

Quebecor World Logistics: an Industry Leader in On-Time Delivery Performance

The Drop Ship Appointment System (DSAS) is a Web-based system that is used for the scheduling of drop shipments to USPS facilities. Quebecor World Logistics makes over 3,500 weekly appointments at postal facilities across the nation using DSAS. As a management tool, postal managers use DSAS to determine staffing requirements based on the volume of mail scheduled to enter their facilities.

During the peak of the Fall 2000 mailing season, increased competition for DSAS appointments lead to elevated no show rates at postal facilities nationwide.

✓ Did you know

The USPS has acknowledged that QWL is the **top performer** in terms of on-time delivery to their facilities.

QWL took immediate action. QWL Postal Affairs wrote letters to 90 postal facilities requesting regular, standing appointments. These appointments were set up at the BMC's and large SCF's (where QWL makes deliveries on a daily basis). QWL began pulling DSAS

statistics on a weekly basis to watch for on time or no show performance trends by plant, CF, carrier or postal facility. By monitoring plant production, ship dates, transit time, and carrier performance, QWL was able to set more realistic facility appointments, dramatically

decrease no show rates and strengthen their relationship with the USPS. ■

Web Development Proves to be a Success

Thanks to the Web development team in Itasca, Quebecor World Logistics now posts all available loads on the Internet on a clear and concise screen that is updated every 30 minutes throughout the day and night. The use of the World Wide Web enables QWL carriers to view an accurate and up-to-date snapshot of their transportation needs from anywhere. This should prove to be an important tool in expanding the QWL carrier base and should be

high-profile evidence of QWL's ever-emerging role as a player in the North American transportation marketplace.

Over the course of the inaugural two days, the available loads Web site logged over 7000 unique hits, making it one of the largest Web pages of its kind and almost 100% effective in reaching the target market. Due to the success of this endeavor, there are now future plans to enhance QWL's Web presence. ■

INSIDE THIS ISSUE

Commercial/Direct Group	Pg. 2
International	Pg. 3
Mail List Technologies	Pg. 3
Newsstand	Pg. 2
QW Express	Pg. 4
USPS	Pg. 4



Quebecor World

Logistic Solutions

QWL Commercial/Direct/New England Takes on Strategic Initiatives

The QWL operations for the Commercial/Direct/New England Group are currently based at the QW universal plant in Westwood, Massachusetts. The Commercial/Direct Group maintains 29 plants in North America (16 in the USA). The QWL team has been charged with getting this group on the same logistics platform by developing and implementing several standard logistics initiatives, policies and procedures combined with driving compliance with the QWL programs. The QWL team also provides logistics support to 8 other non-Commercial/Direct plants and offices located in the New England area.

The plants and offices call their various shipments into the New England Central Dispatch Center (CDC). The CDC, in turn, dispatches the shipments to the appropriate

carrier (for truckloads, the CDC coordinates with QWL's Freight Operations based in Cornerstone-Bensenville).

The type of shipments handled by the CDC range from courier up to full truckload. Currently, the CDC is dispatching an average 1,000 shipments per week. By maximizing the plant's

volume, consolidating shipments and through dynamic shipment routing, the CDC is on target to reduce net freight costs by at least 15%.

The QWL team has been working on several initiatives across the platform. Some of the highlights include:

- Reduced the private fleet from 54 vehicles to 30 thus reducing the fleet costs from \$2.23 million to \$1.57 million (a 29.6% reduction)
- Implemented Material Handling Fleet Management Program with

Hyster to rationalize the 297 pieces of power equipment at the plants

- Implemented New England Central Dispatch Center
- Reducing warehousing costs (currently reviewing the 927,122 sq. ft. of space across the group) ■

For further information, please contact:

Ken Kobus
Director of Logistics
781-251-2600 ext 313

Bob Chaves
Manager of Logistics Analysis
781-251-2600 ext 258

Bob DiFilippo
Manager of Central Dispatch
781-329-7701

Newsstand Update

- In the newsstand distribution arena, there continues to be growth as new Secondary Wholesalers open. New facilities have opened in Ohio as well as in some major metropolitan areas.
- Over the past year, newsstand sales have shown a slight increase.
- Magazine volume has continued to decrease in the past several months. Most of this decrease can be directly attributed to a reduction in advertising. Volume reductions must be monitored to determine the impact from a distribution standpoint.
- Recent meetings were held with a major magazine customer to review various alternative delivery methods for magazines. ■



Quebecor World

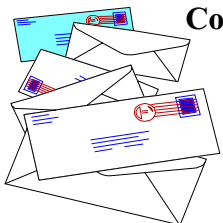
Logistic Solutions

QW Mail List Technologies & the TNT Network

The TNT Network executed a 1 million-piece mail campaign in April, targeted to teenage soccer participants within the Woman's United Soccer Association (WUSA). This mailing initiative was a co-marketing program designed to increase viewership of the WUSA games on TNT.

