

Beyond the Future of Posts 2024

UNLOCKING PROFITABILITY IN THE POSTAL INDUSTRY



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escher

Optimization Focused

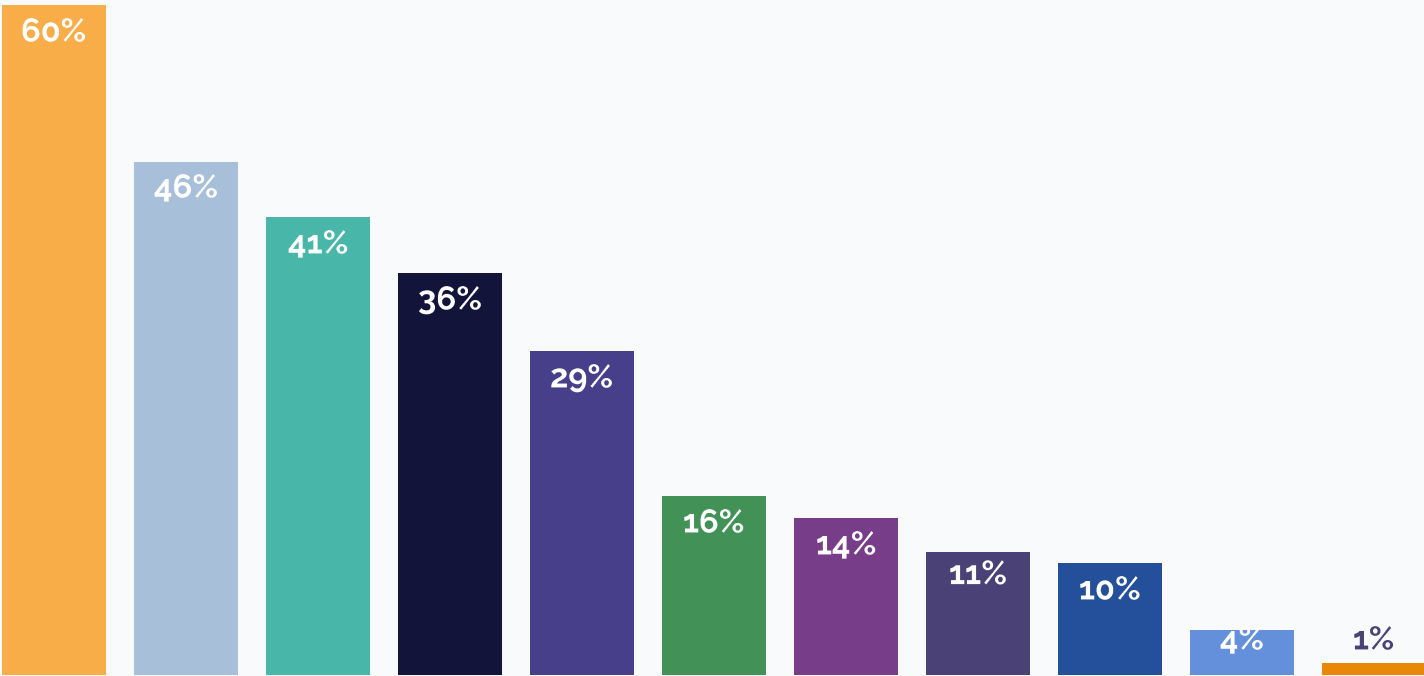


Last mile remains the **most expensive** and **hardest to improve** but survival is on the line.

What cost reduction (or operational efficiency) strategies do you plan to use over the **next 12 months** in your **delivery network**?

Percentage of postal professionals

- Last-mile route optimization
- Workforce management and optimization
- Transportation optimisation
- Automation
- Increase Locker locations
- Analytics
- Staff Reduction
- Increase PUDO points
- No major changes
- Outsourcing

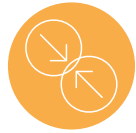


Delivery Network Evolution



The **perpetual pursuit** of **profitability**.

Profitable posts are **70% more likely** to be accelerating their **delivery network transformation...**



2015 - 2020

Mail

+

Parcels



2020 - 2025

Route Optimization

Sort Optimization

Sort Consolidation



2025 - ...

???

