BLOCKCHAIN FOR POST & PARCEL

Incremental Change or Exponential Difference

Accenture Post and Parcel
Industry Research 2018
IMAGINE A WORLD WITH...

**SEAMLESS END-TO-END GLOBAL TRADE:** streamlined cross-border post and parcel transactions with integrated tracking, payments and customs, to enable traceable and auditable transactions.

**INSTANT IDENTIFICATION VALIDATION:** biometrically-verified identity information for a range of government and commercial services.

**DIGITIZED PACKAGE VERIFICATION:** customs officials could digitally verify package details such as origin, physical characteristics, licensing, authenticity, destination and journey, removing need for intermediaries.

Blockchain has the potential to drive profound, positive change.

Recent Accenture research found that blockchain could deliver savings of more than 30% across the middle and back office.
WHAT IS BLOCKCHAIN?

Blockchain is a distributed ledger technology for securely transmitting any type of information without the control of any central authority.
Drive Positive and Profound Change for the Post and Parcel Industry

**TRANSPARENCY**
Stakeholders receive controlled access to a shared dataset.

**TRUST**
Transactions are cryptographically signed to increase trust and ensure against hacking, data manipulation, and data compromise.

**TRACEABILITY**
Blockchain acts as a single source of truth by multiple parties.
BLOCKCHAIN APPLIED IN POST AND PARCEL
THE KEY BENEFITS OF BLOCKCHAIN ARE PARTICULARLY APPLICABLE TO LOGISTICS AND IDENTITY MANAGEMENT

Supply Chain/Logistics

- Faster & leaner logistics in global trade
- Improving transparency & traceability in supply chains
- Automating commercial process in logistics with smart contracts

Identity Management

- Individual identity verification and management
- Third-party identity assurance management
- Known sender/receiver identity management
SUPPLY CHAIN

Highly complex processes, diverse stakeholder groups and multiple third parties make supply chain a suitable candidate for blockchain.

AUTOMATE PROCESSES
Using smart contracts to automate manual processes, enabling faster and traceable transactions.

TRACK PRODUCTS
Track origins and travel route to authenticate provenance.

DIRECT TRANSACTIONS
Third-party stakeholders are removed from the process and transactions are completed directly.

IMPROVE EFFICIENCY
Reducing bureaucracy and paperwork in global cross-border trade.
The delivering organization would post the number of items delivered to the border, and the weight and cost of each. The receiving organization would post the number of items received at the border and the weight and cost of each.

The common data set governed by the blockchain could greatly simplify and accelerate the reconciliation process.
IDENTITY MANAGEMENT

Blockchain can transform the validation and management of identities

The Decentralized Identity Foundation is building an open source decentralized identity ecosystem on a blockchain foundation.

The association of a person to a place of residence is one of the most important individual attestations for verifying identity.

Post and parcel organizations can use data from their mail stream to create these attestations and, because of this significant role, also host these distributed identity solutions.

Over time, postal workers could strengthen the accuracy of attestations by making house visits to verify information and potentially augment them with biometric and other individually collected data.
Blockchain acts as a simple and secure mechanism to transfer any information asset

Interfaces and data exchanges between post and parcel organizations and others are critical, but they can be costly to maintain. Blockchain can make the exchange of information simpler, safer and more transparent while also reducing costs.

**VALUE TRANSFER**

Sender
Value transferred
MESSAGING | RECONCILE

Receiver
Value transferred

**SHARED DATA**

Mutualized Data

**TWO PRIMARY MODES OF BLOCKCHAIN**
WHAT TO DO NEXT
THE POST AND PARCEL OPPORTUNITY
THE NEED TO ACT NOW

**LEARN BY DOING**
build critical skills and insights by conducting pilots

**UNDERSTAND THE ECOSYSTEM**
by developing insight into the blockchain supply chain and associated organizations

**SET A BLOCKCHAIN STRATEGY**
that demonstrates how blockchain can help the organization achieve its vision
LEARN BY DOING

1. Find the right use case and begin to experiment.

2. Use pilots to learn and build blockchain knowledge and capabilities.

SIMPLIFIED BLOCKCHAIN DECISION TREE

1. Is there a need for a shared common database?

2. Are multiple parties involved?

3. Do the parties involved have conflicting incentives and/or mistrust each other?

4. Are there differences in the rules that govern these parties?

5. Is there a need for an objective, unchangeable log of records?

6. Do the rules behind transactions rarely change?

Re-evaluate need for blockchain

Suitable use case for blockchain

Yes  No
UNDERSTAND THE ECOSYSTEM

Several organizations exist in each element of the blockchain supply chain. Understanding the ecosystem and how to work with those organizations will be the key to finding the right path to value.
SET A BLOCKCHAIN STRATEGY

Building blocks of a holistic blockchain strategy

- GOVERNANCE
- CULTURE
- TECHNICAL SKILLS
- TECHNOLOGY ACQUISITION
- TRAINING & DEVELOPMENT
- FIT ASSESSMENT
THE POST AND PARCEL OPPORTUNITY SUMMARY

Blockchain has the potential to drive profound industry change

Entirely REDESIGNED PROCESSES
Whole new BUSINESS MODELS
Tremendous EFFICIENCY GAINS
New MONETIZATION OPPORTUNITIES

Now is the time to experiment, learn and lay the groundwork for fundamentally different blockchain-enabled operations
ABOUT ACCENTURE

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