

USS HARRY S TRUMAN (CVN 75)

Integrated Retail Terminal



Final Report

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1. Background

USS HARRY S TRUMAN (CVN 75) was chosen to prototype an initiative called Unisys III Integrated Retail Terminal (IRT) for shipboard postal operations. The Unisys III system replaced the Unisys II IRT that has been in use in the fleet since the early 1990s. With the installation of the Unisys III also came a new financial accounting system for the post office. The previous Unisys II system was designed for use with a flexible credit accounting system; however, the Navy decided to continue to utilize a fixed credit accounting system thus the Unisys II became nothing more than an electronic scale that computed postal rates.

The decision to prototype the Unisys III and to convert to flexible credit was made in an effort to consolidate postal reports, improve the timeliness of reporting sales data to the U.S. Postal Service (USPS), and provide the postal clerks a more efficient means of conducting business therefore improving customer service.

The Unisys III was designed to electronically submit postal reports to the USPS by means of the USPS accounting center using a phone line and dialing into the shipboard Unisys III terminal and extracting the reporting data. Due to shipboard connectivity this process has not been possible. Therefore, the shipboard postal clerk is required to complete an Excel version of PS Form 1412 (Daily Financial Report) manually and attach the spreadsheet to an email that is sent to USPS daily.

2. Normal Postal Operations Afloat

Shipboard post offices, a division of the Supply Department, provide a full range of postal services comparable to any U.S. Post Office ashore. Prior to this prototype a typical aircraft carrier post office organization would consist of the following key players:

Postal Officer. Normally the chief postal clerk (PCC) assigned to the carrier. The chief is also assigned as the Reserve Stamp and Money Order Custodian. Under the fixed stamp credit accounting system no postal clerk under the paygrade of E-7 is permitted to hold more than a \$1,000.00 stamp account with the exception of a filler stock clerk, which is permitted to be up to 10% of the command's entire fixed credit. The reserve stamp custodian holds the remaining stamp stock. The PCC also holds all blank money order forms and issues money orders to the window clerks on a daily basis for that day's sales. All remaining blank money orders at the end of the business day are returned to the money order custodian. The money order custodian also verifies the daily report of money order business report (PS Form 6019) prior to submission to the USPS.

Custodian of Postal Effects (COPE). Normally the Leading Petty Officer (PC1). The COPE is responsible for the financial accountability of the office. The COPE is responsible for the issuance of postage meter machines to the window clerks on a daily basis. At the end of each business day, the COPE records the ascending and descending numbers from the postage meters and submits a Postage Meter Report (PS Form 3602) to the USPS.

Customer Service Clerks. The aircraft carrier may have two to three postal clerks providing window service to customers. Each of these clerks normally would have up to \$1,000.00 in fixed stamp credit.

3. Fixed Stamp Credit vs Flexible Stamp Credit

Prior to this prototype USS HARRY S TRUMAN conducted postal business under the fixed stamp credit accounting. Under fixed stamp credit procedures the command's stamp credit was a set amount. Aircraft carriers generally carry between \$50,000 and \$100,000 of fixed stamp credit depending on their operational status. The credit consisted of value of the stamp stock inventory plus the amount of cash on hand always equaled the set amount of fixed credit assigned to the ship. When the ship reaches 25% of the stamp credit in cash a stamp requisition is required to be submitted to USPS to replenish the stamp stock inventory.

Also under the fixed stamp credit system, the money order and postage meter business are accounted for separately. The ship is required to submit separate reports for daily money order business and postage meter sales.

Under a flexible credit system, as the ship conducts business on a daily basis the sales for that day's business are remitted to the USPS, thus the amount of stamp credit decreases by the amount of the remittance. When the ship requisitions additional stamp stock from USPS, and that stock is received, the ship's stamp credit increases by the value of that stock.

The flexible credit system consolidates the postage meter and money order reporting with the daily stamp sales reporting thus deleting the requirement for the separate sales reports.

