

## CEO PERSPECTIVES

# Change in the Mail Industry

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11

**B**efore you can look forward in our industry, you need to consider and understand the incredible changes that have taken place over recent years. Twenty-five years ago, mail was a category of communication delivered physically. Today, the delivery method is rapidly becoming agnostic.

Whether received in the mailbox, on a laptop or on a phone, it is still mail. Boxes, envelopes, e-mails are all mail. To the recipients of mail, it is not really a question of physical vs. digital; those two options have been blended and are now one and the same.

In the last part of this 25-year span, our industry has seen great change driven by the way people prefer to communicate. Think about what tablets and online content have done to the newspaper industry or what the proliferation of online content has done to network and cable television and video rentals. Information access and information delivery preferences have had an evident effect on the mail industry. That effect has also created great opportunity.

People still need to send communication. People still need to receive communication. And most importantly, people still need to connect through communication. The mode of mail may shift

from physical letters to digital transmission, but the one-to-one nature of communication is what is important, not the means of getting it there.

The future of our industry is not that difficult to figure out if you take time to connect a few dots. I did and they showed me where the next generation of revenue opportunities will be found. We must provide the best way for people to continue to engage in personal and business communications in the way they prefer to engage.

Everyone in the business communication management arena is now working in two different, but concurrent, worlds of information delivery. Many companies operate in a physical-world reality but correctly understand that they must adopt new digital processes for the revenue and relevance that technology offers. There is no question that, in the long-run, digital communication will be a formidable delivery medium.

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However, there will always be a need to accommodate physical mail. Inevitably, businesses will have to balance both traditional and technology-based interactions.

Our world is changing. And by “our world,” I mean the industry that we all respect and depend upon. And by “we,” I mean every industry leader, every industry employee and every person who depends upon an industry employee.

You’ve heard and read about the issues we face: The United States Postal Service is facing historic declines in volume; customers can’t or won’t pay for new or upgraded hardware or value-add services; the mail industry is at a crossroads.

Well, yes and no.

The leaders and employees of Neopost USA have faced these exact issues. After carefully assessing the new industry landscape, we believe that the USPS has a workable business model; that customers are increasingly going to seek more efficient and productive ways to transact and communicate; and that our business is changing. It will be different tomorrow and it will change again the day after and the day after that.

I’m also working with several key business assumptions. I believe that mail remains one of the most secure, trusted and cost-effective media for reaching customers in the business-to-business milieu; that the volume of first-class mail will continue to decline; that the volume of standard mail will continue to rise slowly; that the parcels sector will continue to grow and that an increasing numbers of consumers will switch to online bill payment whether they like it or not because commercial enterprises will eventually stop sending and accepting paper.

The big question is: How do we serve customers so that they stay with us? This addresses the issue of retaining customers and maintaining business relationships. The obvious follow-up question focuses on developing, building and expanding our customer base. How do we adapt our business model so that customers recognize us as the solution, not the problem?

One word says it all: change. Everyone in the mail industry has to change – change methods, change perceptions, change attitude, change expectations.

You need three fundamental contingencies to change effectively: a solid and achievable plan, strong leadership and employee buy-in. We’re fortunate at Neopost USA. Our plans are simple and direct. We are differentiating ourselves in the market. We have innovative and technically superior new products to introduce. We are streamlining our processes for the benefit of

our customers. We have augmented our leadership ranks with a new cadre of unusually dynamic and confident decision-makers.

One concept remains constant. Everything we do is focused on creating long-term customer loyalty.

## Building a Winning Edge

Everyone in this industry knows that the business, administration, service perception and use of mail are changing but not everyone of our customers knows that mail is alive and well. It’s up to those of us who work in this industry to make sure mail maintains its position as a vitally important part of American commerce.

Yes, our industry is changing. But change begets opportunity. Mail is – and will continue to be – important to our customers regardless of its form. We believe that dedicated employees, a superior customer experience, strategically applied technology, partnerships and healthy change coupled with our acquisitions of leading technology companies is the right position to change with the mailing industry.

Companies looking to emerge as market leaders must implement a culture that fosters innovation and execution of new ideas. Start by reminding your employees how important they are and how their ideas and suggestions will be used to fuel your firm’s overall success. Talk with your customers and suppliers. Regularly engage them in the innovation process. And then, move swiftly to incorporate the ideas generated by these knowledgeable, engaged sources who share a vested interest in your long-term success. Soon, you’ll discover your own winning edge.

The USPS is not going away. Forecasts predict that 125 billion pieces of mail will still be sent in 2020. Our \$1 trillion-plus industry is alive and vibrant, contrary to its characterization in the popular media. The parcel business is expanding – an inviting growth arena. Online business mail transactions will continue to gain ground. It’s up to us to adapt and find the business model that will benefit our top two constituent audiences: employees and customers.

The mailing industry is far from dead. It’s just changing. We have a choice. We can react and stay locked into a perpetual game of catching-up to customers’ technology-driven appetites or we can lead the future of our industry with innovative solutions for moving business communications that our customers want, need and will pay for.

We choose to lead.

*(Excerpted from Mr. LeStrange’s article Five Elements Required to Succeed which will appear in its entirety in the next issue.)*

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*Dennis P. LeStrange oversees an organization focused on building long-term customer loyalty, new offerings, and breaking into emerging markets. Under his leadership, Neopost USA has grown through continuous product innovation and process improvement.*

*To learn more about Neopost, call 800-NEOPOST or visit the company online at [www.neopostinc.com](http://www.neopostinc.com).*