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 featuring Pitney Bowes news

- Pitney Bowes Plays Key Role in U.S. Mailing Industry Task Force
- Pitney Bowes @ POST-EXPO 2001. Presentations Include:
 - Strategic Partnerships
 - Enhancing Value
 - Information Architecture
- Pitney Bowes' Chairman & CEO Receives "Partnership for Progress" Award
- Pitney Bowes Acquires SECAP
- Pitney Bowes Issues Mailroom Safety and Security Tips
- Pitney Bowes emailAngel™ Debuts at POST-EXPO 2001

PITNEY BOWES PLAYS LEADERSHIP ROLE IN U.S. MAILING INDUSTRY TASK FORCE

\$900 Billion Mailing Industry Unites to Keep the Mail Moving and the Nation's Business Growing

The Mailing Industry Task Force, co-chaired by Pitney Bowes Chairman and CEO Michael J. Critelli and U.S. Postal Service Deputy Postmaster General John Nolan, presented its initial recommendations for a course of action for the industry at the National Postal Forum in Denver, CO.



Mr. Michael J. Critelli, Chairman and CEO, Pitney Bowes (center) presenting the Mailing Industry Task Force Report to John Potter, Postmaster General, USPS; John Nolan, Deputy Postmaster General, USPS is at right.

The Mailing Industry Task Force led by the chief executives of 12 industry-leading companies and the United States Postal Service worked for six months to assess the current state of mail as a communications channel, and to determine how mail could be enhanced to ensure its viability and the future of the industry built around it.

"While mail continues to be very important to and desired by users, the members of the Task Force have collectively identified a number of ways to make mail an even more powerful communications tool than it is today," said Mr. Critelli. "The mail has always been the backbone of business and consumer communications. Increasing and simplifying user access to an expanded set of powerful, cost-effective products and services will give customers the added flexibility and value they are seeking."

The Task Force recommendations center on three imperatives: **to respond to customer needs, make the mail channel more competitive and unify the mailing industry. The report suggested initiatives to develop standards and systems to help make every letter mailpiece unique, identifiable and trackable, just as packages are trackable today.** The Postal Service could add new value to mail by leveraging barcode technology to enable mailers and recipients to track individual mailpieces, developing performance measurement tools for large volumes of mail, and giving mailers tools to achieve delivery predictability.

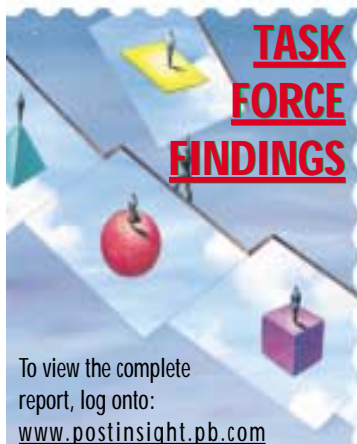
A vital concern to the industry is greater efficiency to keep the mail more competitive. Preparation standardization and network optimization initiatives were offered including standardizing mail preparation, entry and containerization requirements. Noting that **pricing is also a competitive issue,** the report offered industry recommendations for a streamlining of the rate-making process, contract pricing options and predictable rate increases. "While some things can be done today, the industry also needs to unite behind postal reform legislation to achieve this," noted Mr. Critelli.

Another concern of the industry was the development of more flexible and efficient payment systems. The report recommended one-source access and tracking of all postal financial payments, and flexible payment options with Web-based verification and acceptance.

The report also addressed the need for enhanced consumer services, recommending significant increase in points of access for both sending and receiving mail, including access at work. "With over 70 percent of all consumers characterizing mail as vital, the mail has a strong future," said Mr. Critelli. "We need to focus on providing more information, improving access, and lowering costs to better meet the changing needs of customers."

"We want to leverage the economic power of the mailing industry to help grow the nation's business and make this critical sector of the economy even more vital. Implementing these recommendations can help make this a reality," said Mr. Nolan.

