



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Data Usage in Retail Operations

Audit Report

March 8, 2013

Report Number DR-AR-13-002



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HIGHLIGHTS

BACKGROUND:

The U.S. Postal Service has retail systems and reports that contain critical data it uses to maximize resources, increase operational efficiency, and improve service. The Retail Data Mart is the primary system used to manage customer service operations and is accessed through the Enterprise Data Warehouse, which is a repository for managing the Postal Service's data assets. This system provides access to retail transactions and other critical business information.

Our objective was to assess the Postal Service's use of data to manage customer service operations.

WHAT THE OIG FOUND:

We found retail operations have a substantial amount of information to manage its operations, including 11 systems/models, 250 reports generated from these systems, and hundreds of data elements that reside in these systems. We also found some managers did not know how to use these tools and data to manage operations. For example, while the Retail Data Mart was intended as the primary retail system, 94 percent of authorized users did not access the system from April through July 2012. Further, 10 prior OIG and Government Accountability Office reports describe numerous data usage, availability, and accuracy issues involving retail

operations. These conditions occurred because Postal Service officials had not developed and implemented a strategy to identify key retail data, systems, and reports for managers in customer service operations. Furthermore, some managers did not receive training, or found training to be ineffective, and experienced difficulty in locating Retail Data Mart reports. In addition, some managers accessed and used other retail systems and reports that they indicated were more user friendly and provided the same information.

It is important that managers have pertinent data, systems, and reports to manage operations and make informed and timely decisions.

WHAT THE OIG RECOMMENDED:

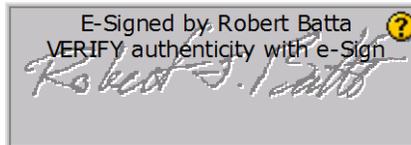
We recommended the vice president, Delivery and Post Office Operations, identify data, systems, and reports that meet the needs of managers in customer service operations and provide training to managers on accessing and using reports.

[*Link to review the entire report*](#)



March 8, 2013

MEMORANDUM FOR: EDWARD F. PHELAN, JR.
VICE PRESIDENT, DELIVERY AND POST OFFICE
OPERATIONS



FROM: Robert J. Batta
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – Data Usage in Retail Operations
(Report Number DR-AR-13-002)

This report presents the results of our audit of Data Usage in Retail Operations (Project Number 12WG008EN000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, director, Delivery and Post Office Operations, or me at 703-248-2100.

Attachments

cc: James J. Boldt
Jeffrey C. Day
Deborah Giannoni-Jackson
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of Data Usage in Retail Operations (Project Number 12WG008EN000). Our objective was to assess the U.S. Postal Service's use of data to manage customer service operations. This self-initiated audit addresses operational risks. See [Appendix A](#) for additional information about this audit.

One of the key strategies management identified in Postal Service Vision 2013¹ is to begin using cost management, new technology, and workforce planning to improve operational efficiency. Also, four of the Postal Service's Delivering, Results, Innovation, Value, and Efficiency (DRIVE)² initiatives are relevant to customer service operations.³ The Retail Data Mart (RDM) is one of the business areas in the enterprise data warehouse (EDW) and is the primary retail operations information system. RDM contains comprehensive reports by business areas for Self-Service Kiosks (SSKs),⁴ consumer products, key performance indicators, marketing, retail customer experience, sales, and reports on the window operation survey (WOS).

Conclusion

We found retail operations have a substantial amount of information to manage its operations, including 11 systems/models, 250 reports generated from these systems, and hundreds of data elements that reside in these systems. We also found some managers did not know how to use these tools and data to manage operations. For example, while RDM was intended as the primary retail system, 94 percent of authorized users did not access the system from April through July 2012. Further, 10 prior reports contained data usage, availability, and accuracy issues involving retail operations.

These conditions occurred because Postal Service officials have not developed and implemented a strategy to identify key retail data, systems, and reports for managers in customer service operations. Furthermore, some managers did not receive training, or found training to be ineffective, and experienced difficulty in locating RDM reports. In addition, some managers accessed and used other retail systems and reports that they indicated were more user friendly.