4. Prototype Postal Operations

In the prototype of the Unisys III IRT it was determined that connectivity was not available for the USPS to be able to pull down the daily financial reports from the ship. This has placed the requirement on the ship to transfer the data manually to an excel spreadsheet to be emailed to the USPS on a daily basis. A work around to transmit the data via a File Transfer Protocol (FTP) system was to be developed; however this did not materialize for the current prototype.

The prototype operation consists of the installation of two Unisys III IRTs and one back up unit. Each Unisys III was also equipped with a postage validation imprinter (PVI) replacing the old mechanical Pitney Bowes postage meters. Utilizing the flexible credit accounting system, the IRTs were capable of providing inventory management of each window clerk's and the COPE's stamp stock. The IRT is also capable of completing all money order accounting and postage meter sales accounting with the postal validation imprinters.

At the completion of the business day the COPE consolidates all of the window clerks' sales data from the IRT disks and generates one daily financial report for the ship to include all stamp, money order, and postage meter sales. This permits the COPE to obtain one ex-cash remit check from the Disbursing Officer rather than the three separate checks that were required under the old fixed credit system due to the separate reporting requirements.

5. Data Collection and Analyses

Baseline data for this analysis was provided by the USS ABRAHAM LINCOLN (CVN 72) operating with the Unisys II IRT and fixed stamp credit accounting system. The USS ABRAHAM LINCOLN was chosen to collect the baseline data due to their deployed status at the time of the data collection thus providing comparable sales volume to ensure compatible data. USS HARRY S TRUMAN (CVN 75) provided the prototype data. Appendix A presents graphic presentations of all metrics collected.

5.1 Accounting

Metrics on accounting were kept to determine the manhour differences between fixed stamp credit accounting system and the flexible stamp credit accounting system. For the fixed stamp credit accounting system USS ABRAHAM LINCOLN measured the amount of time personnel spent completing daily postage meter reports (PS 3602) including the cash collection and verification, obtaining an ex-cash remit check from disbursing, resetting postage meters and any meter maintenance required. Also included in this measure was the amount of time personnel spent completing daily money order reports (PS 6019 MPO) including cash collection and verification, obtaining an ex-cash remit check from disbursing, and blank money order form accounting (daily issuance and receipts). For the flexible stamp credit accounting system USS HARRY S TRUMAN measured the amount of time personnel spent consolidating the window clerks disk from the IRT, time spent completing the daily financial report (PS 1412) including cash collection and verification and obtaining an ex-cash remit check from disbursing.

USS ABRAHAM LINCOLN reported an average time of 56 minutes per day in completing the fixed stamp credit accounting procedures. USS HARRY S TRUMAN reported an average time of 41 minutes per day completing the flexible accounting procedures. **The flexible credit accounting system reduced the time spent in daily accounting by an average of 27%.**

5.2 Account Maintenance

Metrics on accounting were kept to determine the manhour differences between maintenance of fixed stamp credit accounts and the flexible stamp credit account. USS ABRAHAM LINCOLN measured the time spent preparing stamp requisitions (PS 17) including cash collection, verification and obtaining ex-cash remit checks from disbursing. Also measured was the time expended maintaining a manual inventory record on PS 3295 of all stamp stock. USS HARRY S TRUMAN measured the time spent preparing stamp requisitions (PS 17) and maintaining stamp inventory records electronically with the IRT.

USS ABRAHAM LINCOLN reported an average time of 34 minutes per day in the maintenance of fixed credit accounts. USS HARRY S TRUMAN reported an average time of 6 minutes per day maintaining flexible accounts. **The flexible credit accounting system reduced the time spent in account maintenance by an average of 82 %.**

