



UPU WORLD
CEO FORUM
AMSTERDAM
2019

FINAL REPORT

WHERE **VISION**
MEETS **INNOVATION**



TABLE OF CONTENTS

MESSAGE FROM THE DIRECTOR GENERAL	5
EXECUTIVE SUMMARY	7
SPEAKERS	11
SUMMARY OF DISCUSSIONS AND KEY TAKEAWAYS	25
Session 1: Blockchain start-ups with postal services	
Session 2: New postal services for an ageing population	
Session 3: New postal services for the young	

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MESSAGE FROM THE DIRECTOR GENERAL

The fourth UPU World CEO Forum was held in Amsterdam, Netherlands, on 30 September 2019. The theme of the 2019 gathering was “new business models in an age of change”.

Following productive events in previous years in Paris, Moscow and Istanbul, the 2019 forum continued to build on the momentum of exchanging ideas. The event programme, speaker biographies and key takeaways are all presented in this report.

This gathering of postal decision-makers came just a few days after the dramatic events of the Extraordinary Congress in Geneva, during which challenging questions about the future of the terminal dues system were finally resolved, giving the UPU a new lease of life.

The Amsterdam forum began with a session on blockchain start-ups with postal services. Speakers from the Croatian, Turkish, Tunisian and Egyptian Posts discussed how they had considered and applied blockchain innovations in the international postal sector. Two experts on blockchain then addressed the CEOs, outlining their vision for the role that the UPU and its members would play in the fourth industrial revolution.

The second session dealt with the issue of new postal services for an ageing population. Four speakers, representing the postal operators of Lithuania, South Africa, Ukraine and Nigeria shared their strategies for catering to older customers. Though the demographic transition is more advanced in Europe and North America, two-thirds of the world’s older people live in developing regions.

The final panel looked at the younger end of the market, and the ways in which the postal sector can address the needs of the increasingly demanding youth segment. The CEOs of Botswana Post, Serpost (Peru), An Post (Ireland) and La Poste Djibouti contributed to this discussion.

The forum was rounded off with a closing speech by the UPU Deputy Director General and a dinner at which one final speaker, the Chairman of the UPU Council of Administration and Director General of the Turkish Post, addressed the CEOs.

Throughout the day, there were opportunities for top executives of the postal industry to network and pose questions on the panel topics. This face-to-face interaction is a much-valued benefit of our annual CEO Forum.

I would like to thank UKI Media, which gave special support to the forum this year, and the leaders who made the journey to Amsterdam to participate in this important event in the UPU calendar.

I hope this report proves useful as a concise record of the fourth UPU World CEO Forum for participants and all other UPU members alike. We are all aware that we need to compete in the areas of e-commerce and financial and digital services if we are to thrive in the future. The forum allowed us to address the urgent issue of developing new business models in this competitive sector. Thank you for your participation.

Bishar A. Hussein

*Director General
of the UPU International Bureau*

EXECUTIVE SUMMARY

The 2019 edition of the UPU World CEO Forum took place in Amsterdam, Netherlands, on 30 September, ahead of the three-day Parcel+Post Expo. This was the fourth time that postal leaders had come together for an annual exchange of ideas.

Before the wider industry – including couriers, e-fulfilment companies, cross-border shoppers and delivery companies – descended on the RAI Amsterdam Convention Centre, the attending CEOs were given time to discuss their own roles and priorities in a collaborative setting.

The forum, entitled “New business models in an age of change”, was well attended, bringing together representatives from more than 40 countries, three-quarters of whom came from outside Europe. Africa and the Middle East were well represented and there were participants from as far afield as Brazil, Fiji, Malaysia and Peru.

This report presents the forum programme, speakers and key takeaways from the three topics discussed on the day. The forum also provided postal leaders with the opportunity to network between programme events.

During the 2018 edition of the UPU World CEO Forum, a two-day event held in Turkey, CEOs discussed the global dynamics that affect the postal sector. Participants also deliberated on the ideal postal portfolio for meeting customer expectations, and examined the public service role of postal operators.

The focus of the 2019 gathering was the advent of blockchain, and the best ways to reach two very different demographic groups: older and younger people. A common thread running through all three topics was the digital divide. The day began with an interactive interview with UPU Director General Bishar A. Hussein.

Mr Hussein took the opportunity to recap the successful but hard-won outcome of the Extraordinary Congress in Geneva just a few days earlier, and he reminded participants that wider reform of the Union was essential, given that Posts hold less than 30% of the global delivery market.

The topic of the morning session was “Blockchain start-ups with postal services”. In addition to the contribution of postal CEOs, who reported on their blockchain activities, the discussion included input from two expert guest speakers – Mr Moses Ma, Managing Partner of FutureLab Blockchain Lab, and Dr Christian Jaag, Founder and Counsel with Swiss Economics.

Blockchain is gathering momentum and has the potential to address barriers to financial inclusion and improve cybersecurity and digital identity. It is part of a shift towards a new financial system, one of 10 tipping points for the global postal sector identified by the UPU.

Traditional banking may have entered an irreversible decline. It is facing competition from the alternative financial systems offered by Internet platforms, such as peer-to-peer lending, and the emergence of new players, as well as digital currencies. Participants discussed how postal operators that offer financial services must position themselves in this new financial order.

According to the World Bank, two-thirds of the 1.7 billion unbanked adults worldwide have access to mobile phones, making mobile payment services facilitated by blockchain a major opportunity for Posts.

The key takeaway from this discussion was that postal operators, with their trusted brands and vast networks, are uniquely positioned to exploit the full potential of blockchain. Swift action is needed. Now is the time to create a global postal blockchain application as a consortium.

Despite not being experts on blockchain, postal operators are under pressure to learn and move quickly. An increasingly popular idea is to have start-ups develop innovations that postal operators can then apply to their business processes.

