E-Business Plan for the United States Postal Service (USPS)

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 **Background**

The United States Postal Service (USPS) is an independent agency of the United States government responsible to provide postal services around the country. It is also known as Post Office and U.S. Mail agency as well. Established on July 26, 1775, and headquartered at Washington, D.C. The postal service in America has changed and grown after the appointment of Benjamin Franklin as the first postmaster general in 1775. After his appointment, new technologies started to implement in USPS to produce better postal services for growing population (USPS, 2012). There are few government agencies in United States clearly affiliated by the United States Constitution and USPS is one from them.

USPS provides full-time employment to 571,566 people who make it the second largest civilian employer after Wal-Mart Stores (WMT). In the growth of US economy, this huge employment number played an important role. It employs huge numbers of people who facilitates contributes in economic growth (Stein, 2011). With 31,871 post offices allows more outlets in comparison to other companies such as Starbucks, Wal-Mart, etc. Providing huge avenues of employment to people plays an important role in the US economy. Averages of 563 million pieces of mail are delivered by USPS in a week that begs to provide better and effective postal services to US population (Bloomberg BusinessWeek Magazine, 2011). For providing effective services, USPS is individually owned 260,000 vehicles that make it largest civilian vehicle fleet in the world. The USPS is faced intense competition from varied private outlets such as United Parcel Service (UPS), DHL, and FedEx. Internet and e-mail also gives severe competition to USPS.

**USPS Goals**

The goals of USPS are to achieve its ultimate vision greatly. The vision of USPS is to ensure a vital Postal Service for future generations and the next five years goals are based on this commitment. The goal of USPS is to provide greater strength to its core operations and services for creating a balance between the cost and improvement (USPS, 2012). USPS’s revenue at last year was $67 billion that was very low in comparison to expenses that forced it to reduce the cost of core operations accordingly (Bloomberg BusinessWeek Magazine, 2011). Following goals are set to achieve in next five years: Customer goals: The customer is at the center of USPS future goals. The main goal of this company is to provide greater satisfaction to consumers by focusing over each market and targeted customer segment.

Employee goals: As the one of largest employer in US, the other goal of USPS is to leverage its strength from employees in next five years. To improve employees’ and organizational effectiveness is the other goal of USPS (USPS, 2008). From this, it will try to cut cost that it is paid to their employees every year by improving their efficiency at workplace.

Business goals: The main business goal is to improve financial performance and to ensure commercial viability by responding emerging customer needs in the evolving business environment. For this, plans are to provide improved products and services to reduce cost, rework, and cycle time through re-engineering, etc. within next five years (USPS).

Environment Sustainability goals: USPS goal is to reduce 20% scope of greenhouse gas emissions by FY 2020.   The other goal is to reduce use of energy and petroleum fuel by 30 and 20% respectively until FY 2015 (USPS, 2010).

**Services of USPS**

USPS engages to offer wide and innovative ranges of postal services. The services of USPS broadly divides into five main categories such as shipping of packages, sending, and managing mails, online purchasing of stamps as well as advertising with mail, etc. Although there are a number of post offices over the United States, this company engages to offer its wide products and services through its website. The website is not only contains all ranges of products and services but also a floor from where consumers can obtain services effectively. Customized stamps are also provided by USPS (USPS, 2012).  It offers carrier pickup services as well on instant consumers’ demand in which, it picks packages, and carries it for desired destination.

**Summary of USPS Goals and Services**

Goals reflect through the servicing way offered by USPS to its consumers. USPS is engaged to include technology within their services, so that the mail services are managed as the need of consumers. Through the innovations, this company manages the mails in such ways that provides consumers’ accurate, consistence, affordable services with the consideration of time (USPS, 2012). This way of USPS servicing is quite effective to improve level of consumer satisfaction and the business performance as well.

The service delivery system is also quite flexible from the perspective of employees. The use of electronic devices such as computer, phones, etc. for shipping and mailing purposes helps employees to perform their task timey with full efficiency. This develops greater satisfaction among them that help to create greater job engagement (USPS, 2012). The more engagement of employees is helpful to offer greater satisfactory services to the customers who eventually contribute in the growth of USPS accordingly (Evans, 2011).