¹ Vision 2013 is the Postal Service's 5-year strategic plan for 2009-2013, to create a new approach built around customer needs.

² DRIVE is a data-driven management system designed to improve Postal Service business strategy. It is used to manage 39 key initiatives in a way that provides streamlined reporting and accountability.

³ The four DRIVE initiatives are: 1) Access Optimization - to provide customers with efficient and convenient access to Postal Service products and services; 2) Increase Sales Force Effectiveness - increase net contribution per sales representative, and total number of sales per sales representative; 3) Customer Experience - improve customer experience to retain customer loyalty; and 4) Revenue Systems - produce systematic revenue reports that are accurate and actionable.

⁴ Previously called automated postal centers (APCs) and self-service shipping and mailing centers (SSSMCs).

It is important that managers have pertinent data, systems, and reports to manage operations and make informed and timely decisions.

Data Availability and Usage

We found retail operations have a substantial amount of information to manage its operations, including 11 systems⁵/models,⁶ 250 reports, and hundreds of data elements. See [Appendix B](#) for additional information on the systems, management models, and reports available to managers.

We also found some managers did not know how to use these tools and data to manage operations. Specifically, our analysis showed only 6 percent of authorized RDM users accessed the RDM from April through July 2012. See Table 1 for more information.

**Table 1. Authorized Access vs. Actual Access to RDM
(April-July 2012)⁷**

Position Type	Number of Positions Authorized to Access RDM	Number of Times RDM Accessed	Number of Users Accessing RDM	Percentage of Users Accessing RDM vs. Number Authorized
Postmaster	32,265	35,648	1,790	5.55%
Part-Time Postmaster	889	14	6	0.67%
MPOO ⁸	454	398	44	9.69%
Manager, Customer Service	5,291	689	503	9.51%
Manager, Customer Service Operations	270	5,855	132	48.89%
Total	39,169	42,604	2,475	6.31%

Source: Data provided by manager, Enterprise Analytics, Postal Service Headquarters.

These conditions occurred because Postal Service officials have not developed and implemented a strategy to identify key retail data, systems, and reports. Also, some managers stated they found it difficult to locate reports in RDM and therefore used other systems and reports that were easier to access.

⁵ These include RDM, SSKs, Post Office Box Online (POBOL), Web-Box Activity Tracking System (WebBATS), Integrated Retail Terminal (IRT), Service and Sales Associate (SSA) Revenue Target System and Point of Service-Retail (POS). More information about these systems is available in [Appendix B](#).

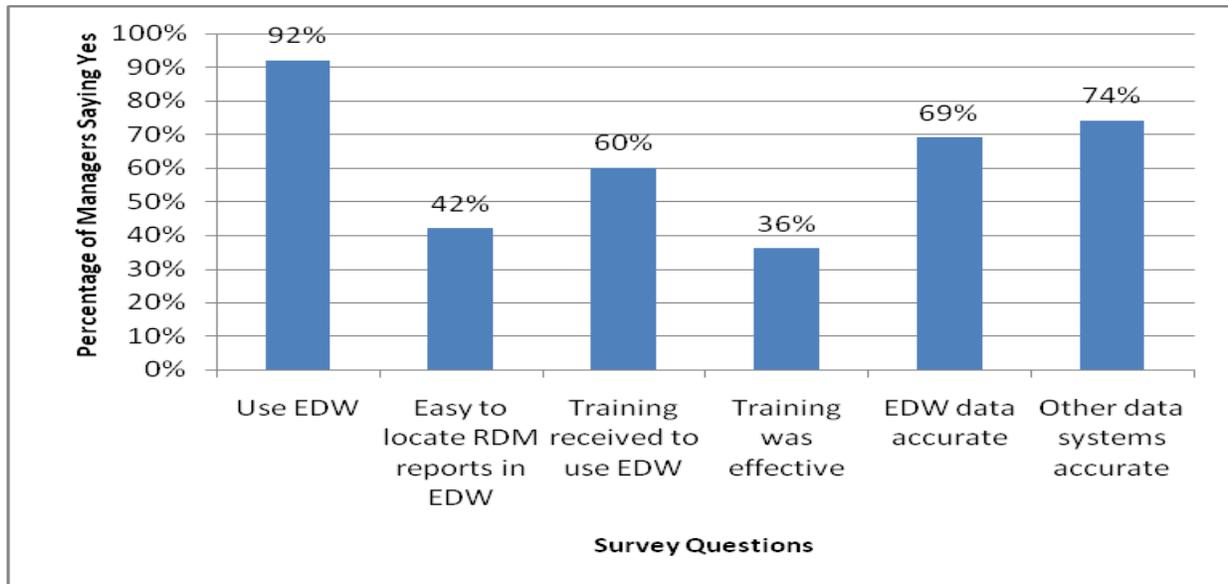
⁶ These include Customer Service Variance (CSV), Customer Service Adjusted Workload (CSAW), Customer Service Staffing Opportunity Model (CSSOM), and Staff Scheduling Tools (SST).

