

**Testimony – Connecticut Special Legislative Committee on
Agency Outcomes**

Pitney Bowes

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Madame Chair and members of the committee, thank you very much for allowing me to come before you this morning. My name is Leigh Walton and I represent Pitney Bowes, which is a Fortune 500 company based in Stamford.

We believe the work of this committee is extremely important. Today, we wanted to take just a few minutes to convey three things that we hope may be helpful to you:

1. How Pitney Bowes has and is tackling administrative cost savings and why we needed to;
2. How our experience could correspond to actions that the state might take;
3. Pitney Bowes and our experience in working with states to design better ways to communicate with citizens while reducing printing and mailing costs.

First, our company's administrative costs. Pitney Bowes is a 90 year old company. While we were originally known as the postage meter company, we have expanded into many other avenues, and I'll give you three examples. 1) Our high volume inserters can process 26 thousand pieces of mail per hour, and are used by large mail houses and companies like American Express; 2) Our location intelligence software helps the New York Police Department decide where to deploy their officers by "mapping" crime. It also helps Home Depot decide where to build their next stores; 3) Our marketing services business helps business customers design and

implement customer loyalty programs that use the internet, print and mail.

We're currently a company with some high growth areas, like software, but also part of a larger mailing industry which has experienced significant declines in terms of mail volumes.

Because of these changes, we have acquired over 80 companies in the past ten years in order to ensure the Pitney Bowes of the last 90 years would continue for another 90 years. However, we've also acquired and built a lot of infrastructure that is specialized.

We needed to use systems that are simpler and that can service multiple business units. We call it a shared services model, which is a term you probably recognize. Two areas we're focusing on right now involve customer service operations and bill paying.

Second, how do our actions correspond to state actions? The state is in a situation with similarities and differences with Pitney Bowes. Tax revenues are down, while citizen needs have shifted and expanded.

We hear a number of legislators enthusiastically supporting results based accountability, which we all know is a necessary but tough with multiple programs and mandates in state statutes.

Results based accountability focuses on the result and the customer. And that's where Pitney Bowes began from when we looked at redesigning our processes and taking costs out of our system.

Third, though we have shared some of this information with your chair, because we want to be supportive of this committee's efforts, we wanted to spend a few minutes discussing Pitney

Bowes and our experience with states that are also looking to cut costs.

Connecticut, like other states, is providing increasingly complex and targeted communications to constituents – mailings and other communications that must be timely, accurate, and affordable for state budgets. At the same time, Connecticut must minimize its administrative and operational costs. The rising costs of government communications and the material, labor, and energy resources to create them, make the savings and efficiencies from improved print and mail processes all the more necessary.

States need to use the Internet, call centers, the mail, and community meetings – a wide variety of methods of communication. As taxpayers, we should expect that state government will communicate with us in the manner that makes the most sense and is most cost efficient. We should also expect that Jane Smith won't get three identical pieces of mail: one to Jane L. Smith, one to Jane Smith, and one to Mrs. Robert Smith.

First and foremost, we'd suggest the state take even additional steps to get its data together. Software that the entire state can use for address cleansing (over 20 million people move every year) to ensure the state isn't wasting postage on mail that will come back, to tell Medicaid recipients where their closest doctor is – that's common sense and completely cost effective.

One additional example that we wanted to give deals with equipment. We specifically highlighted three practices in states where companies have been involved which we felt were best practices:

1. **Indiana** – overall consolidation of the state's mail and printing facilities. The infrastructure and services are run by an outside vendor. There are other solutions the state has

been able to pursue through this facility's holistic focus on communications as well. One includes document management on the inbound and outbound use of communications. For example, the state's Family Social Services Agency uses software scanning incoming case documents, indexing them by the case so that caseworkers have a complete view of the documents inside the case exist (can ensure better outcomes for the state's children) ;

2. **Florida** – partial consolidation of the state's mail and printing facilities (state agencies can opt-into participating). The infrastructure and services are run by an outside vendor;
3. **Ohio, Tennessee, Washington, and others** – focus on consolidating equipment, with the mail and print center run by state employees. Consolidation provided an opportunity to update equipment and software to make their facilities world-class. A large mailing and printing company played a significant role in working with the state to determine a consolidation strategy, and state-of-the-art equipment is prevalent in the infrastructure.

We think the state, along with state employees and proactive businesses, can identify and pursue administrative savings like these that, cumulatively, can help to save services for our fellow citizens. That's a goal we all share, and one we hope we can work together to see succeed. Thank you.