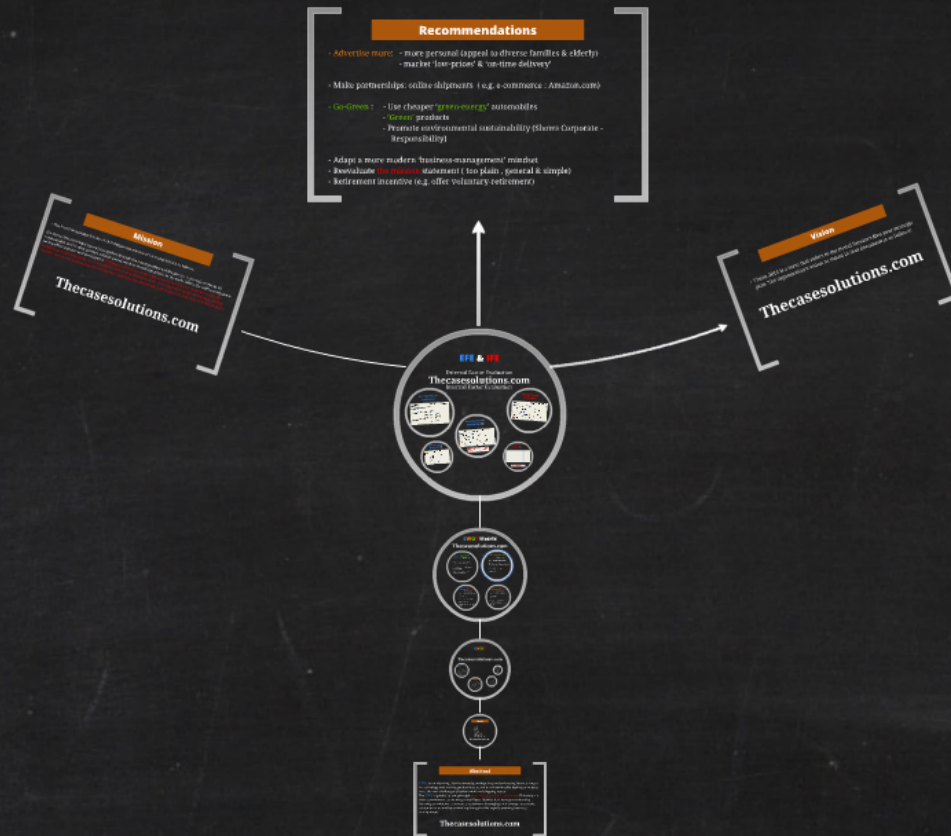


# Revenue Recognition for a Services Contract

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# Agenda

- Abstract
- Mission
- Vision
- IFE & EFE
- SWOT Analysis
- SWOT Matrix
- Recommendations

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## Abstract

USPS is transforming their business by anticipating and embracing future changes in technology and mailing preferences; actively and continually looking at ways to meet the new challenges of today's mail and shipping needs.

The USPS is guided by one principle: **we exist to serve our customers**. This vision is their commitment to ensuring a vital Postal Service for future generations by focusing on what matters most to customers, leveraging their strengths to create customer value and by embracing change in this rapidly evolving business environment.

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## Mission

- The Postal Reorganization Act of 1970 defines the mission of the Postal Service as follows:

The Postal Service to bind the nation together through the correspondence of the people, to provide access in all communities, and to offer prompt, reliable postal services at uniform prices. In the early 1990's, the USPS management reviewed the mission and developed a **Statement of Purpose: To provide every household and business across the United States with the ability to communicate and conduct business with each other and the world through prompt, reliable, secure and economical services for the collection, transmission and delivery of messages and merchandise.**

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## Vision

- Vision 2013 is a term that refers to the Postal Service's five-year strategic plan. The organization's vision as stated in that document is as follows:

