

UNION POSTALE

December 2010

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4

EU opens up
competition

Young
letter-writer
visits Berne

Strategy Conference

The future of the postal sector



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Post-Expo 2010

Leaders discuss sector trends



Forum delegates take the floor Photo: Michael Bothager (Scanpix/Keystone)

For the tenth year, the UPU was very much present at Post-Expo, the annual industry event, hosting the World Postal Business Forum. Top industry leaders shared their views on surviving the financial crisis with hundreds of delegates.

UPU Director General Edouard Dayan said that diversification and innovation "hold the keys for the postal sector". He stressed the UPU's role in supporting these trends with projects, such as .post. "To maintain and enhance their role as a trusted provider of third-party services, the world's Posts and their customers and suppliers have to fully adopt the digital era. This is why the UPU is so excited about .post. For a service-oriented industry like ours, it offers an opportunity

to develop a trusted space on the internet, integrating the physical, financial and electronic dimensions of the Post and bring new value to customers."

Posten Norden CEO Lars Nordström opened the forum in Copenhagen, Denmark. This entity – the first company born out of the merger of two national postal operators – Sweden and Denmark – exemplified the type of dramatic shift some members of the postal sector are ready to take as they define a future strategy for meeting customers' evolving needs.

As Posts worldwide look for ways to remain competitive in an expanding communication market, the Nordic companies' decision to merge was right for them, said

Nordström. But Posts have to consider the best strategic direction for themselves as there are many factors influencing the postal sector today. "Change is blowing at hurricane force all over the world," he said. The same theme was echoed speaker after speaker.

Tailoring products

Japan Post's president and CEO, Shinichi Nabekura, talked about the importance of identifying consumer trends to tailor postal products and services to meet evolving needs. With Japanese consumers increasingly "cocooning" or staying at home as a result of the recent economic crisis, the online retail business is growing (on average 5 per cent a year) and providing opportunities for postal logistics.

Other high-level speakers included Ahti Kallaste, Estonia Post's board chairman, Ingimunder Sigurpalsson, Iceland Post's CEO, and Dag Mejdell, Norway Post's CEO. Some 4,000 people visited Post-Expo, the world's largest postal technology and conference show, over three days. **RL**

 **Post-Expo video:**
<http://tinyurl.com/post-expo-2010>

YouTube channel:
<http://www.youtube.com/universalpostalunion>

The figure

767

That was the number of delegates attending the November Council of Administration.

Erratum

Union Postale, 03/10, pg 11, the overall methodology was in fact successfully piloted in southern Africa.

Editor's note

As 2010 draws to a close, all eyes in the postal sector are on what liberalisation of the European Union market will bring in 2011. The questions in the minds of operators and regulators are numerous. How level will the playing field be when the EU's postal market is officially open to competition? What will happen to the universal service obligation? The UPU is playing its part globally by opening up discussions among its members and is ready to offer advice. One of our features looks at some of the skeins of this complex issue, which affects all Posts in some shape or form.

This time round, *Union Postale* bears testimony to the busy agenda of November's Council of Administration, including conferences on themes important to our member countries. Mail trends, addressing, direct

mail, regulation and the universal service were some of the topics discussed. The whirlwind of activity included welcoming the winner of the UPU's annual letter-writing competition to Berne to receive her prize (see feature).

As you read the magazine this time, you will see that certain articles contain pointers to related multimedia content on the web. I encourage you to check out these links. You will see more of them in the future as the Communication Programme gradually increases its multimedia production. Multimedia includes print, which is and remains an important component of communicating about the UPU, its activities and the postal sector at large. **Faryal Mirza, Editor-in-chief**



Dayan congratulates Portugal Photo: Alexandre Plattet

Addressing

S42 compliance is rewarded

Seventeen countries have been recognized for complying with a voluntary UPU standard – S42 – on electronic address templates, which can considerably speed up the processing of mail. At a recent ceremony, UPU Director General Edouard Dayan awarded certificates to Australia, Brazil, Canada, Chile,

Finland, France, Germany, Great Britain, Italy, Morocco, Netherlands, New Zealand, Portugal, Saudi Arabia, South Africa, United States and Venezuela.

These countries have one thing in common: employing addresses that are compliant with S42, a norm that has two parts. One specifies

the elements of an address and the other contains templates showing users how to turn those elements into a properly formatted address. Emma Gooderham of the Postal Operations Council's S42 working group said at the ceremony that addresses compliant with the norm bring a variety of benefits. "S42 complements UPU addressing initiatives, improves address quality and mail deliverability, reducing international undelivered and returned mail and processing costs," she said.

Ali Bakheet of Saudi Post, one operator already using S42, said that the immediate advantages were numerous. "It results in easy handling of outgoing and incoming foreign mail, helps address validation, improves quality control and results in an improved postal service," he said.

A working group dedicated to S42 helps member countries to develop templates based on a sample of properly formatted addresses. It then provides the templates as electronic files that are easy to use and integrate into existing addressing software. **FM/JD**

in brief

World Post Day

Creatively marking the event



Children from St. Joseph School, Tanzania, sing during celebrations Photo: Tanzania Post

World Post Day, which marks the anniversary of the UPU's creation on October 9, 1874, was celebrated around the globe this year, under the theme: "A Post that is innovative and relevant".

The UPU marked the event by launching a new set of communication tools. A new poster, showing people around the world exchanging gifts against a backdrop of stamps, was the campaign's cornerstone. Based on the poster, an ani-

mated web banner was created, which a number of Posts added to their websites.

Another novelty was the launch of the new World Post Day multicoloured logo, which has been reproduced worldwide on numerous postal prepayment impressions, stamps, souvenirs and clothes.

Varied and colourful

Posts marked the event in a number of creative ways. Award ceremonies were held to honour outstanding postal workers and prizes were presented to national winners of the UPU's international letter-writing competition. Visitors could get free entrance to Lithuania's communication museum. Open days at mail-processing centres were held. New stamp issues took place in Bahrain, Italy, Pakistan, Poland, Singapore and Sri Lanka. Philatelic exhibitions were held in Morocco and Saudi Arabia. Cameroon inaugurated renovated postal facilities, the Iraqi town of Erbil held a cultural festival and a cycle race took place in Burkina Faso.

New services

The event was also an occasion for Posts to show how their ever-increasing range of services is in line with customers' changing needs. India Post launched National Postal Week, highlighting a different postal service each day, from savings accounts to life insurance. Macao Post launched its new "postage paid by addressee" service and the Tunisian Post promoted its e-services, particularly the SMS-based "m-Poste" service. JP



World Post Day photos:

<http://tinyurl.com/world-post-day-2010>

Flickr channel:

http://www.flickr.com/universal_postal_union

Who's who at the UPU

Equipping development

Name **Sandra Bonfigli**

Position **Operations coordination assistant**

Department **Development Cooperation**

Nationality **Swiss/Italian**



The Development Cooperation Directorate (DCDEV) sets up cooperation projects for the postal sector. Sandra Bonfigli, who has worked at the UPU for nearly 20 years, is responsible for identifying and procuring the equipment necessary for these projects. "My role is to gather market information and conduct quality and price

studies for various products, while bearing in mind the geographical origin of the supplies. This is done so that our member countries get the best possible deal and they get the best equipment at the best price in the shortest possible time," she explains. "We try to make procurement as eco-friendly as possible and also look at things such as product shelf-life and hidden costs."

