

DOCUMENT PROCESSING

NetGram Relies On E-Mail Technology To Drive Mail Production



Robert Maxwell (l), Founder and Chief Technology Officer for NetGram, and CEO Peter Jacobson, former Chief Technology Officer for the Postal Service, are marketing a patented technology to receive e-mail and generate hard-copy mail.

SAN DIEGO, CA -- If a company wanted to distribute a newsletter via regular mail and e-mail in 1998, it kicked out those few e-mail addresses and electronically sent the newsletter as an attachment. Then for the majority, a separate print and mail operation would take place.

In 2004, that same company can initiate newsletter distribution entirely via e-mail and then kick out those addresses that require and request delivery through the Postal Service.

One company providing just such a service is San Diego-based NetGram, which uses a patented technology to receive e-mail messages and generate postal mail. NetGram combines print, mail and e-mail to create a distribution profile that matches the requirements of the recipient.

Company officials call this patented technology the E-mail Bridge, which automates the front end of print-and-mail production by supplying a seamless conversion of e-mail to hard copy.

"We built this patented system with variable data in mind so that we could create a mailing with as little human intervention as possible. With this technology a business can create a mailing with attachments and other specialized items, submit it with production and mailing instructions, and then have it automatically analyzed and routed for printing. The operator is the first person to touch the document unless there is an issue," said NetGram CEO Peter Jacobson.

Mr. Jacobson, former chief technology officer with the Postal Service, said he got in-

▼ Telecom mail production managers take note: the trend of bundling services is taking hold. The number of households purchasing local and long distance telephone service in one package, or bundle, rose 17% in the third quarter of 2003, to just over 6% of all U.S. households, according to TNS Telecoms, a global provider of strategic analysis for the telecommunications industry.

▼ Numerous printers and mail production providers have dedicated a portion of their facility solely to handling the work of a single client. This type of dedicated setup is called a "focus factory," and it allows the vendor to recreate the customer's in-house operation by setting aside a specific area, specific equipment and staff members to managing the work of one client.

▼ "We all know what IT stands for -- information technology. In the old world it was little 'i,' Big 'T' (IT). Today, it is Big 'I,' little 't' (It). Where it was once about machines and technology, it is now about document content and information. Today, the focus is on what really matters: information. It's not just about finding better ways to print; it's about better ways to work. The key is smart documents that reduce delays, improve customer service, and save money." -- Anne M. Mulcahy, Chairwoman & CEO, Xerox Corporation.

▼ Consumers received 750 million fewer credit card offers in 2003 as some of the top mailers scaled back their volumes. This number represents a 17% decline from 2002.

▼ In January 1996, the Internet was still new and "only the tech-savvy and pioneers among us knew the hiss of the modem," according to *Media Daily News*. "Sites like Prodigy.com were king, and .edu and .gov domains dotted the landscape of the top 50 most frequented sites. In eight short years, the Internet has become a "virtual playground and workspace" and the number of users has grown from around 20 million American adults to more than 150 million Americans," according to comScore Media Metrix, an online research firm.

▼ Spam is costing companies money in the form of lost productivity according to a study by NetIQ and Windows & NET Magazine. For a company with 100 employees, the average cost per employee is \$543 per year, while a company with 10,000 employees is recording an annual cost of \$202 related to staffers dealing with spam.

▼ For managers looking to integrate new technology on the front end of their print and mail operation, former USPS Chief Technology Officer Peter Jacobson offered this recommendation: "Don't jump at every new piece of technology that's out there. In the software world they make changes at a very quick pace, so you really need to focus on the business processes and not the latest software fad. It's too easy to become engineering centric and want to have the latest and greatest, but efforts to improve systems should always be centered on the need to solve a core business problem. That's what NetGram is now doing for clients nationwide."

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volved with NetGram because he believes in the value of paper-based communications.

"When I was with the Postal Service we were in a technology planning meeting and a guest speaker said there are four basic forms of communication: face-to-face, U.S. mail, telephone, and the Internet. Successful companies will learn to integrate all four effectively. Having spent my whole life in the postal world, I was excited by the NetGram technology because it does this by offering a complete suite of products from the customer's side of the equation."

A Good Example

An example of this technology at work is the POSTCOM Newsletter. "The Association of Postal Commerce Bulletin is a good customer for this type of service because they produce repeat mailings, on an ongoing basis, with a consistent client database," explained Robert Maxwell, Founder and Chief Technology Officer for NetGram.

Prior to partnering with NetGram, the organization was doing a combination of internal tasks (e-mail distribution) and outsourcing tasks (printing and mailing) for the *POSTCOM Bulletin*.

"They now use NetGram services to perform both tasks -- e-mail distribution and hard-copy distribution," Mr. Maxwell explained. "Instead of preparing a data file and getting it over to the printer, and then having to transport the printed newsletter to a mail house, we now do everything by e-mail. They have an ACT database with e-mail addresses for subscribers. For those members who still get the hard-copy newsletter, POSTCOM gives them a group name and an e-mail address at the NetGram domain. We then take these files and print and mail the newsletter."

This setup allows POSTCOM to streamline its internal workflow and saves time and money each week in preparation because now every bulletin it distributes, be it in hard copy or electronic format, goes out first as an e-mail.

Mr. Maxwell said that NetGram is best viewed as three separate companies rolled into one. "First we are printers and mailers. Second we are technologists. We have developed a patented system that allows clients to

easily convert electronic data into mail-able print media. Third, we provide professional services to help deploy our technology. By combining traditional printing crafts with new technologies we're able to offer printing and mailing services at low costs to clients."

Despite the growing use of Internet technology, and the fact that the front end of the NetGram solution relies on the Internet, company officials are confident that hard-copy print and mail are not going away. Saying there is a glut of e-mail and citing a 2004 study showing that 40% of all e-mail does not reach the intended recipient, company officials say the Internet will actually increase the value of hard-copy mail.

"We bring a very simple way for people to use the Internet to create postal mail. We take the capabilities of automated mail and high-quality printing and making it available to more people," Mr. Jacobson said.

Other examples of this technology at work include distribution of class action lawsuit notices, stock trading confirmations, financial newsletters, and retail customer communications, to name a few.

These companies previously did this work internally until NetGram implemented the E-mail Bridge between their transaction data and NetGram's data and production centers. NetGram's current production center includes Océ and Canon color and black and white printers, and mail processing machines from companies including Duplo, Secap, and Hasler.

"Our approach with clients is to give them straightforward guidelines for remote print so they can quickly adopt our E-mail Bridge to send documents over the Internet in PDF or other formats. Within the data stream is postal addressing information in XML format," Mr. Maxwell explained.

Moving forward, company officials said their technology will continue to take advantage of Internet developments to drive hard-copy documents. "Our first patent was for the E-mail Bridge that turns an e-mail into a hard-copy letter," Mr. Jacobson said. "We now see the Internet evolving into a medium everyone will use to transport information, so the applications for this technology are increasing."