This is why you're **losing money** on your Franking Machine!

Is it time to ditch your Franking Machine?

Contents

We look at the possibility that a franking machine is costing you more than you thought. We will also go over potential alternatives and modifications to regulations that you might be interested in!

What is a Franking Machine?

A franking machine is a metering device designed to streamline the mailing process for the sender. It cuts out the need to travel to the post office, queue up, weigh your mail items and affix the correct postage. Instead, the machine enables you to affix the correct postage via the machine, so that the sender can drop off the mail to the local post box or have it collected.

Franking Machine History

Franking machines have been around for over 100 years and were first used in the US during the Civil War. The first franking machines were large and complex, and cost thousands to purchase.

They are now considered the industry standard and have evolved considerably over the years, with the current models costing hundreds rather than thousands to purchase. They have been used across the world to reduce mailing costs.

However, many organisations do not truly understand the hidden costs and expenses of owning or leasing a franking machine. There are far more cost-effective ways to send mail.

Who champions Franking Machines?

With franking machines being a global industry, with an income of $45 billion per annum on postage alone, it's needless to say that Royal Mail isn't in a hurry to move away from these top-line numbers.

Franking machine users and manufacturers are reaping $10 billion-plus a year according to statistics in 2019. So, the emphasis on sticking with your trusty franking machine will be heavily weighted in favour of your franking process. And the disadvantages are brushed under the carpet.

$45bn
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$10bn
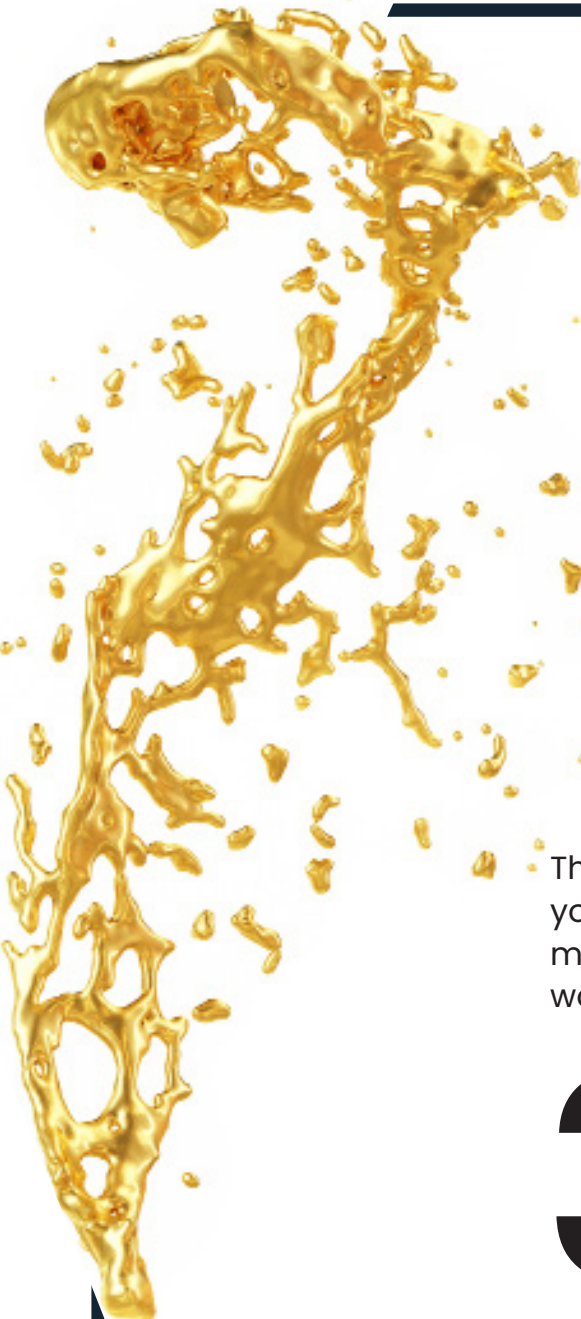suppliers & manufactured
are reaping the rewards

Let's explore...

