



**A HARTE-HANKS WHITE PAPER**

**Making the Most of  
Intelligent Mail<sup>®</sup> Barcode**



## Making the Most of Intelligent Mail® Barcode

Full implementation of United States Postal Service (USPS) Intelligent Mail® barcode promises to deliver many benefits to mailers, including end-to-end visibility and a seamless process for mail acceptance and delivery using standardization, continuous mail tracking, and mail quality feedback available in real-time.

While the advantages are many, as with any major endeavor Intelligent Mail barcode presents both challenges and opportunities. The take-away: now is the time to understand and prepare for Intelligent Mail barcode. Towards that end, this white paper outlines the following:

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## Intelligent Mail® Barcode: the USPS Vision

The Intelligent Mail® barcode, formerly referred to as the 4-State Customer barcode, is being implemented by the United States Postal Service (USPS) as a next-generation process for sorting and tracking letters and flats. The Postal Service is promoting use of the Intelligent Mail barcode because it expands the ability to track individual mailpieces and provides customers with more options and information about mail.

The Intelligent Mail barcode combines the data of the existing POSTNET™ and the PLANET Code® barcodes, as well as other data, into a single 31-digit barcode.

The vision for the barcode is that it will provide end-to-end visibility and a seamless process for mail acceptance and delivery using standardization, continuous mail tracking, and mail quality feedback available in real-time.

## Intelligent Mail Barcode Benefits

Moving from a 13-digit barcode to a 31-digit barcode allows for more comprehensive drill down which can determine information such as:

- **Postal performance by class, shape, sort level, and postal facility** – the ability to track this level of information helps the USPS do a better job in meeting individual mailers’ needs.
- **Version reporting** – allows mailers to know if specific mail piece designs/versions process through the postal system at varying speeds.
- **Store and territory reporting** – Intelligent Mail barcode tracking can help mailers identify which stores or territories received mail delivery early or late, helping them make more informed decisions.
- **Address correction services, if requested** – mailers can take advantage of free address correction with Intelligent Mail barcode full-service option.
- **Suites of services applied** – includes Confirm® Service and Address Change Service™, among others.

Key benefits of Intelligent Mail barcoding:

- Participation in multiple USPS service programs through a single barcode. Less information is needed in the address block so preparation is easier.
- Eliminating the need for multiple barcodes increases mailpiece “real estate” which means more overall white space to accommodate marketing messages.
- Unique identification of every piece of mail – up to a billion mail pieces per mailing.
- Address update information is received automatically and electronically.
- Ability to track individual pieces, handling units, and containers which means processing problems can be more easily identified.
- Ability to receive information about mail preparation and address quality. The
- Intelligent Mail barcode process provides feedback to the mailer on any issue that



- hinders on-time delivery and increases costs.
- An entire mailing can be evaluated for accuracy. Intelligent Mail barcode offers a low-cost proof of mailing and online reports enable an easy view of account status.
  - Payment tracking means that mailers pay as they enter the system and for only the mail that is entered.
  - Implementation of Intelligent Mail barcoding means that the Postal Service can be more responsive to mailers' needs.
  - Greater visibility and more accurate, detailed information means mailers have what they need to make even better decision regarding future efforts.

Because each mail piece is uniquely coded, the mailer maintains a full view and is able to select a suite of services using a single code. This higher level of automation translates into less cost. What's more, being able to forecast delivery of individual mail pieces makes it easier to forecast the number and timing of incoming phone calls. This helps marketers ensure phone centers are staffed accordingly while minimizing waste. Marketers can also target precise in-home delivery dates.

## **Challenges**

For the last twelve months, the industry has been focused on reconciling the imaging challenges presented by the new barcode. For example, the inkjet technology favored by most of the printing industry has not proven up to the task and this means major improvements still need to be made.

Industry leaders have negotiated with the Postal Service over the minimum image size. The Postal Service has since agreed to lower the minimums to 1/8th of an inch in height to be in line with the current industry practice.