Worldwide cooperation between UPU members is essential. Moses Ma made the point that the UPU could form the ideal “trust anchor” because it inspires more confidence than Facebook, governments or banks. Christian Jaag said it was in the UPU’s interest to create its own blockchain rather than rely on an existing system.

Several speakers remarked that these are challenging times for postal operators worldwide. While younger customers expect high-level digital and mobile services from all businesses, including Posts, many older customers are resistant to change and reject new models for interacting with postal operators. This is against the backdrop of continued pressure from governments for Posts to fulfil their public service mission. As noted in previous discussions, the public service mission generally takes precedence over the commercial imperative, with Posts called upon to play a special role in social cohesion and infrastructure – and not just in rural areas.

The ideal solution would marry technological innovation with customer satisfaction. Some of the Posts presenting at the 2019 forum, especially those that had become profitable again, felt that they were striking this delicate balance.

The two afternoon panels picked up the discussion on demographics, looking at how to respond to the needs and characteristics of two specific segments of the population – older and younger people.

In the session “New postal services for an ageing population”, participants heard from countries with very different demographic profiles, from Lithuania, where over-65s account for 23% of the population, to Nigeria, where they represent only 3%. But with life expectancy improving in developing countries, the older population is growing steadily.

Posts are not only socially obligated but also commercially motivated to serve older customers, who represent untapped potential. Moreover, because older people face more barriers than other customer groups – including health problems and limited budgets and transport options – they stand to benefit most from postal services. This is especially true in areas with high emigration, where older people rely on the parcels and money that they receive from younger relatives working in other parts of the country or abroad.

A number of Posts, including Japan Post and La Poste (France), have introduced home visits for older people who live alone, a service which is greatly appreciated by absent family members. There is ample opportunity to expand this service, along with deliveries of food and medicine. Mobile post office teams are ideally placed to provide tailored services such as these to customers’ doors. Amidst resistance to rural post office closures, supplementing the physical postal network with mobile teams would be a worthwhile pilot project. Mobile team trials run by Ukrposhta (Ukraine) have already proven successful.

The award-winning Address Verification System rolled out by Nigeria’s NIPOST has particularly benefited older people in rural areas, where road networks are inadequate and addresses can be difficult to register. Older customers who verify their addresses using a mobile phone improve their access to services and hence their economic inclusion.

Panellists agreed that catering for this demographic was challenging because it called for cheap and widely available services. In addition, as older people tended to resist change and innovation, it could take them longer to get used to new technologies. While older generations are still thinking in analogue terms, new generations are digitally minded and have different ideas about what makes a service or product valuable.

The needs and preferences of the world's youth are shaping developments in various industries, with technology, sustainable development and innovation at the forefront. In the session on "New postal services for the young", postal CEOs examined the ways in which the postal sector can respond to the needs of an increasingly demanding target group.

In terms of partnerships, Botswana Post has found it useful to team up with popular chain stores to expand its physical network. Locating kiosks that provide a full suite of postal services in places where young people shop is one way of gaining access to that particular audience.

Posts can also play an educational role, boosting financial literacy among younger people. Those who obtain personal financial advice from the Post are more likely to opt for its financial products. In this way, the Post can meet its social and economic obligations while also attracting business.

Mobile apps for financial services are the most effective way to reach younger people, who are generally comfortable with self-service and expect to be able to run their lives from their phones. Being able to purchase postage labels online and send parcels and returns 24/7 is becoming common.

For younger customers to consider the Post a good match, image and branding are important. These customers want to align themselves with brands that share their values. Ideally, the company should look and feel contemporary in its design, as well as having clear commitments to sustainability and innovation. For example, An Post (Ireland), which rebranded earlier this year, has a sustainability charter that covers climate action, decent work and sustainable cities and communities. The aim is to deliver the nation's post in a fully sustainable way using green vehicles, producing zero emissions throughout the country by 2030.

UPU Deputy Director General Pascal Clivaz was upbeat in his closing remarks after the panel sessions. He reminded participants that the organization was continuously working on sector-wide development, measured by its Integrated Index for Postal Development. He shared the organization's goals for next cycle: to become a forum, to boost its product and service offering, and to act as a knowledge centre for the sector. "We are on the right track," he said.

In Abidjan next August, the 27th UPU Congress will be invited to approve the Union's strategic plan for 2021–2024, to be known as the Abidjan Postal Strategy. Preparing that strategy will involve analyzing the risks and opportunities faced by postal operators and the role of the UPU in supporting them. The 2019 UPU World CEO Forum made an important contribution to that process.

SPEAKERS



BISHAR A. HUSSEIN

Director General of the UPU International Bureau

Bishar Abdirahman Hussein was first elected Director General of the UPU International Bureau at the 25th Universal Postal Congress in Doha in October 2012 and received a second mandate during the 26th Congress in Istanbul.

Mr Hussein is vastly experienced in UPU and postal matters. He chaired the UPU Council of Administration for the 2008–2012 cycle, having been designated by the Government of Kenya to chair the 24th UPU Congress, held in Geneva in 2008.

In September 2010, he successfully chaired the UPU Strategy Conference in Nairobi. The conference provided a forum for discussion of important global issues affecting the postal sector and paved the way for the development of the Doha Postal Strategy.

Mr Hussein began his postal career with the Kenya Posts and Telecommunications Corporation, which he joined in 1984 as a management trainee. He rose through the ranks and, in 1999, became the first Postmaster General of the Postal Corporation of Kenya, which he led from

a loss-making to a profitable and self-sustaining postal enterprise.

In 2002, he was appointed ambassador of Kenya to the United Arab Emirates, covering the Gulf Region, for a six-year period.

He holds a Bachelor of Arts degree (Honours) in political science and sociology from the University of Nairobi. Throughout his 28 years of public service, Mr Hussein has attended many courses and seminars in postal management, human resources, finance, administration and diplomacy.



