Data Quality in Government Services
Colorado's Address Quality Program

Summary

In 2010 the State of Colorado instituted a new initiative that ultimately saved the state millions of dollars and streamlined mail communications with Colorado residents. This Address Quality Program brought together officials from federal, state, and municipal institutions, and included input from a broad range of stakeholders, including private sector entities and workers for the state.

The inclusion of a range of views in the development of the program would allow managers to look at a number of issues, including outsourcing, postal regulations, business processes, and vendor relations in order to develop a program that would benefit the government of Colorado as well as the citizens of the state.

The state worked with Anchor Software as a vendor to provide Address Validation and Move Update processing. Anchor's United States Postal Service® (USPS®) certified CASS™ and NCOA^Link® solutions were integrated into the final program.

With the current condition of many state budgets, Colorado's Address Quality Program can provide a blueprint for other states to follow to optimize their mailing procedures and achieve significant savings, as in the case of Colorado.

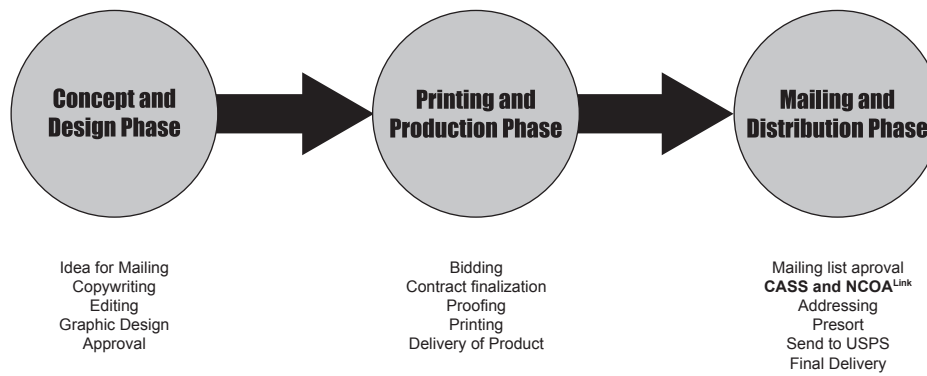## Anchor and the Address Quality Program

Background

The project was originally conceived at the 2007 National Postal Forum, where members of the Colorado Integrated Document Solutions (IDS) team met with representatives from the USPS. The original idea was for the Mailers' Technical Advisory Committee (MTAC) to develop a program where state governments would combine their knowledge to increase efficiency and maximize postal discounts by leveraging address cleansing technology and USPS change-of-address data.

The IDS working group looked at several issues in the creation of the new Address Quality Program. The program would deal with optimizing current mail programs in the state, political issues, contractual issues, as well as business processes and production methods outside the realm of postal and data processing. The group included key influencers from the largest printers and mailers in Colorado government, including the Department of Revenue, Comptrollers Office, Department of Labor, Department of Human Services, and Colorado State University.

ANCHOR
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Figure 1. Standard Print-Mail Workflow

Concept and Design Phase
- Idea for Mailing
- Copywriting
- Editing
- Graphic Design
- Approval

Printing and Production Phase
- Bidding
- Contract finalization
- Proofing
- Printing
- Delivery of Product

Mailing and Distribution Phase
- Mailing list aproval
- **CASS and NCOA**Link
- Addressing
- Presort
- Send to USPS
- Final Delivery

IDS began by examining the current state of Colorado's postal usage, and came to several conclusions. The result was that Colorado government was losing a significant amount of money due to improperly processed mail, mail not being qualified for presort discounts, and failure to meet USPS bulk mail requirements. The group determined that due to the rate of inaccuracy in many databases, developing a program to correct the issue would have an instant fiscal impact of between $500,000 and $2,000,000 in postal savings in the first year.

The team examined a number of possible solutions, including outsourcing mailings and education programs, but the Address Quality Program committee determined that these options provided insufficient levels of control, planning and savings. The final plan was an attempt to consolidate the mailing functions in the state and standardize these programs and capabilities into one group. The IDS also integrated the print and the mail functions, allowing Colorado to achieve even greater savings by critically examining their business process. For example, the state normally developed a bulk mail campaign by producing the printed piece, moving it to a mail facility where CASS and NCOA[Link] functions are performed and UAA pieces are identified, and then sending the project to the USPS for delivery. This process is shown in Figure 1.

IDS came up with the idea of moving NCOA[Link] processing from the end to the beginning of the process. Instead of Undeliverable as Addressed (UAA) mail pieces being identified for items that have already been produced, they are removed from the process earlier and not printed at all, as shown in Figure 2.

Colorado is also using their NCOA[Link] capabilities in other unique ways. For example, IDS is working with the Secretary of State office to regularly scan the voter mailing lists in each of Colorado's 64 counties, and notifying voters to update registration information. Novel uses of the technology such as this not only save the state money, but also allow state agencies to provide proactive services for constituents.

Selection of Anchor Software

When IDS began looking for software capable of handling the high volume of data that was expected from the Address Quality Program, a number of vendors were evaluated. IDS looked at several software packages to determine which would provide the best solution for the state of Colorado. Based on the evaluation, the state selected products from Anchor Software, LLC (anchorcomputersoftware.com). Anchor's products are certified by the USPS for CASS and NCOA[Link] processing, and are able to handle the required volume, while maintaining a high performance standard.

