organization.

We combine our deep industry knowledge with our strategic analysis offerings and apply our expertise to help you take action that leads to better, more insightful decisions. You will get a more accurate view of your customers, and integrate that intelligence into your daily business operations to increase revenue, improve profitability and enhance operational efficiency.



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