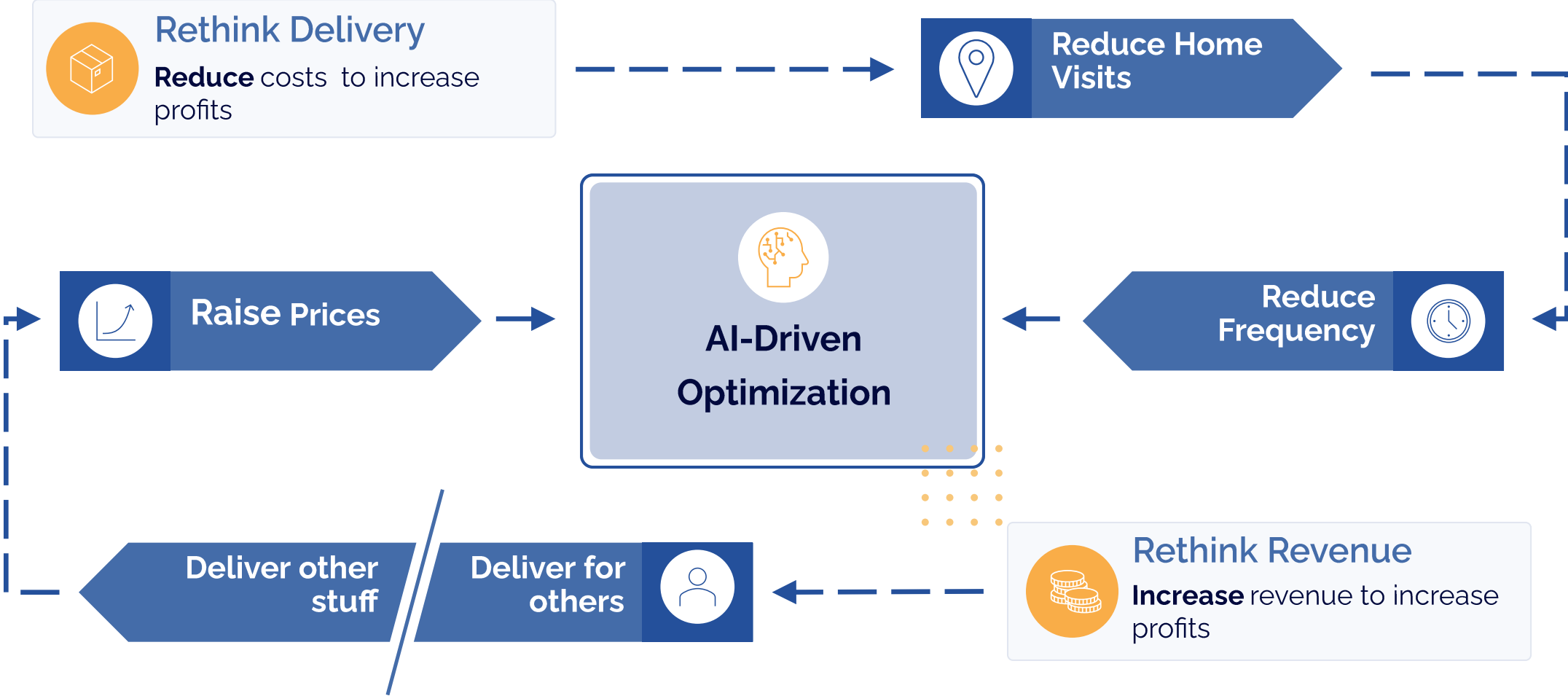
... while unprofitable posts are **60% more likely** to be **rethinking** their delivery network.

