



Get Ready for Mandatory Seamless Acceptance

Why Your Print-to-Mail Business Needs to Prepare Now



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What You'll Learn

In this white paper, you'll learn about:

- How Seamless Acceptance works
- The benefits of participation
- The risks involved
- Steps you can take to prepare for Seamless Acceptance

THE PROBLEM AT HAND

With a deadline for implementation looming, small and medium-sized mail preparation services might not be prepared to meet the requirements of Seamless Acceptance (SA).

Background and Industry Issues

First deployed by the United States Postal Service (USPS) in March 2014,¹ SA is the method for streamlining and automating the verification, payment and induction of commercial mail into the USPS mail stream. SA is one of the primary sections of the USPS Mailer Scorecard, which ultimately determines your workshare discount.



In its March 2019 newsletter, the National Association of Presort Mailers relayed that at the February Postmaster General's Mailers' Technical Advisory Committee meeting, the USPS reported only moderate participation in SA so far.² The USPS reported that only 42% of mail pieces eligible for SA were processed through the program. However, despite delays in the beginning of the program, the USPS indicated that it would mandate full Seamless for Detached Mail Units (DMUs) and Business Mail Entry Unit (BMEU)-entered mailings over 90% Full-Service in the near future.³

While many of the largest mail preparation services are already participating in SA, small and medium-sized shops have been slower to make the leap. Yet these smaller shops are even more vulnerable to the impact of a USPS penalty for exceeding Mailer Scorecard error thresholds. There are a host of benefits and risks to participation in SA, which this white paper will explore.

HOW SEAMLESS ACCEPTANCE WORKS

SA makes it faster and simpler to get jobs out the door by streamlining the entire process of introducing mail into the USPS mail stream. It eliminates manual paperwork and reports, allowing you to work closely with the USPS to make sure your mail pieces, trays and pallets are prepared according to the postage paid. The result is a higher-quality mail stream for the USPS and valuable workshare discounts for participating companies.

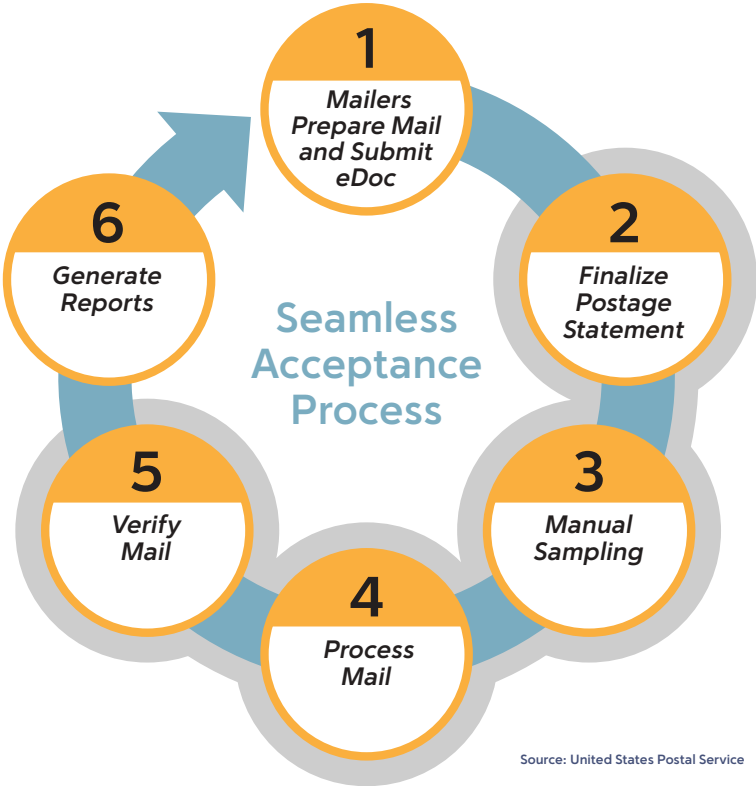
SA removes the USPS mail acceptance clerk from the process because all verification takes place electronically. Instead of the mail clerk checking jobs before they leave your facility or enter the mail stream, they are digitally matched to your eDocs after they enter the mail stream, and a sampling of the job is electronically checked for accuracy. If the sampling fails to meet quality thresholds, you are assessed a penalty.



