



Areas Inspiring Mail

February 8, 2018

Agenda

9:30 – 10:00 A.M.	REGISTRATION	SPEAKERS
10:00 A.M. – 10:10 A.M.	WELCOME AND INTRODUCTIONS	BRIDGETT CARROLL POSTAL CO-CHAIR
10:15 A.M. – 10:45 A.M.	PACIFIC AREA UPDATE	LARRY MUNOZ UNITED STATES POSTAL SERVICE VICE PRESIDENT PACIFIC AREA OPERATIONS
10:45 A.M. – 11:15 A.M.	M.T.A.C. UPDATE	LINDSEY TAYLOR UNITED STATES POSTAL SERVICE INDUSTRY ENGAGEMENT SPECIALIST
11:15 A.M. – 11:45 A.M.	FIRST MILE TO LAST MILE	KEVIN MCADAMS USPS VICE PRESIDENT DELIVERY OPERATIONS
11:45 A.M. – 12:30 P.M.	LUNCH	PICK UP LUNCH
12:30 P.M. – 12:50 P.M.	2017 NPF UPDATE	BRIDGETT CARROLL
12:50 P.M. – 1:00 P.M.	CLOSING REMARKS	LARRY MUNOZ
1:00 P.M. – 2:00 P.M.	DISTRICT ROUND TABLE DISCUSSIONS	PACIFIC AREA DISTRICT LEADERSHIP