On the other hand, USPS is also provided as an effective floor to consumers through which they are to offer eco-friendly packaging for shipments. This company engages to provide such packaging and stamping that could be recycled and reused effectively. In addition, it provides effective floors online from where almost all services are offered by the post office are availed. It helps consumers to save time and fuel as well (USPS, 2012). This service helps to achieve environment sustainability goals of USPS.

**Strategic Analysis and Market Justification**

The United States Postal Service (USPS) is an establishment of the executive branch of the United States government accountable for offering postal service in the United States and is self-governing. The United States Postal Service is one of the largest employers in the United States, and it runs the biggest civilian vehicle fleet in the globe with around 260,000 vehicles (Ungar, 2001). As a quasi-governmental agency, the USPS enjoys several special privileges along with sovereign immunity, renowned domain powers, powers to discuss postal accords with foreign countries, and an elite legal right to hand over first-class and third-class mail.

The key competitors of USPS are DHL, FedEx, and UPS. The USPS mission is to offer trusted, low-cost, worldwide service. The USPS mailing services are sold through approximately 37,000 Post Offices, stations, subdivisions, contract postal units, its website, and extensive network of consignees. They deliver mail around 148 million town, countryside, Post Office box, and freeway delivery points. The key operations of USPS are mainly in the domestic market with minor international operations representing less than 3% of the total revenue (United States Postal Service, 2002).

The USPS could exploit more international opportunities as changing market trends, and customer preferences. This could also be understood by identifying its strengths, weaknesses, opportunities, and threats. The company strength lies in its product line. Other strengths of it are a trusted household name, one of the largest employers in the United States, its ability to identify the need of change and diversify (Robbins, 2008). Its weaknesses are company’s size, technology, the incapability to lift up rates exclusive of governmental consent, and monetary stability. Opportunities for the company is expansion in global market, peculiarly in developing countries, fiscal support, alignments such as NAFTA, and added flexibility with the help of postal reform. The threats to the USPS are strong competition, decline in mail volume, technological advancements, unemployment, and an economic recession.

This analysis becomes apparent when the company needs to shift its focus on the international market, until recently most of its products were only sold in the USA. Increasing competition and a decline in mail volume has become essential for it implement specific changes within its business strategy to attain popularity at international level like by improving sales on Internet (United States Postal Service, 2012). The most of the population is not aware with most of the USPS products, so effective advertisements along with expanding at international level are vital to make every one aware with its product line. Developing effective measures in regard to selection, training, and retaining of employees along with collaboration and empowerment of new business strategy implementation is also needed. The USPS should diversify the company to have an extensive base of products in different foreign markets (Ungar, 2001).

**Current Economic and Market Situation**

The USPS operates as a part of public sector. Changing market trends, different current economic, and market situations may be affected and is considered for change in its business model. Because of the economic recession, there is a shortfall in the key economic influences to USPS are GDP and CPI (Consumer price index) projections. Moderate GDP and CPI are restricting the growth of the industry in which USPS operates that could also make a severe affect in future (Ungar, 2001). Unemployment is rising in the US that in turn is slowing down the country economy. There is minor change in unemployment, which depict that the economy has grown so effectively, and this in turn implies moderate growth in the industry (Kurtz, 2010).

In addition to economic influences, the country political environment also affects USPS and the industry in which it operates. The United States enjoys political stability, but an increasing deficit creates trouble for the industry as this may direct toward a cut in the defense budget. This will have a severe impact on the USPS and the pattern through which it deliver its products. At the same time market trends related to using advance technology also make an effect on USPS operations and needs to be considered in time as otherwise it would become difficult for it to maintain a long-term position (Robbins, 2008). Technological forces in present are influencing almost all businesses, and this also has an effect on USPS. Customers also prefer to receive information through Internet as it saves their time and money.

With an analysis of current economic and market situations the company should shift its focus toward internationalization and use of advanced technology. This business model would help when dealing with the financial losses occurred in that past because of competition and lack of awareness among population (Kurtz, 2010). The return on investment on this model would be greater than the one used in present. Presently, the company operates at domestic level only but this model would also become able to serve international market and enhance company return on investments (Palepu & Bernard, 2007).

