

ORGANIZATIONAL CASE STUDY: Guiding The U.S. Postal Service through a Volatile Age

Benjamin Franklin was an inventor, a philosopher, an entrepreneur, and a diplomat. He established a library, a militia, a hospital, a university, and a philosophical society. He worked to develop safer, well-lighted streets. He invented the Franklin stove, the lightning rod, bifocals—and advanced the study of electricity, heat absorption, and the Gulf Stream. In 1775, Benjamin Franklin also was named the first postmaster general (PMG) of the United States.

Almost 250 years later, it could be argued that the role of postmaster general requires an equivalent breadth and versatility. The United States Postal Service (USPS) employs more than a half million people, pulls in roughly \$70 billion in revenue, and processes more than 155 billion pieces of mail a year—40 percent of the world’s mail volume. USPS receives no tax dollars for operating expenses and relies on the sales of postage, products, and services to fund its operations. To complicate matters, USPS leaders are prevented from implementing some bold initiatives without congressional authority or collective bargaining. Even Ben Franklin might have thrown his hands up in despair, but it’s a reality that 21st-century postmaster generals have to figure into their strategies, and they do.

The United States Postal Service has been sending senior executives to the MIT Sloan Fellows Program for generations. More than 30 have graduated from the program, including the last three postmasters general. We recently had the opportunity to ask these leaders the core question: Why the MIT Sloan Fellows Program?

Each of the last three postmasters general have been MIT Sloan Fellows—John E. Potter, SF '95 (PMG 2001–2010), Patrick R. Donahoe, SF '93 (PMG 2010–2015), and Megan J. Brennan, SF '03, the sitting PMG as of February 1, 2015. In fact, USPS has sent more than 30 senior executives to the MIT Sloan Fellows Program over the last 30 years.

WE NEED LEADERS WHO CAN DRIVE CHANGE.

Megan Brennan: The Postal Service has to compete for business on a daily basis. We must continually reinvent ourselves just as our country and our world are in a perpetual process of reinvention. We send our most promising leaders to the MIT Sloan Fellows Program to shift their focus away from how things have always been done so they can focus on what might be. The program provides our leaders with the multifaceted skills, experiences, and resources they need to serve as inspired—and inspiring—change agents.

John Potter: We have to work tirelessly to ensure that the Postal Service is still viable, still essential to the citizens of our country. We count on our future leaders to return from the MIT Sloan Fellows Program with the latest information but also with an innovation mindset that will give them the ability to drive change wherever it is needed. As a Sloan Fellow, you get comfortable with a world where change is the status quo.

WE NEED LEADERS WHO ARE READY FOR WHATEVER COMES NEXT.

Megan Brennan: MIT is shaping the digital world and we need to be aware of where that's headed. We need to understand the latest e-commerce advances, workplace standards, and green practices. With one of the largest workforces in the nation, we must be in tune with what workers need and expect—and to be able to anticipate what they will need and expect in 10 years. Our fellows come back from MIT informed and resilient, ready to work on our greatest challenges. Just a few months after John Potter assumed the role of PMG in 2001, he was faced with 9/11 and the anthrax scare. You learn so much on so many different spectrums as a Sloan Fellow that you have the knowledge, the strategies, and—frankly—the character to handle the big issues. Bottom line: we send people to this program because we know there's nothing we can't throw at them when they return.

Patrick Donahoe: USPS leaders must be able to turn on a dime. They must be able to innovate in advance of the rapid succession of new realities that are presented daily. Not just react, but understand what's coming and be prepared to deal with it. I was a fellow in the early 90s at the start of the digital explosion. At MIT, I talked to peers and visiting CEOs who were sorting through major crises brought on by the digital age. I realized that many of these advances would also affect the Postal Service. What you learn at MIT is to look over the horizon at what's coming. At that time, the advance of digital commerce was daunting. We knew it would have an impact on every one of us, personally and professionally. Once we came to terms with that, we started to look at all the ways it could strengthen our organizations.



**Megan J. Brennan,
SF '03
Postmaster General
2015–present**

The 74th postmaster general of the United States and CEO of the world's largest postal organization, Brennan began her tenure as PMG in February 2015 and is the first female postmaster general. In the prior four years, she served as USPS COO and Executive VP. Brennan began her 30-year Postal Service career as a letter carrier in Lancaster, Pennsylvania.

WE NEED LEADERS WHO CAN LEVERAGE DIVERSITY.

John Potter: To be an effective leader, it's important to understand people and embrace how they are different. In the MIT Sloan Fellows Program, I learned how to optimize each person's distinctive assets to create a stronger team, offsetting one person's weakness with another's strengths. But I also learned about a diversity of industry perspectives. I went into the program knowing about operations management. At MIT, I was exposed to thinking from a multifunctional viewpoint. I grew to understand how different functions like human resources, finance, and marketing—functions I had not been exposed to very much—contribute to the success of an institution. As a Sloan Fellow, your world opens up.