Bonfigli's role in the procurement process suits her perfectly as she acts as the main contact point between internal stakeholders, member countries, suppliers and other partners. "I love having direct contact with people. I must admit that it's one of the most rewarding aspects of my daily work," she says.

Bonfigli was also involved in a large-scale project this year: providing equipment to Haiti in the wake of a massive earthquake in January 2010. "Here was a humanitarian disaster that wreaked havoc on the postal infrastructure. It was extremely gratifying to provide concrete assistance in the field," she says.

"When you put all of these things together, I can truly say that I love what I do," Bonfigli concludes. "I do a bit of everything and there's never a dull moment. There is something new to learn each day." CB Photo: Alexandre Plattet

September



Three mopeds have been in action for a year in Freetown, Sierra Leone, delivering express mail services after being procured by the UPU's DCDEV with funds from Poste Italiane.

October 9



World Post Day unveils a new logo.

October 25 – November 12



The Council of Administration meets in Berne with 767 delegates from 102 member countries attending 129 meetings.

Photo: Marcel Bieri/Keystone

November



Quality of Service Fund awards go to Philippines, Hungary, Kazakhstan, Uzbekistan, Romania and St Vincent and Grenadines.

November 12



Ho Thi Thieu Thien, winner of the UPU's International Letter-Writing Competition, is in Berne to present her letter and take part in an awards ceremony.

Photo: Daniel Rihs

November 17



Australia Post CEO, Ahmed Fahour, visits the UPU for the first time.

Photo: Urs Flüeler/Keystone

November 18



Armin Brun, Eurogiro's board chairman, comes to Berne to sign an agreement on interconnecting the commercial company's payment network with the UPU's.

Photo: Alexandre Plattet

December



The UPU agrees to sign a memorandum of understanding with GS1, the global standards association.

EU opens up competition

January 1, 2011, officially marks day one of the European Union's single market for postal services for most of its members. And in such times, the UPU has a clear view of its remit: to give unbiased advice to its members whichever way they wish to go.

By
Chantal Britt

With market liberalisation looming in the EU, the UPU held a postal regulation forum in November 2010 on the possible effects of opening up competition on the universal service obligation (USO). The focus was on best practices and promoting good regulation. "We want to see the conditions in place, under which the postal market would flourish and grow," says Murray Buchanan, the UPU's director of economic and regulatory. "We want to help our member countries to understand the advantages and pitfalls in any given market situation, whether it's liberalisation or a monopoly, a very broad or narrow USO," he added.

Also on the agenda was the regulator's role. In the challenging environment posed by liberalisation, regulators are faced with safeguarding the USO, as well as enabling new market players to compete fairly with designated operators and modulate the postal incumbents' traditional business models. A regulatory framework ensures that this market is working correctly and that there is a level playing field without killing the incumbent. Not least because of their large workforce, Posts' actions have a major impact on the economy. And it is this "tremendous responsibility that regulators are feel-



ing acutely right now," Buchanan says. "The UPU can help by providing a platform, such as the postal regulation forum, for best practices and problems to be shared and understood by the whole regulatory community."

Competition

In theory, liberalisation aims to improve postal services and foster the creation of jobs in new postal companies and related industries. Competition from market entrants should provide increased choice to consumers and motivate universal service providers in Europe to become more reliable and efficient. In some EU countries that had a head start, such as Sweden, these goals have already been reached. "We have seen clear benefits to the provision of the universal service from competition," Sten Selander said at the Berne forum. Selander works for the Swedish Post and Telecom Agency PTS, one of the first European regulators dealing with a fully open postal market back in 1993. "Competitive pressure on the incumbent has made it clearly more productive and profitable without changing the scope or quality of the universal service," he added.

Under the European directive, the USO has to be maintained. This means that Posts will have to be run like commercial private enterprises with a public mission, said Michael Crew, a pricing consultant from Rutgers University, United States. To top it, all these tasks have to be accomplished in a shrinking market in a slumping economy. "By far the greatest factor at play at the moment is the economic crisis or the recovery from it and what sort of markets we will be dealing with as we come out of it," said Buchanan. "It has less to do with the political will for a single liberalised market, the performance or non-performance of the designated operator or the consumer desire for choice. It is simply survival in the current economical conditions."

Chalk and cheese

In Europe, the wave of liberalisation started in the 1990s out of a desire to create a single market across the EU. Countries partially or fully privatised previously state-owned telecommunications, electricity, gas and water companies, as well as railway operators and airline carriers. The liberalisation of two network markets – telecommunications in 1998 and energy in 2004 – were particularly seen as a success by participants and



Third EU Postal Directive

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Cornerstones

- Unconditional date for full-market opening for all member states (31.12.2010 for 95 per cent of EU market; 5 per cent granted additional two years until 31.12.2012);
- Commitment to keep universal service obligation;
- Existing EU Postal Directive reinforced and clarified (role of national regulatory authorities (NRAs); authorisation and licensing)

.....

Universal service obligation

- provision of high-quality service
- (at least) five times/week
- throughout the entire territory
- at an affordable price
- unconditional full-market opening (no exclusive rights)
- non-exhaustive list of options to finance universal service
- guidance on calculating the net costs
- appropriate steps of rationalisation to be taken before
- net costs of universal service are not the same as costs of providing the service
- calculation based on appropriate cost accounting system
- NRAs cross-check assessment

 http://ec.europa.eu/internal_market/post/doc/legislation/2008-06_en.pdf

observers. At the time, there was little reason to suspect that the postal sector would be any different.

People, not pipes

The comparison of these network markets with the postal one is, however, flawed. "The chance of technical innovation driving efficiency in the mail business is limited. While parcels and postal banking are highly competitive areas, they do not offer the growth potential seen in telecommunication products, such as wireless and broadband services," says Crew. Also, competitors in postal services may use public roads, while rivals to the monopolies in the energy and telecommunications markets had to invest in costly underground or overhead networks.

Last, but not least: while energy and telecommunications run through pipes and cables, postal services run through people as Posts are one of the largest employers in the world with 5.5 million workers. France's La Poste, for example, is the second-largest employer after the state with almost 300,000 employees. "It is very dangerous to draw comparisons

between the postal network and other network industries because the former is so labour-dependent," Buchanan said. "It is a mistake to try and shoehorn the postal network industry into the same box as other network industries."

Whatever their strategy, Posts have to choose a model that fits their individual needs. Because of the diversity of the UPU's member countries in terms of markets and development, one size will not fit all, neither for a definition of universal service nor for regulation. Gonzales d'Alcantara, an econometrist from the University of Antwerp, urges countries to choose one of two options for each of its model's features – for example, value or volume, hybrid or homogenous, best or full service. According to d'Alcantara, there are no good or bad choices, but countries need to focus and follow their strategy through consistently. Some countries will not require major reforms as their Posts already have top delivery rates.

