Getting in Sync

Internet postage allows you to coordinate your business needs and shipping costs

— By Amine Khechfé —

Shipping costs can have a huge impact on a company's bottom line. This is especially true for businesses sending a large volume of packages each day. MexGrocer, one of the nation's largest online providers of Mexican food, realized that the scope of its business needs and its shipping costs were not in sync. Based in San Diego, the company has over 100,000 customers for its bilingual online grocery store. Because its customer base is located in over 18,000 cities, MexGrocer needed a solution that could handle its large capacity and geographic diversity. Management scrutinized exorbitant shipping costs and sought out more efficient options.

As a result of that effort, MexGrocer turned to Internet postage shipping software and has been pleased by the results. Using the U.S. Postal Service and Internet postage, the company has been able to reduce shipping costs by over 25% and is now saving nearly $30,000 annually.

While printing postage online has been available for close to 10 years, many shipping managers have not yet embraced shipping electronically via the USPS, and that could be costing them money. Companies could realize substantial savings on their transportation costs by shipping with the Postal Service using USPS shipping technology.

Why Electronic Shipping?

Electronic shipping software providers offer an effective method to efficiently purchase postage and process shipments. Businesses can easily take advantage of the U.S. Postal Service's universal residential delivery network and avoid the high cost of surcharges added by private carriers. For companies like MexGrocer whose business thrives on shipping a high volume of goods per day, the time and money savings are considerable.

Electronic processing of shipments increases the options of businesses because it replicates the process and integration private carriers offer, but for the U.S. Postal Service. Companies can take advantage of all the benefits of postage from their computer without disrupting their fulfillment workflow, saving time and money. Electronic shipping technology allows businesses to manage and print all of their shipping labels, as well as conveniently schedule package

pickup. Users can simply set up a schedule for pickups, eliminating hassle.

What is Available?

Because electronic shipping software providers partner with the U.S. Postal Service, they provide access to a variety of shipping services, such as Priority Mail and Express Mail. These services, coupled with the technology of vendors, are comparable to options offered by private carriers. Businesses can print shipping labels, integrate into third-party applications or their own databases, and have all addresses automatically validated before the package is shipped. Businesses can also take advantage of SCAN service, the ability to have all tracking barcodes scanned at one time during pickup and easily notify customers their packages have been shipped and accepted by the USPS.

Internet postage further saves businesses money on shipping by offering commercial base postage discounts for Express Mail and Priority Mail service. There are standardized high-volume shipping discounts available, saving qualifying companies up to 15% per piece. Some Internet Postage providers also support Negotiated Service Agreement rates for even higher USPS discounts.

Choosing a Provider

With several options available, businesses need to be able to find the right provider to meet their shipping needs. Some features to look for include address validation, reporting tools and delivery statistics. High-volume shippers should look for a provider that has a breadth of technology offerings and support services. Features important for these businesses include batch printing, database integration, programming interface and SCAN service, which adds tracking visibility. It may also be important to compare the services supported by a provider's SCAN form, such as Express Mail or International Mail. In addition, some providers are integrated with a wide variety of third-party software partners, allowing businesses to print shipping labels without ever leaving their application and further streamlining the process.

While shipping needs vary, all businesses have two things in common — they are eager to save time and cut expenses. And using a USPS electronic shipping software provider can help them do both, giving managers more time to focus on what really matters — the business. ∎

As General Manager for Endicia, **AMINE KHECHFÉ** is responsible for directing all aspects of the Endicia business unit as well as managing its position within the Newell Rubbermaid Technology Global Business Unit. Graduating with a Masters in Science in engineering from Stanford University, Amine has held a variety of management roles in engineering, management consulting, software development, marketing and business development. Prior to co-founding Endicia in 1987, he worked at AT&T Information Systems and TRANE.