Areas Inspiring Mail

USPS Delivery Operations

February 8, 2018

Presented by:
Kevin L. McAdams
Vice President
Delivery Operations
USPS

Adapting to a Changing Marketplace



Culture of immediacy;
Consumers shop and purchase 24/7



Welcome to the Experience Economy:
Experiences are the new products

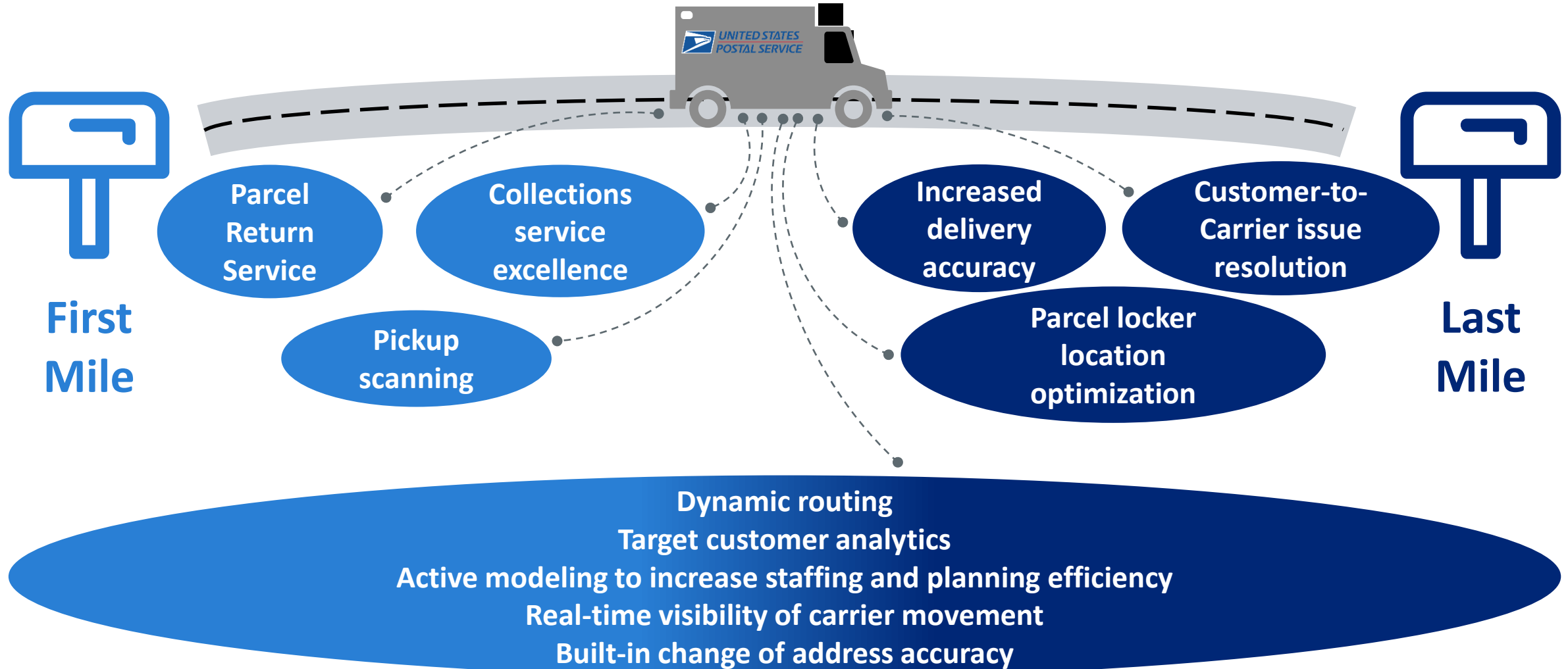


On-demand access to everything...
and with the touch of a screen

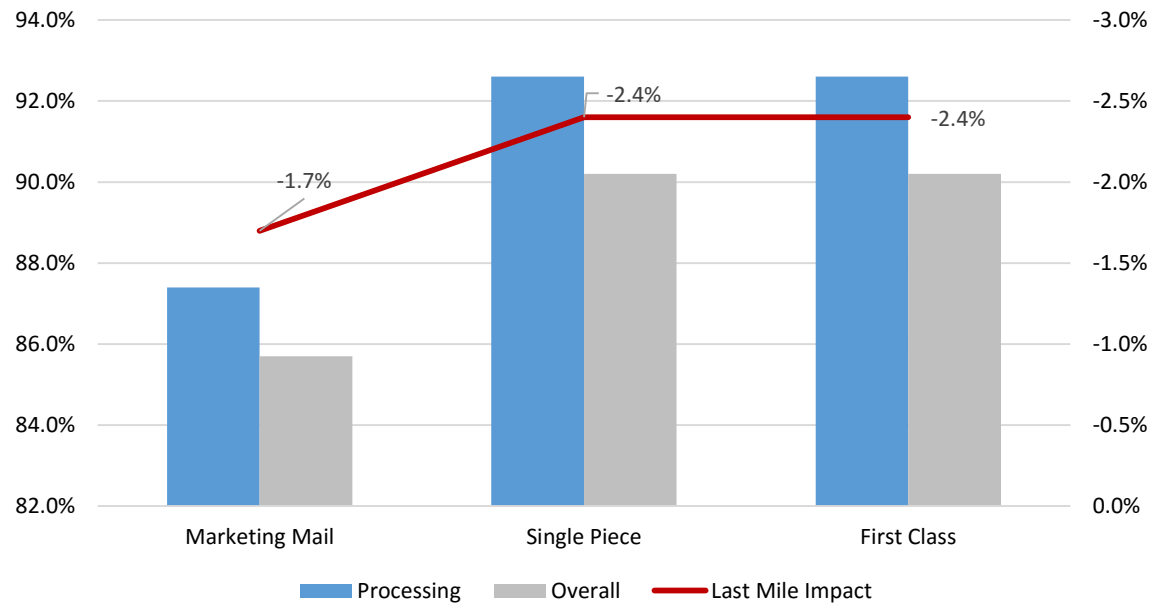


Instant, universal access is more important than ownership

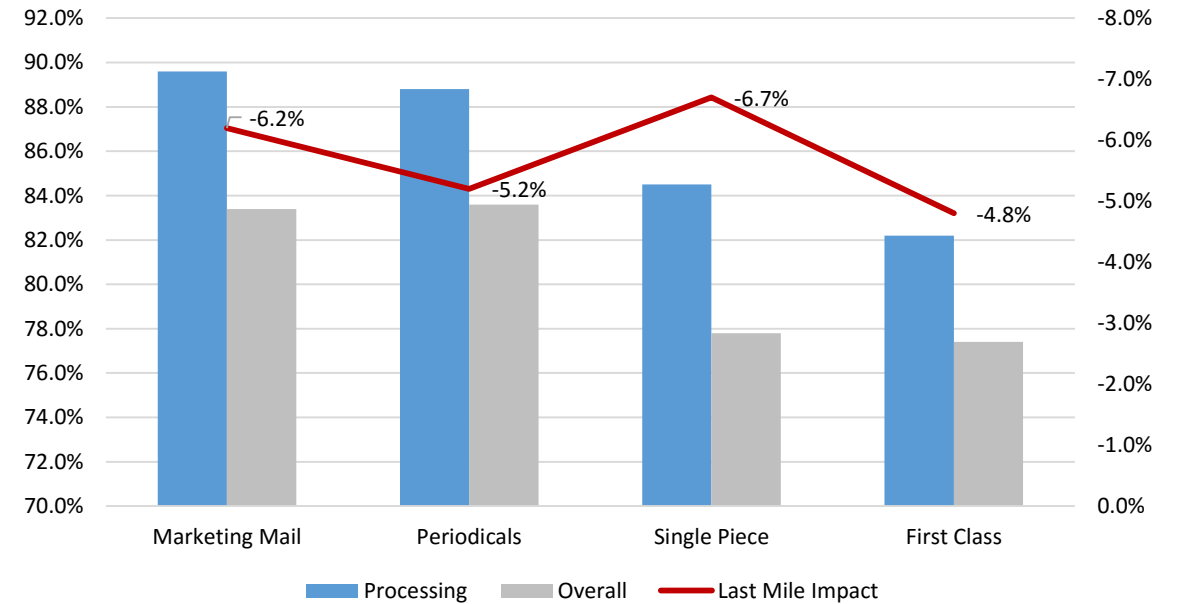
Utilizing real-time delivery data to achieve a world-class customer experience at the first and last mile



