

How to Tell if you're Overpaying for Postage

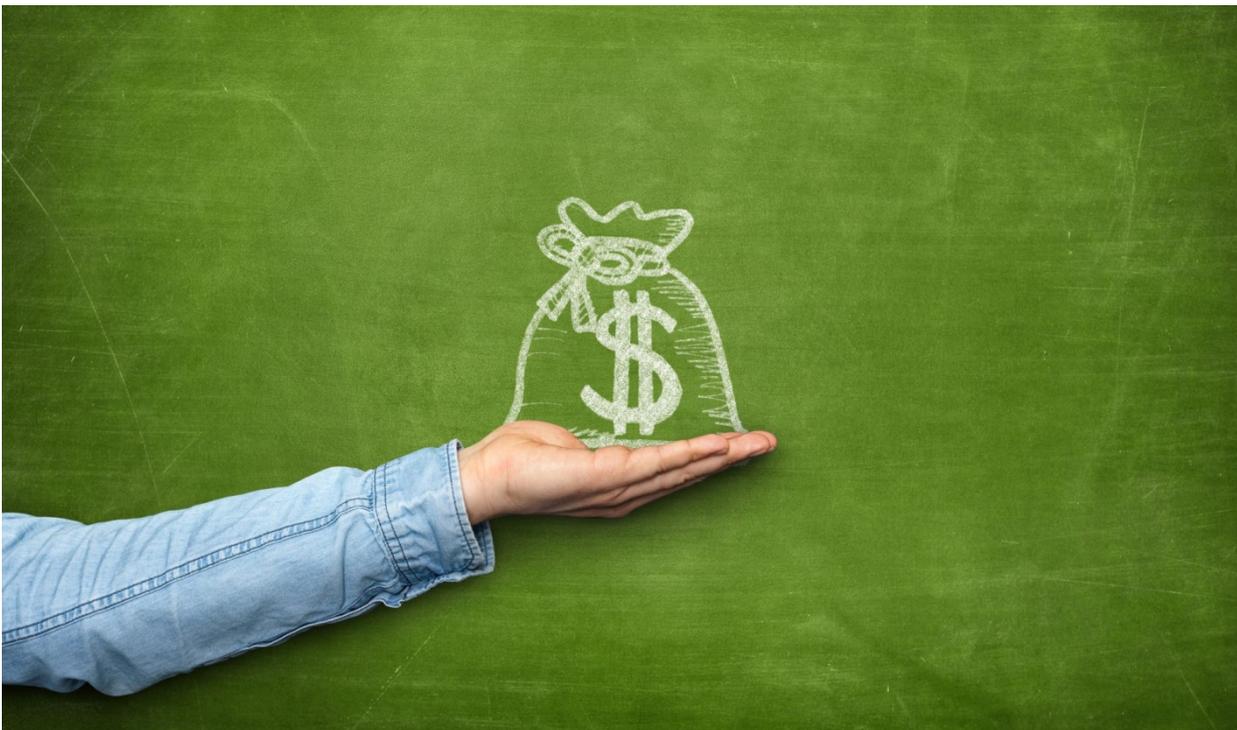
What *should* your postage be costing you?



variverge
data + print + mail

Introduction

This white paper will cover a few key topics centered around postage savings and how to choose the right print and mail vendor for your organization's needs.



Technology evolves and changes on a daily basis, while this is a good thing, it can also sometimes be overwhelming. Technology evolution can propel us forward with more automation and options to get a task done, however, it can make organizational decisions overwhelming. With so many possibilities presented to us and the wealth of information available, often it can be information overload and can actually make the decision making process MORE difficult. This white paper seeks to clearly define how outsourcing with an expert in the print and mail industry can be beneficial, as well as to clearly illustrate savings for your organization through postage discounts.

