



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

June 19, 2012

Carrier Contributions to Revenue Generation and Customer Service

Report Number MS-AR-12-005

IMPACT ON:

The revenue generation and customer service efforts of U.S. Postal Service letter carriers (carriers).

WHY THE OIG DID THE AUDIT:

Our objective was to evaluate carrier contributions to revenue generation and customer service.

WHAT THE OIG FOUND:

Carriers contribute to Postal Service revenue through the Customer Connect[®] and Rural Reach[®] programs by identifying sales leads for the Postal Service's Sales staff. Carriers' level of participation in these programs varies among districts, but if districts with low participation adopt the best practices of districts with high participation, there might be an opportunity to increase the number and quality of sales leads and, thus, revenue. We estimate that if the Postal Service could grow these programs by 5 percent, it could increase revenue by \$18.7 million annually.

Management also might be missing key opportunities to grow revenue due to incomplete data on sales leads. Management could also enhance the process for collecting data on the services carriers provide, including rural carrier stamp sales and community service efforts to allow better evaluation of delivery changes and measure rural customers' needs. Although such information would be useful, we agree

with management that this would not significantly impact sales efforts or revenue and would not be cost effective to implement. Therefore, we are not making a recommendation on this issue.

WHAT THE OIG RECOMMENDED:

We recommended management implement best practices for sales lead programs and enhance data collection and reporting efforts to identify whether a lead results in new revenue for the Postal Service or diverts revenue from another product.

WHAT MANAGEMENT SAID:

Management agreed with our findings and recommendations and set forth its plan to implement best practices for Customer Connect and Rural Reach programs in districts throughout the country. Management stated they have begun efforts to improve the value of the CustomerFirst System and its data consistent with our recommendation. Management agreed with the other impact of \$56.1 million reported.

AUDITORS' COMMENTS:

Management's comments were responsive and the corrective actions should resolve the issues identified in the report.