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The Inevitable Reality



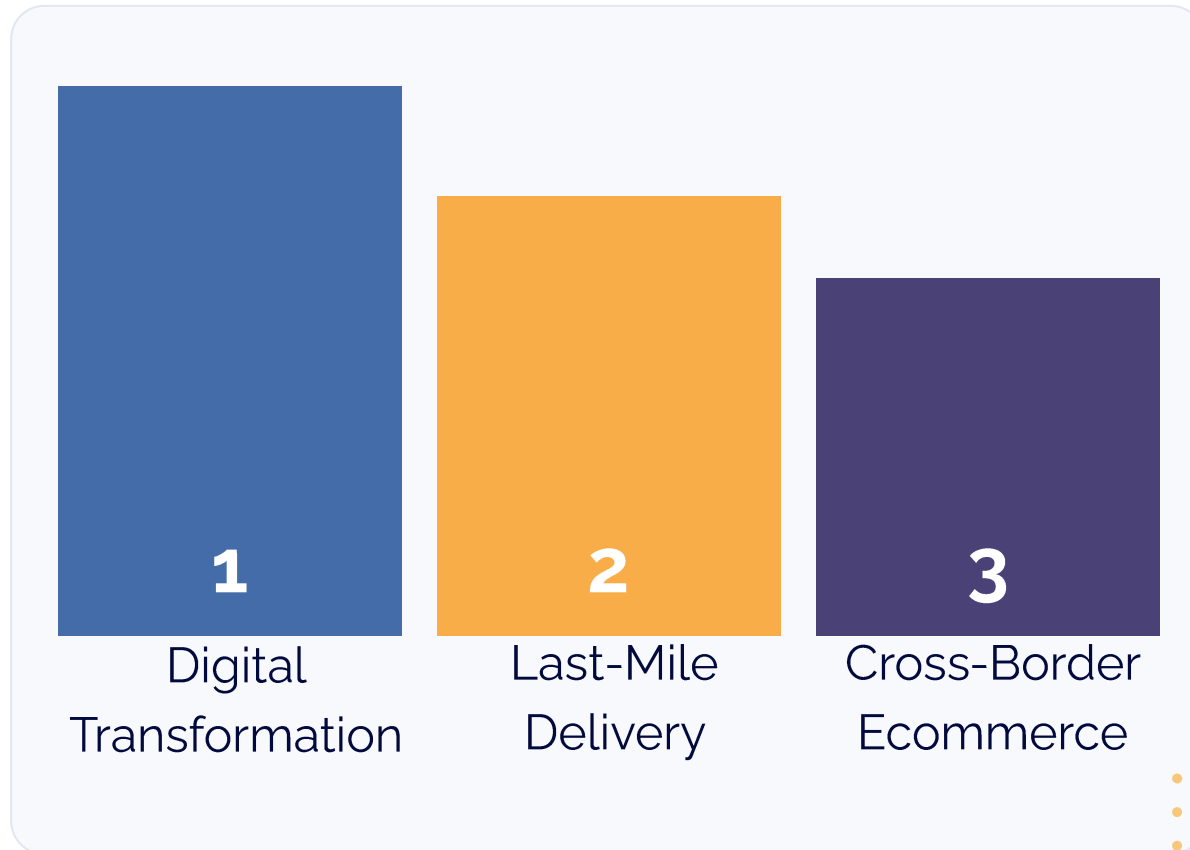
The question is **when**.



The Priorities for all Posts are Consistent



The most **important priorities** for the **next 3 years**.



Nearly a **quarter** of the most profitable posts are using **data and analytics** to improve operations ...

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... while **only 1%** of the least profitable responded using data to improve operations is a priority.

Delivery Network



Where to invest.

The most profitable posts **adding network capacity** at **double the pace** of the less profitable posts.

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Rethink Delivery

Less profitable are investing in **lockers** and **PUDO** at a **50% higher rate**.

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The most profitable posts are focused on taking cost out of their network by **leveraging automation** at nearly **double the rate** of the less profitable.