5.3 Customer Service

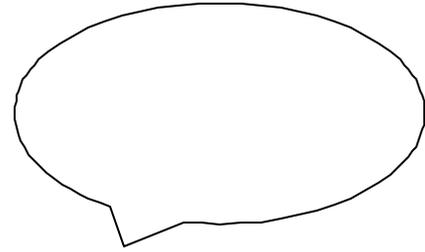
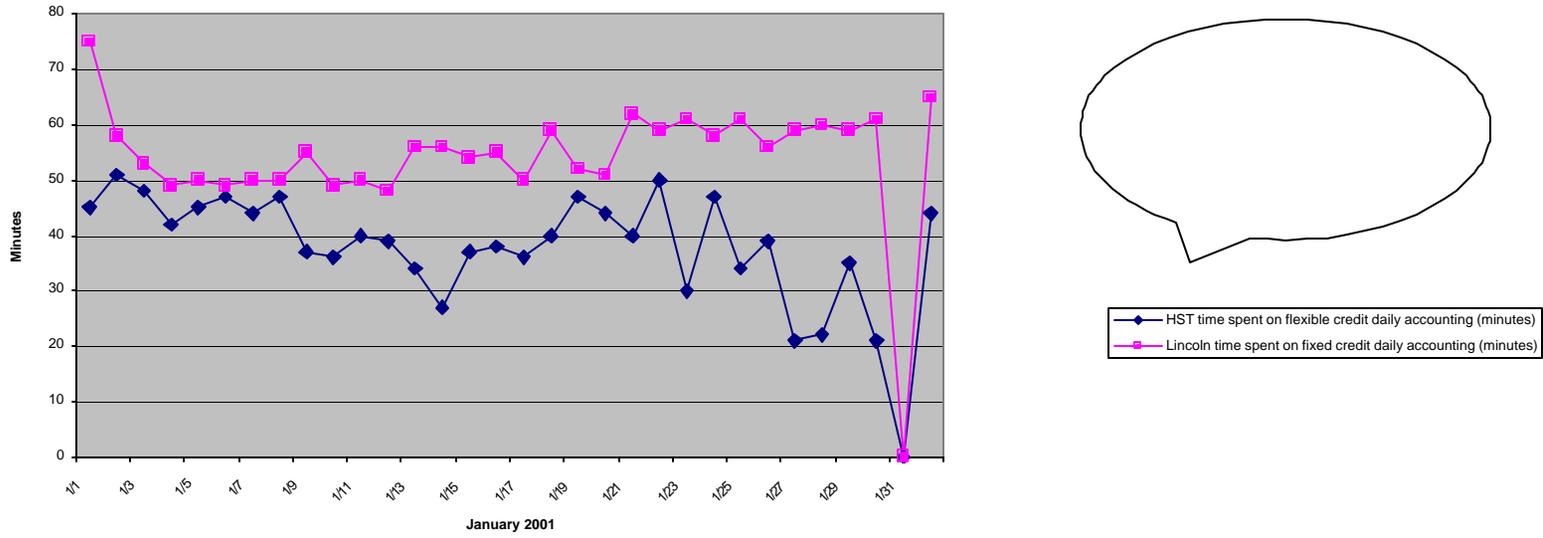
Both ships collected data on the average amount of time each customer spent at the customer service window receiving service. The measurement included classification and weighing of each piece of mail, stamp sales, money order sales and other customer services. USS HARRY S TRUMAN with the Unisys III was able to service customers at an average of 1.58 minutes per customer, while USS ABRAHAM LINCOLN serviced customers at an average of 3.98 minutes per customer. **The Unisys III provided for a 60% reduction in the average time to provide customer service.**

6. Findings and Recommendations

The Unisys III Integrated Retail Terminal and Flexible Stamp Credit Accounting System were executed successfully. The metrics prove the Unisys III does provide for a more efficient means of producing postal reports electronically; however, until the means of connectivity to transmit the daily financial report to the USPS can be rectified the time savings achieved by this system will not be fully realized. The Unisys III in conjunction with the flexible credit accounting system has provided for a means of consolidating three separate postal reports (Money Order, Postage Meter and Stamp Sales) into one report thus requiring only one ex-cash remit check to be obtained from the disbursing officer.