Another key difference between SA and traditional acceptance procedures is your compliance with thresholds is measured over the course of a 30-day period for all your mail, rather than for each mailing. Because the process is highly automated and occurs after the mail leaves your facility, error detection is much more consistent and your ability to fix errors essentially does not exist.

Before you can participate in SA, you must ensure you meet these criteria:⁴

- Meet all the content and price eligibility standards for the price claimed.
- Prepare 90% Full-Service eligible volume.
- Participate in the Seamless Parallel Program.
- Participate in eInduction for DMU-verified origin entry or destination entry-drop shipments.



Steps 2–5 are out of the mailer’s control.

Source: United States Postal Service

BENEFITS OF IMPLEMENTING SEAMLESS ACCEPTANCE

Participating in SA creates many advantages for smaller mail operations, helping them increase profitability and reliability for their customers.

More production time

Because your jobs can enter the mail stream directly without the influence of or time required for a mail clerk, you gain more time to produce mail, in some cases hours more. This increased productivity boosts your bottom line, as well as customer and employee satisfaction. It also means you can ship parts of your jobs as they are ready, rather than all at once, further increasing throughput and efficiency.⁵ Some BMEUs might even provide additional time by expanding acceptance hours, but that is at the discretion of each location.⁶

Flexibility in payment timing

With SA, you can choose when you pay for your jobs to optimize cash flow in your business. A payment process called auto-finalization allows you to upload your eDoc before or after your postage statement mailing date, giving you more control over when payment is made.

Less complexity in your processes

The automation of SA makes the mail preparation and verification process far simpler, so you can redirect labor spent on manual reporting and processes to other tasks that add value to your operations.

Absence of on-site acceptance clerk

Without an acceptance clerk involved, you have more control over the timing of your jobs and operate more efficiently without working around the clerk's staffing schedule.



RISKS OF IMPLEMENTING SEAMLESS ACCEPTANCE

Small and medium-sized mailers do have reason to be cautious about implementing SA. There are many potential pitfalls involved, but with proper preparation, they can be avoided or mitigated.

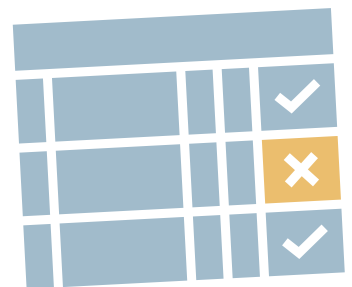
Once you're in, you can't get out.

The biggest risk involved with SA is diving in unprepared. Once you start SA, you can't ever leave the program. If you don't have your processes and tools in order, one bad month of errors could generate penalties so large that your company can't recover.

One of the requirements for participation in SA is first participating in Seamless Parallel. In this program, your current procedures remain the same, but SA monitoring and reporting begin so that you can measure your performance before formally implementing SA.⁷ This is effectively a practice period in which you can work to correct issues that will create penalties under SA. You can remain in Seamless Parallel as long as necessary, but you can switch to SA after one month of meeting the program's thresholds if you're ready to make the leap.

You won't know about errors until the mail is gone.

Without an acceptance clerk involved, you won't know about issues with your jobs until after the mail leaves your facility when you receive your Mailer Scorecard performance and any penalties. If you rely on your in-person verifications to catch errors today, you'll need to develop more stringent practices to ensure you meet SA thresholds when you implement the program.



However, to prevent unexpected large assessments, the USPS will only charge you a penalty when you fail to meet thresholds more than three months out of a rolling 12-month period. You will then be charged more for postage starting in the fourth month you fail to meet the thresholds.⁸

USPS errors are difficult to contest without an audit trail.

If you are charged a penalty by the USPS and you're certain the penalty was assessed incorrectly, the burden is on you to prove the error. Often this means spending weeks preparing, gathering sufficient documentation from disparate sources and interviewing your employees to ensure you have all the pertinent data to make your case. Because you don't know about the penalties until the month closes, gathering this information well after a job has closed can be even more of a challenge, especially because you're only allowed a limited time window to do so. However, if the information you present is not clear and convincing, you'll be stuck with the penalty, wreaking havoc on your profitability.

Undocumented mail pieces — mail that the USPS scans but can't find in the eDoc — present a particular challenge in the area of documentation since the penalty is paid directly by the mail preparer, not the mail owner.⁹ It's in your company's best interest to ensure you have a proper audit trail to prove you've paid postage for what the USPS thinks you've mailed.