Efficient monopoly

Swiss Post is such a provider, and like peers in other

countries outside the EU, it is watching closely what is happening in the bloc, although it is not directly affected. In a well-functioning system like in Switzerland, there is no general benefit from full deregulation, says Jan Remmert, Swiss PostMail's marketing head. It is particularly in countries with deficient services where a market opening may drive improvements that will be mainly limited to a few customer segments, he says. "The simplest solution for all participants is an efficient single provider – a well-functioning monopoly – because any additional supplier creates coordination problems with regard to access to addresses, post boxes and so on," Remmert told *Union Postale*. "In Switzerland, we will find solutions for these coordination tasks to offer customers a convenient service. But this does not include regulated upstream access for the sake of competition, as is the case in Great Britain."

Great Britain privatised some of its public services, including public transport, with varying degrees of success. It is at its fourth attempt with postal services and hopes it has found the answer this time, said Tim Brown, chief executive of the British regulator, Postcomm. First, the government will have to relieve Royal Mail of its "enormous" pension deficit, Brown said, adding the designated operator is "practically bankrupt" after declining mail volumes, pressure from rival operators and electronic media eroded its business.

As for the UPU, its priority is to maintain a global postal market. "Our concern is that there is interconnectivity across the various member countries and their designated operators in the global postal market. An important part of that is maintenance of some sort of USO in each country because, without the concept of universal service, you won't have a global postal market that's properly interconnected," says Buchanan.

"Certainly on January 1, we won't have the same set of circumstances in Europe and not even within the old EU members because of different regulatory and access regimes, universal services and methods of financing," Buchanan said. "You will get postal markets that are very different, even though they are theoretically part of a single market. Only time will tell if the liberalisation of postal markets in Europe will be a model for others to follow."

Chantal Britt is a freelance journalist based in Berne, Switzerland.

Competition drives innovation

By
Faryal Mirza

Ulf Dahlsten is principal adviser to the European Commission's Information Society and Media Directorate-General. He is a former head of the Sweden Post (1988 – 1999) and was at its helm when it was liberalised.

The liberalisation of the European Union's postal market is high; what does this mean on an operational level?

Ulf Dahlsten: It is a welcome step and long overdue to my mind. At the same time, it is a bit ambiguous and leaves a lot of interpretation to the individual member states and secondly the timing is not perhaps the best, given that this takes place in one of the worst turndowns in the economy that we have had for a long time. To restructure postal services right now – which is needed – is really not a simple thing given the overall economic situation.

The restructuring of the European postal market should lead to more mergers of postal services, more cross-border competition and a more vibrant market. However, given the timing, this will happen slower than expected.

Once the markets open up, how will the players deal with the universal service obligation (USO)? I believe that the USO is an advantage for the incumbent rather than a disadvantage. Some 40 per cent of the postal business is from customers that demand the USO. It can be a burden if governments put too many restrictions on the universal service provider. But if they keep to the level that is foreseen in the European directive, I would claim it is more of a benefit than a burden.

I am aware that, in some countries, there are added conditions that make it a burden. What we would have to see is an adjustment of the USO to realistic levels, which is the minimum level demanded in this directive – for instance, five-day delivery, once a day, and so on – and price flexibility.

Do you have any advice for those countries which have to walk a very fine line between the burden and the benefits of the USO? The thing is about the postal market is that you have a strong societal interest and, at the same time, you want to benefit from the incentives a competitive market creates. You have to be pragmatic and apply regulation with a bit of common sense and that's where people have to go.

As new alternatives are developed all the time, we have to be realistic about the expectations when it comes to the delivery alternatives because people are not as dependent on the letters system as they were once were before the internet and text messages arrived.

If I have one point to make it is that there is too much expectation sometimes about what privatisation in itself means and too little focus on the benefits of competition. It is really competition that drives innovation more than anything else. If you end up in a situation where you create a private monopoly, then you are not necessarily better off than you were before.



Ulf Dahlsten

Radically transforming the sector

By
Rhéal LeBlanc

Photos:
Yasuyoshi Chiba
(EPA/Keystone)

Close to 600 delegates from 116 countries met in Nairobi, Kenya, on September 22 – 23, 2010, to discuss the sector's future.





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All eyes on the future



.....
Kenyan Vice-President Kalonzo Musoya opening the conference



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Moving away from traditional business models

The meeting in Nairobi was an important step on the road to drafting a world postal strategy covering the next cycle of UPU work from 2013 to 2016. The discussions confirmed a number of existing assumptions. Additional market studies and upcoming talks with regional stakeholders will help to shape the ultimate goals of the future strategy.

New technologies, electronic substitution, competition, mergers, changing customer behaviours and needs, market liberalisation and climate change are all affecting the nature and future of postal services. These are undergoing what UPU Director General Edouard Dayan calls "a period of radical transformation". Trends and the recent economic crisis have spurred Posts worldwide to find new ways to meet customer needs. "It would be risky not to explore new avenues," warned Dayan.

Such new avenues have become clearer as the postal sector lifts itself out of an economic crisis that has accelerated a trend of declining letter-post volumes but also unveiled a plethora of business opportunities and strength of the postal sector. With more than 600,000 post offices around the world, the sector is still the largest physical distribution network on the planet.

Level playing-field

Delegates agreed that technological advances have been among the greatest challenges for Posts. "Technology has impacted people's behaviour and social

interactions. Consumer preferences must be captured and acted upon for businesses, including the postal business, to remain relevant," said Ramesh Lakshmi-Ratan, president of Pitney Bowes Document Messaging Technologies.

Some Posts from developing countries are already advanced technologically. Others said more investment in infrastructure and stronger government commitment to the postal sector were needed to help them enter the digital age more easily.

A Malaysian delegate said there should not be any digital gap between urban and rural areas and asked how best countries could manage this issue. A delegate from Bangladesh, Mizanur Rahman, echoed concerns that "there should be even ground for development".

More advanced Posts assured developing countries they were ready to assist them by sharing technology and knowledge. Poste Italiane's CEO Massimo Sarmi said the infrastructure investments made in his company had been affordable and should be possible even for developing countries.

Money, money, money

Postal financial services in particular are proving to be a promising business growth area as international leaders and organisations seek ways to give millions of unbanked people access to financial inclusion. During the crisis, several leading postal financial institutions

The road to Doha

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 At this November's session of the UPU Council of Administration, held in Berne, member countries reviewed a general framework for the future Doha Postal Strategy, along with six broad goals.

From now until Doha 2012, work will focus on developing this strategy. Terry Dunn, who chairs the joint Council of Administration and Postal Operations Council committee responsible for the next strategy, urged member countries, restricted unions and members of the Consultative Committee to comment on the draft document so that a working group of countries meeting in January could refine it further for presentation to the Postal Operations Council's session in April 2011. "This is our strategy as UPU members, and our success is linked to the collective contributions of everyone," he said.

A series of regional round tables planned from June 2011 will gather the viewpoints of postal stakeholders all over the world to finalize the global strategy. The UPU will continue to use the regional approach to roll out the strategy. Restricted unions worldwide – regional associations of member countries working to improve the postal network of their region alongside the strategic plan of the UPU – are central to its success.