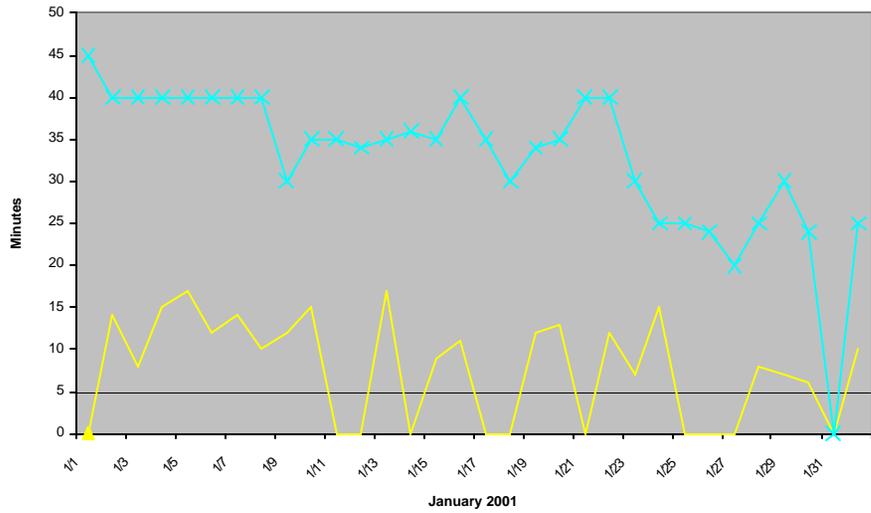
Based on comments made by the Postal Officer, USS HARRY S TRUMAN, recommend the Navy design a detailed training program for the Unisys III and the flexible credit system. A training program is needed not only for the postal clerks, but for the ship's auditing board as well.

USS HARRY S TRUMAN POSTAL INITIATIVE
Flex vs Fixed Stamp Credit



—◆— HST time spent on flexible credit daily accounting (minutes)
—■— Lincoln time spent on fixed credit daily accounting (minutes)

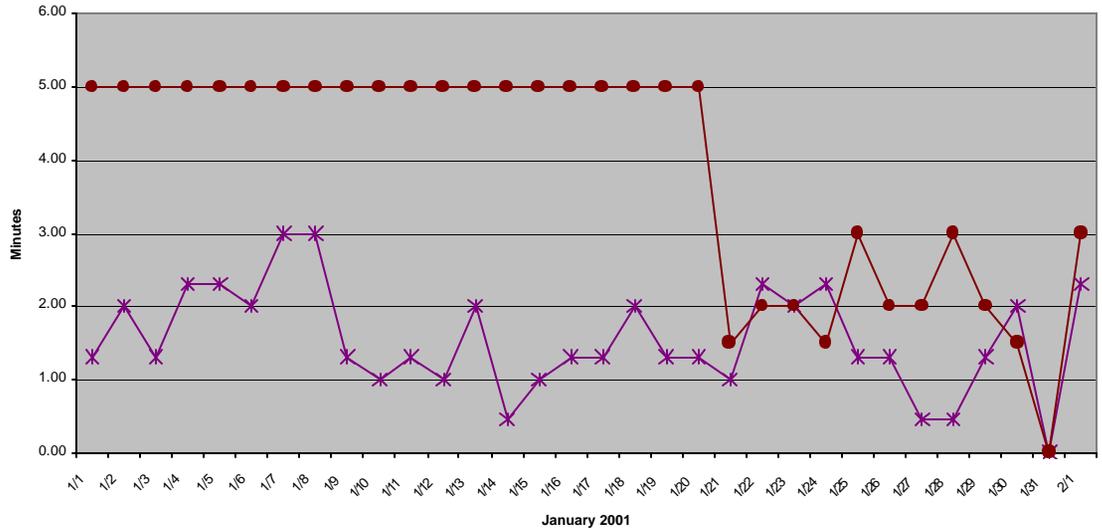
USS HARRY S TRUMAN POSTAL INITIATIVE
Fixed vs Flex Credit Maintenance



Average decrease of 76% of time spent on inventory maintenance during the first month of prototype

▲ HST Time spent on maintaining Flex Credit accounts (minutes)
× Lincoln Time spent on on maintaining Fixed Credit accounts (minutes)