PASCAL CLIVAZ

Deputy Director General of the UPU International Bureau

Pascal Clivaz has been Deputy Director General of the UPU International Bureau since January 2013, having been elected to the position on 10 October 2012, at the 25th Universal Postal Congress in Doha, Qatar. He was re-elected at the 26th Congress in Istanbul in 2016.

Until his election, he was Director of Finance and Strategy at the International Bureau, which he joined in 2005.

Mr Clivaz, a Swiss citizen from the alpine canton of Valais, has 19 years' experience working in the postal sector and the UPU. A law graduate, he has held numerous roles in both private and public organizations, as well as at the European Commission in Brussels.

He began his postal career at Swiss Post as a scientific adviser responsible for finance and strategy, before rising to become director of international affairs and a member of the Swiss operator's management team. He led the Swiss delegation at the UPU Council of Administration and Postal Operations Council sessions between 2000 and 2004.



IVAN ČULO

President of the Board, HP – Croatian Post Inc.

Ivan Čulo joined Croatian Post in 1997 and has been involved in all the company's processes and operations over the past 22 years. He was steadily promoted through the ranks, from the position of postal traffic operator to his current role of CEO, which he has held since 2017. As a member of Croatian Post's top management for more than a decade, he has been directly involved in the company's strategic business operations. Although his expertise is aligned to the company's core business, he has also been actively involved in other strategic projects.

Mr Čulo obtained his formal higher education while working at Croatian Post, enrolling in the Faculty of Transport and Traffic Sciences in Zagreb in 1997. Having attained a master's degree in transport and traffic engineering in 2004, he continued with his education and was awarded a master's in economics after completing a specialized postgraduate programme at the Faculty of Economics in Rijeka in 2010.

14



İSMAIL KÖSE

CEO of the Turkish Post Technology Subsidiary

İsmail Köse graduated with honours in computer science and engineering at Frankfurt University of Applied Sciences. He held a range of managerial positions in Germany and the UK, including Project Manager with the Hessen Province Ministry of Education from 2003 to 2006, IT Director for various companies from 2005 to 2008 and Technology Adviser for Deutsche Bank and Commerzbank on behalf of Logica from 2008 to 2012. Between 2012 and 2014, he was Deputy Director General of IGMG for Saudi Arabia.

Mr Köse subsequently returned to Turkey to work as a Project and Cyber Security Manager in TEI and HAVELSAN. After starting as an advisor to the Director General at Turkish Post (PTT), he became a board member and General Director of PTT Information Technologies Corp on behalf of PTT.



JAWHER FERJAOUI

President and CEO of Tunisia Post

Jawher Ferjaoui has 24 years' experience in the information and communication technology sector. He holds an engineering degree in telecommunications with a specialism in information technology and networks. He held various senior positions in Tunisia's ministries of public health and social affairs up to 2007.

Mr Ferjaoui then spent two years as Director General of the Digital Economy within the Ministry of Technology and Communication, followed by a further two years as Chief of Staff at the Ministry until 2010. From there, he became Director General of the National Centre for Information Technology before returning

to the communications ministry to take up the position of Director General of Companies, Statistics and Development.

From 2015 to 2018, he was President and Director General of the Tunisian Internet Agency, during which time he oversaw the launch of a cloud enabler and the transformation of the agency into a wholesale provider. Mr Ferjaoui was appointed CEO and Chairman of Tunisia Post in May 2018.



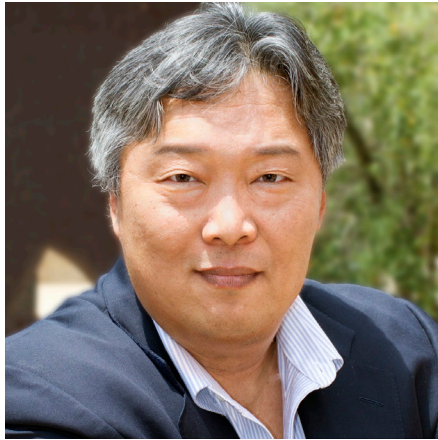
ESSAM EL SAGHIR

Chairman of Egypt Post

In the Middle East and North Africa, Essam El Saghir is considered a prominent expert in developing and automating postal and logistical services. In 2015, he was appointed Chairman of Egypt Post, where he is responsible for leading the Post's transformation. Mr El Saghir is known for his visionary development strategy. He has led projects that have taken the Post from a loss of 450 million EGP to net profit of 4 billion EGP over the past two years. His mandate also includes developing advanced smart government e-services that meet the highest quality

and control standards, as well as reducing operational costs.

Mr El Saghir has participated in several strategic projects for developing postal systems in many countries worldwide, such as Denmark, Germany, India, Ireland, Japan, Switzerland and the UK. He is a board member of Post for Investment, Post for Systems and Post for Delivery. He holds several regional and international certificates in information technology and electronic systems design and development.



MOSES MA

Managing Partner, FutureLab Blockchain Lab

Moses Ma is an innovation consultant who works with senior executives at global companies and organizations to help them become more agile and innovative. He has been praised as a technology visionary in Time Magazine and the New York Times. Over the years, he has been at the forefront of many exciting technological developments: he was a hit video game designer who invented the category of networked games, and also transformed an uncaptialized software start-up into the 97th largest, seventh-fastest growing and 11th most profitable such outfit in the country. During his time at the CommerceNet thinktank, he invented

the concept of eMarkets. Currently, he manages the FutureLab Blockchain Lab, where he oversees a number of exciting blockchain and quantum computing projects, including exploring the possibility of a global postal blockchain consortium with the UPU.

Mr Ma trained as a scientist and received a Bachelor of Science degree in physics from Caltech in 1979.



