

CUSTOM POSTAL STRATEGIES THAT DELIVER

IWCO Direct's proprietary commingling and postal logistics programs provide the tools you need to manage your postage spend efficiently and effectively. With more than thirteen years experience delivering postage strategies that result in the lowest postage cost per piece, we can customize a solution that is right for your program.

The combination of IWCO P.O.S.T. commingling with RideShare™ logistics results in meaningfully lower postage costs by building efficient 5-digit trays and increasing penetration into SCFs. These postal solutions also mean you will see significantly faster in-home delivery, and you can more precisely target your in-home date.

A financial services customer experienced a 0.05% decrease in cost per piece when postage rates were raised in May 2007, despite Standard Mail letter rates going up an average of 9%. That same customer saw a striking increase in mail sorted to the 5-digit level (74% vs. 55%) and delivered directly to the destination SCF (87% vs. 69%) in the post-rate case environment.

No matter how you measure postal success, IWCO Direct's custom postal strategies will deliver for you!



COMMINGLING

IWCO Direct's proprietary commingling program is designed to increase postal qualification by merging multiple mailstreams resulting in improved tier qualification and reduced postage cost. Mail is processed using high-speed Delivery-point Bar Code Sorters (DBCS). This is the same equipment used by the USPS to sort letter-sized mail.

IWCO Direct has been an industry leader in commingling since 1995, refining the criteria for optimal size and make-up of commingle groups and sharpening our operational efficiencies to increase throughput and decrease labor cost. Working with Siemens, IWCO Direct has developed proprietary enhancements to commingling software that make IWCO Direct the most efficient commingling operation in the country.

IWCO Direct's commingle process is real-time. There is no additional coordination time required for commingling. IWCO Direct currently commingles more than four million pieces of mail per day at our super commingle center. Commingle runs occur throughout the week.



How Commingling Works

- Client files are individually presorted to determine postal qualification without commingling. Postage lift (projected postage savings) is determined for each file.
- Projects are individually imaged and processed through the lettershop.
- Concurrent with final lettershop processing, an assessment is made to determine which jobs will be complete and available for a given commingle.
- Final commingle presorts are run and uploaded to the DBCS host computer.
- Projects are brought together at the automated sorting centers where the DBCS outputs the mail as a single large mailstream.

Why commingling with IWCO P.O.S.T. works

- Targeted (vs. mass) mailings increase response rates but reduce the percentage of mail qualifying for 5-digit discounts.
- USPS requires a minimum of 150 pieces per zip code to achieve 5-digit discount rates.
- Commingling improves the chance for zip codes to attain the 150-piece threshold.

The difference between commingling and combining

- Combining is the manual consolidation of mail trays onto single destination postal skids. This process is often referred to as “commingling,” but combining impacts destination entry discounts ONLY.
- Commingling is the automated sorting of multiple mail streams into a common mail tray. Commingling impacts BOTH postage lift and destination entry discounts.

The difference between presort bureau commingling & IWCO P.O.S.T. commingling

- Presort bureau commingling is typically 90% First-Class Mail, with discounts driven to the 3-digit level. Postal discounts are determined only after all mail is run through the Multi-Line Optical Character Reader (MLOCR). There is no up front data processing analysis. Some mail is run through the MLOCR twice. There is no parallel logistics planning for Standard Mail nor is merging of multiple postage payment methods possible.
- IWCO P.O.S.T. commingling is 90% or more Standard Mail. Discounts are driven to the 5-digit level. Data processing analysis and postal discounts are determined before the mail is run. The mail runs through the DBCS only once. We merge multiple postage payment methods. An extensive parallel logistics plan is determined for each commingle allowing for the greatest SCF penetration.



DESTINATION ENTRY DROP SHIPPING

RideShare™, IWCO Direct's proprietary mail consolidation and transportation program, is designed to reduce postage costs and improve delivery of Standard mail by transporting mail to destination postal facilities [Sectional Center Facilities (SCF) and Bulk Mail Centers (BMC)] to qualify for discounted destination entry postage rates.

IWCO Direct has been an industry leader in postal logistics since 1991. Using RideShare postal logistics allows you to capture USPS destination-entry savings of \$43.00/M for SCF entry and \$34.00/M for BMC entry. RideShare also means your mail is in-home faster and you can more precisely target your in-home date.

How RideShare Works

- Client files for the same mailing period are analyzed at the data processing stage to determine the most effective transportation to SCFs and BMCs.
- Mail is processed in Far Point SCF and BMC sequence.
- Mail is transported directly to a SCF and BMC near its final destination, bypassing one or more postal facilities.


IWCO P.O.S.T. PROVIDES MORE SAVINGS

Unlike mailing facilities that simply combine or co-palletize mail and call it commingling, IWCO Direct uses the same DBCS equipment as the USPS to build 5-digit trays for discounted rates and SCF delivery. Combining RideShare with commingling increases penetration into SCFs, driving lower postage rates and earning the highest available destination entry discounts. Handling by the USPS is reduced by the efficient 5-digit trays created in the

commingling process. Commingling builds full trays and full skids, reducing your logistics costs. In 2008 IWCO Direct commingled more than 665 million pieces of mail and shipped 1.7 billion pieces of mail using RideShare, generating more than \$40.8 million in postage savings for IWCO Direct customers.

IWCO P.O.S.T. gives you:

- More mail sorted to the 5-digit level and delivered to the SCF: 87%
- More postage savings: \$26.72/M

<h1>Myths</h1>	 <h1>Reality</h1>
<p>Commingling creates delays</p>	<p>IWCO P.O.S.T. commingling is real time. Our up-front planning means no additional coordination time is required.</p>
<p>Commingling lacks flexibility</p>	<p>IWCO P.O.S.T. commingling is flexible. Frequent commingle runs mean there is minimal impact if your schedule slips. Also, changes by other customers will be resolved without affecting your mail.</p>
<p>You must choose either commingling or efficient postal logistics</p>	<p>IWCO P.O.S.T. commingling creates full mail trays that result in more efficient use of transportation resources, increased SCF penetration and reduced logistics costs. Fewer touch-points for your mail means more efficient handling and logistics.</p>