The Task Force will continue to address other issues and assess additional possible recommendations, and report on those findings at the Spring 2002 National Postal Forum in San Diego.



TASK
FORCE
FINDINGS

To view the complete report, log onto:
www.postinsight.pb.com

1. Respond to Customer Needs by:

- promoting development of a unique "intelligent" mailpiece
- developing consumer "gateway" services – including merchandise returns, at-work mailing, and 24-hours-per-day, seven-days-a-week alternative points of access
- exploring state-of-the-art payment systems and facilitating alternative credit terms.

2. Make the Mail Channel More Competitive by:

- standardizing mail preparation, containerization and entry requirements
- optimizing the postal network for best value, pricing, security and reliability
- implementing a pricing strategy based upon predictable increases at or below inflation rate
- reducing undeliverable mail via address quality improvements.

3. Unify the Mailing Industry by:

- creating and supporting a CEO-level advisory council to ensure the viability of the mail delivery system by focusing on standards development, channel promotion and issues awareness.

This Mailing Industry Task Force Report was completed prior to the recent security incidents in the postal system. This issue will be addressed in upcoming report recommendations.



RETHINKING STRATEGIC PARTNERSHIPS

MICHAEL J. CRITELLI
Chairman and
Chief Executive Officer

Pitney Bowes showcased an array of mailing technologies beneficial to customers and Posts at POST-EXPO 2001. Pitney Bowes presenters also discussed the need for rethinking strategic partnerships, strategies for enhancing value and the latest advancements in information architecture. Excerpts follow.



To view the complete presentations, log onto:
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The theme of my remarks today is partnership. The partnership of which I will speak is that among the Posts around the world and the industry that provides solutions for mailers and recipients of mail. The mailing industry and the Posts depend on one another, and the mailers and recipients of mail depend on all of us for critical communications. Today, I want to examine some of the ways in which we create an end-to-end process that enables the mail experience to be as effective as possible?

1. Helping the Sender Make the Decision to Use Mail

Our first task as an industry is to help those who make media decisions select mail as the medium of choice. Our common goal is to sell the value of mail to supplement or substitute for other media choices. One of the core recommendations of the Mailing Industry Task Force (see cover story) has been that the Posts and the CEOs of the key industry participants join in an executive council that, among other objectives, is committed to marketing the value of mail to both current and potential users. We also need to work together to create educational and training tools to teach potential customers how to use the mail.

2. Creation and Addressing of Letter Mail

To solidify the message of the value of mail, we need to pool some of our knowledge on what works and what does not work in making mail an effective communications medium. Many mailers are unaware of address hygiene software to help increase the effectiveness of their mailings. We can also make potential mailers aware of some broad principles of what works to attract recipient's attention to get them to open the mail. Above all, we need Posts to use their brand attributes and their multiple touchpoints with customers to educate them on how to become more effective mailers.

3. Mail Process Re-engineering

All of us recognize that mailing is an end-to-end process that begins when a piece of letter mail is created and ends, sometimes when it is in the recipient's hands, and other times when it generates a piece of return mail. If any part of the process fails to work optimally, we suffer and the senders and recipients suffer. If the Posts and their industry partners work toward the goal of having each part of the network become as effective as possible, and they operate on a principle of "comparative advantage," that is, doing what each does best, and letting others perform other network functions, the value of mail will be optimized for all. I would recommend that senior postal officials and leaders of major mailing industry solutions providers come together to design a mailing network that optimizes the experience for users of that network. I also recommend that Posts and their industry partners need to work together to make the interface between and among Posts, industry players, mailers, and recipients as seamless as possible. The Posts and the industry also need to agree upon standards for an "intelligent mailpiece" (see box inset) and the preparation, entry, and containerization of mail, as well as for data exchange between the mailers and the Posts. The industry also needs to share with the Posts in real time what makes life easier or more difficult for mailers, and the Posts need to be prepared to respond.