First and Foremost, Let's Breakdown Available Postage Rates (Effective January 22, 2017)

FIRST-CLASS MAIL RATES						
	Non-Automation Rates			Automation Rates		
	Single	Meter	Presort	5-Digit	AADC	MAADC
1 oz	\$0.49	\$0.46	\$0.453	\$0.373	\$0.403	\$0.423
2 oz	\$0.70	\$0.67	\$0.453	\$0.373	\$0.403	\$0.423
3 oz	\$0.91	\$0.88	\$0.453	\$0.373	\$0.403	\$0.423
3.5 oz	\$1.12	\$1.09	\$0.453	\$0.373	\$0.403	\$0.423

The table above illustrates the United States Postal Service (“USPS”) postage rates, effective January 22, 2017. If you are currently paying the Non-Automation Rates, you are not receiving the lowest postage rate that is available to you. Often, organization’s hear that they’re getting a postage discount with the Presort Rate and think that they’re getting the lowest postage discount available to them, however, this is simply not the case. While they may be getting the lowest presort rate they can get by sorting the mail themselves, a presort print and mail vendor could get a finer sort rate on their mailings and offer a higher postage discount. We’ll cover the specifics of sorting mail and why a presort vendor can save you money in the next few pages.

How Does a Presort Mailer Get Better Postage Discounts?

In simple terms, a presort mailer can get better postage discounts because they are doing part of the USPS work for them.

With the help of a Presort Mail Vendor, your printed documents will be sorted electronically, allowing for a finer presort, before ever being printed. Because these mailings are being prepared properly before being dropped off at the USPS, the post office is able to spend less time on the sorting process and offers postal discounts as incentives for this process. The USPS implemented this process in order to expand their capacity for mail volumes without expanding their operations.



With the savings on First-Class Mail that the USPS offers, many organizations can reduce a substantial amount of their marketing budget spent on postage and mailings, however, due to the ever-changing postal regulations and complex rules that must be followed to qualify for these savings, it is difficult for organizations not specifically in the mailing industry to keep up and take advantage of all of the discounts available to them.

Because these mailings are prepared in zip-code order before being dropped off at the USPS, the post office is able to spend less time on the sorting process and offers postal discounts as incentives for this process.

Let's Talk About Presort Regulations

...and why meeting them can be a challenge.

•Challenge - Volume Requirements

- **In order to qualify for First Class postage savings, you must mail a minimum of 500 pieces per mailing.**
 - Sometimes your mailings will not meet the minimum requirement of 500 pieces and you are forced to pay the full rate retail postage. With the use of a print vendor and presort mailer, your mail can be commingled with other customer's mail to reach the volume requirements, allowing you to still take advantage of postage savings.

•Challenge – Address Formatting Requirements

- Part of the savings offered are done in return for less work done by the USPS. Therefore, the mail must be packaged in certain trays, in a specific format on pallets, and with specific documentation required by the USPS. **In short, the more work that is done to the mail for the USPS, the greater the postage savings.**
 - While it is possible for you to research and keep up with the changing formatting requirements, that is not your core business. It is easy for things to get overlooked, and with the USPS constantly changing requirements, it's a full-time job to keep up. In addition to spending your valuable time on something other than your day-to-day duties, the USPS can apply penalties and fees when requirements aren't met. Focus on your core business and let your print vendor maintain the evolving requirements.

•Challenge - Intelligent Mail Barcode

- **In order to qualify for the lowest First Class postage savings, the USPS now requires the use of an Intelligent Mail Barcode (IMB barcode).** Mailers must now be a Full-Service mailer in order to achieve the maximum postage discounts offered.
 - The USPS now requires you to submit your postal paperwork electronically and utilize their intelligent mail barcode. Not properly barcoding and formatting your mailings could result in fees, negating the postage savings you were getting in the first place.

Why Choose VariVerge?

With over 20 years in the printing and mailing business, VariVerge is an expert in the industry. We focus on delivering quality service to our customers and lowering their bottom line. Choosing VariVerge allows you to focus on your core business, while we focus on ours, which is saving you money!

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