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Rethink Network Costs

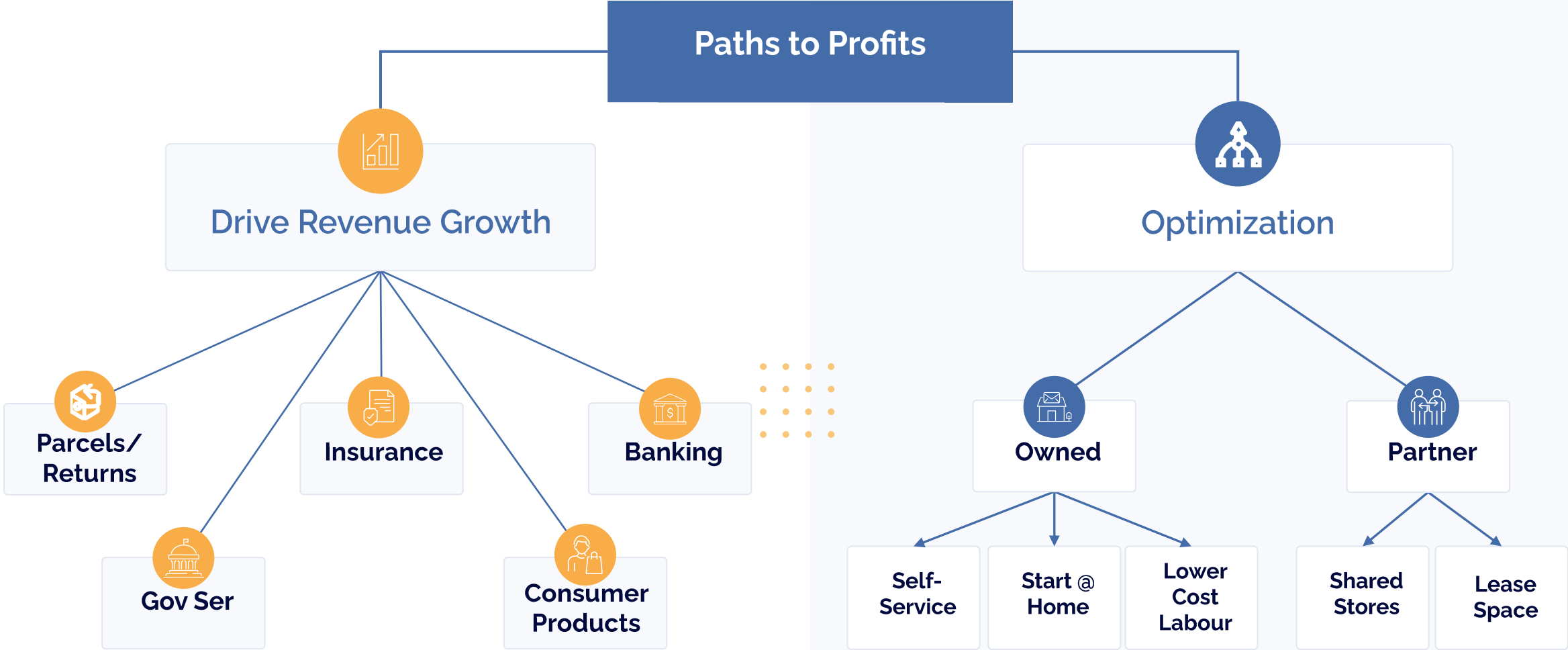
Less profitable posts are **48% more likely** to be focused on **transportation network optimization**.

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Diverging Retail Strategies



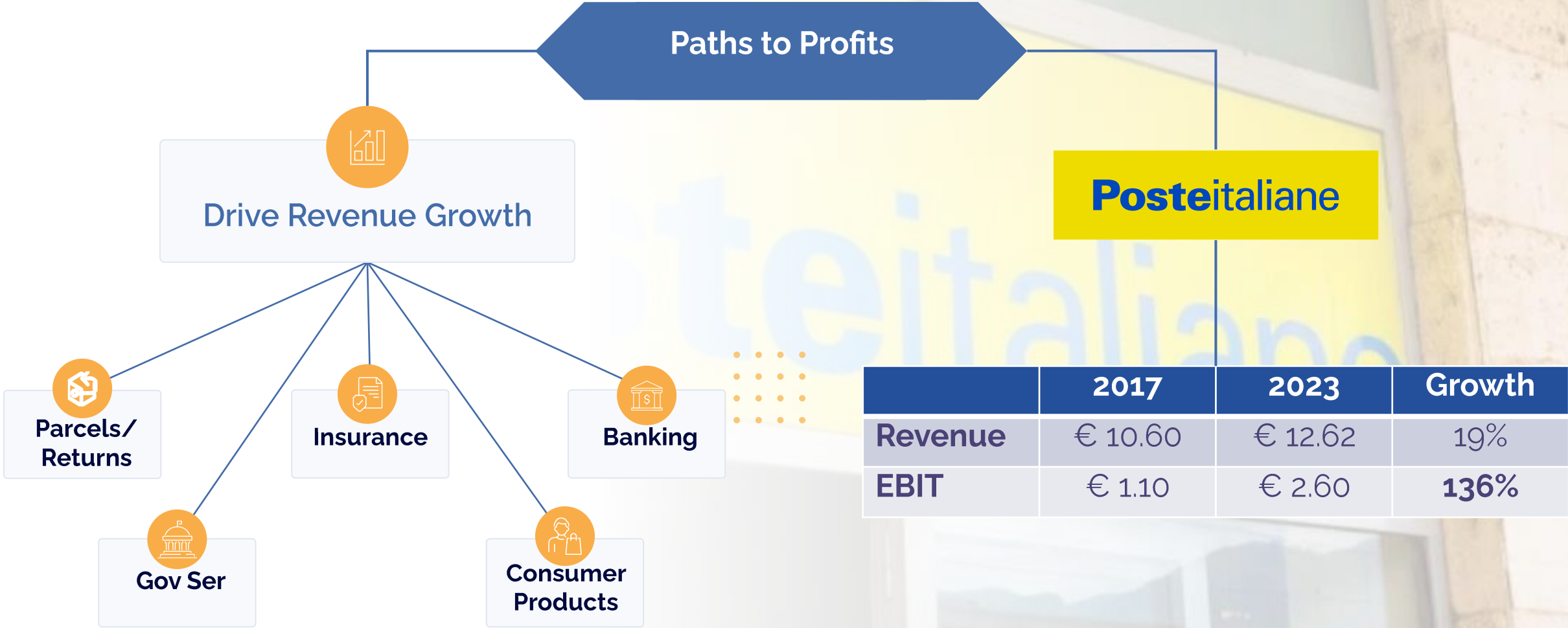
Choosing the **right path** is **crucial**.