An "intelligent mailpiece" provides the ability to:



- track and trace mail from end to end;
- measure performance by point of origin and destination, by time of entry into the network, by mailer, by postal product, and/or by type of mailpiece;
- give real-time data on delivery, signature or response.

4. Optimizing the Network

Mailers derive high value from planning their mail deliveries to arrive at a specific time, and from knowing when and how recipients have responded. The ability to track and trace mail from end to end is critical to this planning process. Mailers and Posts can develop standards that allow mailpieces to be tagged, tracked, and reported upon in transit. Over time, the intervals between mailing and delivery become known to mailers, enabling them to target a delivery window. Mailers can also plan for responses, particularly when mail is used for marketing purposes, and will trigger a call to an inbound telemarketing center.

5. Consumer Gateway for Package Services

Posts have a unique opportunity to make the remote shopping experience much more user-friendly than it has ever been before. They can begin by making deliveries at a time and place convenient to the recipient. One of the best opportunities for Posts is to create a pick-up process that is highly convenient to recipients. The other opportunity for Posts is to create alternative pick-up locations. The Posts can also provide a broader range of payment and collection services for the sender. Posts can also process returned items as the original package vendor directs.

In conclusion, Posts have always worked together with industry partners to create successful initiatives for themselves and for members of the industry.

Industry partnerships must be forged at a senior executive level, with a representative group of industry partners including major mailers and shippers; providers of technologies, products, and supplies to the Posts and the mailers; providers of mail content such as greeting card marketers or magazine publishers, logistics solutions providers, and industry associations and experts. This effort needs to embrace the full range of tools available to the Posts and the industry, including the Internet and related electronic communication tools.

True partnership will come when the Posts and the industry commit themselves to achieving results within specific time frames and deploy the resources to accomplish this.

If we can all come together in partnership, success will be ours.



ENHANCING VALUE FOR POSTS AND CUSTOMERS

LESLIE ABI-KARAM

President, Global Mail Creation and Mail Finishing



INFORMATION ARCHITECTURE - A FUNDAMENTAL REQUIREMENT FOR EFFICIENT POSTAL SYSTEMS

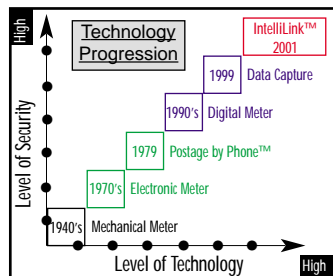
ERIK MONSEN, Director, Global Mail Finishing



Pitney Bowes does business in more than 100 countries.

We recognize that the mix of mail type (stamps, meter and permit) and local requirements vary by country and we are sensitive to the needs of each market. Current trends, however, substantiate the fact that metered mail grows the market worldwide.

If we look at the progression of mailing technology over the course of time, both the level of security and technology have increased dramatically. Pitney Bowes has served as a pioneering industry leader in advancing two critical areas: Electronic Meters and Postage by Phone™. (See chart alongside.)



Today, IntelliLink™ is the culmination of years of effort by Pitney Bowes to improve the utility of the meter for Posts and customers.

What is IntelliLink™?

IntelliLink™ is a family of value-added services, delivered via an electronic gateway that connects Pitney Bowes' DM™ Series postage meters with Posts. Pitney Bowes provides services at the meter and the supporting gateway infrastructure.

IntelliLink™ offers the most comprehensive suite of postal services available.

Value-Added Services	Postage Rates Download	Software Download
Data Capture	Postage by Phone™ Online	Remote Diagnostics

"Preferred Access to Postal Services"

Here's a dramatic example of IntelliLink's value-added services: 37% of customers surveyed have indicated increased usage of Delivery Confirmation as a result of its implementation through the networked meter. This increase in customer usage ultimately results in increased mail volumes for the Post.