What are their reasons for encouraging your organisation to stick with your franking machine postal service? Let's have a look at the main areas of interest:

#1 You get tied into a **contract** with the franking machine supplier; this can range from **5 to 7 years**, making a solid commitment from you, with limited get-out clauses.

#2 You have to pay for your mail before you've even sent anything. Crediting your machine up-front to secure your pounds first, whether you use your allowance or not.

#3 **Franking** is the second **most expensive way** to send your post, postage stamps being first on that list - more money for Royal Mail, more money for the franking supplier.

#4 Franking machine ink is an astronomical cost, which literally costs more than gold gram for gram. It costs more to ink your machine than any other ink in the world. You can expect to pay 3p per item sent just to attach a postage impression.

#5 With complex licenses and lease agreements for the privilege of running a franking machine, it makes it almost impossible to switch to a cost-efficient mailing solution.
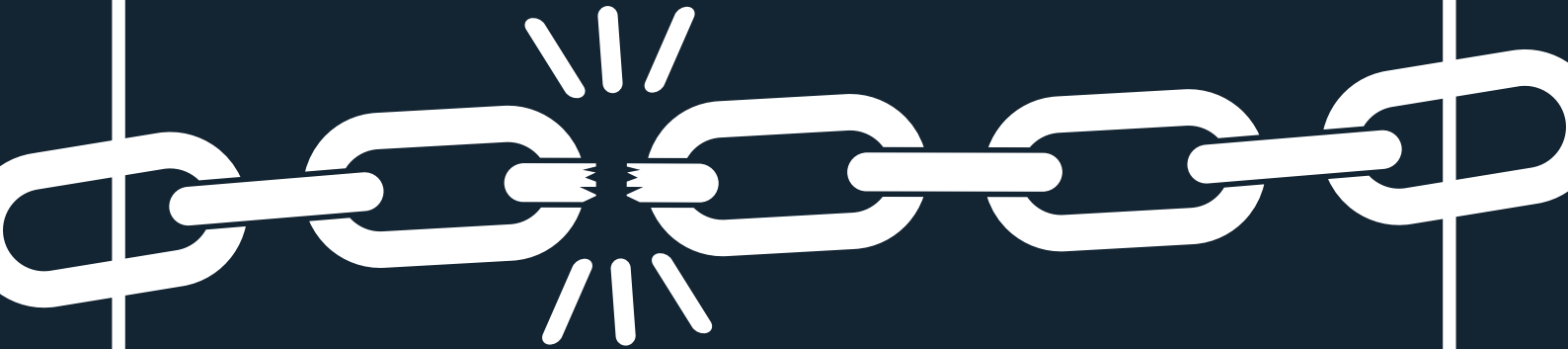
#6 Your machine has got a **life span of 4 to 5 years**, meaning you'll always need to **budget for that expense** to keep your postal solution running smoothly.

Those figures are spine-tingling and the main reason you're convinced to send your post via franking machine, rather than the solution benefiting and working for you and your organisation.

