Strategize, Transform, Perform: the Story of the New Post

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29th September 2011

Your Speaker Today

Dr. Kristian J. Sund

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Background

- Mature/Declining industry
- Digital substitution
- Recession
- Liberalization

GDP (Chained to 2005 Dollars)

Source: UPU
Strategize!

- Book 1: Perspectives on Strategy in the Postal Industry

- Key conclusions:
  - You HAVE to have a strategy (business as usual not an option)
  - Core business:
    - Letters: optimize, downsize, consolidate
    - Parcels: innovate, differentiate (if possible), grow
  - Diversification:
    - Related: hybrid mail, media (advertisement, bulk etc.)
    - Un-related (or less related): logistics, banking, mobile telecoms etc.
  - Internationalization (Will this take off? When?)
    - Integrators, but what about the rest?
Transform!

- Book 2: Perspectives on Transformation

- Key conclusions:
  - The focus is changing (from process to customer - orientation)
  - The core business is changing:
    - Itella: "leading company in intelligent logistics"
    - Poste Italiane:
      - Postal operator with a banking and insurance business OR
      - Financial services (75%) business with a postal operation (23%)?
  - USO and regulatory frameworks are unfit for purpose and must change
    - 21st Century industry with 20th Century regulation

Perform! (Big Diversity)

1998
- "When I got there we had two months' worth of cash for salaries, negative net equity and no technology. No one believed in the future."

![Turnover and Profits Graph]
Without enactment of legislation by the end of this month, the US Postal Service faces default.

- Postmaster General Patrick Donahoe
Perform! (Big Diversity)

Royal Mail Group

Conclusions

• There has never been a more frightening but also more exciting time for posts

• The environment has changed – the business is changing

• Some posts have already transformed, some are in the process and some have yet to take the biggest steps
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Thank You