Our partnership with Posts is expanding to include additional new value-added services over the coming years, such as:

- Electronic Return Receipt
- E-Mail notification Via the Meter
- Two-Way Communication of Mail Information
- Insured Mail
- Real-Time Notification of Undeliverable Mail
- Manifesting and Promotion of Other High-Value Mail Package Services.

The world is changing and Posts face increasing competition from traditional and non-traditional sources including other Posts and private carriers. Through our flexible infrastructure, Pitney Bowes can help you provide services to your customers that will allow you to grow revenues and control costs in a changing environment.

IntelliLink™ Delivers Benefits To CUSTOMERS & POSTS



- ✓ First-Time Connections & Accurate Downloads
- ✓ Faster Mail Delivery
- ✓ Flexible Postage Refill: Select Payment Options
- ✓ Updated Postage Rates Installed In Advance
- ✓ Electronic Notification of Special Service Mail
- ✓ Correct Type and Amount of Supplies
- ✓ Early Remote Detection & Diagnosis of Faults
- ✓ On-Site Meter Inspections

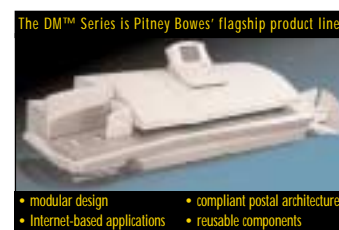
The goals of the Posts today are threefold:

- to replace low volume permit mail and stamp use
- to migrate mechanical meters to electronic and remote reset meters
- to feed data capture information from meters into the Post's technical infrastructure

Information architecture is a key ingredient of achieving these goals.

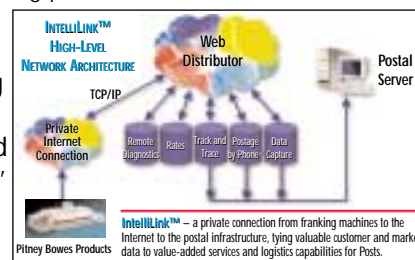
Networked metering can help the Posts leverage the trusted postal brand, deliver information and postal services and cross-sell value-added services. Posts, in turn, can provide added value in a number of ways by: providing information-rich mailing services; taking advantage of parallel growth in electronic and shipping communications; introducing hybrid services and using technology to add value to mailings.

Information architecture is a fundamental requirement for efficient postal systems. Pitney Bowes, therefore, has made a commitment to replacing our entire mail finishing product line with a family of modular mailing machines – the DM™ Series.

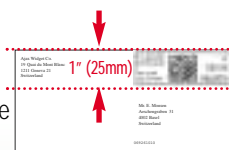


The DM™ Series modular architecture complies with global postal requirements and offers maximum value to Posts and customers with the introduction of new value-added services.

This new era of information architecture allows for instantaneous real time, two-way communication between: Posts and customers, Pitney Bowes and Posts, and Pitney Bowes and customers. One of the key benefits this instantaneous two-way communication affords is the ability to see what customer mailing patterns are and to create and generate targeted one-to-one customer offers based on these interactions. What we are doing in essence, is "infomating" the interface between customer and Post. IntelliLink™, Pitney Bowes' state-of-the-art information architecture is a classical example of how to informate this process.



We can also add value to mailpieces by enabling them with new technologies. For example, Pitney Bowes is currently the only vendor to offer a single print head with a full 1-inch, full 25 mm height.



IntelliLink™, Pitney Bowes' electronic link between the Post and the customer, enables several major initiatives within Posts worldwide: Customer Relationship Management, targeted one-to-one marketing, postal revenue protection and increasing operational efficiency.

