Postal Transformation: Postmen Open the Door to a New Era of Consumer Services

Invest in the delivery workforce and drive revenue and postal transformation

In the last year, we have witnessed an unprecedented shift in the postal industry. Revenues from non-mail services, such as banking or retail, are now exceeding revenue generated from mail activities. The drive to diversify, has opened the door to a range of business offerings—including parcels, logistics, retail, financial and mobile virtual network operator (MVNO) services. Yet the prospect of mail volume decline continues to place a strain on post and parcel organizations’ bottom lines and hinder postal transformation.

With a workforce that already visits citizens and businesses almost every day of the week, a new era of business opportunities may lie close to home—on customers’ doorsteps. Indeed, postmen may no longer be seen as the last link in the postal mail process chain. Instead, they could be recognized at the heart of postal strategy—the initiator of customer engagement—by providing additional, value-based services.

“Postal proximity services” such as installing home equipment or visiting isolated or elderly people, can help post and parcel organizations make better use of their best asset—their existing workforce. These services can powerfully reposition post and parcel players as innovative service providers that offer and deliver services on behalf of other private and public organizations. Accenture estimates that the potential market for these new proximity services worldwide could reach US$10 billion in the next four years, based on current workforce levels alone—helping to accelerate postal players’ progress on the journey to postal transformation.
In January 2014, the leading French postal organization, La Poste, announced its postal transformation plan to become "the number one connected logistics network, leader of home services." Aside from retail and banking services, the French postal organization outlined its desire to act as a trusted third party in digital transactions and offer assistance to elderly, vulnerable or isolated persons. Similarly, Yamato, a Japanese delivery company, is working with local authorities to check in on senior citizens, increasing human contact and improving their lives.

Opportunity knocks

With its track record of public trust, no other organization can match the face-to-face service potential of the postal player. However, providing proximity services requires postal and parcel agencies to prepare carefully to this postal transformation journey by:

Seeking out services that offer the best value

There can be a high cost to providing these services so it is important to focus on services that offer the right value. Post and parcel organizations must also take care not to weaken trusted customer relationships—and become less appealing to third parties. Make sure the right business model and profitability drivers combine to offer the best services for which partners are willing to pay a premium.

Using technology to industrialize and reduce costs

Proximity services will require post and parcel organizations to take advantage of the right technology to make these solutions efficient. Technologies such as real-time connected smart mobile devices and focused workflow management become key assets to drive operational efficiency, not only to industrialize data processing but also to help optimize the postal worker’s day and workflow in real time.

Turning postal workers into postal businesses

In the past, postal organizations have tended to focus on operations rather than marketing or sales activities. Establishing new proximity services demands new working structures and the ability to develop market-relevant products which are then offered to customers using appropriate sales and marketing skills. Postal organizations must approach the development of proximity services as if they are launching a new business—one that happens to be using their existing postmen.

Fast-track to postal transformation

Although the introduction of digital technologies has often been presented as posing a threat to postal workers’ jobs, the reality could be an increase in employment opportunities. Whether opening up new markets or simply establishing better relationships with citizens and customers, proximity services mean post and parcel organizations can be more responsive and industrialized in what they bring to the market. While an element of management and oversight of offerings and partners is required, the delivery workforce is ideally placed to support new services. As a result, through their regular doorstep visits, post and parcel players could seize the chance to achieve postal transformation and establish a new role in an increasingly digital world—taking their fair share of that potential US$10 billion along the way.

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