The CA also made headway in streamlining the indicators used to evaluate success in implementing the current strategy, and reduced their number to 30 from 80. The indicators will be further refined for the Doha strategy, well in advance of its adoption.

It was also decided that Congress proposals in Doha would have to come with impact statements. It will be important to make clear links between projects and strategic goals, and proper human and financial resources will have to be clearly defined for carrying out projects during the next work cycle.

Young winner visits Berne

witnessed exponential growth in the number of customers and accounts, perceived as a result of consumers' diminished trust in banks. Recent UPU forums on financial inclusion have also highlighted a number of projects in countries such as Azerbaijan, South Africa and India, where Posts are rolling out successful strategies to bring financial services closer to the people in partnership with key strategic allies, such as the World Bank. Posts are quickly gaining recognition as valued providers of an important service that could lift millions of people out of poverty by giving them basic financial tools to better manage their money and their lives.

In his video address to the Nairobi meet, Dominique Strauss-Kahn, the head of the International Monetary Fund, said: "Postal financial services help mobilise savings and that's important for investing in developing countries. There is a need for inclusive financial services, including remittances." He even talked about postal services as a "public good" that is lacking in the global economy.

The UPU continues to develop its global electronic financial network, helping Posts move from paper-based money orders to easily accessible and cost-efficient electronic money-transfers. The International Fund for Agricultural Development is financing projects alongside the UPU to bring electronic money transfers to rural areas in Africa and parts of Eastern Europe and Asia. And the UPU recently signed an agreement with Eurogiro to interconnect their networks and broaden services to their respective customers.

E-commerce growth

In the area of parcels, e-commerce has been fuelling volume growth. This trend continued even during the crisis, blunting the latter's overall effect on the postal business. Recent data gathered by the UPU from 20 of the world's largest Posts and express carriers suggests that the parcel and express segments are recovering well from the crisis, with both displaying positive growth in 2010 compared to the year before.

Customs issues and better integration of the logistics chain must be overcome, however, for cross-border e-commerce to develop more easily, said conference participants. Kunio Mikuriya, the World Customs Organization's secretary general, stressed that cooperation and partnerships between customs authorities and postal companies were key to improving the movement of goods across borders.

Delegates finally discussed how to ensure the sector's sustainable development, in particular how to reduce postal activities' carbon footprint. Concern for environmentally-friendly services and products can be a tremendous competitive advantage. Speaking by video link from New York, Achim Steiner, the United Nations Environment Programme's executive director, urged the postal sector to assume its responsibilities and to continue the activities it had already undertaken.

The strategy conference certainly shed some light on a future direction for the postal sector. Posts worldwide are listening intently to the discussions. Thomas Day, a delegate from the United States, home to the world's biggest postal service, which is struggling to redefine itself in a tough economic context, said: "We have many challenges, many financial challenges, so we are affected as any post office in the world. It's important for us to understand the various alternatives we need to look for."

 [Check out the UPU's YouTube channel for two videos on the strategy conference:](http://www.youtube.com/universalpostalunion)
www.youtube.com/universalpostalunion

 [Photos:](http://www.flickr.com/universal_postal_union)
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Draft Doha objectives for the UPU

- Ensure the free and reliable exchange of international postal communication services;
- Become a centre of knowledge, competence and expertise for the postal sector;
- Promote and develop the three-dimensional network through the provision of innovative products and services;
- Be recognized as the organisation that represents the entire postal sector;
- Foster the sustainable development of the postal sector; and
- Promote capacity building and technical cooperation.

Want to share your thoughts on these goals? Send your comments to strategy@upu.int.



Ho Thi Hieu Hien in front of Berne's famous clock tower

Hedia Belhadj (l.) listens attentively to the winner

The winner of the 2010 international letter-writing competition, Ho Thi Hieu Hien, travelled from Viet Nam to Switzerland in November.

The Vietnamese schoolgirl was at ease as she read her letter on the importance of raising awareness of HIV/AIDS to an attentive audience at the plenary session of the UPU's Council of Administration. This was her first trip abroad, Hieu Hien said. She was "impressed with the Bernese Alps, the arcades of the Bern's old town that hide many small shops and the city's red trams that never stop". She added she would remember her visit forever and maybe return one day to make a film. Her plans for the future include studying to learn how to write scripts and make films about people's lives.

Her winning composition was a letter addressed to Zhang Yimou, China's well-known film director, which struck a chord with the international jury. It is the first time Viet Nam has won the competition after participating for 20 years. Some 1.3 million Vietnamese schoolchildren write letters for the competition each year. Around two million children participate worldwide.

Youth awareness

At the ceremony, Hedia Belhadj, director of partnerships at UNAIDS, congratulated the UPU for using the competition to raise awareness among young people of the importance of HIV prevention. Out of the 33 million people living with HIV, five million are young people aged 15 to 24 years. An estimated 2,500 young people become newly infected with HIV every day. "Young people have to lead the way on prevention," she said before urging more countries to participate in the HIV prevention campaign launched last year by the UPU, UNAIDS, the International Labour Organization and UNI Global Union. "Through the vast postal network, we can bring information about this disease to populations that are often not accessible by other means," Belhadj added.

By
Jérôme
Deutschmann
Photos:
Daniel Rihs

The winning letter

Danang, 20 November 2009

Dear Uncle Zhang Yimou,

Sometimes I worry as I don't know if you'd be bothered to open a letter from Ho Thi Hieu Hien in Viet Nam. I had the idea of writing to you only after hearing at school about the 39th UPU International Letter-writing Competition for Young People and its theme of the fight against AIDS.

To find out more about the subject for my composition, I spoke to several people to see how they understand AIDS and protect themselves. To begin with, I asked my grandmother. She told me: "At my age, I have no idea what this "ed" virus is. I heard that it lives in people of loose morals. Do not get near them or you will catch it." Can you imagine? My poor grandmother knows nothing about AIDS.

When I asked them, my parents said: "AIDS stands for 'acquired immune deficiency syndrome' and is caused by the HIV virus. This disease is very dangerous and there is no medicine yet to cure it. Whatever you do, don't take drugs or have unprotected sex if you want to be safe." My mother even said to me: "If ever there is someone with AIDS in your class, you must tell us right away so that we can move you to another class or school." So, you see, even my parents, who are civil servants, are prejudiced against AIDS sufferers. I asked my little sister, who told me that without a doubt there was nobody in her class with AIDS and if there was she would wear a mask to school or stay at home for good! It's really funny - my sister thinks that AIDS is like avian flu!

On the way home from school, I put the same question to a state sanitation employee. She showed me a pile of empty syringes by the roadside and said: "HIV is in those syringes!" So, you see, the road sweeper is also badly informed. Then, I went into a restaurant and spoke to the owner. "AIDS?" he said. "If you see someone, who is very thin, can hardly stand up and has spots all over his body, then you can be sure he has AIDS! But don't worry, I never let them into this place because I am afraid they will give the disease to my customers!" I feel sorry for the poor people, who look like that but do not have the virus! The restaurant owner does not know that HIV cannot be caught from food or by talking to someone with the virus and that we live our lives alongside AIDS.