Some mailers have also desired to employ the new barcode and take advantage of using Confirm® Service (also known as OneCode Confirm™) and a version of Address Change Service™ (ACS™) called OneCode ACS™. This has proven to be problematical as IDs are required for both. If the service provider is the one responsible for getting Confirm® scans and reports to the mail owner, then the service provider's ID is also required. If OneCode ACS™ is added this would lock in the ID to ACS. This dilemma was foreseen two and a half years ago within a Seamless Acceptance Mailers Technical Advisory Committee (MTAC) Workgroup and continues to be addressed. (Seamless Acceptance is the Postal Service's strategy to radically streamline all processes related to business mail acceptance, including documentation, scheduling, payment, and entry.)



## **Possible Solutions**

The MTAC Workgroup determined that a “cast of characters” file for mail-dat could be put in place to identify all players involved in the mailing and identify what services, data, postage, etc., would be assigned to which player. In refining Seamless Acceptance and preparing for the January 2009 Intelligent Mail barcode deadline, it was determined that the very same challenges exist today and solutions are needed now for current work. As a result, the Postal Service and the industry are working diligently to finalize the details, implementing a viable solution together in an expeditious manner.

For ACS™ alone, mailers and their vendors must be very careful in how they assign serial numbers for each address record. It is possible to duplicate the serial numbers across mailings and it will be nearly impossible to identify the customer address record to which the change applies. It is imperative that uniqueness is maintained for the length of time to cover the span of time ACS returns for a mailing will take place – 45 days to several months.

Mailers and their vendors are learning that the more full service they are, the greater the challenges they face. Intelligent Mail barcodes must be unique to varying degrees and for a minimum time span, which requires moderate to extensive changes to existing programs and systems. The more integrated the solution sets, the more difficult the alterations. For example, Confirm® reporting systems may need to be completely rewritten, or heavily modified at a minimum.

As far as Intelligent Mail barcode preparedness goes, if mailers and their vendors have not yet started in earnest on the changes required they may well face trouble in meeting the May 2009 requirement. The time to prepare is now!

## **Are Your Vendors Ready?**

In 2003, the Postal Service published the Intelligent Mail® Corporate Plan with the goal of uniquely identifying mail and enhancing address quality. In September 2006, Business Mail Entry Units started accepting letters with Intelligent Mail barcode.

Since March 2007, mailers using the Intelligent Mail barcode have been able to qualify for automation prices as long as all other automation requirements (including meeting addressing, readability, etc.) are met for processing on automated equipment.

In May 2007, the use of Intelligent Mail barcoding was expanded to allow mailers to use it on automation flat-size mailpieces. Since then mailers have had the option to use the Intelligent Mail barcode on letter and flat mail for Confirm® and OneCode ACS™.

Starting in May 2009, the Intelligent Mail barcode will be optional for mailers seeking automation discounts. Full implementation is expected to be required by May 2010.

Even though the industry has been aware of these landmark dates for more than a year, many mailers and their vendors do not fully understand what the requirement means to their organizations. While it seems simple enough to replace both the POSTNET™ and PLANET



Code® barcodes with the Intelligent Mail barcode, implementation hasn't been easy to date and is likely to continue to pose serious challenges to many.

Are *your* vendors prepared?

## **What You Need to Know Now**

Intelligent Mail barcoding offers mailers a variety of benefits and smart mailers are already taking advantage of this technology. It is important to work with a vendor that is meeting the Postal Service's new guidelines today – ensuring that the infrastructure is in place so that you can realize postal discounts at the next rate filing.

### ***Mail Tracking***

In early 2000, the USPS allowed large-volume mailers the ability to track processing via a PLANET Code® barcode. This new Confirm® process allowed mailers to track mail internally within the USPS by matching the PLANET CODE® scan to a timestamp of an operation code (sortation). Using this data, mailers were able to determine or predict the actual delivery of these mailings to end user mailboxes. This process was highly accurate and available to all automated materials.