CHRISTIAN JAAG

Founder and Counsel with Swiss Economics

Christian Jaag is co-founder and Counsel at Swiss Economics, a consultancy firm. He has worked extensively on economic consulting assignments for a range of corporate and public sector clients across regulated industries such as Post, telecommunications, transport and energy.

Dr Jaag specializes in providing advice in relation to regulation, competition economics, industry frameworks, pricing and quantitative management.

He is also a lecturer in economics and management at the Swiss Federal Institute of Technology in Lausanne. In addition, he

is a member of the scientific committee of the Florence Competition Programme at the European University Institute.

Born in 1976, Christian Jaag was educated at the University of St Gallen, ESCP Europe and the Study Center Gerzensee (lic. oec. HSG, 2001; PhD in economics and finance, 2006). He spent time as a visiting scholar in the economics department of Rutgers University.

He is the author of numerous academic and applied articles on public economics, industrial organization, regulatory economics and law and economics.





ASTA SUNGAILIENĖ

CEO, Lithuania Post

Asta Sungailienė was appointed CEO of Lietuvos Pastas by the state postal company's management board in February 2018. She is the first woman to lead the company. Born in 1971, she completed a bachelor in business administration and management (1993) and a master's degree in finance and banking (1997) at Vytautas Magnus University.

Over the past 20 years, Ms Sungailienė has worked at AB Vilniaus Bankas and UAB VB Rizikos kapitalo valdymas (now SEB Venture Capital), and held various managerial positions at SEB Bank

(managing the SEB Bank Private Banking and Operations departments in Vilnius and also heading up the Reconciliation Unit for General and Static Data in Riga). From 2014 to 2016, she worked for the Private Equity Investment and Corporate Strategic Management Board of investment company Ad Ventum.



LINDIWE KWELE

Acting Group CEO, South African Post Office

Lindiwe Kwele was appointed Chief Operating Officer of the Post Office in June 2017 and is currently the acting Group CEO.

She was Deputy City Manager for the City of Tshwane Metropolitan Municipality from January 2012, and acted as City Manager from August 2016 until she was appointed at the Post Office. The City of Tshwane employs 25,000 people.

From December 2008 until her appointment in Tshwane, she was CEO of the Joburg Tourism Company. She was also CEO of Durban Africa and head of

the Business Support Unit at the eThekweni Metropolitan Municipality.

She holds an MBA from the University of Wales and has successfully completed the Gordon Institute of Business Science's Executive Leadership Programme and the Municipal Finance Management Programme at the University of Pretoria. She also has a B Admin degree (majoring in economics and public administration) from the University of Durban-Westville (now UKZN).



OLEKSANDR PERTSOVSKYI

Chief Operating Officer, Ukraine Post

A graduate of Kyiv University (Ukraine) and Brandeis University (United States), Mr Pertsovskiy spent seven years with the world's largest logistics company, Deutsche Post DHL Group. He drove operational transformation and new business launch projects across China, Germany, Japan, Malaysia, Oman, Singapore, the United Kingdom and the United States, among other markets.

In 2016, at the invitation of the government, Mr Pertsovskiy returned to his native Ukraine to drive the transformation of Ukrposhta (Ukraine Post), one of the country's largest state-owned enterprises

with a workforce of more than 73,000. Mr Pertsovskiy was appointed the company's Chief Operating Officer.

Since that time, the state entity has become a joint stock company with an independent board, achieved 21% annual revenue growth, and gone from posting losses to turning a profit in Q1 2019.



ADEBISI ADEGBUYI

CEO, Nigeria Post

Mr Adegbuyi is an accomplished lawyer and businessman who was appointed Postmaster General/CEO of Nigeria Post in 2016. A strong advocate of public-private initiatives in government, Mr Adegbuyi holds an LL.B (Hons.) and a master's degree in law, specializing in secured credit transition and international economic law, from the University of Lagos, Nigeria.

In his tenure as CEO, Mr Adegbuyi has overseen the introduction of significant innovations and new products, including the Digital Addressing System and the Address Verification System. This pragmatic

solution to the addressing challenges in the country won an award during the 2018 World Summit on the Information Society in Geneva, Switzerland.

Mr Adegbuyi is committed to extending financial services to the banked, under-banked and unbanked members of public in the rural areas of Nigeria and beyond the national borders through NIPOST post transfer and NIPOST agency banking. To this end, he has pursued a strategic partnership with banks and financial service providers.





CORNELIUS WYNTER RAMATLHAKWANE

CEO, BotswanaPost

Mr Ramatlhakwane has managed to turn BotswanaPost from a loss-making to a profitable company since his appointment as its CEO in 2016.

Under his leadership, the traditional nationally focused post office has been transformed into a service provider. Prior to his current position, he was Head of Business Development at BotswanaPost. He has extensive experience in the financial and hospitality sectors.

Mr Ramatlhakwane has held a range of positions at Standard Chartered Bank, including Head of National Sales, Head of Service Quality and Head of Marketing.

In these roles, he has demonstrated his capacity for strategic leadership, customer experience, sales management and marketing and communications solutions. He has also gained valuable experience at Cresta, SeaFood Wholesalers and Deloitte & Touche.

Mr Ramatlhakwane holds an MSc in Strategic Management from the University of Derby, United Kingdom and a Certificate in Management Studies from the Management College of Southern Africa, and has completed the Executive Development Programme at the University of Stellenbosch.

21



GERARDO FREIBERG PUENTE

CEO, Serpost S.A. (Peru)

Mr Freiberg Puente holds an MBA from ESAN Graduate School of Business and a degree in industrial engineering from the University of Lima. He has over 30 years' experience in several businesses, including logistics, banking and entertainment.

Mr Freiberg Puente is skilled in redefining businesses, turning around negative results and consolidating organizations by applying continuous improvement methods, as well as organizational integration geared to reinforcing internal and external links.