WHAT YOU CAN DO TO PREPARE FOR SEAMLESS ACCEPTANCE

To succeed in SA, you must refine your processes and your technology to avoid costly penalties. Through process improvement or automation, you can make SA a painless and profitable process.

1. Monitor your Mailer Scorecard data daily.

Watch for trends in the thresholds your company is exceeding. Look for frequent errors that recur at the same point in your process so you can address them through better procedures or technology.

2. Work in the Seamless Parallel environment and build a bulletproof process around SA metrics.

Seamless Parallel is an opportunity to work out the kinks of your operations before implementation to ensure success. In the parallel process, the USPS scores your mailings as though you were participating in the program. If you're monitoring daily, you'll see the issues and be able to refine your tools and processes to excel in SA.

3. Improve your audit trail.

Along with improving your processes, to prepare for SA you must improve your documentation. If you are incorrectly assessed a penalty for exceeding thresholds, you must be able to document the accuracy of your job or you will be forced to pay the entire penalty — a potentially devastating cost for a smaller mailer.

To avoid spending weeks preparing the proper information, spend time examining your documentation at every step of your process. For example, if the SA sampling process claimed that a job had undocumented mail pieces or mail at the incorrect weight, how would you go about proving that you hadn't been wrong? What paperwork do you have to show the steps you took to meet the requirements? Demonstrating an actionable, documented quality assurance process will save you a lot of time and effort in the future.



4. Implement automation tools to smooth the process and provide an audit trail.

Because the SA process is automated, it makes sense to automate your own processes as well. Consider implementing software that streamlines the process and connects your digital documentation and physical mail for greater visibility of issues. Electronic, timely visibility of issues with your jobs before they leave the production floor will save you the time and money associated with USPS penalties. Work with a software provider that is well-versed in SA and understands the challenges facing small and medium-sized mailers.

CONCLUSION

Participating in SA might seem overwhelming, but all it really takes is solid tools and practice. Take advantage of the opportunity to operate in Seamless Parallel, which helps you find and correct issues with your operations and documentation.

SA has tremendous benefits for small and medium-sized mailers, but the risks might appear daunting. Your production timelines and your profit margins are tight, so you can't afford to get hit with a large assessment or lose time fighting one that is incorrect. Take the time to seek out new best practices and technologies that can help you stay ahead of costly errors to give you confidence that your jobs will meet SA standards. Investing in tools that best suit your operations will save you time and money in the long run.



ABOUT THE AUTHOR



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Fritz has more than 25 years of experience with project management, procedural analysis and business development in print-to-mail and document management operations. Prior to joining the CapStone team, Fritz owned a successful direct mailing firm and worked for nationally recognized statement processing and financial institutions. There he managed operations, efficiency development, facility design, and emergency planning. Fritz has also been involved in the design and development of operations software for electronic work ticketing and productivity measurement.

¹ USPS Mailer Scorecard Presentation. https://postalpro.usps.com/storages/2016-12/2960_MailEntryRoadmapMTACNov52014.PDF

² MTAC Report. March 2019. National Association of Presort Mailers.

³ MTAC Report. March 2019. National Association of Presort Mailers.

⁴ USPS Seamless Acceptance Fact Sheet. December 2017. https://postalpro.usps.com/storages/2017-12/12.14.17%20Seamless%20Acceptance%20Fact%20Sheet_v1.pdf

⁵ "Is Seamless Acceptance Right for Your Business? What You Need to Know Now." Schimek, Bob. Mailing Systems Technology. Dec. 5, 2017. <https://mailingsystemstechnology.com/article-4274-Is-Seamless-Acceptance-Right-for-Your-Business-What-You-Need-to-Know-Now.html>

⁶ MTAC Report. March 2019. National Association of Presort Mailers.

⁷ USPS Seamless Acceptance Fact Sheet. December 2017. https://postalpro.usps.com/storages/2017-12/12.14.17%20Seamless%20Acceptance%20Fact%20Sheet_v1.pdf

⁸ USPS Seamless Acceptance Fact Sheet. December 2017. https://postalpro.usps.com/storages/2017-12/12.14.17%20Seamless%20Acceptance%20Fact%20Sheet_v1.pdf

⁹ "Causes and Prevention of Undocumented Mail Pieces." Peoples, Jeff. Mailing Systems Technology. July 6, 2018. <https://mailingsystemstechnology.com/article-4343-Causes-and-Prevention-of-Undocumented-Mail-Pieces.html>