

Service Provider ITI helps reduce inventory and mailing costs.



Client profile

Intellectual Technology, Inc.
intellectualtechnologyinc.com

- A leading service provider for government motor vehicle agencies
- Designs custom solutions to help motor vehicle agencies improve transaction speed, visibility and security
- Delivers solutions via self-service kiosks, over the counter, or through fulfillment centers



Overview

Intellectual Technology, Inc. (ITI) has been developing solutions for North American motor vehicle agencies for over 25 years. It provides a fully integrated department of motor vehicles (DMV) solution suite used to print and track vehicle registrations, manage license plate production and inventory and administer testing. ITI solutions are designed to reduce DMV office wait times, eliminate inventory costs, increase revenue, improve customer service and reduce fraud.

When asked by the Arizona Department of Transport (ADOT) to help reduce license plate inventory and mailing costs, ITI collaborated with Pitney Bowes® to provide a unique, out-of-the-box solution. Their innovative approach holds promise for many other states facing challenges similar to ADOT's.

Business challenge

ITI was invited to respond to an RFP issued by ADOT. The department was seeking ways to minimize the risk of compromising residents' personal data and reduce inventory and postage costs associated with license plate fulfillment.

ADOT purchased its license plates through the Arizona Department of Corrections and maintained a large stock of standard license plates in DMV offices. Because this involved bulk purchases of the plates by the thousands and created a large inventory cost, the department sought a solution for printing the plates on demand.

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— Dave Tackett, Director of License Plate Fulfillment, Intellectual Technology, Inc.

Services used

- Pitney Bowes® Presort Services

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In addition, ADOT estimated its annual postage costs for mailing license plates to be \$5 million. ITI knew they needed a partner to help reduce those postage costs. “Every print-on-demand solution we proposed required a postal presort solution,” says Dave Tackett, ITI’s Director of License Plate Fulfillment. “We spoke with several companies, but Pitney Bowes stood apart with their innovative approach.”

Solution

The Pitney Bowes® team recommended that ADOT redesign its license plate using lower gauge aluminum and remove the plate embossing. The redesigned plates could potentially meet USPS® mail flexibility requirements and run on Pitney Bowes’ high-speed sorting equipment as automation-compatible First-Class® flats. This would result in a significant reduction in mailing costs.

After ADOT conducted successful environmental testing on redesigned plate prototypes, ITI refined the license plate design to incorporate 18 percent less aluminum and the removal of all embossing. The Pitney Bowes team then successfully ran plate samples at their operating centers in Phoenix, AZ and Huntington Beach, CA. Next, they sent plates through the USPS network posted as automation-compatible First-Class flats to confirm the plates would also run on USPS sorting equipment.

As ITI had little experience working with the USPS, Pitney Bowes took the lead in the extensive process of having the plates certified as First-Class flats by the USPS National Mailing Requirements Office. The Pitney Bowes team provided product samples and the sort test data for an exhaustive USPS review.

“With Pitney Bowes’ help, we were able to get the national USPS approval for the plate design,” says Tackett. “That was huge for us. Now we can work with Pitney Bowes to pursue similar projects in other states.”

Benefits

By migrating to an on-demand license plate printing model and utilizing the First-Class flats classification, ADOT is saving an estimated \$3 million (60 percent) in annual postage costs. With print-on-demand, ADOT has also eliminated plate inventories at DMV locations. Plates are now available exclusively by mail, and ADOT only pays for plates that are made and shipped, not for bulk inventory purchases.

According to Tackett, both the project’s success and the national USPS plate certification will help ITI address a growing trend. “More states are migrating to print-on-demand solutions and mailing license plates to vehicle owners,” he says. “It’s particularly relevant during the pandemic, with many people staying at home. We’re looking forward to speaking with other states and jurisdictions about moving to just-in-time systems.”

Tackett is enthusiastic about the Pitney Bowes collaboration. “They’ve been there every step of the way,” he says. “Not just for Arizona, but in building out a national plan. ITI and Pitney Bowes are partnering to provide the most efficient, cost-effective solution possible for on-demand, just-in-time DMV solutions. We’re really enthusiastic about the future of our relationship with Pitney Bowes.”