Because Anchor is dedicated to providing the best possible service, has vast experience in postal regulations, and, due to its high level relationship with the USPS, IDS was able to make adjustments to the required license agreements to fit within the Colorado statutory framework. Anchor was also able to provide the needed technical support to implement the solution, as well as provide continued customer support for the project. Anchor's products provided the vehicle for significant cost savings—a pricing structure that met the budgetary needs of the state and life cycle costs that entailed noticeable savings over its competitors. After the negotiation of the contract was complete, the agreement was executed in March of 2010.

As Colorado was working with Anchor to finalize the software agreements, it was also working with the USPS on an exception that would allow IDS and the Address Quality Program to be defined by the

Figure 2. Improved Addres Quality Program Workflow
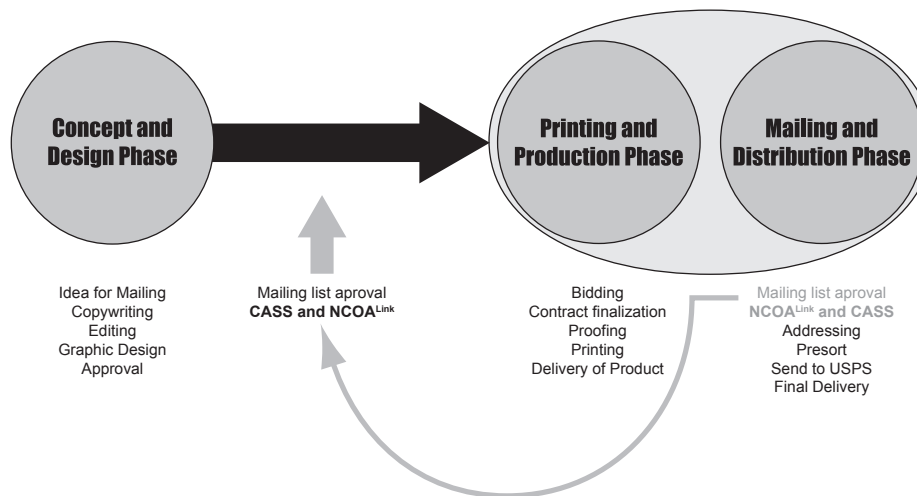
USPS as an End User rather than a Limited Service Provider, even though the group was processing data for the entire state. This significantly reduced the USPS license fees for the NCOA^{Link} (change-of-address) data. Once the USPS was able to make this exception, the USPS agreement was executed. IDS' Address Quality Program was in effect and processing began for the state of Colorado in 2010.

Results

Savings produced by the program have been significant. CASS and NCOA^{Link} processing allow the State of Colorado to receive significant discounts on postage, achieve savings through the elimination of wasteful print overages, and reduce labor costs by making its printing operation more efficient.

Specifically, Colorado was able to save nearly $2 million dollars in postal costs last year. One department saved over $88,000 through postal discounts alone. The state was also able to save $200,000 in materials costs for paper and other supplies that would have eventually been identified as UAA mail. The city and county of Denver was able to achieve $400,000 in savings derived from postage

discounts and labor/materials reductions. Additionally, IDS has identified an additional $2 million in savings for departments that only use the data cleansing services of the Address Quality Program

Conclusion

The Address Quality Program initiated by the Colorado IDS has been astoundingly successful. The program achieved benefits not just for the Colorado budget, but for the USPS and the citizens of Colorado as well. As a pilot program for cooperation between the USPS and the individual states, the Address Quality Program achieves results that exceed its initial goals. Any of the other 49 states that are interested in reducing budgets and increasing efficiency and service would be well advised to look at the state of Colorado as a leader in governmental service and Anchor Software as the leader in postal processing and data quality software.

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Once the evaluation has been completed, and a new software package has been identified, the replacement process can be broken down into four steps, identified on this information sheet from Anchor Software.

Click image to open PDF, or visit: http://anchorcomputersoftware.com/images//Product_PDF/SoftwareReplacement.pdf

Anchor Software Solutions Overview

Anchor Software LLC was established in 2000 to provide comprehensive software solutions for direct mail, direct marketing, data quality, and other related applications. Anchor Software prides itself in delivering comprehensive, products and services designed to meet the needs of our customers that allows them to stay in the forefront of dynamic and highly competitive marketplaces. Anchor's product line includes 60 separate solutions, with over 2000 products installed.

Postal Processing • Data Quality • Document Design

Postal Processing
- **CASS™ Certified Solution**
- **USPS NCOALink® Certified Interface Solution**
- **PAVE™ Gold (Presort) Certified Solution**
- **Intelligent Mail® Barcode (IMb) Solutions**
- **International Address and Data Quality**

Enterprise-Level Data Quality
- **MDM and Golden Records**
- **Real-Time Address Validation**
- **De-Duplicate Files**
- **Enhance Addresses**
- **Deceased/Prison Suppression**
- **GeoCoding**

Document Design
- **High-Speed Printing and Document Preparation**
- **Transactional Document Design**

Customer Support – Always get a live person when you call!

Anchor Software offers 24/7 customer support and you will always get a live person. Not only will we assist in solving software issues but we will also help with the use of our software!