3x Ink costs 3x more, gram for gram than gold!
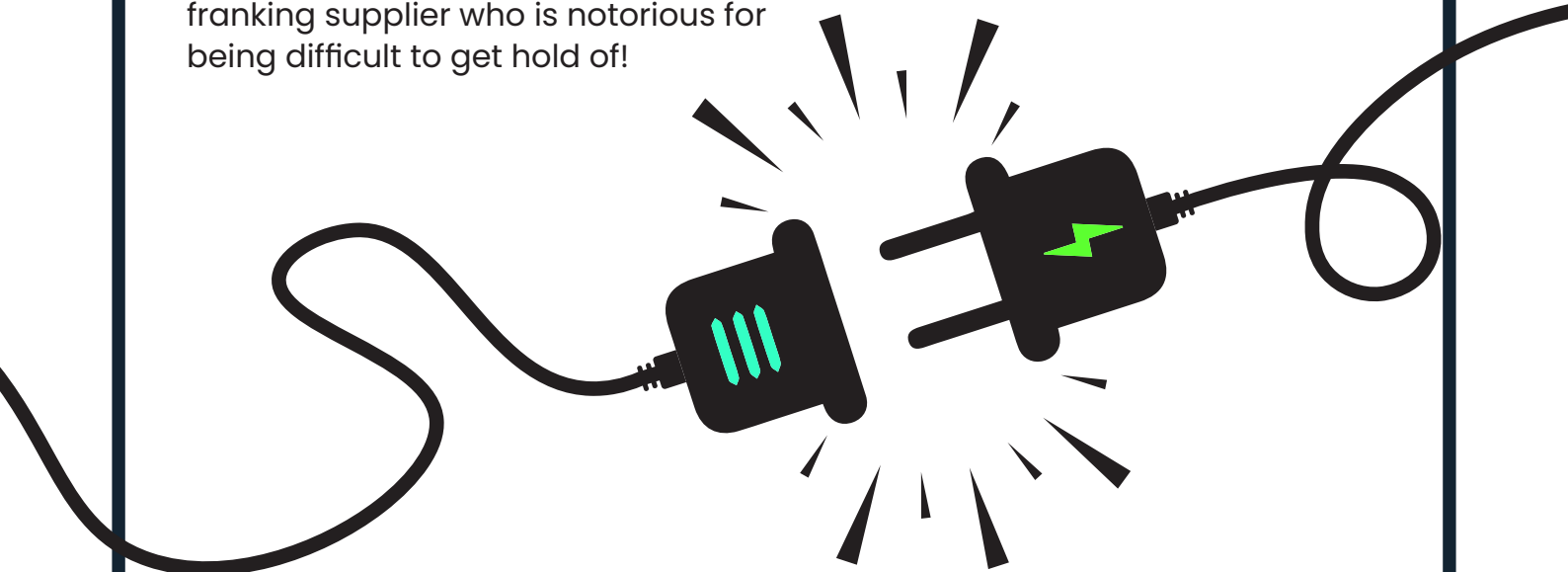
Flaws of a
Franking Machine

Rate & Tariff Changes

You need to keep up to date with Royal Mail tariff changes. They're not at set times of the year, fairly ad hoc and sporadic. It can happen up to 4 times a year, and if you miss these changes and thus haven't updated your machine, your mail will not go anywhere. Plus, the machines can be **turned off remotely**, so only updating the price changes will enable you to mail again.
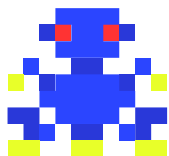
Paper Jamming

Is not only immensely inconvenient but also very costly to the franking machine user. You will have to **pay twice** to reprint mail that has jammed or attempt to reclaim that cost back. Good luck too, since your claim to be made is with your franking supplier who is notorious for being difficult to get hold of!
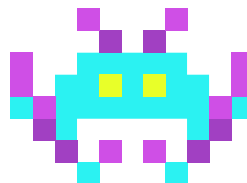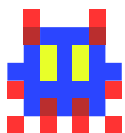
Space Invaders

Franking machines take up space. The bigger your volume, the bigger the space needed for the machine. If you have volume fluctuations, you are still committed to a large space and an **expensive machine**. Your ROI isn't going to be a positive one.

Rising Costs

The cost of leasing or owning a franking machine is high and franking users are not always aware of these costs before it's too late. Then you've committed to the **contract** and stuck in it for **5–7 years**. They are expensive to run, with franking ink being the most expensive ink in the world, costing more than gold. Leasing and paying monthly is costly, as is purchasing a new model. The more you spend, the more you'll pay, and with having to credit your account upfront, you're paying for items you haven't even sent yet.

