



## DELIVERABILITY BY THE NUMBERS

Horizontech (HTI) provides Enterprise solutions for Returned Mail Process Automation. As we manage various integrity and tracking processes throughout the lifecycle of post undeliverable mail operations, we also have the ability to fully understand data and the inconsistencies associated with undeliverable mail and deliverability.

HTI provides Returned Mail Process Automation through four distinct business segments. These segments are integrated, can be customized to specialized and business unit requirements, as well as accessed for standalone operational processing.

- Document Capture and Conversion
- Address Management, Standardization and Search
- Secondary Processing and Document Repurposing
- Reporting, Auditing and Metrics

The analytics below are obtained from real data, associated with our various integrated capture, search software and secondary solutions for Remail and Rebound. Our proprietary Remail and Rebound process allows us to manage and measure “actual” deliverability on addresses that have been updated from our Search solutions. The analytics contained were derived from customer address updates processed through our Search software RMSLink.

**RMSLink** is our fully integrated and most extensive Search platform that incorporates many logic, business and proprietary automated functions into a multiple-stream and multiple-data compiler process. Most companies and service providers in the market offer solutions for commodity postal databases, such as NCOA (looks for updates on movers from the Postal governed database), CASS/DPV (validates address deliverability and updates hygiene attributes), LACS<sup>Link</sup> (updates rural route conversions to city addresses) and SUITE<sup>Link</sup> (updates business Suite information). Others offer connectivity and a gateway to single data compilers whether in-house access or through external processes. We believe that intelligent, proprietary program logic, combined with multiple data compilers and hundreds, if not thousands of active databases should be the basis for our structure; that is how we developed our integrated data platform. Likewise, we built the solution to be integrated with mail and undeliverable mail data, as well as secondary customer communication repurposing – providing output data and solutions that you will not find with any other provider of services for undeliverable mail in the US.

### You Have an Updated address, shouldn't it be delivered?

Yes and No. There is a wide spectrum of data quality associated with databases in the market. As we continually review different databases and compilers, we also know that there can be good data, poor data and bad data that are provided as “updates” from compilers. Not every update that is provided by a data compiler is a good update; intelligence and business logic should be performed on every update. With RMSLink, we have eliminated many of those manual processes by having our software make the numerous logical decisions based on scoring algorithms, postal and address knowledge.



We have updated the address in the host and have Remailled or reissued a document to the updated address. Customers continue to inquire as to why a Remailled or reissued document returns a second time, after being sent to an updated address. As we control and manage this process, we can accurately account for all mail that has been updated and returned again a second time as a Rebound.

Logic dictates that variability will happen in this process, and most factors are completely out of our control. There are many reasons why mail is not delivered by the USPS. We consistently see variances, which are based on database variables, inaccuracies, manual carrier decisions as well USPS systems. Undeliverable Mail really needs to be managed to be successful. It is not merely a database or collection process, but a program that can consistently manage manual and laborious processes with automated and integrated technologies.



Delivered or Not Delivered?

## Rebound rates vary by month, by region, by customer

The following statistics are from RMSLink updates that were Remailled and Rebounded. Based on factual data, this illustrates the need for a managed process with your undeliverable mail program.

Returned Codes on Return To Sender (RTS) Rebounds:

### **Insufficient Address**

- The updated address was Delivery Point Validated (DPV) successfully on 56.3% of mail volume in this category, yet returned as an Insufficient Address

### **No Such Number**

- The updated address was Delivery Point Validated (DPV) successfully on 51.6% of mail volume in this category, yet returned as No Such Number

### **No Such Street**

- The updated address was Delivery Point Validated (DPV) successfully on 100% of mail volume in this category, yet returned as No Such Street

### **Not Deliverable as Addressed**

- The updated address was Delivery Point Validated (DPV) successfully on 96.3% of mail volume in this category, yet returned Not Deliverable as Addressed

### **Vacant**

- The updated address was Delivery Point flagged as a non-vacant address on 42.9% of the mail volume in this category, yet returned as Vacant

Information from HTI document workflow XperTran® platform analysis:



**Address Not Deliverable**

- Mailed (updated) addresses in this category were originally coded as Not Deliverable. 26% were actually delivered by the USPS to the coded non-deliverable address.

**Invalid Apartment/Suite Number**

- Mailed (updated) addresses in this category were originally coded as having an Invalid Apartment or Suite Number. 58.3% were actually delivered by the USPS to the Invalid Apartment or Suite Number