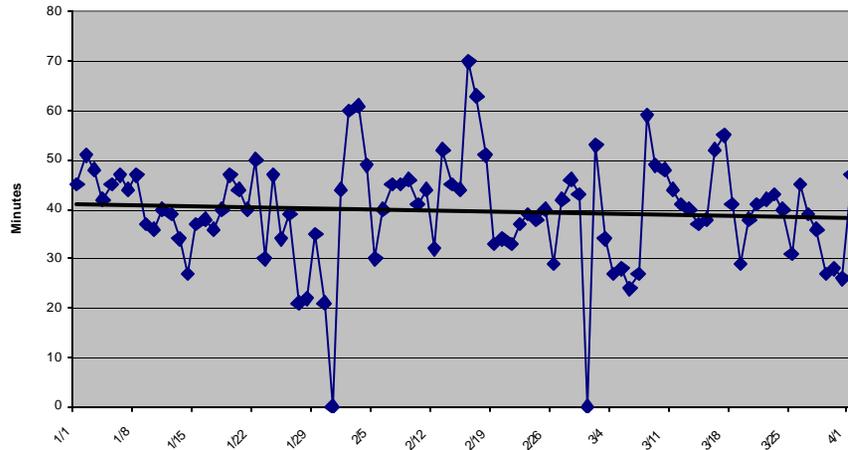
**USS HARRY S TRUMAN POSTAL INITIATIVE
Flex vs Fixed Credit Customer Service**



Time required to conduct customer transactions reduced by an average of 50% during the first month of the test

* HST Customer Service Transaction time (minutes)
● Lincoln Customer Service Transaction Time (minutes)

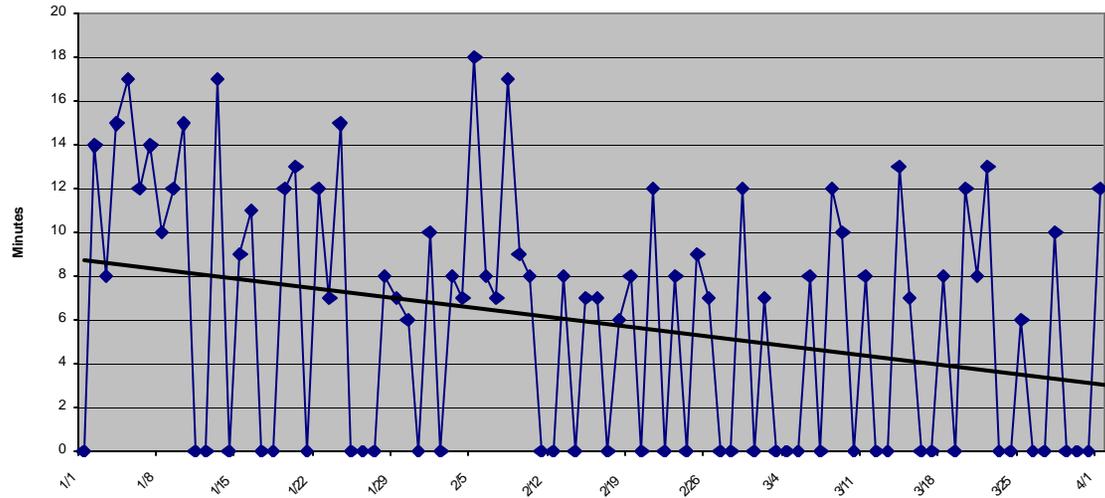
USS HARRY S TRUMAN POSTAL INITIATIVE
Flexible Credit Daily Accounting



◆ HST time spent on flexible credit daily accounting (minutes)
— Linear (HST time spent on flexible credit daily accounting (minutes))

Measurement includes time to complete cash collection and verification, completion of PS Form 1412 and obtaining Ex-Cash Remit check

**USS HARRY S TRUMAN (CVN 75) POSTAL INITIATIVE
Flexible Credit Maintenance**



Throughout the prototype the Unisys III and Flexible Credit Accounting system reduced account maintenance by an average of 82%

◆ HST Time spent on maintaining Flex Credit accounts (minutes)
— Linear (HST Time spent on maintaining Flex Credit accounts (minutes))

Measurement includes time spent on stamp stock inventory maintenance, completing stamp requisitions and audits

**USS HARRY S TRUMAN POSTAL INITIATIVE
Customer Transaction Times**

