

A CCI White Paper

SCF Drop Ship

Save Postage With Entry Points

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SAVE POSTAGE WITH ENTRY POINTS

Many mailers are fighting rising postage rates with Entry Point Discounts. Entry point discounts are available to any mailer that “enters,” or presents, their mail at some postal facility that is closer to the mail’s actual destination.

Why bother?

Mail usually travels from the entry facility (where you present your mail), to a larger distribution facility like a Bulk Mail Center (BMC), where it is sorted and distributed to Sectional Center Facilities (SCF). Each SCF then does a finer sort and distributes to Destination Delivery Units (DDU). DDUs are the local post offices where mail is sorted and distributed to the letter carrier who finally delivers to your mailbox.

SCF: A Sectional Center Facility is a USPS facility that sorts and distributes all mail destined for any post office within the geographic area it serves. An SCF is usually identified by the 3-digit (first 3 digits of a 5-digit ZIP code) it serves. Many SCFs supply more than one 3-digit area. There are over 450 SCF offices around the country.

Presenting your mail at one of these facilities is like doing the sorting and transportation of the mail for the USPS. Since you are performing some of the work, the USPS responds with a postage discount.

The closer you get to the mail’s destination, the larger the postage discount. Since the DDU is the mail’s last stop before your mailbox, that is the closest facility, and the largest available entry point discount.

What’s the catch?

Why isn’t everyone taking advantage of entry point discounts? Because entry point discounts, like any postage discount, require work, expense and education. The trick is to balance the discount with the cost of obtaining the discount. To qualify for an entry point discount, you must present only mail

Save
up to 20%
with SCF
Entry Point
Discounts



meant for that particular facility. For example, to enter mail at DDU 67204, you must bring only mail addressed to people in the 67204 zip code area.

BMC entry requires the least amount of work because there are fewer BMCs to distribute mail to. But BMCs also offer the smallest entry point discount. DDU entry offers the largest postage discount, but, with thousands of DDUs around the country, shipment of your mail to all the different DDUs can be costly.

SCF entry is middle ground

SCF entry is the most common solution since there are not so many facilities to make it difficult to manage the logistics, and yet, imparts a substantial discount.

How?

There are a few easy steps to SCF entry point discounts.

Step 1) Prepare your mailing as you normally would.

If you use presort software, it may be able to identify which entry points you would benefit from.

Step 2) Identify which entry points you want to use.

This will depend on your shipping method. If you are shipping via commercial truck line then you will need a rate schedule from the truck line. Another popular way to drop ship mail is with USPS Priority Mail.

Step 2.a) Identify all containers for each SCF. To determine which SCF serves which 3 or 5-digit area, you will need a SCF look up

resource like the [SCF Look Up at www.mailcci.com/scfmap](http://www.mailcci.com/scfmap). Use the SCF entry point discount for each sort level from the chart below. Compare the entry point savings to the shipping costs and if there is a savings, call your USPS representative and schedule your SCF mail entry.

	Sort Level	No Entry	BMC Entry	BMC Discount	SCF Entry	SCF Discount	DDU Entry	DDU Discount
Enhanced Carrier Route	Saturation	0.152	0.131	0.021	0.126	0.026	0.120	0.032
	High Density	0.164	0.143	0.021	0.138	0.026	0.132	0.032
	Basic	0.194	0.173	0.021	0.168	0.026	0.162	0.032
	Basic Auto	0.171	0.150	0.021	0.145	0.026	0.139	0.032
Presort	3/5-Digit	0.248	0.227	0.021	0.222	0.026	up to 27% savings	
	Basic	0.268	0.247	0.021	0.242	0.026		
Automation	5-Digit	0.190	0.169	0.021	0.164	0.026		
	3-Digit	0.203	0.182	0.021	0.177	0.026		
	AADC	0.212	0.191	0.021	0.186	0.026		
	Mixed AADC	0.219	0.198	0.021	up to 20% savings			
				up to 16% savings				

Postage rates for Standard, Letter-size mail as of Feb 2005.

Step 3) If you are using USPS Priority Mail to transport your mail to its entry point you have one more thing to do. Obtain some orange Priority Mail bags from the USPS. Place your containers of mail into the sacks and address each sack to its SCF entry point facility and apply the appropriate postage using a postage meter.

Other Entry Point Discounts

We have concentrated on only SCF entry discounts in this white paper, but these methods may also be applied to achieve entry point discounts for BMC and DDU.



Contemporary Communications, Inc. is a full-service direct mail marketing firm. We offer data processing, printing, folding, inserting, addressing, sorting, order fulfillment, computer programming and creative design services for advertising and business mail.

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