⁷ Due to time constraints we selected data for a period of 4 months.

⁸ A manager post office operations (MPOO) is responsible for managing a large number of post offices and supervising the postmasters of these offices. MPOOs report directly to district managers.

Furthermore, our survey of 175⁹ customer service managers indicated some managers either did not receive training or the training was ineffective. Although four district managers indicated they have staff that provide them RDM reports from EDW, at the unit level, some managers still have challenges identifying and obtaining data and reports to manage their customer service operations. See [Appendix C](#) for sites visited and Figure 1 for the results of our web-based survey.

Figure 1. Web-Based Survey Results

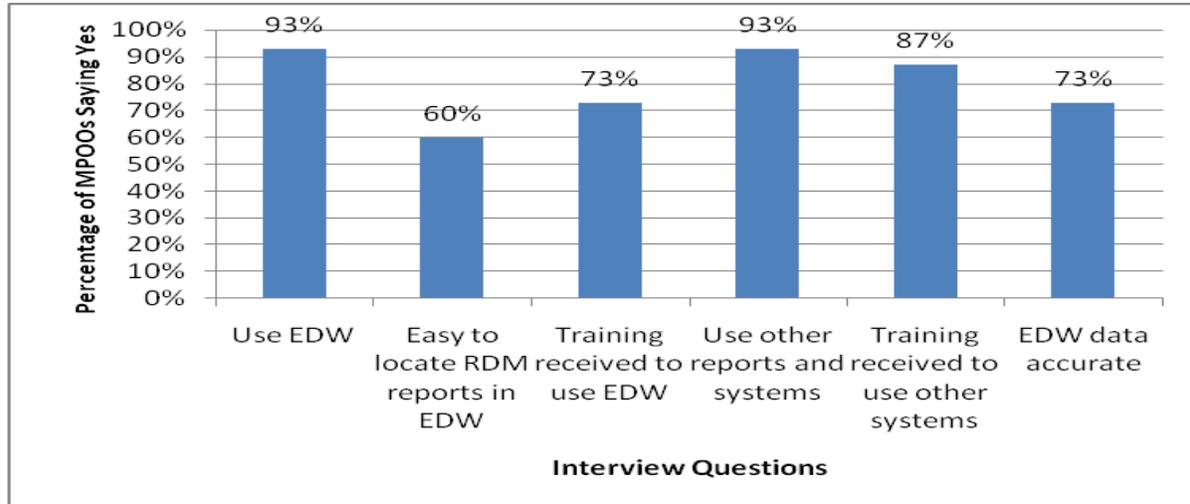


Source: Customer service managers responding to our survey.

⁹ We sent an electronic survey to 175 customer service managers. Not all managers responded to the survey, and some respondents did not answer all the survey questions; 116 responded to receiving EDW training and 112 responded to training being effective.