Megan Brennan: The MIT Sloan Fellows Program leverages the cohort so that each fellow gets the most out of its extraordinary diversity. My study group included fellows from Japan, Argentina, and Singapore. We all brought markedly different personal and professional experiences to bear on the challenges we tackled in the group, and what we achieved together was amazing. Never had the sheer power of diversity been more apparent to me. I am still in touch with many of my classmates today. They are a trusted team of advisors with an immense diversity of talent and expertise. Two members of my class were present at my installation as postmaster general.



John Potter, SF '95
USPS Postmaster General
2001–2011

John Potter followed his father, a Manhattan letter carrier, into the Postal Service. Potter began as a distribution clerk keying ZIP codes into sorting machines, then worked his way up through the ranks to become an influential labor negotiator and ultimately the 72nd PMG. Potter is now president and CEO of the Metropolitan Washington Airports Authority.

WE NEED LEADERS WHO ARE CONFIDENT AND CAN-DO.

John Potter: The Postal Service uses the MIT Sloan Fellows Program as a stepping stone to elevate people from doers to thinkers. Many of our executives move up the ranks from blue-collar backgrounds. They have enormous potential, but tend to be risk averse. They need a broader background to build confidence in their own ideas and abilities. As a Sloan Fellow, I came to realize just how much authority and responsibility I had—more than most of my peers. I took a negotiations class and was able to contribute a great deal of knowledge about the labor contracts I'd negotiated. I hadn't realized before I entered the program just how much I knew.

Megan Brennan: I was actually a reluctant participant in the program. I loved my job and didn't want to leave it. Frankly, I also was a little daunted by the academic rigor of the program. I was 39 years old and hadn't been in a classroom for a long time—and this was MIT. But Patrick, who

was COO at the time, convinced me that the opportunity would be worth it. As soon as I arrived at MIT, I realized he was right. I recognized almost immediately what a mistake it would have been to miss the experience. On top of everything I learned about the world, I learned a lot about myself. I saw outright appreciation in the eyes of the others in my cohort. They were blown away by things I took for granted, such as the scale of our business, the level of responsibility we have, and the financial and labor issues we face every day. It really helps to step outside your universe and get a sense of where you stack up in the wider world. When your peers place a high value on what you've done, you realize the value of it yourself. I left the program with a far greater understanding of my own strengths.

WE NEED LEADERS WITH A GLOBAL—NOT A POSTAL—PERSPECTIVE.

Patrick Donahoe: What people don't realize about the Postal Service is that it is a true meritocracy. Megan, John, and I all started as postal carriers and mail sorters and worked our way up. We know the Postal Service inside and out. What we needed was to step outside that environment and learn as much as possible about the way the rest of the world works and how the Postal Service fits into that larger realm. I had a lot of exposure to leading-edge thought around lean operations, information technology, HR, and so many other areas critical to the health of USPS. I began to develop a vision of how we could serve our customers better, reduce costs, and run a more efficient organization. I couldn't wait to take it all back with me to the Postal Service and put it to work.

WE NEED LEADERS WHO CAN TRANSFORM THE POSTAL SERVICE.

Megan Brennan: At MIT, I was immersed for a year with disruptive technology leaders who challenged all preconceptions. I investigated how we could leverage big data to speed the pace of innovation. And I looked at how we could challenge existing paradigms and reshape the Postal Service infrastructure. My colleagues and I share a bold vision for the future of USPS, and we're doing everything in our power to drive that vision forward.

John Potter: When the Postal Service sends an employee to the MIT Sloan Fellows Program, it is making a big investment, but the benefits are clear. USPS fellows return to the organization with a new understanding of the importance of every function and how they fit together. They move away from the nuts and bolts of day-to-day management and get a perspective on the operation as a whole. We are excited about what we ourselves can contribute when we return, but we are just as excited about what the next fellows will bring back to the Postal Service when they graduate.

Patrick Donahoe: The MIT Sloan Fellows Program has been critical to the executive development of the Postal Service. When you look at all the fellows who have returned from the program, you see a story of impact. And not just the PMGs. Frank Neri, SF '05, put together a massive organizational change that made a significant improvement to efficiency without disrupting service—an amazing accomplishment. Jeff Williamson, SF '12, brought back essential new knowledge about human resources, employee retention, pricing, and about funding retirement benefits—just a small change in that law could save us billions, if Congress would approve it. We have the strategies to change this mega-organization when the country is ready for them.

Links

[Read what the chief human resources officer of one of the largest employers in the United States thinks about the MIT Sloan Fellows Program.](#)

[Learn more about corporate sponsorship and hear other alumni talk about the value they brought to their organizations as a result of their time in the MIT Sloan Fellows Program.](#)



**Patrick Donahoe,
SF '93
USPS Postmaster General
2010–2015**

A 35-year veteran of the Postal Service, Patrick R. Donahoe served as the 73rd PMG. He entered USPS as a clerk in Pittsburgh, Pennsylvania, where he worked his way through the University of Pittsburgh as an economics major, then up the ranks of the Postal Service to the top job.