At school, I talked to my friends, but many of them didn't seem to care and said that fighting AIDS is a matter for doctors and hospitals, and, since thankfully nobody in our class has it, we don't have anything to worry about. This indifference among friends of my age might explain why a thousand children aged 14 or less are infected every day.

I wanted to sit down and write a letter calling on everyone to find out more about AIDS and change the way they think about it so they can join the fight and prevent it. I thought about it for some days but still had no idea how or where to begin. So I put my writing paper to one side and went to watch TV. They were showing your film, *Curse of the Golden Flower*. What a beautiful film!

Suddenly, it occurred to me: what if I had a talent for film-making like you? I would start making films about AIDS straight away to raise awareness. My first film would be a moving love story. It would be romantic and tragic - the main characters would fall madly in love but could not get married because one of them has AIDS. This film would be called *To Die* and would be as highly regarded as your *To Live*. The message would be: they do not want to die young but Death lurks in every risk they take, such as having unsafe sex or sharing needles.

Most of my films would be inspired by real life and the heroes would be AIDS victims. There would be a civil servant, who has worked all his life and maintained his dignity but has lost everything in a moment of uncontrolled pleasure; a medical employee, who contracted the virus through negligence, someone who has worked hard all his life to build a family and a home but dies alone, abandoned by his loved ones; young people full of life, who die because they take drugs; wide-eyed children whose parents die from AIDS or do not know that they are about to be taken away by Death; young girls, who know they have AIDS in their bodies and want to sow death among others to have their revenge...

Different people with different fates: in my films I would convey love and pain, ingratitude and ignorance, while imparting knowledge about AIDS prevention in a gentle yet forceful way in order to awaken human conscience. I hope with all my heart that you will read my letter and understand.

Yours sincerely,

Ho Thi Hieu Hien

This letter has been edited for publication.

Winning letters: <http://tinyurl.com/winning-letters>

"Uncle" Zhang Yimou



Zhang Yimou Photo: Gettyimage

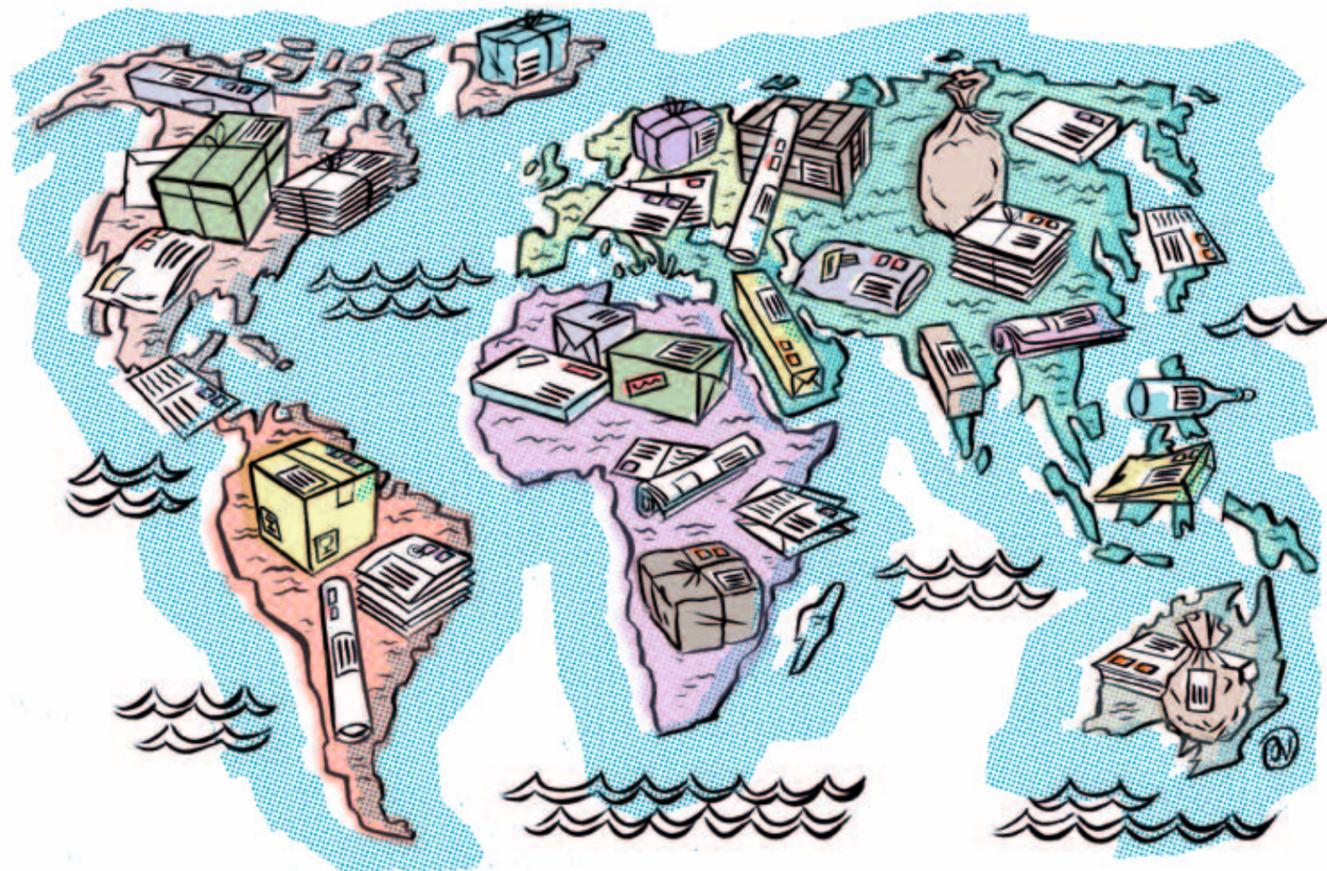
Zhang Yimou is one of China's most prolific directors, enjoying both critical and commercial success in his home country and abroad. He joined the Beijing Film Academy in 1978 where he trained as a cinematographer. His work on *One and Eight* (with Zhang Jungzhao) and *Yellow Earth* (with Chen Kaige) marked a dramatic shift in Chinese film history. He soon rose to prominence as a director in his own right with the film *Red Sorghum* and, along with Kaige and Jungzho, became known as the Fifth Generation directors, symbolising this new era of Chinese cinema.

Red Sorghum was a huge success in China and elevated him and his star Gong Li to international success. It also premiered what would become his trademark - beautiful visual storytelling with strong female leads. His next two films *Judou* and *Raise the Red Lantern* were nominated for best foreign film at the American Academy Awards. They formed part of a trilogy started by *Red Sorghum*. His next film was *The Story of Qiu Ju*. He continued his illustrious career with films such as *The Road Home*, which launched the career of Zhang Ziyi, one of China's most popular international stars.