In addition, we interviewed 15 MPOOs by telephone and asked similar questions. They also indicated they had difficulty locating RDM reports in EDW. See Figure 2 for results of our telephone interviews.

Figure 2. Telephone Interviews With MPOOs



Source: Telephone interviews with MPOOs.

It is important that managers have pertinent data, systems, and reports to manage operations and make informed and timely decisions.

Prior Data Usage Reports

We identified 10 prior U.S. Postal Service Office of Inspector General (OIG) and U. S. Government Accountability Office (GAO) reports that reported various data issues from fiscal years (FY) 2008 through 2012. Specifically, we found:

- Six instances in which data were not being used/optimized to manage operations.
- Three instances in which data were inaccurate.
- Two instances in which data did not exist.

This occurred generally due to shortcomings in the data system used that include: limited oversight, complexity of the data system, inadequate internal controls, and insufficient information that impacts management's ability to effectively manage retail operations.

These reports made recommendations addressing these shortcomings; therefore, we are not making any further recommendations in this report. See [Appendix D](#) for additional information related to prior data usage reports.

Recommendation

We recommend the vice president, Delivery and Post Office Operations, to:

1. Identify key systems, reports, and data that meet the needs of managers in customer service operations and provide training as needed to customer service operation managers on accessing and using reports.

Management's Comments

Management indicated agreement with the recommendation. Management stated they will collaborate with area officials to ensure compliance with this recommendation. They also plan to provide training as needed to customer service managers on accessing and using reports. Management provided a target implementation date of May 31, 2013. See [Appendix E](#) for management's comments, in their entirety.

Management also stated the data showing only six percent RDM access during the timeframe of April – July was skewed due to the Postal Service issuing a notification of Voluntary Early Retirement for Postmasters during the timeframe. They concluded this had a significant impact on personnel and subsequent movement, thereby affecting access.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation and corrective actions should resolve the issues identified in the report.

With regard to management's comment about early retirement for postmasters affecting access, we agree there may have been some impacts to access of the RDM. We found approximately 3,800 postmasters or about 12 percent elected to leave at the end of July 2012. As a result, the percentage of users accessing RDM would have increased from 5.55 percent to 6.20 percent. We do not consider this a significant increase to the number of postmasters accessing these reports.

Appendix A: Additional Information

Background

Efficiently staffing and managing retail operations is the core responsibility of managers in Postal Service retail operations. Consequently, reports that contain key indicators and retail models that assist in scheduling are vital resources. Generally, managers use these tools to evaluate operations and establish targets for improved staff performance and potential impact on customer service. The retail industry also uses tools to measure performance and evaluate the impact of transactional volume fluctuations as well as the type of transactions processed by retail associates.

The Postal Service generated about \$18 billion in revenue in retail operations during FY 2012 and has various systems and reports that contain data critical to managing day-to-day customer service operations. RDM, a business area in EDW, is a major data system that provides access to actionable retail transaction data and critical business information used for operational planning, fraud detection, and strategy development, as well as sales and market analysis. The RDM was established for managers in retail operations to enable them to make better business decisions based on retail data. The RDM interfaces with Point of Service terminals to capture and store information on key performance indicators for retail transactions, customer experiences, productivity, and SSKs to Point-of-Service productivity comparison. In addition, customer service managers use various data systems and reports available to them from sources outside of EDW.

Objective, Scope, and Methodology

Our objective was to assess the Postal Service's use of data to manage customer service operations. To accomplish our objective, we:

- Reviewed applicable Postal Service policies and procedures and prior OIG and U.S. GAO reports related to data and reports usage.
- Reviewed Vision 2013, the Postal Service's 5-year strategic plan for 2009-2013.
- Reviewed the 39 DRIVE initiatives of the Postal Service and identified four initiatives related to customer service operations.
- Selected the two best performing and two least performing districts using an OIG-developed retail customer service Performance and Analysis Risk Indicator Scans (PARIS) model and selected two retail units from each of the four selected districts.