- ✓ Enhanced Revenue Security/Efficient Revenue Collection
- ✓ Improved Mail Acceptance & Processing
- ✓ Increased Retention of Customers & Mail Streams
- ✓ Better Knowledge of Customer Usage Patterns
- ✓ Augmented Use of Value-Added Services
- ✓ Profitable Promotion of Postal Products & Services
- ✓ Innovative Cross-Selling Opportunities
- ✓ Targeted One-to-One Customer Marketing





DENVER, COLORADO
 Mr. Michael J. Critelli, Chairman and CEO, Pitney Bowes (in photo, right) was recently awarded the Partnership for Progress Award by the U.S. Postal Service Postmaster General John Potter at the National Postal Forum.

The Partnership for Progress Award is presented to an individual dedicated to building a closer working relationship between the U.S. Postal Service and its customers. The award noted that "Mr. Critelli has made a significant commitment of time and energy in leading the Mailing Industry Task Force. He provided leadership and vision to the task force that has developed recommendations necessary for the industry to effectively compete and thrive in the future."



PARIS, FRANCE
 Pitney Bowes completed the acquisition of SECAP SA, the France-based mailing systems subsidiary of Fimalac.

"This strategic acquisition strengthens our geographic coverage, expands our distribution capabilities and significantly increases our market presence in Europe, particularly in France, the third largest mailing market in the world," said Michael J. Critelli, Chairman and CEO of Pitney Bowes. "SECAP's technology and growing line of digital mailing solutions will play a key role in our global strategy to deliver a networked platform that links mailers to postal and carrier information and systems."

SECAP holds more than 30% of the postage meter market share in France and has an approximately 60% recurring rental revenue stream.



STAMFORD, CONNECTICUT
 As the leader in global mailing technology, Pitney Bowes has developed some tips to help assess the safety of the contents of envelopes and packages.

Look for the following signs:

- Words that prompt you to open the letter or package immediately: "Confidential", "Personal", "Fragile"
- Excessive postage, using postage stamps as opposed to a meter
- Wrong title of employee or titles without names
- Addresses poorly typed, handwritten or containing misspellings
- Oily stains, strange odors or powdery substances
- Return address not consistent with the state from which it was postmarked, or no return address
- Exceptionally large or lopsided parcels
- Envelopes with flap taped or parcels with excessive wrapping material such as masking tape, strapping tape or string

Procedures for increasing mail center safety:

- Conducting a background check prior to hiring an employee
- Keep mail center secure by locking doors
- Keep a sign-in sheet, with arrival/departure times of personnel
- Escort visitors to/from their destination within the mail center
- Encourage employees to notify a manager if another employee fails to adhere to the established mail center procedures
- Window/counter hours should be scheduled, with hours displayed outside of the mail center
- Post "Authorized Personnel Only" signs on outside doors

Pitney Bowes consistently invests more in research and development for secure mailing technologies and solutions than any other company in the industry.

For more information, log onto: www.pitneybowes.com



GENEVA, SWITZERLAND. The problem of undeliverable e-mail is a global problem. Pitney Bowes, the technology leader in the mailing industry, demonstrated a quick and seamless e-mail forwarding solution at POST-EXPO 2001 --- emailAngel™.

"Postal services worldwide have recognized the importance of e-mail in their future and the need to address undeliverable e-mail," said Douglas Quine, Ph.D., Product Guru, Digital Document Delivery, Pitney Bowes docSense (shown left, in photo along with Rick Winkler, emailAngel™ Sales Director). "Historically, Posts have been the address change authority. Now, emailAngel can help Posts resolve problems with undeliverable e-mail for business partners and customers," noted Dr. Quine.

Toulouse, France, December 6-7, IDEI Conference on Competition & Universal Service in the Postal Sector

London, UK, March 12-13, UK Mail Summit

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Potsdam, Germany, June 5-8, CRR Conference on Postal & Delivery Economics

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Amsterdam, May 13, World Mail Awards

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San Diego, CA, April 21-24, National Postal Forum

Doha, Qatar, April 21-23, Arabcom 2002

Orlando, FL, December 9-11, World Mail and Express Americas Conference

Amsterdam, May 13-15, World Mail and Express Europe Conference