DAVID MCREDMOND

Group CEO, An Post (Ireland)

David McRedmond was appointed Chief Executive Officer of An Post in October 2016. He was previously CEO of TV3, where he transformed the company into a major Irish broadcaster, concluding with its sale to Liberty Global in December 2015. Prior to this, Mr McRedmond was the Commercial Director of Eircom and the Managing Director of Eircom Enterprises. His early career was as a retail industry executive in the UK and USA, where he held senior roles such as Operations Director of Waterstones, Managing Director of WH Smith Travel Retail and CEO of WH Smith Inc.

A native of Dublin, Mr McRedmond holds a master's degree in modern Irish history from University College Dublin. He completed the Top Management Programme at the Cabinet Office, UK, and the Advanced Management Programme at INSEAD. He is the non-executive Chairman of Eir, Ireland's leading telecoms company, a director of Premier Lotteries Ireland and a fellow of the Royal Society of Arts.



BAHNAN ALI MAIDAL

CEO, La Poste Djibouti

Mr Bahnan Ali Maidal has been the Director General of Djibouti Post since 2014. During this time, he has focused on giving a young and dynamic image to the Post. He has led the push towards technological optimization to launch Djibouti Post's entry into the world of e-commerce and other postal segments.

Mr Maidal previously worked with the Ministry of Posts and Telecommunications as a technical adviser. In addition, he served in the Djibouti army as a communications officer. He holds a master's degree in communication, strategy and media from the School of Advanced International and Political Studies (HEIP Paris), studied law and economics at the University of Clermont-Ferrand in France and speaks five languages.



SUMMARY OF DISCUSSIONS AND **KEY TAKEAWAYS**

SESSION 1: BLOCKCHAIN START-UPS WITH POSTAL SERVICES

The importance of digitalization to the global economy cannot be overstated, which is why the Universal Postal Union has made digital transformation a priority. The UPU has a key role to play in generating industry momentum for new technologies, financial services and digitalization.

As new digital technologies proliferate, every aspect of economic and social behaviour is affected, from trade to financial services to the delivery of public services.

Blockchain and cryptographic technologies are the latest tools that businesses can use to adapt and innovate more rapidly than ever. Postal operators, with their trusted brands and vast networks, are uniquely positioned to exploit the full potential of blockchain. Transparency and trust are key pillars for both the Post and blockchain.

If Posts take the right steps now, they could find themselves in a stronger position than e-commerce giants like Amazon, Facebook and Google, Moses Ma told the first panel at the CEO Forum. Mr Ma held the view that the best and possibly

only channel to the unbanked and undocumented people of the world was via the Post, and that blockchain was the key to bridging the digital divide.

Postal operators are not experts in blockchain but need to learn and move quickly. There are several possible routes to innovation in this area. An increasingly popular idea is to have start-ups develop innovations that postal operators can then apply to their business processes.

In this session, speakers from Croatia Post, Egypt Post and Turkish Post discussed how they had considered or applied blockchain innovations in the international postal sector, including through partnerships with start-ups.

The concept of blockchain can be hard to grasp. It is defined as a distributed, decentralized, public ledger, but this reveals little about the scope of the technology. Simply put, the 'block' is a piece of digital information and the 'chain' is the public database in which it is stored. The advantage of blockchain is that it allows digital information to be recorded and distributed without being edited. This makes it a highly secure way of recording data. The fact that the blocks include unchangeable time stamps also makes it ideal for use in trusted transactions, including authentication.

The record-keeping technology that gave us bitcoin potentially has a myriad of other applications related to data storage, from property sales, to stops in a supply chain, to votes in an election.

Before the experts were invited to speak on the subject, the UPU members present spoke about their practical experience of blockchain.

Ivan Čulo, CEO of Croatian Post, told the forum that it was time to leave behind conservative business models and to develop new services for citizens. His newly profitable entity was investing in technology and had successfully trialled a cryptocurrency service for tourists in Zadar in the summer, he said. It now planned to develop this into a post office-based service for the country's resident population.

He explained that Croatian Post was trying to learn from the best practices of other designated operators that were making forays into the blockchain industry. One of the issues that the Post was experiencing was the involvement of the government, which knew little about the subject. Mr Čulo said that the company was thinking of hiring blockchain experts with a view to more quickly implementing the technology.

Next, the forum heard from Ismail Köse, CEO of PTT Technology, the technology subsidiary set up by Turkish Post to provide services for the postal operator, such as a blockchain-based digital stamp, and for telecom companies and other external clients.

Turkish Post is one of the biggest payment service providers in the country. It has three technology universities and also works with small start-ups, investing in their innovative projects.

"We want to establish a blockchain hub in Istanbul to jointly develop blockchain solutions for different industries", Mr Köse said. The operator has concentrated expertise in technology parks and research centres and is sharing its knowledge with businesses across the country.

The Post introduced crypto stamps in order to establish a cryptocoin exchange market and its own unique cryptocurrency. The stamps should help to maintain interest in philately, especially among younger people. Turkish Post also has a mobile payment application, PTTcell, which customers can use to transfer money digitally.

Looking further ahead, Mr Köse said that Turkey wanted to help establish "worldwide blockchain cooperation" between UPU members.

Essam El Saghir, Chairman of Egypt Post, also expressed support for a single unified platform across the UPU. "We should have a new UPU committee for one single blockchain platform," he said.

Egypt Post has made impressive progress with blockchain, notably with a newly opened logistics centre at Cairo Airport, which is designed to be a regional consolidation centre for Africa. The blockchain-based hub will speed up customs and handling.

In addition, Egypt Post has issued nine million payment cards in the space of a year and rolled out a mobile app, both based on blockchain. The operator is investing heavily in blockchain technology.