Question to ask: Can your mail vendor incorporate all PLANET CODE® scan data and populate it into a Web-based, user-friendly reporting tool? Such a capability enables the delivery of single promotions by the requested in-home dates as well as corrective actions from USPS management teams in under-performing areas.

### ***Seamless Acceptance***

The USPS Seamless Acceptance program is designed to take the Intelligent Mail barcoding system to its complete use. This program adds container barcodes to the mix, pallet, sack, and tray. It also adds electronic drop-ship clearance and postage. The main benefit is that postal detection is no longer provided by an onsite postal clerk. Seamless Acceptance takes place in “live” production in the postal field and operations which means mail is entered into the system without having to wait on postal detection coverage. Another benefit of Seamless Acceptance is that eventually postage will not be paid until pallets are scanned at the destination entry facility. The benefit to the USPS is data and cost savings.

Seamless Acceptance uses live, real-time scans to determine that all mail is accounted for and properly barcoded, sorted, and entered. The required equipment is not off-the-shelf and needs to be created for each environment, as applicable. Seamless Acceptance also requires unique barcodes on every piece of mail and this information has to be supplied to the USPS electronically.

A vendor that is ready will have established processes and procedures for mail tracking and data processing. It will be prepared to work within the guidelines of Seamless Acceptance, having put plans in place to mitigate the risk for postage penalties.



## Intelligent Mail Barcode Construct

The Intelligent Mail Barcode carries a data payload of up to 31 digits comprised of a barcode identifier, service type identifier, mailer identifier, serial number, and delivery point Zip Code™.

The **barcode identifier** field is a two-digit field reserved to encode the presort identification and should generally be left as “00.” The **service type identifier** field is a three-digit field that indicates participation, or lack of, in various Postal Service programs. Each three-digit value corresponds to a particular mail class with a particular combination of services.

### Service Type Identifier \*

Value	Mail Class/Service Description
700	First-Class Mail with no services
702	Standard Mail with no services
704	Periodicals with no services
706	Bound Printed Matter with no services
040	First-Class Mail with Destination Confirm
042	Standard Mail with Destination Confirm
044	Periodicals with Destination Confirm
050	Origin Confirm
080	First-Class Mail with Address Service Requested
082	First-Class Mail with Change Service Requested
090	Standard Mail with Address Service Requested
092	Standard Mail with Change Service Requested
782	Periodicals with Address Service Requested
422	Bound Printed Mail with Address Service Requested (currently unavailable)
431	Bound Printed Mail with Change Service Requested (currently unavailable)
140	First-Class Mail with Destination Confirm and Address Service Requested
240	First-Class Mail with Destination Confirm and Change Service Requested
142	Standard Mail with Destination Confirm and Address Service Requested
242	Standard Mail with Destination Confirm and Change Service Requested
144	Periodicals with Destination Confirm and Address Service Requested

\* Subject to change.



The **mail identifier** field is a six-digit or nine-digit number that identifies a specific agent in the mail preparation process with responsibility for ownership, content, make up, or preparation of the mail. The **serial number** is a six-digit or nine-digit field depending on the length of the mailer ID. The **routing ZIP Code™** field is used to encode the destination ZIP code of the mailpiece.

## **The Mailer of the Future**

A ready vendor has already been actively preparing for full implementation of Intelligent Mail barcode and other requirements of the Postal Service. It will have created an integrated customer feedback loop, utilizing both online and near real-time messaging, to provide mail owners and mail supply chain vendors with insight on their mailings. What's more, prepared vendors will deliver upon improved operational efficiencies, accountability across the supply chain, improved customer service, and increased visibility.

Intelligent Mail barcode, when implemented, will offer tremendous benefits to mailers. But preparing requires time and the guidance of experienced mail vendors. To be sure that you're ready for Intelligent Mail barcode and all the implications, partner now with a vendor that is on the cutting edge regarding the technological and logistical aspects. The benefits of doing so will be immeasurable.



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