Another notable success was *Hero*, one of his most successful films and one of the very few foreign language films to top the United States' box-office charts. This was Oscar-nominated for best foreign film. He also was the chief director of the opening and closing of the 2008 Olympics in Beijing, a role which was as controversial as it was successful. FM



Red Sorghum Photos: Reuters



Addresses go beyond the letter

By
Chantal Britt

Illustrations:
Lotta Nieminen

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An address is not only a label, as the UPU's recent addressing conference revealed. It can be a powerful enabler providing a legal identity for social interaction, access to services and economic development.

The November conference highlighted how address quality and widely accepted addressing standards benefit everybody. Delegates from member countries' Posts and other stakeholders heard how several countries around the world had recently introduced sophisticated address sorting and management systems in line with UPU standards to improve and assure the quality of postal services.

Addresses allow citizens to be reached for postal business as well as by local authorities for tax collection and the provision of infrastructure and services. Today, four billion people worldwide are still without access to the rule of law, according to the United Nations Development Programme. This is aggravated by a lack of a physical address. Introducing an addressing system often requires governments to deal with cultural, social, demographic and political issues that hamper its development and implementation.

Addressing, however, pays off eventually, for individuals, businesses and authorities alike. "We're not just talking about how an address allows a person to have a savings account, to be economically active and send their kids to school. Equally as important is that people are proud of their address, their identity, their proof of physical existence," said one speaker, the South African Post Office's Pierre Rossouw.

Tackling ambiguity

Innovative solutions to address the unaddressed are required in Rossouw's home country, where a large part of the population lacks education, literacy, lives in informal settlements and pays tribute to the village chief and medicine man. The country opted for an innovative solution (see box). This has the potential to set an example for the rest of Africa because it is a pragmatic approach adapted to the reality in rural parts of Africa, Rossouw said.

Citizens in South Africa and many other countries still use landmarks, anecdotal or ambiguous descriptions to characterise their addresses. As a result, lives are lost when emergency services fail to track down a fatally injured or sick person. Or, a mortuary hearse – a bad omen in most cultures – turns up at a doorstep of a woman declared dead after repeatedly failing to empty her post box located 50 kilometres away from her home.

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South Africa, where many of its 50 million people lack education and live in informal settlements, designed a simple system in order to address the unaddressed. The South African Post Office (SAPO) opted for a numeric system with coding capability that is based on building numbers in plots.

The Post conducted field work and used geographic coordinates and physical numbering to identify villages, sections and houses in rural areas and informal settlements. Six-digit identifiers were assigned. Then, it appointed a postal agent in every village, responsible for providing information, goods and services to the community and paid per item delivered. With six million addresses already created, SAPO is on track to meet its goal of assigning more than eight million rural addresses by the end of 2010 each costing 28.76 rand (\$4.00).

"When the new addressees receive their welcome pack, telling them the address they should use in future, you realise that an address is much more than a mere label because these people are so proud of their personal unique address code, their new official identity," said Pierre Rossouw, SAPO's eLAND postal addressing and postcode system manager.

Before the introduction of the new system, simple undertakings like job applications were almost impossible because goods and mail could only be delivered to an official address. Postal workers and emergency services had to deal with colourful, but not very useful, address descriptions, as did the authorities that have to administer the largely rural country with about 13 million households.

To aggravate the situation in South Africa, pathways and buildings often pop up and disappear and many decisions have to be backed by the village chief. In addition, physical house numbers are at the mercy of the weather and vandalism. "Sometimes entire villages are wiped out by a storm or house numbers just fall off the sun-dried walls. We also prefer not to write on doors because a door can be bought and sold," Rossouw said.

Money spent on the new addresses is money well spent, considering that people need a formal address to access basic services and trade goods, open a bank account and conduct financial transactions, the prerequisite for any business activity. "The country followed a pragmatic approach adapted to reality in rural parts of Africa," Rossouw said. "This will allow us to expand not only to neighbouring countries and sub-Saharan Africa but to any other state with similar challenges."



Meet and greeting

Wing-tong Yam serves at the counter in Kowloon Bay Post Office, Hongkong. Married with two children, he has worked for the Post for 25 years. He earns approximately HK\$20,000 (\$2579) monthly.



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By
Hongkong Post
and
Faryal Mirza

Photo:
Hongkong Post

Why did you decide to work as counter staff?
Wing-tong Yam: I like counter work. I hope I can apply the selling skills that I have acquired from various training programmes arranged by Hongkong Post to help customers solve their postal needs.

Which services do you like offering the most?
 I like selling stamps because stamps are like bridges linking people together. We may send blessings to each other through these very little stamps.

What do you like about your job?
 I like meeting different people, building relationships with customers and treating them like friends.

Who has been your most interesting customer recently?
 A Korean customer once came to buy stamps. I said hello to him in Korean, which I had learnt from travelling. He was surprised and smiled. We can enhance communication with our customers by learning different languages and acquiring different skills.

How many week days do you work?
 Five and a half days. This includes weekends. I work 44 hours a week.

What benefits do you get from your employer apart from your salary?
 I am entitled to 40.5 days of paid holiday. I receive free medical and dental treatment from government clinics. I am entitled to pension benefits when I retire.

How are postal workers regarded in your country?
 Postal workers are highly regarded in Hongkong. Our efficiency and professional service gains the trust of customers.

What kind of customers do you usually meet?
 They come from different countries and walks of life. I may need to spend more time on the elderly to help them to fill in the customs-declaration forms and with packaging. I might also explain our various services and the number of days needed for sending a letter overseas. Bill payment, postal remittances, parcel services and Speedpost are some of the most common services used. I serve more than 100 customers a day.

Happiness is...
 If I can do my job well and take good care of my family, I shall feel good about myself, which makes me happy.

What do you worry most about?
 From time to time, we encounter difficulties and problems. I choose to overcome the challenges and minimise the adverse influences that may have effects on my work and family.



facts & figures

Hongkong		
Official languages	Cantonese, Putonghua and English	
Country population	7 million (2009)	
Area	1,104 km ²	
GDP per capita	HK\$229,329 (US\$29,535) (2009)	
Currency	Hongkong dollar	
Main industries	Finance, tourism	
Main postal services	Ordinary mail, local CourierPost, Speedpost, Hongkong Post circular service, direct mail, PayThruPost, philately, postal remittance and logistics	
Number of post offices	127	
Shopping basket		
Milk	HK\$5/box	(US\$0.64)
Rice	HK\$10/kg	(US\$1.29)
Noodles	HK\$3/packet	(US\$0.39)
Pork	HK\$25/pound	(US\$3.22)

In addition to a myriad of languages, cultures and traditions, governments have to tackle problems arising from the fallout of informal settlements and fast-growing cities: poverty, crime, political unrest and a lack of resources. Some countries had to set up a system from scratch, others inherited systems from their colonial powers.

India, with about 1.6 billion the second most populous country in the world, is grappling with such an existing system. It also plans to conduct a census in 2011, collect reliable data and introduce a viable address management system with a unique identity number for every individual. "In the next two to three years, we will cover every resident, even in the remotest areas of the country," said Kalpana Tewari, responsible for mail business at the Indian government. Work has already started and this system has begun to issue a personal identification to people without one.

