

Case Study

ODMS' Growth Formula: Hard Work, Great Technology, Good Service

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The odds are against the success of any new business venture, even more true since the Great Recession hit in 2008, but that's when On Demand Mail Services (ODMS) opened its doors for business serving metro Detroit.

Over the past eight years, the company has experienced tremendous growth in its home state of Michigan, throughout the Midwest and East Coast. ODMS now supports its customer base with mail processing operations in the Detroit, Cincinnati and Philadelphia metro regions providing jobs to more than 150 people.

This success is even more noteworthy once you consider ODMS is in the mailing business, a sector that was already undergoing serious challenges when they opened their doors. With national mail volumes in decline since the peak year of 2006, Mail Service Providers (MSPs) have had to diversify to find new revenue sources even as the industry at large has experienced considerable consolidation.

Enter Tim Laura, Mike Tickles and Rob Quick who had been working at a Detroit marketing firm that offered mailing and fulfillment services. They felt that the company was missing out on postage savings by merging, or commingling, its mail streams which would have required a capital investment into letter sorters.

Even though they demonstrated to management that the ROI was only a couple of years, the decision was made not to pursue in-house commingling because other printers and mailers would not likely commingle mail with a company they viewed as a competitor.

Seeing an opportunity and securing an agreement with the company to process its mail if they launched out on their own, the trio pooled together their 401k funds and a combined total of more than 40



On Demand Mail Services (ODMS) started business in Detroit in the midst of the Great Recession in 2008. Through hard work, new technology, and great service the company has soared and now has operations in Cincinnati and Philadelphia metro regions. Pictured left to right are President Tim Laura, Mike Tickles and Rob Quick.

years between them in the direct mail business. They were able to locate and purchase a used letter sorter and old box truck and got started in an abandoned furniture warehouse with just three employees, themselves!

Work 80 Hours A Week

From the beginning it was their willingness to work 80 hours per week, for months, ultimately, years on end, yet also continually seeking new and innovative approaches to the industry that created foundation for quick and sustained growth.

While ODMS started out with a committed customer with mail volume, the principals understood that they could never succeed with that alone.

"We knew we had to become a large volume shop, and not waste time doing it," said ODMS President Tim Laura.

That meant going after other large volume prospects, particularly printers, which at the time, had been expanding into mailing as a fulfillment service for their printed products as their own way of diversifying.

ODMS was able to create customers from several of these prospects rather quickly because they were focusing almost exclusively on commingling Standard Letter Mail which is used primarily for advertising and promotion. The value ODMS brought to their customers didn't end with commingling the mail streams but by supplying their own transportation to Postal Processing facilities close to the mail's final delivery point.

This quickens delivery and earns you greater postage discounts which could be passed back to the customer. Laura was able to get printers to focus on the 85% piece of the direct mail cost, which is the

postage, versus the printing component, to help them win business in a highly competitive market.

Sorting Technology

As ODMS proved its value with their customers, demand increased and shifted into other, less-serviced, classes of mail like Bound Printed Matter (Flats and Parcels), Parcel Select Lightweight, Priority Mail, and Non-Flat Machinables (the predecessor of Standard Mail Marketing Parcel).

That brought them into contact with Engineering Innovation Inc. (Eii), a Lafayette, Indiana based manufacturer of the E Z Flats mail sorting platform, which it had introduced to the marketplace in 2007.

Initially they utilized the entry level E Z Flats Essential for presorting First Class Flats since the platform provided by far the lowest cost option for processing flats using the “bundle-based” preparation method which enables achieving presort discounts with only 10 mail pieces to ADC, 3-Digit and 5-Digit sorts.

The versatility of Eii’s E Z Flats system also positioned ODMS to service the other classes of mail, especially parcels, that were growing in demand. At any given time, they could switch back and forth between a wide variety of mail classes, depending on the volumes that hit their dock that day.

ODMS was able to be competitive out of the gate with their parcel offering because they could leverage their drop ship program for Standard Letter Mail. Once you begin doing the transportation for the postal system for one class of mail, you have the means, and have already incurred most of the costs, of getting any other mail class to the same Postal facilities.

The company had also positioned itself to be highly competitive as a mail logistics provider. Most Presorters who drop ship have to use outside trucking companies who transport mail to the closest 3rd party consolidator. ODMS determined early on that they could have a leg up on this by doing their own transportation, also called “line haul” out to various geographically-strategic consolidators. So, in 2009 they brought their logistics operations in house and launched Expedited



ODMS employees along with President Tim Laura sorting mail on the EZ Flats system which allows for processing flats using the “bundle-based” preparation method which enables achieving presort discounts with only 10 mail pieces to ADC, 3-Digit and 5-Digit sorts.

Postal Logistics Group LLC so they could better control the delivery, provide drop-ship services for other companies, and dramatically lower their own hauling costs, without sacrificing speed or reliability.

Parcel Processing

In 2011, Mike Chittam left another presort company and joined the ODMS ownership team. With Mike, came an increased focus on traditional presort customers and the need to service Priority Mail. Again, On-Demand turned to Engineering Innovation for its latest addition, the table top parcel processing platform called the Heavyweight Champ.

The Champ handles a much larger variety of shapes and weights for parcels. It’s particularly useful for rapidly processing Priority Mail for which there are many different options (weight-based, flat rate containers, dimensional based or Cubic), and for determining best pricing options on a case by case basis. The addition of the Champ positioned ODMS to become one of the Postal Service’s largest Priority Mail customers in Southeast Michigan.

As ODMS parcel volumes grew and footprint spread throughout the Midwest and East Coast, it was able to fulfill its motto of “If you can mail it, we can help” by adding a discount service for Parcel Select (parcels 1 pound and over) and International Mail.

These mail classes historically have been almost exclusively serviced by the large independent carriers like UPS, Fed

Ex, and DHL who focus solely on speed of delivery.

ODMS’s Parcel Select service offers mailers a reasonable and predictable delivery time (6-8 business days, on average) at a dramatically reduced-cost over the larger carriers. Many of the “push” programs like product samples, subscription “of the month” products, and points-based gift/redemption programs fit the ODMS Parcel Select model perfectly.

Partnership Flourishes

The ODMS/Eii partnership still flourishes today as ODMS has 31 mail processing machines and sorters across its three processing centers – including a dozen Eii machines – which induct over 400 million mail pieces per year of virtually every mail class. From Postcards to Parcels, ODMS relies on companies like Engineering Innovation as valued business partners.

You can bet that when USPS comes up with a new mail class, ODMS and Eii will be on the forefront. Because, even during a troubled economy in a declining industry segment, success can be found with a little hard work, dedication, innovation, and trusted business partnerships.

(Editor's Note: Clark Cassell is the Business Development associate for Engineering Innovation Inc. For more information, about Eii and its products, visit www.eii-online.com. For more information about On Demand Mail Services, go to www.ondemandmailservices.com.)