Letters Last Mile Impact

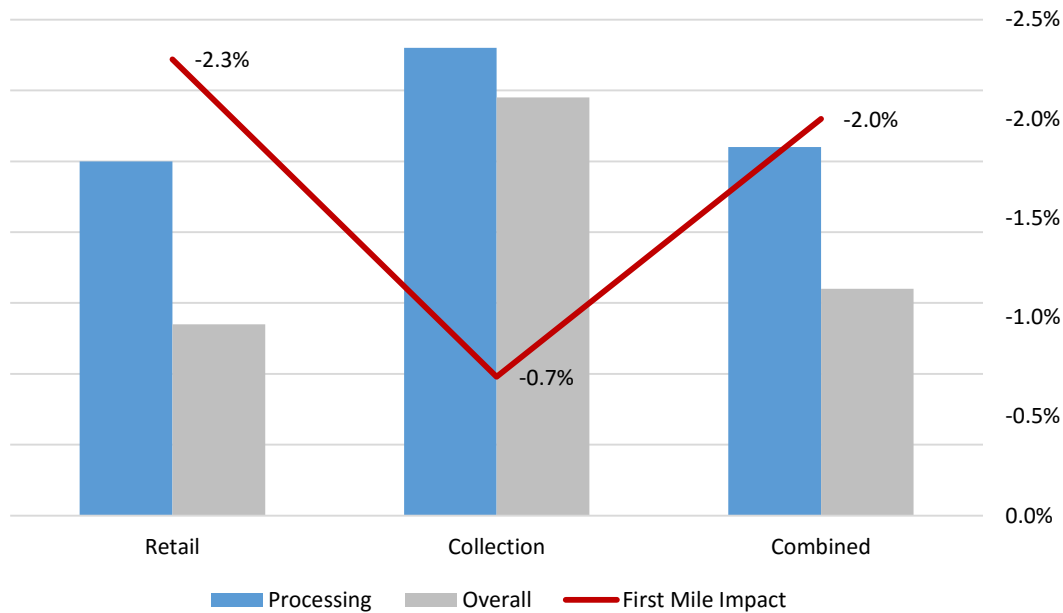


Flats Last Mile Impact



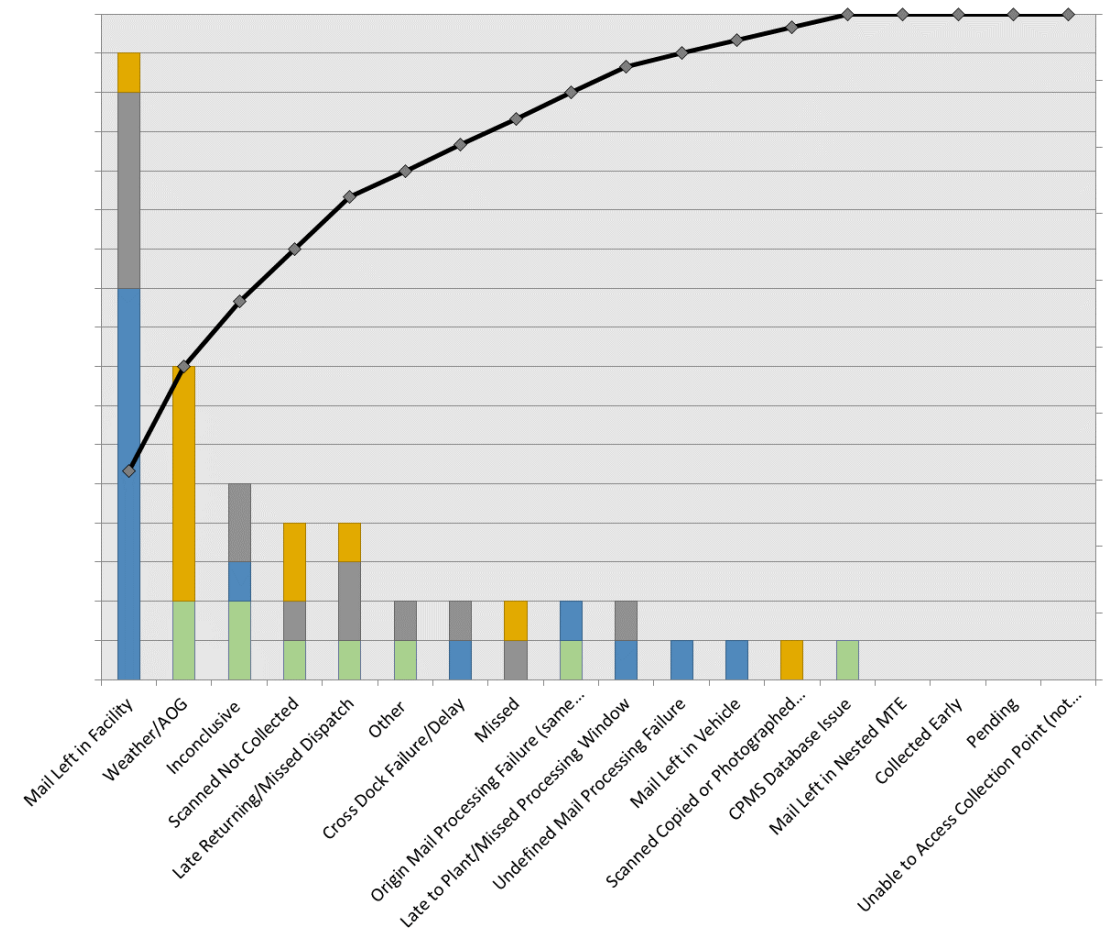
Impact = Pcnt Pnts

Letters First Mile Impact

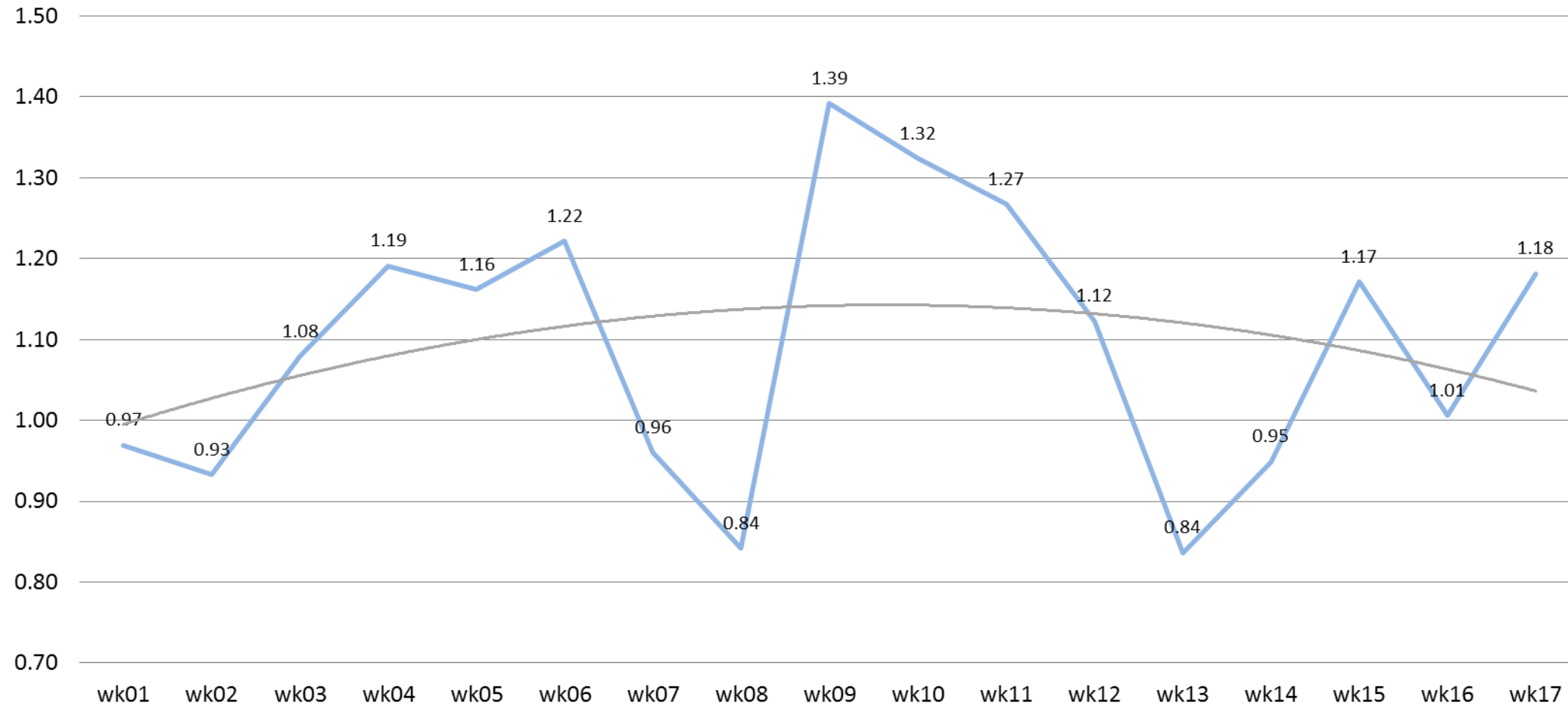


Impact = Pcnt Pnts

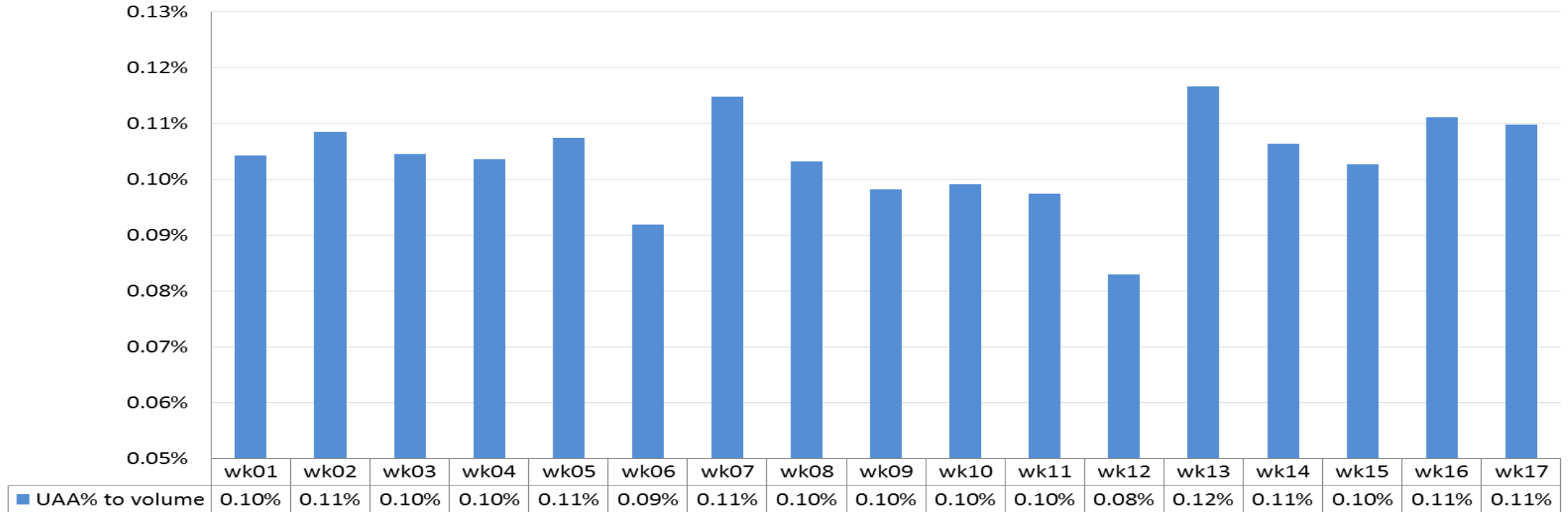
Collection Box Mail Issues YTD



Misdelivery Issues per 100,000 Deliveries

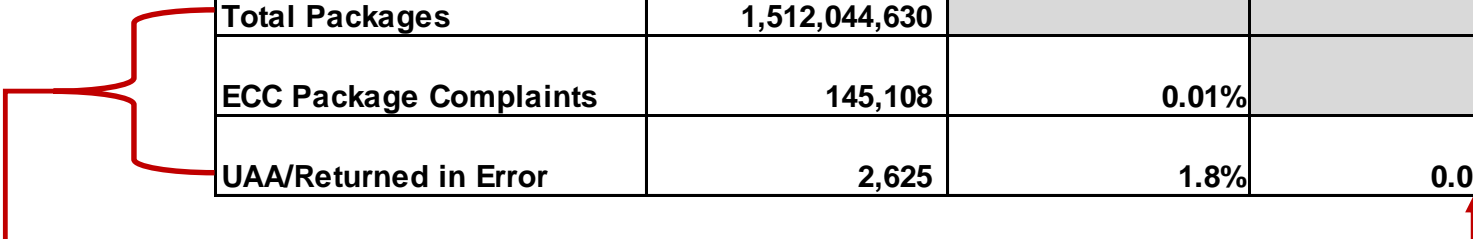


UAA Percent of Total Volume