Diverging Retail Strategies



An asset to maximize.



Diverging Retail Strategies



Getting **optimization** right.



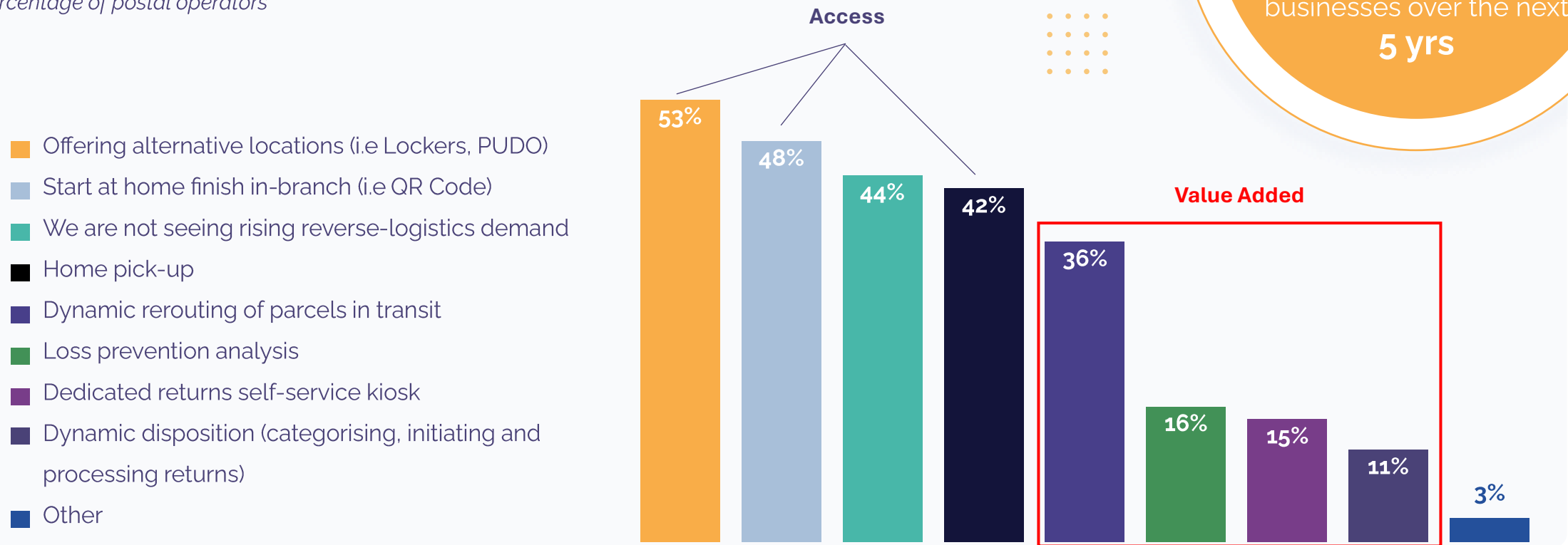
The Returns Problem

Access remains the focus, but **value-added services** are the differentiator.