Breakdowns

Your machine is faulty, something isn't working properly, or it isn't working at all. What can you do? No mail can be sent until an engineer is on the scene and no mail can be sent until that time. In the worst case, a part is needed and you have to wait for that too, plus the repair work. All this until you're up and running again. **What a headache!** You are guaranteed to miss that sensitive time window for your mail while waiting for any repair work.

Managing Stock

Another headache required to possess a franking machine. Someone has to be appointed to manage the stock levels of paper, envelopes and ink. There is a regular **consumable cost associated** with this, of course, in addition to the space required for all this stock.

Case Study

Case Study

In many organisations, the whole cost of purchasing or renting a franking machine could go unnoticed. We have been able to quantify what we believe to be a true reflection of what that cost is with the help of clients with whom we have an exceptional relationship.

We want to be open and sincere. After reading this, we hope to have been transparent enough for you to start thinking about your own postal practises.

Please note: The prices listed below are actual costs that were incurred by one of our clients. This breakdown is intended to help you understand what expenses you might have missed and why it will be worthwhile for you to take a comprehensive look at your spending.

Does hardware downtime cost put your core business at risk?

What are your utility costs and costs to maintain the equipment?

How much space does your machine take up?

How personal is your account manager?

Colour Letter Cost	1x A4
Letterhead paper per sheet	£0.0600
Continuation paper per sheet*	£0.0400
DL Envelope per (window)	£0.0300
Franked Postage costs 1st Class letter	£1.0600
Royal Mail Franked Mail Collection charges	£0.0294
Franking machine lease costs per	£0.0384
Franking machine service costs per	£0.0130
Franking machine Ink per	£0.0120
Photocopier per colour sheet service costs (includes Toner)	£0.4030
Photocopier per sheet lease costs	£0.7600
Total	£2.45

*Not included the single A4 sheet total.
For illustration purposes only.

Have you considered management time?

What amount of resource is required to negotiate costs on stock and material?

£2.45!!!!!!

Our jaws dropped too! We are with you through the Kubler-Ross grief cycle.

Acceptance

Accept that you or your team did nothing wrong. The world moves on and now there's a solution that will save you both time & money.

Anger
After comparing the data to your own, you are now angry, possibly at a coworker. Never be. They probably inspired you to read the wonderful whitepaper you have in front of you.

Bargaining
You might be tempted to go back to your supplier and bargain with them.

Denial
It's time to check your own numbers? What are you paying in total?

Depression
Door closed? Don't be disappointed.

DITCH YOUR FRANKING MACHINE

The alternative

Hybrid Mail collates and removes many of the costs you're now aware of. The cost to send hybrid mail is outlined below with the potential savings you could be making. Alongside our costs we have highlighted the average percentage of savings our customers have seen since switching their current supplier.

Scenario	imail comms^	AVG Saving %
A4 Letter (C5 Envelope)	£0.72	45%
A5 Postcard	£0.79	51%
International Mail	£1.20	67%
A4 Letter (A4 Envelope)	£1.50	61%

The majority of customers that have changed their postal processes have saved as much as 56%* on their current mailing methods. Existing Hybrid Mail customers have also seen savings, but value the level of automation and customisation available when using imail comms.

If that wasn't enough, check out the radical changes taking place in the postal market if you own a franking machine...

*Average saving percentage is based on clients comparing against existing postal processes across various products.
^From prices correct as of Q1 2024. Excluding VAT

Major changes taking place

Important changes for Franking Machine users

There are two major changes taking place this year which affect franking machine users. Standard franking postal impressions are being phased out to make way for Mailmark, which is the most up-to-date franking impression by Royal Mail. A new barcode is being introduced for Special Guaranteed Delivery and Royal Mail Signed For.

The new barcode is set to be rolled out on 31st October 2022 for Special Guaranteed Delivery and Royal Mail Signed For. 31st December 2022 will be the last date for non Mail marked franked mail because standard franking machines are being decertified.