Source: EDW/PPR

ECC Package Complaints November, December, January

	Total Packages	1,512,044,630		
	ECC Package Complaints	145,108	0.01%	
	UAA/Returned in Error	2,625	1.8%	0.0002%

First and Last Mile Failures

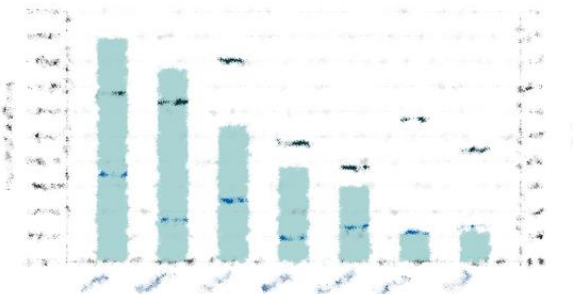
Reduce errant SPM scan requests & responses

Improve feedback on DPS errors

Root cause analysis of bundle failures

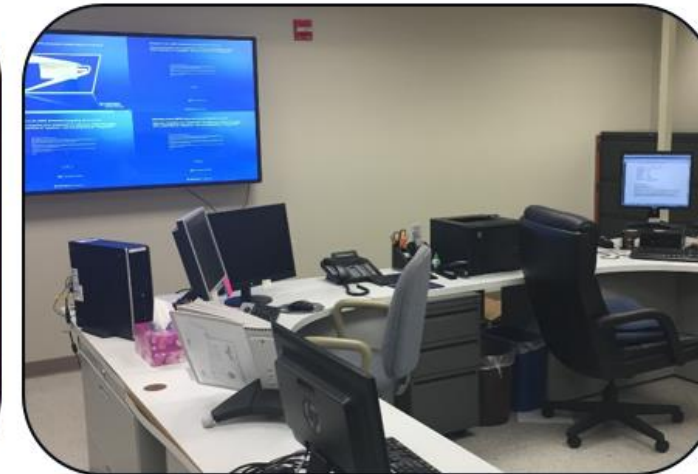
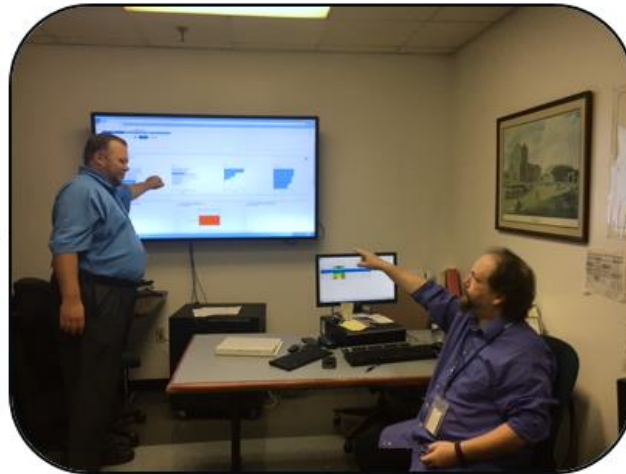
Develop tech based, preemptive misdelivery solutions

Carrier route level performance data



Local Operations Centers (LOCs)

Employing technology to optimize local deliveries



Automated Delivery Unit Sorter (ADUS)

Currently sorting packages in five complex delivery units

Processes five digit to carrier route level

Additional expansion pending

Testing flat bundle processing

Improve read rate (currently 75%)