Only **5%** of Posts believe that **returns** will have a significant impact on their businesses over the next **5 yrs**

How is your organisation dealing with rising **reverse-logistic** demands?

Percentage of postal operators

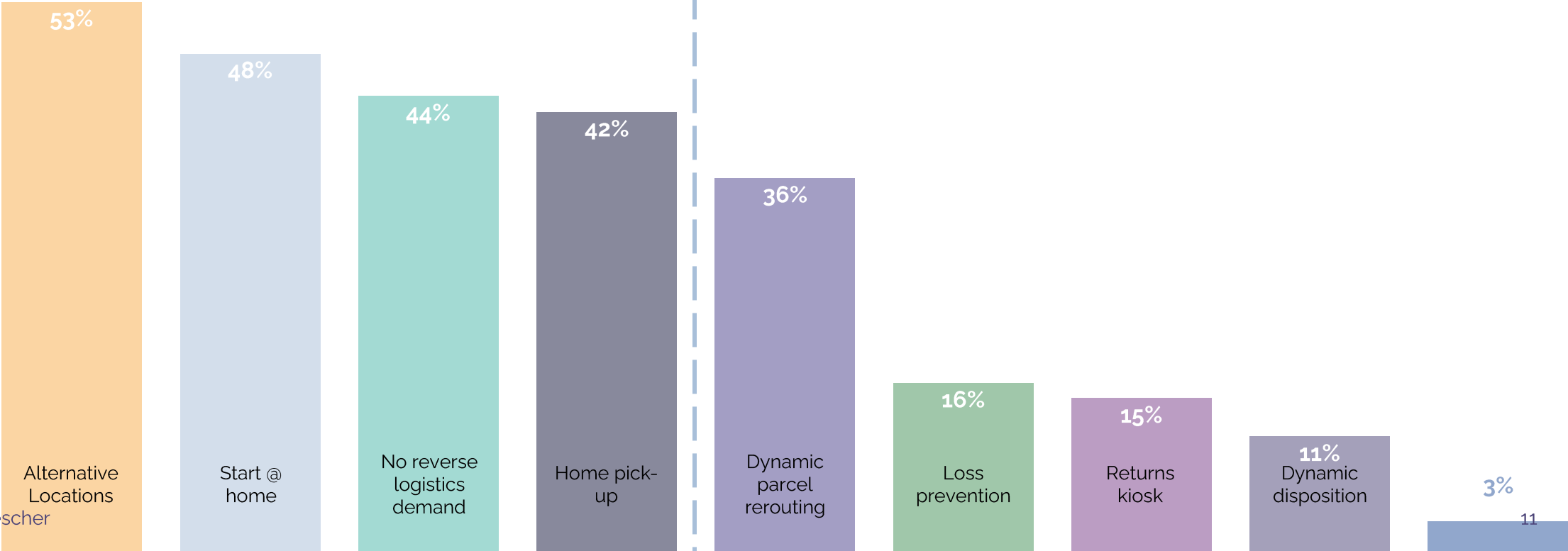


Removing the Friction

Access is linked to the first-mile, value-added services are linked to disposition.

FRICITIONLESS FIRST-MILE

FRICITIONLESS (DYNAMIC) DISPOSITION



Removing the Friction



Less friction equals **more profit**.

FRICTIONLESS FIRST-MILE

Access
(Proximity)

**Fast in/
Fast out**

Ease of Use

- No label
- No box

The most profitable posts are focused on enabling **consumer mobile interactions** to make returns frictionless at more than **DOUBLE** the rate of less profitable posts

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Highest priority in returns for less profitable posts is **lockers** and **pickup solutions**