This news means not only are these significant dates in the diary but also your franking machine is fastly growing out of date. Currently Special Delivery or Signed For franked mail needs to have a coloured adhesive sticker attached to the franked mail, but as of the 1st November 2022, this method will no longer be recognised and the new barcode, with additional information,

New Barcode
31st October 2022

Changes to Special Delivery or Signed For.

1st November 2022

will need to be included. Standard franking machines and older Mailmark machines will not work from this date.

In a nutshell, franking machine customers planning to send Special Delivery or Signed For as of 31st December 2022 will need to do so from a Mailmark franking machine that supports the new barcode.

A third significant date to add to the calendar is January 1, 2023, Royal Mail will no longer accept mail from standard franking machines. This process is known as "decertification."

DITCH YOUR FRANKING MACHINE

Last Day for non-Mailmarked Franked Mail

31st December 2022

Royal Mail no longer accept mail from standard machines

1st January 2023

Let's explore the alternative!
Hybrid Mail

Franking machines then, are you in or out?

We know your mail requirements are still essential and necessary for your organisation. We've illustrated the expense and commitments for owning or leasing a franking machine, we know they're inconvenient and cost your organisation greatly. We appreciate they are a cheaper alternative, but they are no longer the cheapest method for sending your mail.

imail comms can print, envelope, fulfill your mail with little involvement from your senders. The most convenient and efficient way to send mail with only a few clicks from your computer or laptop and the rest is done for you.
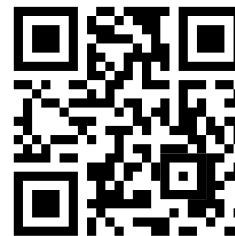
How does imail comms work?

You create your mail items, whether it be a letter, invoice or direct mail, either via your usual process or you can create them on our website. There are 5 methods for submitting those items to imail comms depending on preference and whether you have created them outside of the imail comms website.

You can send mail directly from our website, through our print client software, which once installed can be selected from your print drivers on your laptop or PC. You can send mail through our Autolink, which sits as a folder on your laptop or PC, and simply dragging and dropping your folder into the Autolink will submit your mail items to our printers. You can customise your set-up via SFTP. And finally, the fifth option is to have a bespoke custom-built API platform, to tailor the way you send your mail specifically to you.

You can then upload your mail piece and/or submit it digitally and directly to imail comms. It reaches our printers where we print them envelope them and send them through to the Royal Mail network. You have the option of sending your items through our premium or standard service.

You do not have to move from your desk, you can send letters from anywhere in the world with the same speed and accuracy as being in your office, and the same postage applies.

All these benefits, plus saving you a fortune on your post, saving you space, saving you time, and the best part, you can start straight away.

Examples of mail communications

- ✔ Business Communications
- ✔ Marketing Communications (Direct Mail)
- ✔ Invoices & Statements
- ✔ Patient Reminders & Appointment Letters
- ✔ PCN & TCN Letters
- ✔ Debt Collection Letters

imail comms benefits

✔ Upload & store your own letterheads

✔ Release post until 18:00*

✔ 3x number of attachments per envelope

✔ 30 day post archives (Extendable on request)

✔ Customer support available on both phone & email

✔ Automation workflows available**

No setup fees, no contracts, no minimum volume. You can send as few or as many items per day as you need to.

If you upscale your volume or your volume fluctuates, you will only pay for what you sent, and we do not ask for a commitment from you, nor will you be penalised for shrinking your volume at any point.

There is no better alternative to imail comms, and you can be safe in the knowledge that we are highly experienced with an award-winning reputation.

We take care of all the mundane tasks of mailing for you, with top-tier security at the forefront of everything we do.

It's time to **talk!**

Get in touch to find out more about making moves towards a better way of communication with your audience.
imailcomms.com/explore/hybrid-mail

Book a Demo here

imail|comms
Transforming conversations