Work through processing windows

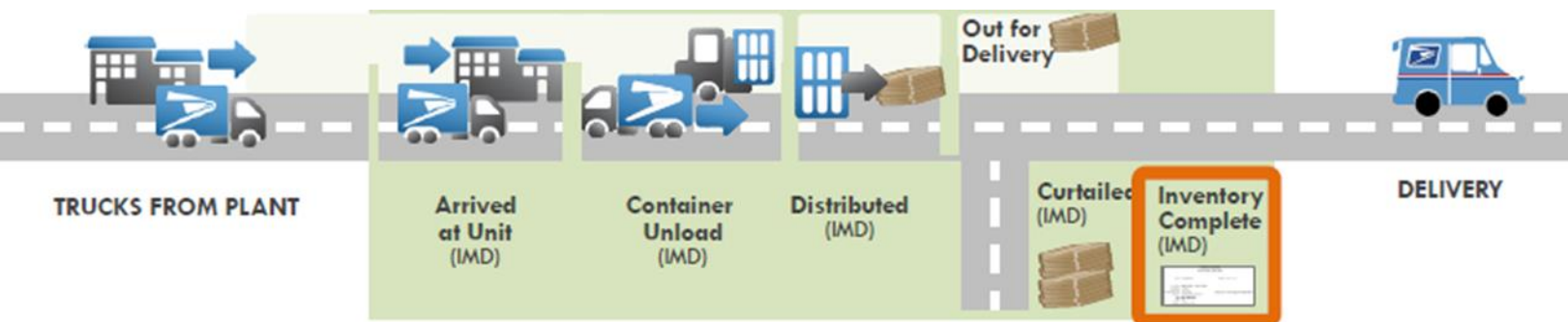
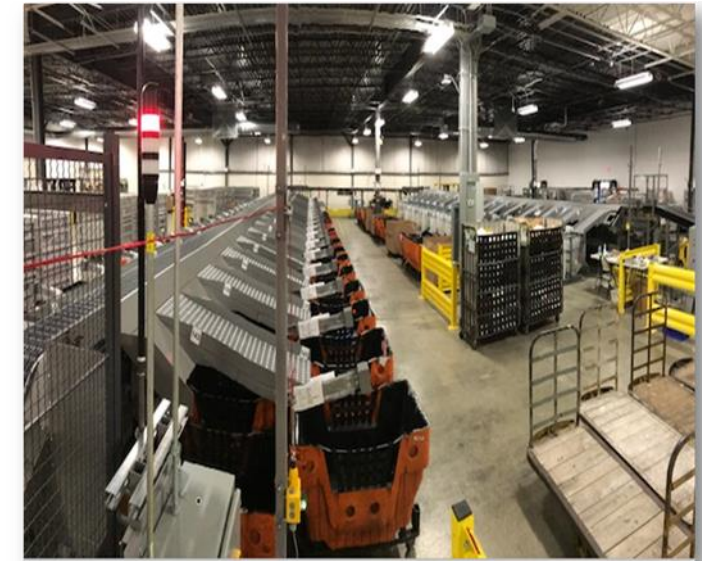
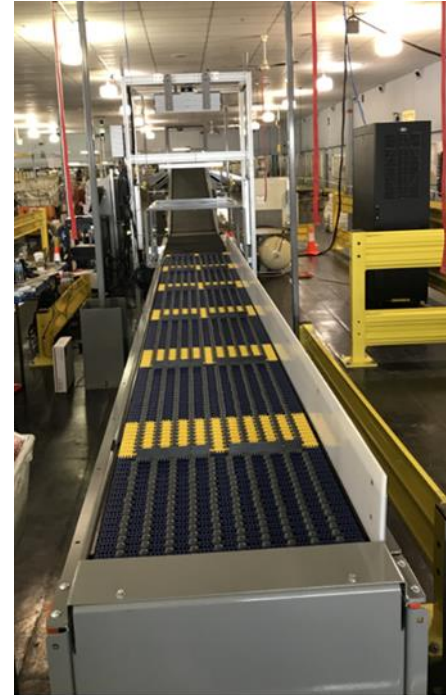
Improve the current flow

Speed

Accuracy

Efficiency

Scanning



- **Workforce Realignment**

- Right people, right place, right time
- 273 Facilities completed the model



- **Operating Plan Compliance**

- Drive Run Plan Compliance using Run Plan Generator and Performance-to-Plan Software

- **Improve Equipment Utilization**

- Daily monitoring machine utilization based on (24hr -Maintenance Window) = opportunity hour
- Equipment Placement Model - Relocate under-utilized machines to where the need is

- **Improve FSS Performance**

- FSS Percentage
- FSS Throughput

- **Reduce Bundle Breakage**



Delivering the Last Mile

More and more parcel shippers use USPS to deliver to their customers at the last mile

- FedEx
- UPS
- Amazon
- Target



Mailers & Shippers dropped nearly **400 million pieces directly** into our post offices during peak season with **99.6 percent delivered on time**.

On 12/18/18 USPS averaged 2 million packages delivered every hour 5:00 AM to 9:00 PM (adjusted for time zone differentials)

But....



USPS Reach:

137 Million Street Addresses
19 Million PO Boxes
Six Days per Week +
2.5 Million Packages every
Sunday to 2 Million Homes

Competing for the Last Mile

Mailers are turning to less traditional means of delivery:

Crowd sourcing
Uber
Company drivers



Delivering to less traditional places:

Commercial receiving agencies
Commercial parcel lockers
Car trunks?



Delivering less traditional items:

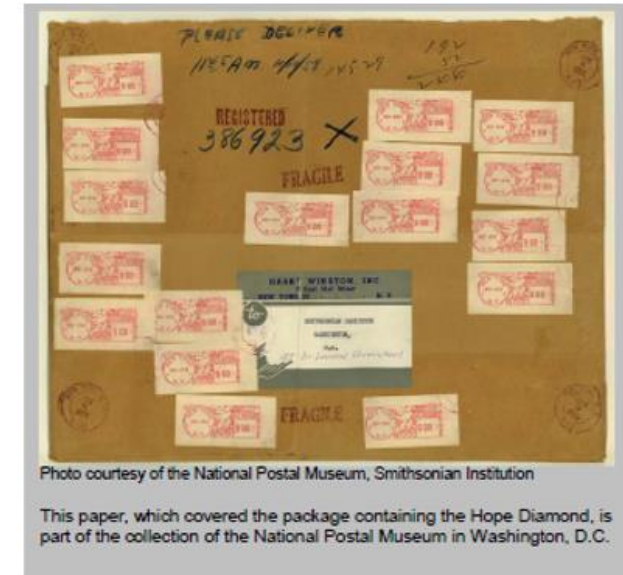
Groceries
Prescriptions
Live animals



“Customized Delivery”
What, Where, When you want it.