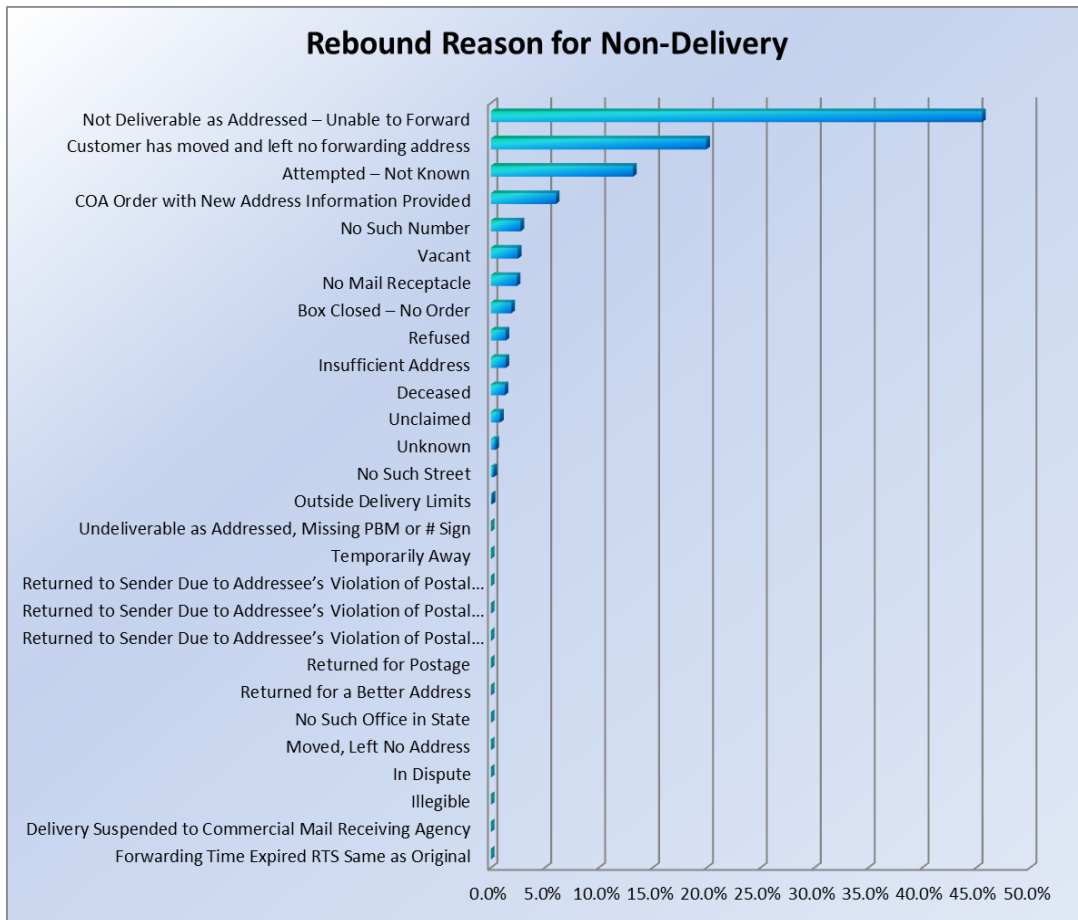
**Missing Apartment/Suite Number**

- Mailed (updated) addresses in this category were originally coded as having a Missing Apartment or Suite Number. 34.9% were actually delivered by the USPS to the missing Apartment or Suite number

**Unable to DPV Confirm**

- Mailed (updated) addresses in this category were originally flagged as Unable to DPV confirm the address. 50.5% were actually delivered by the USPS to the non-confirmed address

Compiled data from all Rebound mail, which was updated through RMSLink and returned again as undeliverable:





Deliverability can drastically affect downstream issues such as revenue cycle, profitability, call center, churn and collections. Deciding to suppress a customer because of an address issue too early in the process can reduce your ability to communicate effectively. Additionally, not suppressing a customer fast enough can cause higher postage, print and repeatable costs associated with managing undeliverable mail. The two models below illustrate the effectiveness of properly managing the lifecycle (capture, search, remail and rebound) for increased deliverability and tie to statistical measurements on deliverability from HTI.

Model 1 – HTI Managed	Return Mail Volume: 1,000				
Average Bill Amount: \$400	Updated Address Volume: 500 (category below)				
<i>By category, not aggregate</i>	Delivered	Bill \$ Delivered	Bill \$ Rebounced	Collections Recovery 25% on Rebounced	Collections Fees at 20%
Address Not Deliverable	26.0%	\$52,000	\$148,000	\$37,000	\$7,400
Invalid Apartment / Suite Number	58.3%	\$116,600	\$83,400	\$20,850	\$4,170
Missing Apartment / Suite Number	34.9%	\$69,800	\$130,200	\$32,550	\$6,510
Unable to DPV Confirm	50.5%	\$101,000	\$99,000	\$24,750	\$4,950

Model 2 – Suppress Invalids pre Remail or Reissue	Return Mail Volume: 1,000				
Average Bill Amount: \$400	Updated Address Volume: 500 (category below)				
<i>By category, not aggregate</i>	Delivered	Bill \$ Delivered	Bill \$ Rebounced	Collections Recovery 25% on Rebounced	Collections Fees at 20%
Address Not Deliverable	0%	\$0	\$0	\$50,000	\$10,000
Invalid Apartment / Suite Number	0%	\$0	\$0	\$50,000	\$10,000
Missing Apartment / Suite Number	0%	\$0	\$0	\$50,000	\$10,000
Unable to DPV Confirm	0%	\$0	\$0	\$50,000	\$10,000