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Removing the Friction



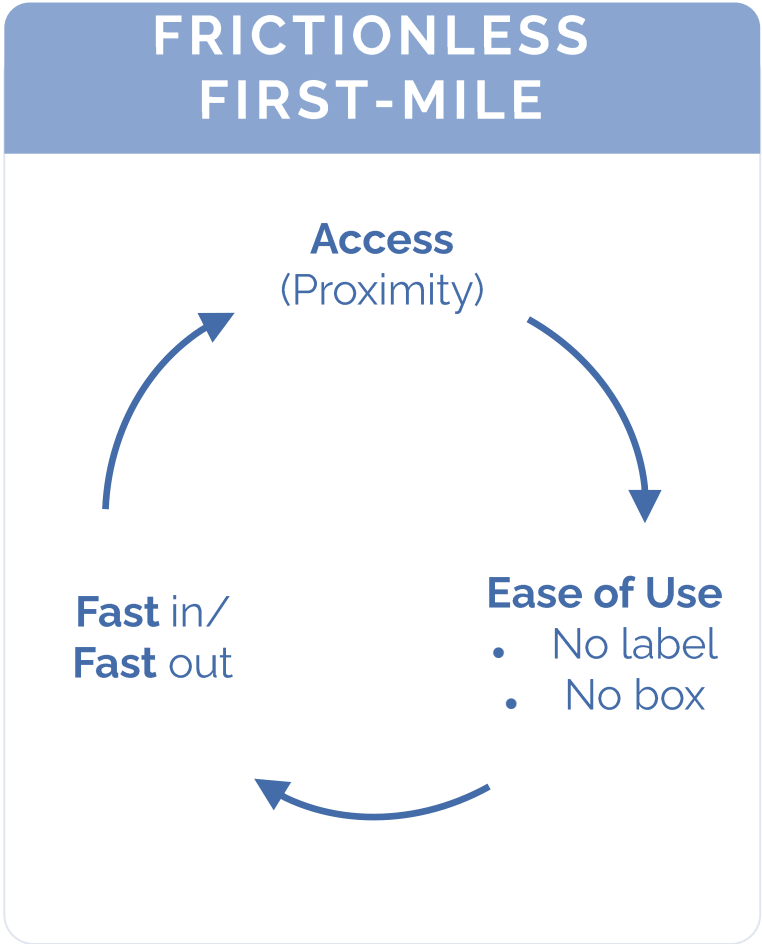
Less friction equals **more profit**.



Removing the Friction

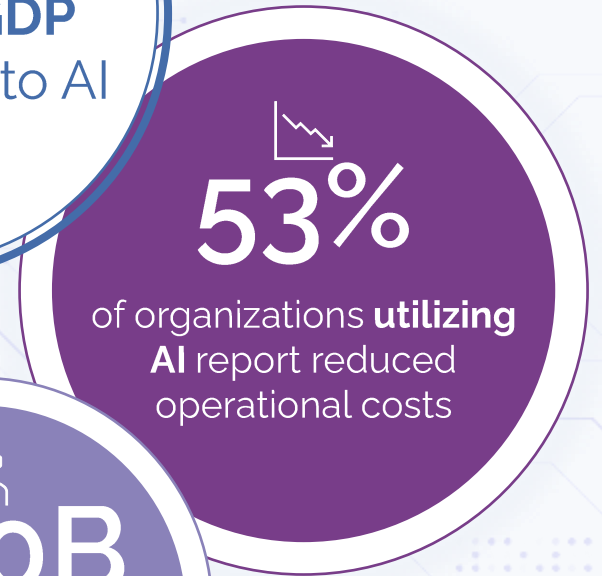
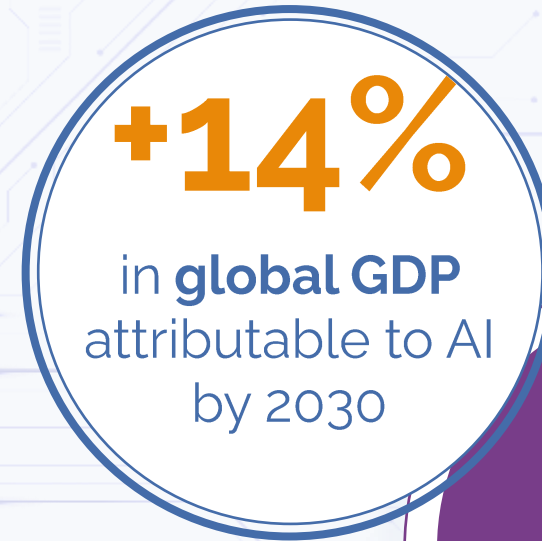
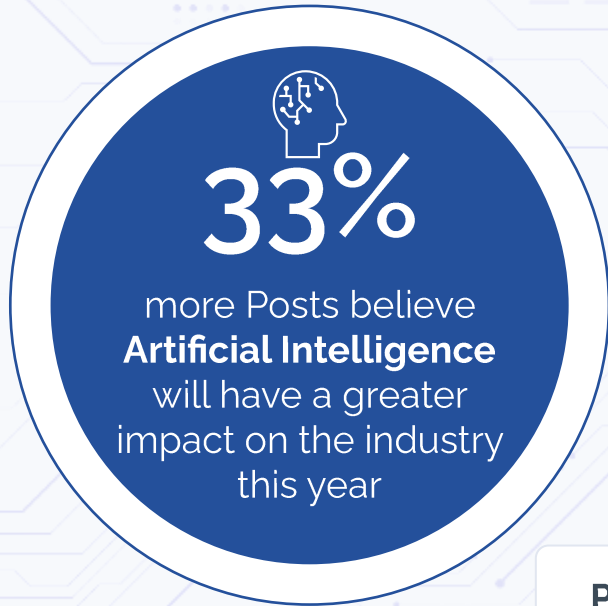