Mr El Saghir also spoke about the transformation that Egypt Post has undergone, from a loss-making to a profit-making entity within one year. This was achieved by introducing profit-sharing and financial incentives for post office staff and delivery workers. Post office staff get a 10% profit share when a branch turns a profit. This boosted staff motivation and encouraged half of all Egyptian post offices to open until 20.00 to win more customers and increase revenue without incurring additional costs.

When Moses Ma took the floor, he praised Egypt, Croatia and Turkey for their work, describing it as spectacular. However, he appealed for coordination across the sector. "The biggest issue is that if they don't have access to international players, they may implement a regional solution that will have to be globalized later on. There are currently about a hundred different blockchain identity systems to choose from," he said.

Mr Ma said Posts and the UPU could form the ideal "trust anchor" because they inspired more confidence than Facebook, governments or banks. It would seem that the universal service agreement, now more than a century old, has paid off in terms of branding.

When Mr Ma asked the audience about the main barriers preventing postal services from adopting blockchain, one participant said that it could be difficult to convince governments to embrace that technology if they were sceptical of cryptocurrencies. Mr Ma said that it was important to find the right experts to do the convincing.

"Digital currency has as much power as paper currency. It is the next big thing. But it can't be run by revolutionaries. It has to be a merger and a collaboration between revolutionaries and central banks."

Mr Ma stressed that time was of the essence. Rather than just catching up with what is happening elsewhere, Posts should be aiming to leapfrog the competition. “The goal is to actually look better than everybody else and to do it really quickly. To do this, you need to use the power of your collaboration.”

Blockchain is going to create a revolution that is bigger than the web, he said. He described the phase we have now entered as the full expression of the information revolution.

According to Mr Ma, Posts should now fast-track killer app pilots that they could all share, splitting the costs and using a uniform platform.

With more than 600,000 post offices worldwide, postal operators have an enormous retail network that gives them an advantage over Google, Amazon and Facebook. “It may look like you need blockchain but the reality is that the blockchain needs the Post in order to solve the last-mile problem.”

Posts should not be intimidated by blockchain, because if it is used properly, it simplifies everything, in terms of both workflow processes and user experiences, he said.

In a previous UPU interview, Mr Ma said it was essential for Posts to collaborate with mobile telephone companies to reach the final one billion people on the other side of the digital divide. Because Posts have honoured the universal service agreement for centuries, they have an unparalleled ability to bridge the last mile to the unbanked.

“Imagine if Posts could not only connect people to the tools they needed to access modern digital financial services – mobile phones – but also develop those financial services themselves using blockchain and cryptocurrency technologies and bring them to areas that are still unreached by traditional financial institutions.”

Christian Jaag struck a more cautious tone in his contribution. He said Posts were right to be afraid because the trust placed in their brand could become decentralized. “The question is how can we leverage the trust that we have in the blockchain ecosystem?”

He went on to explain that there is a broad range of blockchain technologies, from radically decentralized to purely private. The two extremes are costly and the UPU has an important role to play in finding the middle ground.

“I think the sweet spot is in the middle, where a few or a certain number of trusted participants come together to create their own blockchain, their own consensus. And I think that’s where the opportunity for postal operators really lies. Not to rely on an existing blockchain but to create your own as members of the UPU.”

Now is the time for a global postal blockchain application, he said. Consortiums are forming all over the world so now really is the time to act. If you want to have blockchain-based services, you need a blockchain to rely on, and that should be a postal one.

Mr Jaag gave an example from the Swiss market, where there is not a sector-specific but a national blockchain. Swiss Post and Swisscom, a major telecoms provider, have formed a consortium to make Swiss blockchain a new kind of infrastructure that Swiss companies can rely on to do business.

He then made the point that there was no need to try to shoehorn blockchain into every area of postal business. It was just a technology and could only be deemed useful if it served a purpose. “Look for situations where you have interaction between a certain number of parties, where those parties may not trust each other fully and there’s a process involved that can be automated,”

he said, adding that an important role for postal operators could be issuing tokens for digital goods.

Overall, the message from all the speakers was that Posts needed to break free of their comfort zones to keep pace with rapidly changing ways of doing business, and to remain competitive in the market.

The UPU is the industry platform for standards, technology and effective trade negotiations. The developments in Geneva in September 2019 affirmed the role and relevance of the Union.

The transformational potential of blockchain should not be overlooked. The goal of the UPU is to foster close cooperation across the industry, generating momentum for new technologies, financial services and digitalization.

Much has been achieved in the area of blockchain and there is no shortage of ideas. If postal operators seize the opportunity for cooperation, drawing on their combined resources – including transactions, data, contacts, manpower and expertise – then they will become a key player in blockchain usage.

SESSION 2: NEW POSTAL SERVICES FOR AN AGEING POPULATION

A fundamental demographic change is taking place worldwide and cannot be ignored. By 2050, for the first time in history, there will be more older people worldwide (aged 60 years and over) than children under 15 years, according to the projections of the United Nations Department of Economic and Social Affairs. This has significant implications for public policy and all economic actors, including postal operators.

The United Nations Principles for Older Persons state that they should remain integrated in society and participate actively in the formulation and implementation of policies that directly affect their well-being.

In this session, participants heard from countries with different demographic profiles, from Lithuania, where over-65s account for 23% of the population, to Nigeria, where they represent only 3%. While the demographic shift is much more pronounced in industrialized nations, the ageing revolution has also begun in developing countries, with the older population segment growing steadily.

Postal operators need to be mindful of the age profile of their customer base. In countries with an ageing population, this means making sure services remain accessible and adapted to older customers.

During this discussion, postal leaders from Lithuania, Nigeria, South Africa and Ukraine explored the effects of ageing populations on their national economies and explained the ways in which their organizations had developed new solutions tailored to the needs of this group.