Top-notch systems

Most countries only recently introduced systems adapted to their particular situation and needs. Many postal services have successfully defined post codes and named or numbered roads and buildings to create a unified address system assuring accurate and timely mail delivery. They generally use geo-referenced systems, which assign a longitude and latitude to a geographical position, as well as modern technology, such as digital satellite maps, to design such a system.

Saudi Post, for example, integrated the latest information technology to develop a state-of-the-art addressing system ready for e-commerce, said Abdul Aziz Wazzan, adviser to the Post's president. For its part, Costa Rica estimates that the economic cost of its deficient addressing system accounts to \$723.1 million a year. It recently introduced a system at \$2.61 per address, said Geovanni Campos, postal distribution director at Correos de Costa Rica. An identical market solution would have cost \$15.

Addressing also remains a topic in countries with established systems because of mobility, intellectual property issues and a lack of harmonisation. The United States Postal Service's Lea Emerson and Karen Owens from the US Census Bureau discussed standardisation of existing frameworks for address databases. Standards in the bureau's master address file, containing 192 million addresses in the US and Puerto Rico, allow for more accuracy and quality in a country that is growing and on the move, Owens said. Morten Lind from the Danish Enterprise and Construction Authority explained that opening up access to public address databases in Denmark would benefit the economy to some \$20 million in 2010 alone. He added that introducing an extra address element to resolve the duplication of street names, thus making the system unambiguous, could be economical, even if the problem only affected 0.7 per cent of all addresses.

Effective and sustainable street addressing programmes also help enhance social integration, advance slum upgrading and ameliorate taxation, said Catherine Farvacque-Vitkovic, the World Bank's urban development programme leader. Frank Nan from the Organization for Security and Cooperation in Europe outlined political and legal considerations during the implementation of an electronic register of addresses in Albania. The main issues Nan had to deal were a lack of political will, changing people's attitudes to make them follow rules and improving the communication between national and international institutions, tasks that are difficult, but not impossible to fulfil, he said.

"Unvalued invaluable"

Closing the UPU conference, Abdellatif Meskine, the UPU's Addressing Group chair, described addressing as a civil right. Postal services remain an "unvalued invaluable," said Charles Prescott, the UPU Consultative Committee's chairman, who reiterated the committee's vision to have an address for every business and individual by 2020.

Chantal Britt is a freelance journalist based in Berne, Switzerland.

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With 201 years of service under its belt, Australia Post recently welcomed a new chief executive. Ahmed Fahour comes from the banking world and, during a recent visit to UPU, talked about his first few months in the top position.

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By
Faryal Mirza
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Photos:
Urs Flüeler/
Keystone

CEO blows fresh wind into old sails



It is not everyday a former international high-flying banker takes the helm of a postal operator. Why did it attract you?

Ahmed Fahour: There are two main factors that made this job irresistible to me. First, Australia Post is an iconic national institution. It is the oldest continually operating organisation in Australia and it is repeatedly rated as one of our nation's most trusted brands. It provides important services and links right throughout our society and our economy.

And it has this really rich history and a diverse set of stakeholders, who take a passionate interest in the business. So, I was genuinely enthused by the prospect of working to secure this Post's long-term future.

And second, I love a challenge. I think my strong suit is in leading business change. With the generational change that is happening in the global communications market, you couldn't find a more challenging environment than a postal business right now. We've got a big strategic-change programme ahead of us, but I know it will be very satisfying for everyone when we implement it successfully.

So, I'm very pleased that I accepted the challenge almost a year ago. I'm relishing it.

Your predecessor was chief executive for 16 years; what measures were put into place to smooth the transition from his tenure to yours? One was the laying out of a strategic backdrop for taking the organisation forward, which I announced in April 2010 called the *Future Ready* programme (see box). A lot of the background work was

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“I’m very pleased that I accepted the challenge almost a year ago. I’m relishing it.”

done throughout 2009 by my predecessor and the board on where we are, where we would like to go and where our strengths and weaknesses lie.

The plan was then to allow the new CEO to take this information and lay out a new strategy, rather than letting him or her come in with no background, no information and no strategy. This preparation allowed me to arrive and start to put in place the team to begin the long road to implementation.

Why were changes in strategy and consequently a restructure necessary?

In terms of why we needed this strategy, it is obvious to anybody that knows the postal world that the communications market we are in has fundamentally changed because of the way society communicates through technology. That fundamental change, driven by the digital world, is the reason why the Post needs to change and find new ways to remain relevant and sustainable.

When you announce a strategy, you also need to give the context of why you are driving things in a particular direction. A lot of people spend time in their strategy work saying what the strategy is. In my case, I truly believe that the success of an organisation is partly to do with what their strategy is

but a lot more to do with how it is implemented. The execution of a strategy is really the difference between a successful organisation and a not-so-successful organisation. And a lot of that execution is driven by the quality of your team and the organisation’s culture.

How has technology changed the Australian communication landscape?

About 20 years ago, Australia Post had a 100-per-cent market share of written communication with approximately three billion letters annually. There was no SMS, no such thing as email, no Google in the world and Facebook would not have been a word in our dictionary.

Today, there are four billion letters floating around in Australia but also 18 billion SMSs and 400 billion emails. So, we have gone from a 100-per-cent market share of written communication to almost 1 per cent without even mentioning the number of Facebook or Twitter postings. When you add all of these up, we have gone from being the dominant communication method to the smallest.

How will your organisation deal concretely with this sea-change in communication?

The new strategy focuses on three areas. The first is that we will con-

tinue to invest in our letters business as letters will continue to be an important part of our business and society, despite changes occurring in the way the latter communicates. Letter mail must be a self-sustaining business. However, we have to be aware of revenues decreasing in that area and our cost structure has to be aligned to our revenues.

We also need to think about the ability to drive non-transactional forms of the letters business and obviously I am talking about promotional mail. For us in Australia, it is a big opportunity and will continue to be one.

We also need to get fair pricing of our letters business. Our prices have only gone up by 20 per cent in 20 years. Inflation alone is up 60 per cent, let alone wage inflation at 100 per cent. We have to be careful when it comes to demand management because our competitor – the email – is largely for free.

The internet is the letters business’s worst enemy but it is actually our parcels business’s best friend. When broadband penetration increases and prices fall over time, letter volumes drop but the percentage of home shopping increases. In places like the United States, home shopping as a percentage of total retail sales is around 7–9 per cent. In Australia, it is only around 3 per cent, so this is a huge growth opportunity.

Therefore, we are gearing ourselves up to take advantage of this e-tailing world and be the deliverer of those products. Today in Australia, nearly two out of every three domestic parcels that are shipped because of home shopping are delivered by Australia Post.

What about your online offerings?
The third element of the strategy is that everything we do physically, we ought to do digitally. We have this great trusted brand with an awesome distribution network, with 4,500 retail shops scattered throughout the country. So, we are looking to continue to drive the availability of products and services in our retail shops, while also offering a range of online and over-the-telephone services that match our physical offerings.