- Interviewed managers at Postal Service Headquarters, selected district offices and retail units, and managers of Post Office™ operations to assess data availability, usage, and training related to data systems and reports.
- Identified 250 critical reports and hundreds of data elements from RDM used to monitor and enhance the performance of retail units.
- Sent a web-based survey to 175 customer service managers (25 from each of the seven areas of operations) to verify data availability and usage.
- Analyzed data provided by the manager, Enterprise Analytics, at Postal Service Headquarters.
- Benchmarked the retail industry's use of performance measurement metrics with those the Postal Service uses.

We conducted this performance audit from May 2012 through March 2013 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We relied on information achieved through site interviews and survey results. We discussed our observations and conclusions with management on February 5, 2013, and included their comments where appropriate.

Appendix B: Data Systems, Reports, and Management Models

Table 2. Retail Operations Data Systems

	System	Description
1	RDM	Data storage system that houses retail customer transaction information from all Point-of-Sales offices.
2	SSK	Self-service vending equipment that offers basic postal products and services.
3	POBOL	A quick, easy and convenient online service that lets customers find, apply for and rent an available POBOL by going to usps.com/po boxes instead of making a trip to a Post Office.
4	WebBATS	Web-based application that allows post offices to manage their Post Office Box, caller, and reserve services.
5	IRT	First generation sales transaction system used in select offices.
6	SSA	Provides a revenue target for each sales and service associate assigned to work at postal counter.
7	POS	Primary hardware and software system used to conduct sales transactions during the Post Office's check-out process.

Source: Postal Service Blue Pages.

Table 3. System Reports

System	Report	Number of Reports
RDM	Carrier Pickup	4
	Flash Reports	6
	Key Performance Indicators	7
	Marketing	2
	Post Office Box	4
	RDM Window Operations Survey (WOS)	12
	Retail Unit Operations	14
	CARS (Contract Retail Access System)	3
	Internet Channel	5
	Mailing and Postage	6
	Merchant Returns	3
	RDM Late Reports	1
	Retail Customer Experience	8
	Sales Reports	18
	Sure Money	8
	APC	Flash Reports
Sales Reports		2
APC Gain		1
APC Location Report Builder		1
POS	Financial Reports	26
	Transaction Reports	20
	Postage Validation Imprint (PVI)	4
	Inventory	16
	Clerk's End of Day	6
	Survey	15
	Consolidated Close-out	20
	Marketing	4
	Security	2
	Help Desk	1
	Management	7
Training	2	
WebBATS	Facilities in Publication (PUB) 431 Not Yet Initiated	1
	Post Office Boxes Reactivation Report	1
	Adjustment Report	1
	Exception Report	1
	Unit Finance Number	1
	No Activity Report-500 Boxes Or Over	1
	No Activity Report Under 500 Boxes	1
	Broken or Closed Boxes	1

Table 3. System Reports (Continued)

System	Report	Number of Reports
	Data Review	1
	Incomplete 1093 With Recurring Payment	1
	WebBATS Incomplete 1093	1
	Baker's Dozen	1
	Lock Change/Handling	1
	Monthly Summary	1
	POS Recurring Payment	1
SSA Revenue Target System	The system contains four reports: SSA Daily Goals, SSA Details, SSA Daily Revenue Goals Utilization Report, and Walk-In Revenue (WIR) Goals and Revenue Summary.	4
Post Office Boxes Online	This system provides monthly reports on Post Office Boxes purchased online. These reports provide the following information: new volume online, new online revenue, online renewal volume, renewal revenue, total online volume, and total online revenue, online refunds and total online revenue minus total online refunds.	1
Total		250

Source: OIG Analysis.