Participants heard about pilot projects for mobile postal services, home-visit services and new ways to reach the unbanked, including a nationwide digital address verification system.

Lindiwe Kwele, Acting Group CEO of the South African Post Office, spoke about some of the common problems associated with old age. There are currently 3.2 million older people living in South Africa, and that number is set to double by 2050.

Older people are disproportionately living in underserved areas, left behind by the younger generation who migrate for work, Ms Kwele said. They may have limited access to transport. It is likely that they will have to survive on a low income. They are more likely to suffer from health problems and to have a lack of recreation in their daily lives.

To combat this sense of neglect, the South African Post Office has, among other things, tried to increase financial inclusion by distributing social grants and assigning rural addresses. One in 10 branches also delivers medicine for chronic conditions.

The social grant distribution service reaches more than 800,000 old age social service beneficiaries either at a post office or through the Post's mobile rural payment services.

Owing to the high number of migrant workers in South Africa, the parcel door-to-door service and counter-to-counter service are widely used by the older population. Children of elderly parents send parcels via the South African Post Office's parcel business to their family members in rural communities. The money order service also makes a significant contribution to economic inclusion.

Ms Kwele mentioned two pioneering projects developed in other countries: La Poste France launched the "Watch my parents" service in 2018 to respond to the challenges posed by a lonely, ageing population and declining mail volumes; and Japan Post Co. started providing a similar "Watch Over" service in 2017. The South African Post Office was currently looking into launching such a service on its own market.

Asta Sungailienė, CEO of Lithuania Post, gave an overview of the challenges facing the Lithuanian

market. Lithuania is an ageing society, in the middle range in Europe. Between 2008 and 2019, the share of the population aged over 65 increased by 2.6%. The equivalent rate for Germany was 1.3% and for Poland 3.6%.

Taking a longer-term view, the demographic shift is striking. In 1990, around one in ten people in Lithuania were over 65. This year it is almost one in four. Emigration has played a role in this change.

While older customers represented great potential, there were two things to bear in mind, Ms Sungailienė said. Their budgets are limited, so services have to be inexpensive. And they are resistant to change, so they can take time to get used to new technologies.

The kinds of service that could be expanded to older customers include interactions with a social dimension, such as a visiting service. But there is also potential for home food deliveries, in collaboration with support organizations, and on-call medication deliveries. This calls for new models designed around customers' needs.

This expansion of services to older customers also fits well with the ongoing move from the traditional model to the mobile model of postal services, whereby the mobile postman or woman comes to your location at a time to suit you and with services tailored to you.

The mobile postman, in contact with and monitored by the call centre, has everything he needs to respond to different types of call: a vehicle, a tablet and app, scales for pickup services and a Bluetooth printer. This makes it easier for senior customers with restricted mobility to use postal services, Ms Sungailienė said. "It is about bringing digital to the older generation. However, it is also good business."

The picture is similar in Ukraine, where the Post is seeking imaginative solutions to the challenge of serving older people, as the forum participants heard from Oleksandr Pertsovskiy, Chief Operating Officer of Ukraine Post.

Mr Pertsovskiy agreed that mobile post offices were the future of nationwide coverage. Almost half of the Ukrainian population (47%) is unbanked and 10 million people out of a population of 37 million live in localities with fewer than 2,000 inhabitants.

An interesting feature of the Ukrainian postal market is that four million retirees depend on cash pensions delivered by Ukrposhta. The pension delivery service is projected to lose 37 million EUR in 2019. This is against the backdrop of shrinking rural business and high maintenance costs for rural post offices.

Balancing the social obligation is difficult where it can feasibly lead to bankruptcy, Mr Pertsovskiy said. The challenge was to educate people and to persuade them to receive their pensions differently. Overall, the alternative and most viable service model was mobile post offices.

Ukrposhta chose to pilot the concept of mobile post offices in the Chernihiv region, which comprises 1,465 villages served by 600 stationary post offices and 130 mobile crews.

Mobile crews have four-wheel-drive vehicles and are able to work offline in remote areas without Internet coverage. The three crew members provide postal, financial and retail services.

The pilot was initially unpopular and met with resistance from local and national politicians, who campaigned to prevent it from going ahead. However, Ukrposhta pushed the project through and it is currently being scaled up to cover a further four regions.

Ukrposhta also launched a “payment happy hours” promotional campaign, which aims to reduce queues in post offices during peak hours and at the same time help older customers to save money. The Post offers a 50% discount in commission on all payments (including utility payments) for customers who visit post offices before 15.00. Customers who have

the time to visit earlier in the day, generally pensioners, value this opportunity to save on payments.

The scheme resulted in a substantial reduction of queues and an improvement in the quality of service in the two regions where it was tested. It was expanded to 17 regions in October 2019.

The final speaker of the panel on new postal services for an ageing population was Mr Adebisi Adegbuyi, CEO of Nigeria Post. Nigeria receives the largest volume of remittances of any African country. Money from relatives abroad is worth 23 billion dollars to the Nigerian economy. Much of this money goes to elderly relatives and is handled by the Post.

Since life expectancy is due to increase in the coming years, the population will become bigger and older. Responding to the complex needs of an ageing population will have significant social and economic implications for both families and the government.

NIPOST received an award at the World Summit on the Information Society, held in Geneva in March 2018, for its Digital Address System (DAS)/Address Verification System – a centralized digital platform whose up-to-date database of physical addresses and occupants is helping to bridge the gaps in Nigeria’s national financial inclusion strategy.

“Where digital adoption is high, new innovations inevitably emerge. That’s why the launch of DAS/AVS by the Nigerian Postal Service, for example, has turned every smartphone user into a formal postal address tracker, enabling the ageing population to be captured in the address database for easy flow of postal services.”

This digital addressing innovation is sorely needed. Street addresses work well where they exist; however, some localities consist of poorly named or numbered streets, or no streets at all. This is something that affects older people too.