We launched our first iPhone application in 2010, which is now available on Windows 7 and Android. This became the number one business app in Australia on the first day of release. After five months, we had over 100,000 downloads. It allows people to find

their local post office, track parcels and pay their bills, amongst other things.

How do you guarantee the existence of your physical network as you expand your online offerings?
Our physical network is at an exciting stage. We have three key initiatives within the retail network. One is to sell more communication products and services, so we are working closely with local communication partners, like mobile-network providers.

We see another big growth area in identity and government services. We currently process 93 per cent of all passports for the Australian government through our shops. We also do identity checking, where we have a trust-based system that allows us to do know-your-customer work for government and businesses.

Thirdly, we are a financial-services platform. We are linked to 76 financial institutions in Australia, covering all the major banks, credit unions, building societies. We allow our customers to deposit and

Future Ready

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Australia Post is being restructured into four strategic business units with individual profit and loss accountability during 2010–11.

The strategic business units are:

- Postal services;
- Retail services;
- Express distribution services; and
- E-services.

Financial year 2009–10

-
- Total net income of AUS\$4.856 billion;
 - Net profit of AUS\$89.5 million (US\$87.8 million);
 - 96.1 per cent of domestic letters delivered on time or early;
 - 5.14 billion mail items handled and delivered to over 10.7 million Australian addresses;
 - More than AUS\$77 billion in payments processed through Australia Post’s financial and agency services;
 - Total dividend payments of AUS\$79.1 million to only shareholder, the Australian government;
 - 1.5 million Australian passport interviews carried out;
 - Some 240 million customer visits serviced annually in 4,415 retail outlets Australia-wide; and
 - Strong performance in the parcels and logistics portfolio achieved with 16.8-per-cent volume-growth for the eParcel service.



Consultancy identifies market trends

By **Monika Kugemann**

A recent report by management consultancy, Accenture, is recommending that, when the going gets tough, Posts have to get going. High-performing postal organizations, according to report co-author, Brian Moran, need both creativity when doing business and a clear strategic focus. "Posts have to look at the realities of their traditional business and recognise that this is on the decline. They have to determine what special place they are going to fill in the market – whether via geographical expan-

sions, new products, or digitalisation – and very aggressively lock that over the next 12 to 24 months to really secure their future."

For Posts confronted with dropping mail volumes, digitalisation is going to be both crucial and inescapable. "This is an incredibly important time for the Post," says Moran. "The Post has the unique ability to offer a combination of the physical and digital. It can present a much better consumer proposition than a corporate website. Consumers know that they can trust the Post. They have one place to deal with all of their billers. And if they want both a

digital as well as a physical statement, there is only one organisation that can provide that – the Post."

Sustainability can be a driving motor of organisational culture, according to the report. It could help give postal leaders ideas on how to grow revenue, manage risk and build intangible assets. Sustainable business models could include end-to-end analysis of energy consumption, waste and emissions of the postal cycle and aim at optimising delivery routes and recycling.

Monika Kugemann is a freelance journalist based in Berne, Switzerland.

withdraw funds from those accounts, do foreign exchange and take out insurance among others. We also recently extended our agreement with National Australia Bank to allow their business customers to do some of their basic transactional services in our stores.

What major challenges have you faced during the first year in the job?

When I started at Australia Post, it was not necessarily easy. Two massive challenges had to be dealt with. One was to convince our regulator that an increase in the price of a stamp was warranted, despite their initial rejection. I am pleased that the work my team did convinced the regulator to allow us to increase prices.

The second was industrial relations and working with our

unions. Australia Post had a tense time in 2009, where people were quite worried about their jobs and the shrinking nature of our business. I am pleased to say that in October 2010 we got a 73-per-cent yes-vote to the new enterprise bargaining agreement with all our workers and unions.

That gives us a very positive platform to work with the unions and I think they have shown some terrific restraint. The wage increase was fair. It was a real show of leadership in the union organisation to say: "We are all in this together. It is a difficult environment and we are better off together to solve the problem rather than bickering about who should get what part." It was resolved very satisfactorily so that we can now look forward to taking on the external environment we are faced with.



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 **worldaddresses**
the postal address experts

E-Postbrief comes of age

By Monika Kugemann

A million users have signed up to use the E-Postbrief, three months after Deutsche Post DHL launched the service. Among them are 100 businesses, including Allianz, the insurer, the German Football Federation, Lindt & Sprüngli, the confectioner, and SAP, the business-solutions provider.

According to the Post, the E-Postbrief provides the same features as a paper letter: both sender and receiver can be clearly identified, messages are confidential and delivery is guaranteed. "We are bringing the traditional paper letter to the digital age and still preserve our proven value proposition of liability, confidentiality and reliability," says Jürgen Gerdes, board member of Deutsche Post DHL MAIL. And the market seems to be ready for such a development. The German interior ministry estimates that electronic correspondence will replace three-quarters of the country's letter volumes in the long term and be used by every fifth German in five years.

After initial registration at www.epost.de and providing identity proof at a post office, E-Postbrief users can send authoritative electronic letters at the price of regu-

lar mail. Even unregistered customers can receive an E-Postbrief as the hybrid-mail option allows for printing out in a post office and delivery by a letter carrier. Businesses can improve customer service, says Deutsche Post, while saving up to 60 per cents of costs for mail handling. SAP is one such company and it plans to incorporate the E-Postbrief into its human-resources-management software. "This integration... constitutes an important step towards the creation of end-to-end electronic business processes between companies, their employees, authorities and citizens," says Kerstin Geiger, SAP's head of industry solutions. Another customer, Allianz Germany, adds: "In the digital age, customers increasingly expect immediate responses. The electronic interaction with the E-Postbrief offers us the first opportunity for safe and binding written customer contact via internet," says its chief investment officer, Ralf Schneider.

Competition looming

While the E-Postbrief is not an entirely new concept, Deutsche Post is to date the only German provider of a binding e-letter service. But competition is looming on the hor-

izon, as the German government prepares to pass a law on nationwide secure electronic communication early in 2011. As part of the so-called De-Mail initiative, Deutsche Telekom, in connection with Web.de and GMX, plans to launch its own e-letter, costing €0.10–0.20 per letter (\$0.14–0.27) and intending to significantly undercut E-Postbrief prices at €0.55. The German Post, however, has had a head-start and will apply for accreditation as a De-Mail provider once the law is passed.

"For 99 per cent of legally binding mailings, legislators are satisfied with a clearly assignable declaration of intent by an individual. Exactly these cases can today be handled by Deutsche Post with its E-Postbrief infrastructure," explains Uwe Bensien, company press officer. "All e-letters are encrypted and provided with a Deutsche Post electronic signature. You do not need additional hardware or software – just a PC with internet access."

The Post has also come up with an innovative way to test the portal's security. It has invited hackers to discover potential security holes for cash prizes.

Monika Kugemann is a freelance journalist based in Berne, Switzerland.

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Measuring mail performance with RFID technology was just a dream for many UPU member countries. Not anymore. Thanks to GMS, Posts can now benefit from a state-of-the-art solution that uses passive RFID at a very affordable price.

For more information, watch the animation film
<http://www.tinyurl.com/gmsfilm>
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