Originally, 3.5 million individual WUSA names were provided to MLT for a merge/purge that would ultimately net out 1 million – the challenge was to design a program that would touch 1 million households for the maximum potential yet include every individual WUSA member. MLT worked with Joe Sluder and TNT to come up with a program “string” that identified multiple teens within a household and built a first name line that addressed all WUSA members (ie. “To the family of Sarah, Jim and Eric Johnson”).

Continued on page 4



International Customized Mail Agreements

Effective April 30, the qualifications for International Customized Mail (ICM) service, according to the USPS International Mail Manual, will be revised. In order to qualify for an ICM agreement, a mailer must tender all of its ICM to the Postal Service and must be capable, on an annual basis, of either:

- Tendering at least 1 million pounds of international letter-post mail (excluding Global Priority Mail) to the Postal Service, or paying at least \$2 million in international letter-post postage to the Postal Service.
- Tendering at least 600 pieces of international non-letter-post mail (excluding Global Priority Mail) to the Postal Service, or paying at least \$12,000 in international non-letter-post postage to the Postal Service. ■



A Global Presence . . .

A Global Force!

UPS Embraces Proposed Americas Free Trade Agreement

In response to the proposed Americas Free Trade Agreement, UPS is currently concentrating its efforts in nine Latin American countries in preparation for an expected upswing in international freight traffic. UPS believes there will be a virtual “avalanche” of international express freight when a proposed Americas Free Trade Agreement embracing the entire Western Hemisphere goes into effect. Countries around the Americas are working toward the goal of signing the agreement in 2005. The company is acquiring local freight carriers, investing in logistical technology and stepping up flight schedules – building the infrastructure to support the market. ■



Quebecor World

Logistic Solutions

QW Express Adds New International Division

QW Express, the air and expedited transportation division of Quebecor World, recently announced the opening of its international heavyweight transportation department. (Heavyweight refers to any shipment in excess of 100 pounds or 45 kilograms.) Managing this new department is Donna Rozenhal, a former export manager for such companies as Airborne, Burlington Air Express, Ram International as well as a captain of her own company, DLR International.

Contact Donna Rozenhal, or the QWE international staff, to book shipments and answer questions regarding rate quotes, documentation requirements, transit times or any other international heavyweight air or ocean shipment issues: (877) 389-9737 ■

Editor: Jennifer Lukasiak

A Special Thanks to: Mike

Allario, Debbie Cooper, Kim

Greene, Roger Henderson, Bob

Imhof, Ken Kobus, Rand Post,

Anita Pursley, Ted Russell & Mike

Skowronek



USPS News

QW Corporate Postal Affairs recently attended the second **National Periodicals Focus Group Conference** in Chicago. Here are some highlights:

- USPS CFO, Dick Strasser, noted that the FY 2001 Net Loss was projected to be in the range of \$1.6 to \$2.4 billion. He also discussed their current cash flow crunch, which has brought about a freeze on investments in facilities that could last for 20 months. The freeze, valued at \$1.6 billion, put some 700 to 800 projects on hold.
- There were hints that the next postal rate case would not be filed before October 2001 or later, which means that new rates would not go into effect until at least September-October 2002.
- **Here's a glimpse of what the USPS may propose for periodicals in the next rate case-**
 - Zoned rates based on the full weight of the publication, so as to incent more dropshipping of periodicals (industry consensus will be needed)
 - Drop-ship discounts to reflect 100% of the savings from worksharing
 - A new DADC discount so smaller publishers can/will dropship to ADC's rather than enter at origin
 - Improved DSCF
 - Package-based and container-based discounts; the container-based rates would gradually reflect the handling cost differences
 - USPS may propose revising upwards the package minimums for flats (to get away from 6 to 10-piece packages) or at least consider high prices for low-volume packages that are prepared for service reasons...the result would be fuller containers for dropshipping ■

MLT & TNT (cont.)

This way no member was "slighted" and 1 million households were targeted for viewership awareness. With MLT's consultative approach, the mailing made a strong impact! ■

For a consultative approach to your client's next mailing, give one of the MLT Sales Directors a call today:

Mike Allario 770-234-6375
TomKaczmarek 203-532-3413