In 1958 USPS delivered the Hope Diamond for \$2.44 in postage and \$142.85 for \$1 million of insurance



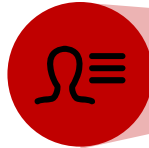
Community Delivery Centers

Consolidated delivery locations improve both safety and efficiency



Customized Delivery

Customers receive items when and how they would like



Freedom Delivery

Nimble carrier utilization enables faster and more accurate deliveries



Predictive Delivery Windows

Last mile visibility improves customer satisfaction and operational efficiency



Investing in the **customer experience** prepares us to deliver at the right place at the right time in light of **evolving consumer preferences**

Delivery Operations Initiatives

Improve Package Delivery **First Attempt Success**

Neighborhood Parcel Locker Delivery Centers

High-rise electronic parcel lockers

Larger mailboxes

Industry partnerships

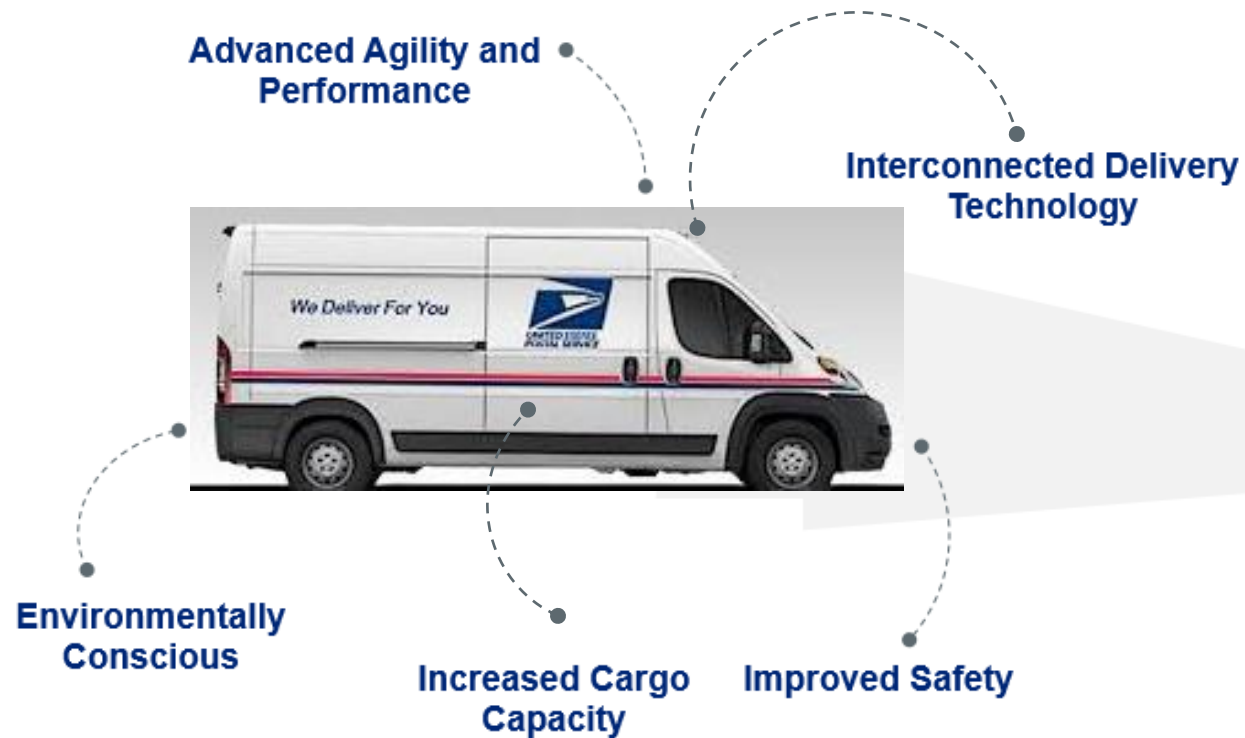
Custom delivery instructions

Autonomous, mobile parcel locker

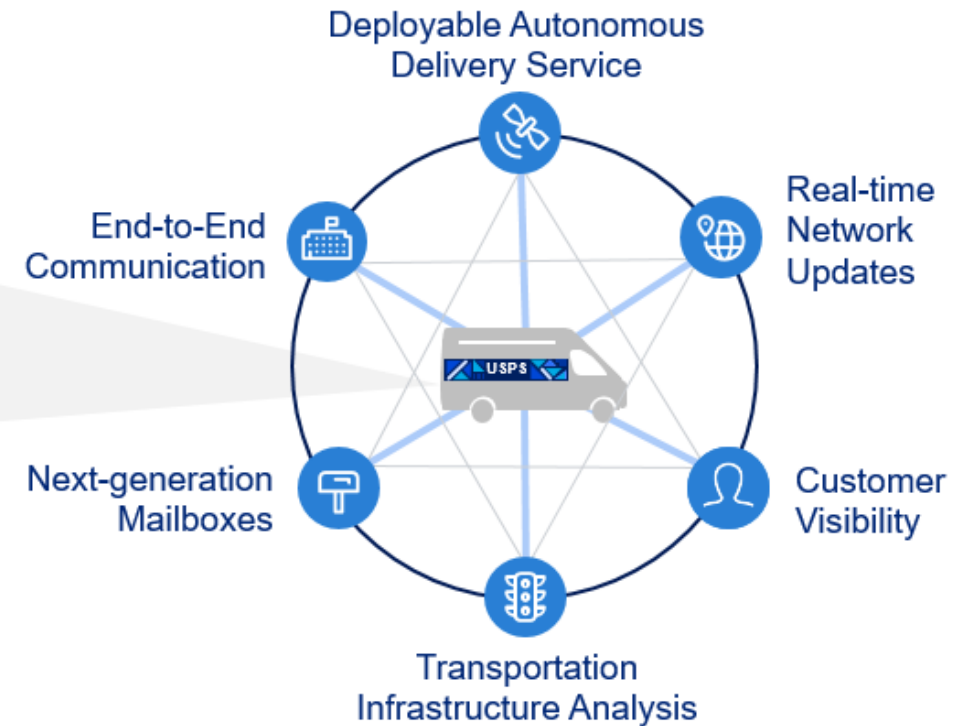


Next Generation Delivery Vehicle

Preparing the fleet to exceed customer expectations in a digital world



Expected Deployment: 2020



Enabling Interconnected Delivery

