December 17, 2012

MEMORANDUM FOR: DAVID E. WILLIAMS, JR.
VICE PRESIDENT, NETWORK OPERATIONS

MAURA ROBINSON
VICE PRESIDENT, CONSUMER AND INDUSTRY
AFFAIRS

E-Signed by Robert Batta
VERIFY authenticity with e-Sign

FROM: Robert J. Batta
Deputy Assistant Inspector General
 for Mission Operations

SUBJECT: Management Alert – Customer Service Feedback
(Report Number NO-MA-13-001)

This management alert presents Customer Service Feedback which surfaced during our review of the U.S. Postal Service's preparation for the fiscal year 2013 fall mailing season (Project Number 12XG032NO000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact James L. Ballard, director, Network Processing and Transportation, or me at 703-248-2100.

Attachments

cc: Megan J. Brennan
Deborah Giannoni-Jackson
Area Vice Presidents
Corporate Audit and Response Management

Introduction

While collecting information in preparation for the fiscal year (FY) 2013 fall mailing season for a subsequent post-fall mailing season audit, we came across customer feedback which we wanted to immediately bring to your attention for action.

Generally, the U.S. Postal Service's performance is impacted in the fall due to higher than normal Standard Mail® volume in response to increases in advertising for back to school time and the winter holidays. In the past, Postal Service mailers have expressed concern with the Postal Service's performance during the fall mailing season with regard to timely processing of mail and the availability of mail transportation equipment,[1] which we addressed in subsequent reviews.

This year some mailers raised concerns regarding mail delays. The Postal Service interacts with its largest mailers through the Business Service Network. There are 298 Business Service Network representatives and managers spread across seven areas and 67 districts who act as intermediaries between approximately 22,000 mailers and various Postal Service operations. During FY 2012, Business Service Network representatives processed 4,762 complaints with service issues of "late" or "delayed" mail.

Conclusion

Although preparing for and reporting on a good start to this fall's mailing season, some large business mailers raised concerns about mail operations' feedback system during this fall's mailing season. This alert addresses those concerns. While the Postal Service has a tracking and feedback system, it is not effective or robust enough for mailer needs. Specifically, we found the system is not designed to provide timely, well-informed feedback to customers, nor is it set up to provide maximum mail visibility to customers. These conditions occurred because (1) some Business Service Network representatives have limited knowledge and access to mail processing operations and (2) the feedback process was cumbersome. Timely, responsive feedback to mailers and customers is critical to preserving revenue for the Postal Service.

Mailer and Business Service Network Representatives Feedback

The Postal Service has a system which tracks complaints and provides feedback on mailers' specific concerns. The system tracks all complaints and the Business Service Network representatives enter the information into the Customer First! System. It also records the details of the complaint, such as mailing location, the date of the complaint, and how and when the complaint was resolved; however, it is not adequate for mailers' needs.

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[1] Mail transportation equipment includes Postal Service-provided pallets, letter trays, and flat tubs.

Specifically:

- Timeliness of Customer Feedback. The system requires Business Service Network representatives to provide a response to customers within 1 to 3 business days and these timeframes are not being consistently met. From October 2011 through September 2012 (the end of FY 2012) the average time to resolve a customer complaint was 5 days.[2] While average resolution time has decreased to 3.4 days[3] during this fall's mailing season, it still exceeds the required resolution time. Obtaining an answer to resolve customer requests is difficult as it can require input from a plant, delivery unit, or support function employee as well as from conversations with mailers. Often delivery unit, plant, and/or support function employees do not respond in a timely manner. Moreover, we found the representatives were not always well-versed in answering mailer inquiries as they are not mail processing experts and often receive second-hand information. When the representatives convey the information they receive from the mail processing employees to the mailers, this often results in additional questions from the mailers, which then have to be taken back to mail processing experts for resolution. Thus, the process to resolve a single request can include multiple time-consuming steps.

