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OFFICE OF COO

GREAT LAKES AREA 001/002



UNITED STATES  
POSTAL SERVICE  
VICE PRESIDENTS, AREA OPERATIONS  
MANAGER, CAPITAL METRO OPERATIONS

*Mey M.A.G.  
M.S.*



April 30, 2003

VICE PRESIDENTS, AREA OPERATIONS  
MANAGER, CAPITAL METRO OPERATIONS

SUBJECT: Mystery Shopper Evaluations

This is a reminder concerning the proper use of the Mystery Shopper evaluations.

The program's purpose and intent is to be used as a diagnostic tool to correct conditions that are detrimental to customer satisfaction and may inhibit revenue growth. Mystery shopping gives the Postal Service an objective view of our retail locations—a real-time snapshot of a customer interaction.

As you may already know, the Mystery Shopper transaction involves the shopper mailing an item to test the quality of the customer experience at retail units. If the retail associate asks the proper sales skills questions and conducts a perfect transaction, we know the revenue that would be generated. In Quarter 2, our average revenue loss per transaction ranged from a high of \$32 per item to a low of \$16. The areas with the lowest revenue loss were also the top scoring areas in terms of sales skills. This shows the positive correlation between high sales skills and revenue generation.

The Mystery Shopper program is not just about the score. It's even more important that the results drive behavior that will result in improved customer satisfaction and increased retail revenue. The attributes measured in the Mystery Shopper program should become so commonplace to our everyday performance that if the program were to end tomorrow, it would not change the customer's retail experience in any way.

Mystery Shopper evaluations do not, and should not, identify individuals and must not be used as the source for disciplinary action. I continually hear of instances where post offices are spending great deals of time reviewing tapes and Point of Sale receipts in an effort to identify the retail associate or the shopper. In many instances, offices try to use this information to discredit the shopper evaluation. This time can be much better spent in trying to drive behavior and ultimately increase customer satisfaction and retail revenue.

While Mystery Shopper evaluations must not be used as the source for disciplinary action, supervisors should be making independent personal observations of retail associate interaction with customers to ensure they are performing all aspects of their duties as instructed. This would include observations that allow them to coach employees to ask questions that will determine customer needs. The Retail Employee Observation form, PS Form 4000-B, should be used for this purpose. At least one observation should be completed every accounting period per retail associate. As with all employee performance observations, however, it's important to recognize performance as well as less than satisfactory performance is recognized.

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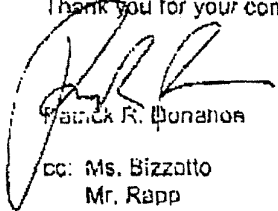
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I ask all of you to fully support the Mystery Shopper program. We have over seven million opportunities every business day at retail locations to establish the Postal Service as the premier provider of our customers' mailing needs. This program can help us to reap the benefits of increased customer satisfaction and revenue generation, but only if the results are used properly to correct retail performance as appropriate.

Thank you for your continued support.



Patrick R. Donahoe

cc: Ms. Bizzotto  
Mr. Rapp  
Mr. Pankey  
Mr. Wargo

*LET'S FOCUS ON THE POSITIVE!*