**Internet Technologies**

With ever-increasing technological advancements, the USPS could make use of different Internet technologies for transferring knowledge between different emplacements, tools for co-action between company employees, and security of product information. Some of these technologies are Internet, Electronic networking, Portable Information Devices, and increase in the speed of microprocessors (Kurtz, 2010). E-business would assist the USPS with these advantages if implemented effectively along with the use of specific technologies.

Use of e-business along with suitable technologies would assist the USPS in exchanging information very quickly. E-business has helped in removing geographical and time limitations in which mailing a letter is almost non-existent. Technological changes can certainly affect the USPS operations, and it significantly has to s track developments to ensure that no opportunity is missed (Garson, 2006). The company needs to be kept itself up-to-date with advance technological developments in the technological and online field so that such technologies can be implemented in time. In addition to this specific budget also need to be decided for technological initiatives so that the USPS could work effectively in comparison to its competitors and become able to continue to improve its operational efficiency (Young, 2006).

**Part three Financial Management Plan**

In last some years, the Unites States Postal Service (USPS) has confronted quite complicated challenges. This self-governing establishment has gone through a considerable decrease in mail volume because of the major recession recently faced by the nation and because of consumers diverting from letter mail to electronic alternatives. These two conditions have a severe effect on USPS revenue and needs a resolution with the help of an effective financial plan (Ungar, 2001). Subsequent are the key steps that should be undertaken by the USPS to manage its finances while staying competitive in the market:

A management plan: First, the USPS needs to develop a management plan along with the adoption of specific actions to increase its revenue and reduce expenses, such as moving toward electronic mails or diversifying business into other fields. Changes in prices also need to be done by discussing it with the officials to make some changes in laws.

Additional Management Initiatives: In addition to a management plan, the USPS authorities also need to undertake specific management initiatives focusing on cost reductions along with the help of labor organization and stakeholder. Among these initiatives efforts related to enabling the Postal Service to provide employee health benefits independent of federal programs, realignment of its mail processing, retail, and delivery operations need to be undertaken (Postal Service Five-Year Financial Plan, 2011).

Legislative changes: The USPS authorities also need to work in the direction of legislative changes that need revisions to statutes related to reducing costs and improve overpayments linked to employee retirement (The United States Postal Service, n.d.).

By implementing these steps in a sequence would significantly assist USPS in improving its financial conditions and attaining future financial growth. Active involvement of senior level authorities is vital to implement this plan and think in a different way to deal with financial issues confronted in present.

**Marketing Plan for USPS Products**

For successful launch of USPS new products following marketing plan would be quite helpful: Situation Analysis: The help of PESTEL analysis is evidence that the key forces behind the present prominence for the reorganization of the USPS. One of the key difficulties in regard to USPS is that it is a strong political institution that requires lots of time and initiatives to change. The costs to do business in America is rising and the demand for service is also lowering that depict that the USPS need to develop some unique economic incentives that will appeal the public back to use the USPS services (The United States Postal Service, n.d.). With older populations, workforce is also decreasing. Alternative methods of communication and environment friendly generation are other forces that continue to pressurize the prospect of the USPS. All these factors in turn are significantly affecting USPS operations and financial position. The company losses are forcing it to make changes as otherwise it would be difficult for it to maintain its position and sustain in long-run.

Marketing Objective:

The USPS will work toward timely and precise mail delivery to maintain and acquire new customers, along with the use of technology to augment customer satisfaction as well as to attain a competitive advantage in comparison to other mail service companies (Ferrell & Hartline, 2010).

Marketing Strategy:

For attaining this objective, the USPS should try to reduce its carbon footprint, and keep up commercial feasibility. As well, the USPS should also allocate funding and need to invest in innovative technologies such as nano-technology to ensure accurate and timely mail delivery. The employee training programs also needs expansion and approximately 50% of its delivery feet needs conversion into electric or natural gas vehicles to reduce its carbon footprint (The United States Postal Service, n.d.).