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# EFE & IFE

## External Factor Evaluation Thecasesolutions.com Internal Factor Evaluation

### External Factor Evaluation

Key External Factors	Weight	Rating	Weighted Score
<b>External Opportunities</b>			
On average, the competitors are more expensive in services they offer compared to USPS	0.07	2	0.14
Governmental control offers the ability to get into banking as needed	0.07	2	0.14
Many consumers are shopping online for goods and services	0.06	2	0.12
The Postal Service updates its 5-year strategic plan annually to accommodate ongoing business environment changes	0.06	3	0.18
Aging population	0.06	3	0.18

### Internal Factor Evaluation

Key Internal Factors	Weight	Rating	Weighted Score
<b>Internal Strengths</b>			
USPS offers comprehensive Full-Service Mail® and Priority Mail® services to customers nationwide	0.09	3	0.27
Developed for government to address existing & future	0.05	2	0.10
USPS is well known for its reliability and service	0.11	3	0.33
USPS delivery of mail is faster than most other carriers	0.14	3	0.42
USPS offers a wide range of services to customers	0.09	3	0.27

### External Factor Evaluation (3)

Key External Factors	Weight	Rating	Weighted Score
USPS offers comprehensive Full-Service Mail® and Priority Mail® services to customers nationwide	0.09	3	0.27
Developed for government to address existing & future	0.05	2	0.10
USPS is well known for its reliability and service	0.11	3	0.33
USPS delivery of mail is faster than most other carriers	0.14	3	0.42
USPS offers a wide range of services to customers	0.09	3	0.27
<b>Total</b>			<b>1.34</b>

Weighted score 1.34 signifies that USPS strategies do not avoid external threats or capitalize on opportunities

### External Factor Evaluation (2)

Key External Factors	Weight	Rating	Weighted Score
USPS offers comprehensive Full-Service Mail® and Priority Mail® services to customers nationwide	0.09	3	0.27
Developed for government to address existing & future	0.05	2	0.10
USPS is well known for its reliability and service	0.11	3	0.33
USPS delivery of mail is faster than most other carriers	0.14	3	0.42
USPS offers a wide range of services to customers	0.09	3	0.27
<b>Total</b>			<b>1.34</b>

### Internal Factor Evaluation (2)

Key Internal Factors	Weight	Rating	Weighted Score
USPS offers comprehensive Full-Service Mail® and Priority Mail® services to customers nationwide	0.09	3	0.27
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<b>Total</b>			<b>1.34</b>

USPS offers a wide range of services to customers



# SWOT

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### Strengths

- Increases in volume of non-automation presort and First Class International letters
- Government funding if needed
- Drop in field and career employees could help reducing the operating expenses
- On-time delivery
- Employee leadership continuity

### Threats

- Weak economy
- Rise in fuel and gasoline prices
- Air transportation increased and surface transportation decreased
- Appointed board members
- Automation & Electronics
- Decrease in advertising
- Weak dollar
- Labor Shortage
- Competitors, FedEx Express, Small and UPS

### Weaknesses

- Less First Class Mail & volume decreased profit
- Decline in single-piece First Class letters
- Correspondence and transactions moved to electronic alternatives
- Lower mail volumes, which reduced working hours
- Increased Operating Expenses

### Opportunities

- On average, the competitors are more expensive in services they offer compared to USPS
- Governmental control offers the ability to get extra funding as needed
- More customers are shipping online for goods and services
- The Postal Service updates its 5-year strategic plan annually to accommodate ongoing business environment changes
- Increasing aging population



# SWOT Matrix

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### Strengths/Opportunities

SO = Maximize Opportunities

- Try getting government funding for investment
- Close agreements with online stores for (cheaper) shipping
- Involve managers and employees for formulation of strategic plan

### Weaknesses/Opportunities

WO = Maximize Opportunities

- Create a better company image
- Deliver mail to certain cities/states on certain days to cut back expenses
- Focus on loyal customers
- Keep prices low

### Strengths/Threats

ST = Maximize Strengths

- Motivate workers (efficiency, hours)
- Monitor economy
- More advertising (TV & Email)
- Advertise on websites
- Make international first class mail priority

### Weaknesses/Threats

WT = Maximize Strengths

- Analyze company durability; keep going or close
- Diversify services
- Partnerships
- Try to get funding to invest in cheaper transportation e.g. hydro fuel cars
- Review air transportation agreements with competitors