Postal operators face many challenges in the next 10 years, Ms Kwele reminded fellow CEOs. While profitability is declining owing to a reduction in conventional postal volumes, Posts must diversify their product offerings and reposition themselves. They need to participate fully in the fourth industrial revolution and partner with shareholders in the delivery of government services.

Faced with such pressures, Posts must not lose sight of their responsibility to continue serving the most vulnerable members of society, many of whom are elderly. This discussion should help to keep ideas flowing and motivation high.

SESSION 3: NEW POSTAL SERVICES FOR THE YOUNG

Common sense tells us that young people are the future, but they are also the present, and as postal operators, we have to cater for them here and now.

The global population remains very young, with 42% of people under the age of 25 years, according to the World Bank. While populations are declining or reaching a plateau in most regions, they are increasing in South Asia and sub-Saharan Africa, where some 60% of people are under 25 years of age.

32 The needs and preferences of the world's youth are shaping developments in various industries, with technology, sustainable development and innovation at the forefront. In this session, postal CEOs examined the ways in which the postal sector can respond to the needs of an increasingly demanding target group.

It is worth noting some of the groups into which younger people are commonly subcategorized. In the media in particular, people aged 18–34 years are often referred to as millennials or Generation Y. They are generally computer literate and interact with businesses on social media. They tend to be either studying towards qualifications or

actively engaged in the workforce, unless they are unemployed. Generation Z refers to young people born after the early 2000s who have not yet reached adulthood. People in this group have the technological acumen to browse for products online but most do not make online purchases directly. They have a major influence on their parents' spending choices.

Cornelius Wynter Ramatlhakwane, CEO of Botswana Post, kicked off the discussion with a description of the youthful culture of the organization he leads. "We are a young institution in terms of human capital. More than 70% of my workforce is under the age of 30." At the age of 52 years, Mr Ramatlhakwane is the oldest person in the executive team.

He spoke about the traits of younger customers, whom he described as selective and impulsive. They are driven by convenience and expect unbridled access to products and services. In many cases, they would prefer the product to come to them. In addition, they prefer personalization, services tailored to their own needs. Mr Ramatlhakwane also made the point that younger people are a diverse group. What they have in common is that they are digital natives, very comfortable with multi-tasking. They also require constant feed-back. "Communication mobility is key," he said, for the generation who consider it cool to be smart.

Botswana Post has provided much for this market segment in the four years that Mr Ramatlhakwane has been CEO. Progress has been made with both the physical network and digital platforms.

Since the postal network is indisputably the biggest channel in any country, and especially on the African market, Botswana Post decided that bricks and mortar would be the core competitive edge of the post office.

However, rather than build more post offices, the Post took the approach of growing its distribution channels through smart partnerships that also help to reach younger people. It did this by installing postal kiosks in some of the country's biggest chain stores, offering a full suite of postal services. This was to make sure that young customers who entered those stores could conveniently access postal services.

Botswana Post launched the PosoMoney app earlier this year. PosoMoney is a mobile wallet service that works on any phone and any mobile network. With it, users can perform a number of different transactions, including depositing and withdrawing cash, sending and receiving money from other mobile customers, paying utility bills, topping up credit for any phone, and purchasing goods from PosoMoney Merchants.

It also provides would-be and established entrepreneurs with the opportunity to enter into partnerships with BotswanaPost as PosoMoney Merchants or PosoMoney Agents. This could be of particular interest to younger people.

Changes taking place at Ireland's newly-profitable An Post are also expected to appeal to younger customers. Group CEO David McRedmond told the forum about ongoing rebranding efforts.

The new colour and logo adopted by the Post are supposed to communicate a change in identity from passive to decisive, from predictable to contemporary, progressive and innovative, and from the only choice to the preferred choice. An Post has progressed from being a mail company that does parcels to an expert in financial services and e-commerce. It has oriented its business to customers of the future, who live their lives online, are socially conscious and make the most of their time, resources, careers and lives – customers who want things on their own terms. Such customers are looking to align themselves with brands that share their values, Mr McRedmond said.

As part of its new direction, the postal operator also announced two new sub-brands: An Post Money, which brings together its various personal finance services, and An Post Commerce, a business-to-business brand providing e-commerce and mailing services.

The brand purpose of An Post is “to act for the common good, to improve quality of life now and for generations to come.”

In line with this ethos, it is following a sustainability charter, which includes climate action (introducing new zero-emission green machines), decent work, sustainable cities and communities. The aim is to deliver the nation's post in a fully sustainable way, producing zero emissions in Dublin by the end of this year and in the rest of the country by 2030.

An Post has developed various postal services for the youth market, offering customers convenience, choice and control. These include Address Pal, providing surrogate addresses for people who are homeless, online self-serve and parcel lockers that are accessible 24/7.

“Customers will be able to self-serve, buying postage labels online and sending parcels and returns 24/7 with our new state-of-the-art post offices, online self-serve and parcel lockers.”

Stamps are another good way of attracting interest from younger customers. “We are inspiring a new generation of stamp lovers and revolutionizing mail-sending through a modern stamp programme.”

An Post's stamp programme spans all ages. Music- and sport-themed stamps in particular have resonated with the younger audience. The latest music-themed stamps feature Phil Lynott and Thin Lizzy, The Cranberries and U2. Stamps featuring sporting heroes like the 2018 World Rugby Manager of the Year and Player of the Year (Joe Schmidt and Johnny Sexton respectively) have proved very popular.

All of these efforts are working, with younger people now more likely to use An Post and market penetration scores in this age group significantly ahead of the norm.

Young customers are destined to remain centre-stage for postal operators. The challenge will be to stay relevant and project an attractive image that satisfies young people's desire for convenience, novelty and a better world.





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