- Access to Mail Processing Information. The Postal Service's Intelligent Mail® barcode (IMb) system is currently set up to identify where customer mail is located in the mail processing network. In addition, the Web Mail Condition Reporting System provides a daily snapshot of operations at processing centers nationally, including mail volume on-hand, delayed mail volume, and the age of the mail detailed by mail class. However, the representatives do not have access to IMb or Web Mail Condition Reporting System data. As a result, this process does not give mailers the visibility over mail that they need to diagnose a delay problem and get their mail moving again.

These conditions occurred because many representatives only have limited access to and knowledge of mail processing operational information. We discussed these issues with some mailers and they indicated that:

- They wanted representatives to be able to provide immediate feedback on mail delays and greater visibility in tracking mail.

- Some representatives cannot answer mail processing questions as they are, in effect, acting as intermediaries and trying to explain issues they may not fully understand to someone further down the mail processing chain.

In discussions with the representatives, they reiterated similar concerns expressed by mailers. They further indicated that they do not always have the skills and tools required

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[2] We obtained information on the average number of days to resolve a customer complaint from the Postal Service's Customer First! System.
[3] The average of 3.4 days was as of November 6, 2012. The fall mailing season extends through the end of November.

to track customers' mail. Furthermore, their reliance on Operations often proves frustrating, as Operations does not always respond to their requests in a timely fashion. Timely, responsive feedback to mailers and customers is critical in preserving revenue for the Postal Service.

Recommendations

We recommend the vice president, Network Operations, coordinate with the vice president, Consumer and Industry Affairs, to:

1. Provide Business Service Network representatives training and access to Postal Service data systems such as Intelligent Mail barcode and Web Mail Condition Reporting Systems to enable them to better serve their customers.

We recommend the vice president, Network Operations, coordinate with area vice presidents to:

2. Ensure that all field personnel respond to customer service requests from Business Service Network representatives within 24 hours.

Management's Comments

Management agreed with the recommendations in the report. Specifically, management stated that, in response to recommendation 1, effective March 2013, Processing Operations management will provide training to Business Service Network representatives on the Service Performance Diagnostic tool. This tool encompasses IMb and other diagnostics that will help the Business Service Network representatives pinpoint where mail delays exist. In response to recommendation 2, effective March 2013, Consumer and Industry Affairs will provide continuous feedback to field operations on customer service requests that have not been abated within 24 hours.

See Appendix A for management's comments in their entirety.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

The OIG considers recommendation 1 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action is completed. This recommendation should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

Appendix A: Management's Comments

UNITED STATES
POSTAL SERVICE

December 4, 2012

JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Alert – Customer Service Feedback (Report Number NO-MA-13-Draft)

Thank you for the opportunity to respond to the recommendations contained in the Draft Audit Report – Management Alert – Customer Service Feedback (Report Number NO-MA-13-Draft). Management agrees with the recommendations.

Recommendation 1:
Provide the Business Service Network representatives training and access to Postal Service data systems such as Intelligent Mail barcode and Web Mail Condition Reporting Systems to enable them to better serve their Customers.

Management Response/Action Plan:
Processing Operations will provide webinars to the Business Service Network representatives on the Service Performance Diagnostics tool (SPD) and ensure they are on the distribution list for the national conditions that is distributed daily by the National Operations Center (NOC).

Target Implementation Date:
March 2013

Responsible Official:
Manager, Processing Operations / Manager, Business Customer Support

Recommendation 2:
Ensure that all field personnel respond to customer service requests from Business Service Network representatives within 24 hours.

Management Response/Action Plan:
Consumer and Industry Affairs will provide continuous feedback to field operations on responses that have not been abated within 24 hours. The experience and training Consumer Industry Affairs personnel receive will enhance their ability to resolve issues.

Target Implementation Date:
March 2013

Responsible Official:
Manager, Processing Operations / Manager, Business Customer Support

This report and management's response do not contain information that may be exempt from disclosure under the Freedom of Information Act (FOIA).

David E. Williams
VP, Network Operations

Maura Robinson
VP, Consumer & Industry Affairs

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cc: Ms. Malone
    Mr. Kennedy
    Mr. Bender
    Corporate Audit and Response Management