Marketing Programs:

One of the key effective marketing programs that would assist the USPS in attaining its marketing objective is to invest in, develop, and encourage innovative technology as it would appropriate employees for the electronic delivery of private, First-Class mail. In addition to this, the USPS also needs to focus on the evolution of its package delivery system along with going green (Ungar, 2001). In this regard, it needs to adopt environment sound infrastructures. All these programs if, implemented effectively would help the USPS in attaining all its key objectives related to new products. In addition to these programs, the USPS also needs to adopt other effective positioning and promotional strategies as per customer needs and ongoing trends.

**Human resource management plan**

Until now, the success enjoyed by the USPS in America is all because of the strength lying with its workforce. Increasing challenges and aging workforces have become difficult for the USPS to deal with the issues. This concern is vital for it to conduct different training programs to help existing employees understand changing business strategies and how to work in this kind of environment (Werner, Schuler & Jackson, 2011). Involving existing employees in regard to the discussion of driving forces and changes taking place is vital as otherwise it would become difficult to deal with present changes and problems.

At the same time, it is also vital for the USPS to recruit new employees with significant employees’ benefits and health program. Recruiting new employees possessing knowledge of working with new technologies would assist the USPS in identifying new mailing services and products so that its customer satisfaction level can be enhanced and the entity’s financial position can also improve (Herr, 2011). Recruitment of employees should be done along with specific induction programs so that they can learn and help senior level authorities in their present efforts of transformation and restructuring of the USPS and its products and services.

Some specific employee learning related programs also need to be conducted from time-to-time along with the frequent group discussions to deal with the present and future challenges’ that could occur. All these steps need to be implemented in a sequential manner to direct all employees toward high commitment and dedication to deal with the challenges (Werner, Schuler & Jackson, 2011).

**National and international considerations that affect the U.S.P.S**

One of the major national and international considerations that can affect organization's business is competitive scenario. The online venture of USPS has to compete with other online portals in the same space, such as those of FedEx, DHL, UPS and other small and medium sized players in the logistics industry. The company's marketing, pricing, promotions strategy has to be modified, customized in each market across the globe by analyzing the prevailing competitive scenario in the market. Competitive advantage can be the reward for those that anticipate, plan, and prepare for change Miesing & van Ness (2007).

To achieve a good understanding of cultural differences and avoid cultural blunders, there is a need to study cultures carefully Zhu (2010). A major international consideration for the USPS will be the differences in culture, customs, business practices and working styles that significantly differ from one country to another. USPS will have to localize its country specific website by keeping these cultural considerations in mind, so that it does not engage in cultural blunders in foreign markets.

Another major national and international consideration is to comply with all prevailing laws pertaining to e-commerce and general business in domestic as well as international market. USPS team will have to gain extensive knowledge about international business laws, regulations, taxation and accounting practices as well as other applicable laws pertaining to e-commerce, such as privacy, security and copyright issues in order to avoid penalties and fines or regulatory action.

**Cultural conflicts and intervention strategies that assist the U.S.P.S handle conflicts**

Communicating across cultures involves good command of a complex network of cultural frames that yields a heterogeneous business environment, where people bring along their individual culturally and ethnically determined values, beliefs, and perceptions Dumbrava (2010).The e-business foray of USPS can result in various types of cultural conflicts due to lack of understanding about peculiar cultural issues of people from different countries, regions or ethnic origin. Such conflicts may arise on account of differences in understanding of each other's culture, communication gaps and language related differences, etc. In order to mitigate or avoid such conflicts, the organization's staff will need to get accustomed to the diverse working environment by developing strong understanding about different culture, peculiar issues of multicultural business environment and working styles in international business environment.

The USPS needs to develop strong understanding and respect about different cultures. The management and senior managers can intervene and resolve such conflicts in a constructive manner by handling the conflict in a tactical manner. They can bridge the gap between conflicting parties  in terms of understanding each other by clearly understanding each party's position or take on the issue and communicating it to the other party in a clear manner, so that each party can understand other person's point of view and conflict is resolved in the organization.

The business strategies, marketing and other operational areas have to be localized, customized and adapted to local business conditions in international markets that differ in terms of culture, customs and business practices prevailing in the headquarters of the organization.

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