The Postal Service is still a great innovator

A recent POLITICO article gets it wrong: The USPS is not a "lesson in how not to meet the future."

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The <u>R Street Institute's trip down memory lane</u> about the U.S. Postal Service ("The lost genius of the Post Office") gets a few things correct, but on balance is woefully ill-informed and misguided.

What the piece's author, Kevin Kosar, got right is that the Postal Service has a long and proud history of innovating in our core business. However, he was flat out wrong when he wrote, "The Postal Service—once one of the most impressive and fast-moving information networks ever devised—may end up as a lesson in how not to meet the future." To the contrary, we have and we will continue to innovate aggressively to maximize value for our customers now and into the future.

The Postal Service is a \$70.5 billion business. We pay for our operations entirely through the sale of postal products and services and do not receive tax revenues to support our operations. If we were a private sector company, we would rank 37th in the 2017 *Fortune 500*. But unlike them, we do so with statutory and regulatory constraints that hinder our financial flexibility, limit our ability to make capital investments, and directly restrain the range of products and services we are permitted to offer our customers.

Even so, we continue to innovate, and today the services provided daily by the Postal Service depend on an astonishing network of people and technologies. Indeed, the Postal Service has accelerated the pace of innovation in recent years in reaction to mail volume declines and the changing marketplace, and as a direct result we are among the most efficient and technologically advanced posts in the world. For example:

- The Postal Service is the world leader in optical character reader (OCR) technology, with machines reading nearly 98 percent of all hand-addressed letter mail and 99.5 percent of machine-printed mail.
- We use more than 8,500 pieces of automated processing equipment to sort nearly half of the world's mail.
- We have the largest gantry robotic fleet in the world, using 174 robotics systems to move 314,000 mail trays per day.

• We deploy and leverage more than 260,000 handheld scanners that provide unprecedented visibility and insights into mail movement, location and speed as well as safety.

We continue to power America's e-commerce growth by constantly enhancing our shipping products and solutions — through new Priority Mail features, Sunday delivery, and digital integrations. We were the first — and continue to be the only — major provider of Sunday delivery for e-commerce packages; today we make more e-commerce deliveries than any other company and we are committed to playing an ever larger role in America's e-commerce economy.

For our business customers, we are reinventing the role mail plays in America's marketing mix. We now provide real-time data about mail flow.

Intelligent Mail barcodes have increased the value of mail for our customers and improved our processing and delivery performance. These barcodes identify individual pieces of mail, trays, sacks and containers of mail and track them through the processing system — from induction to delivery — allowing end-to-end visibility of the mailstream.

As we make our network smarter and more capable, we are enabling a new generation of innovations that tighten the connection between the physical and the digital. One of the most visible innovations of the Postal Service is Informed Delivery, which provides consumers with an e-mail preview of the outer image of mail that will soon be delivered to them. This offering is now available nationwide and will continually be enhanced. Informed Delivery enables our business customers to append digital offers to images of their mail, and to enhance their engagement and interaction with consumers.

A piece of mail can launch a Web site or a video, or ignite an interactive experience. Technologies are making print advertising more engaging and interactive. For example, customers can use their smartphones or tablets to scan 2-D barcodes to directly link to Web sites and other online media. And, augmented reality is turning printed information into a virtual experience, heightening engagement with the mailpiece and increasing impact and use. To help showcase these physical-to-digital experiences, the Postal Service has developed a best practices Web site and catalog for mailers and potential mailers: http://www.irresistiblemail.com/.

As the world changes to thrive in a digital environment so does the Postal Service. We have always evolved and innovated to drive the best value and experience for our customers and we continue to do so now and will into the future.

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