Informed Delivery



Informed Delivery users receive **scanned images of the exterior** of incoming letter-sized mailpieces (processed through automated equipment).

Images are available via **email notification, online dashboard, or mobile app.**



If a mailer participates in Informed Delivery, **supplemental content, referred to as “interactive campaigns,”** will be shown (for Letters or Flats).

Interactive campaigns include **custom images and a URL** that directs the user to a digital experience.



Informed Delivery

Over 7.5 million users

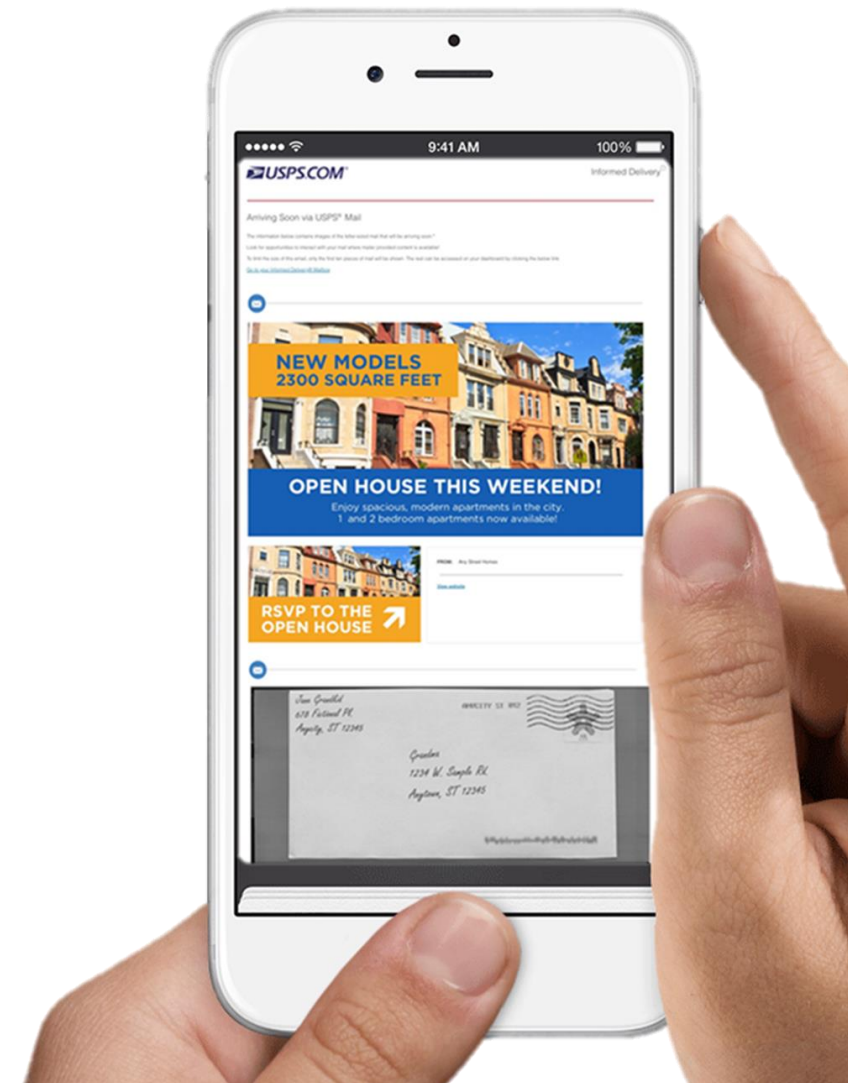
Users include large companies such as

ESPN

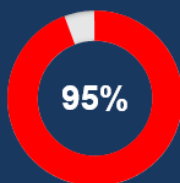
PitneyBowes

JoAnn Brands

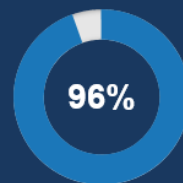
Create add campaigns / track results



are **satisfied or very satisfied** with Informed Delivery



view Informed Delivery notifications **every day or almost every day**



would **recommend** Informed Delivery to friends, family, or colleagues

Device to View Notifications



59%
Mobile

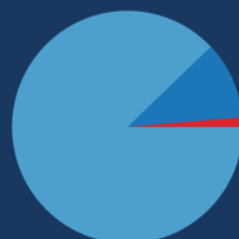


33%
Computer
or Laptop



7%
Tablet

Time of Day to View



■ Morning 88%
■ Afternoon 11%
■ Evening 1%