Table 4. Models

	Name	Description
1	CSV	A management tool that provides earned workload for the managers to right-size the complement to support the earned workload.
2	CSAW	Using data from the Time and Attendance Collection System and RDM, along with the manual input of daily volumes, allows this tool to provide the data necessary for managers to balance actual workhours with actual workload.
3	CSSOM	This model calculates actual to earned workhour variances and trends for Function 4 current and projected workload.
4	SST	Uses information from existing staffing and reporting tools to simplify the process of matching workhours with projected workload.

Source: Postal Service Blue Pages.

Appendix C: Sites Visited

Table 5. Districts and Sites Visited

District	Post Office	Unit
Western New York	Buffalo Post Office	Amherst Branch
Western New York	Buffalo Post Office	Williamsville Branch
Kentuckiana	Louisville Post Office	Middletown Branch
Kentuckiana	Louisville Post Office	Downtown Station
Colorado/Wyoming	Golden Post Office	Golden Post Office
Colorado/Wyoming	Denver Post Office	Lakewood Branch
South Florida	Fort Lauderdale Post Office	Sunrise Branch
South Florida	Fort Lauderdale Post Office	Davie Branch

Source: Customer Service Variance Program and PARIS.

**Appendix D: Postal Service Office of Inspector General and General
Accountability Office Data Usage¹⁰ Prior Reports Fiscal Years 2007 - 2012**

Report Number	Report Name	Report Date	Data Did Not Exist	Data Not Used / Optimized	Data Not Accurate
GAO-08-41	<i>Improvements in Data Would Strengthen Maintenance and Alignment of Access to Retail Services</i>	12/10/2007	X		
MS-AR-10-004	<i>Efficiency of Retail Customer Service Operations</i>	7/28/2010		X	
HR-MA-11-002	<i>Mystery Shopper Program</i>	4/28/2011			X
GAO-12-433	<i>Challenges Related to Restructuring the Postal Service's Retail Network</i>	4/17/2012	X		
DR-MA-12-001	<i>Survey of Postmasters' Paperwork and Reporting Requirements</i>	5/25/2012		X	
MS-AR-12-005	<i>Carrier Contributions to Revenue Generation and Customer Service</i>	6/19/2012		X	
CRR-AR-12-005	<i>Service Performance Measurement Data – Commercial Mail</i>	6/25/2012			X
EN-AR-12-003	<i>Efficiency of Customer Service Operations</i>	8/17/2012		X	
FI-MA-12-016	<i>Controls Over the Check Acceptance Process</i>	9/6/2012		X	
EN-AR-12-004	<i>Commercial Mail Entry and Acceptance Initiatives</i>	9/14/2012		X	

¹⁰ Reports refer to retail operations data usage.

Appendix E: Management's Comments

EDWARD F. PHELAN
VICE PRESIDENT
DELIVERY AND POST OFFICE OPERATIONS



February 13, 2013

JUDITH LEHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Data Usage in Retail Operations (DR-AR-13-DRAFT)

Thank you for the opportunity to respond to the recommendation contained in the Draft Audit Report –conducted by the Office of the Inspector General (OIG).

The U.S. Postal Service (USPS) has reviewed the report and states the following reservation with OIG findings: the data showing only six percent Retail Detail Mart access during the timeframe of April – July is skewed due to the mitigating fact that USPS issued a notification of Voluntary Early Retirement for Postmasters during this time frame. This had a significant impact on personnel and subsequent movement, thereby affecting access. In relation to the recommendation, management is in agreement and provides the following response.

This report and management's response do not contain information that may be exempt from disclosure under the Freedom of Information Act.

RECOMMENDATIONS:

We recommend the vice president, Delivery and Post Office Operations:

1. Identify systems, reports, and data that meet the needs of managers in customer service operations and provide training as needed to customer service operation managers on accessing and using these reports.

Management will collaborate with the areas to ensure compliance with this recommendation. (Utilizing guidelines contained within the OIG report).

Target Implementation Date: May 31, 2013

Responsible Official: Delivery and Post Office Operations.

A handwritten signature in black ink, appearing to read "E. Phelan, Jr.", written over a horizontal line.

Edward F. Phelan, Jr.