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its digitised image presented to a service subscriber via a web interface, while the physical mail stays stored at a postal location until the recipient makes a decision about its further processing (open and process, forward to a certain destination, trash, etc). Recognition technology is used to locate and read areas of interest on mailpieces (including the recipient's name and address, sender's name and address, barcodes, labels, logos and other data). This service lets subscribers receive text-based information via computer or mobile phone for easy access and fast downloads. Based on data captured from the mailpiece it may be processed according to the customer's requirements.

In this way unimportant envelopes can be trashed and recycled; unsolicited offers, which may contain confidential information that can be subject to identity theft, can be shredded; and important mail may be redirected to another recipient, shipped to a customer or have its content scanned and made available for download.

One of the most important advantages of this service is the reduction of time until action can be taken about a piece of mail – for example the time it takes to process incoming payments can be greatly reduced. Mailpieces that contain bills can be determined based on information captured from an envelope, allowing them to be opened, scanned, automatically recognised, presented to the customer to approve via a web form, and paid either via ECN or by generating a paper cheque against a customer's bank account.

The past decade has witnessed rapid growth in technology, including such areas as computers, IT, the internet and e-commerce. As a result, many forecasts predicted a decline in traditional products and services in the new environment, as

technological advances influenced production, distribution and consumption patterns within the industry. However many expectations were overinflated.

Progress in technology has always had a dual effect, and the example of the postal services industry confirms this rule. On the one hand technology created major opportunities for posts, allowing them to improve the efficiency of operations. Thus a decade of intensive investment in optical character recognition (OCR) systems applied to mail sorting equipment resulted in unparalleled success in the speeding up of mail sorting, the increase of OCR reading quality, and the reduction of manual data-entry costs. The cost of processing mail dropped from an estimated US\$55 per 1,000 letters manually to less than US\$5 per 1,000 letters with automated sorting.⁺

On the other hand it would be wrong to imply that the threat of substitution from digital means of communication is neither real nor significant. This trend is taking place and in some areas mail volume is decreasing or continues to grow at a slower pace. However the expectation of the negative impact of new technology on the demand for letter services is often exaggerated, while the positive

opportunities for technology to improve postal services are ignored. In particular the same recognition technology that has revolutionised the efficiency of mail sorting operations has the potential to support postal products and services that did not previously exist and may provide a competitive advantage over other available means of communication.

It is vital not to underestimate the positive impact of new technologies. Technology should be analysed, understood and its potential scrutinised to enable postal services to take advantage of progress and seize any opportunities available. ■

References

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