Less friction equals **more profit**.



Artificial Intelligence or Artificial Reality

Cutting through the hype surrounding **Artificial Intelligence**.



Profitable posts are twice as likely to be **focused on customer data analytics** to improve their retail channel than less profitable posts.

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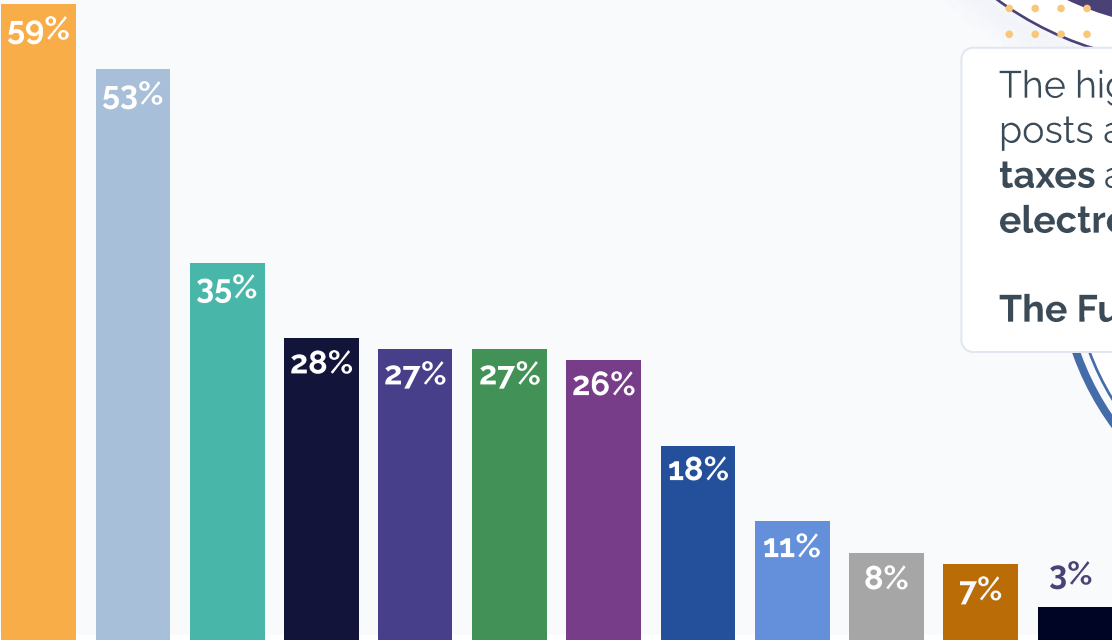
Chasing DDP

The market is shifting to **require DDP**, but Posts have been slow to respond.

What is the main obstacle to **cross-border e-commerce** growth?

Percentage of postal operators

- Real-Time Tax and Duty Estimation
- Transit Times
- Partial or incorrect electronic data
- New Competitors
- Compliance new regulations
- Documentation Difficulties
- Cost Transparency
- Manual processing
- Product Restriction Screening
- Solutions for Cross-Border Product Repair
- Product Classification
- Denied Parties Screening



#2

investment
priority

73%

The least profitable Posts are **twice** as likely to be focused on **transit times**.

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the next 3 years

2027

The highest priorities for profitable posts are **real time duties and taxes** and improving **advance electronic documentation (AED)**.

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Contrasts

Focus by **profitability**.



PROFITABLE POSTS



UNPROFITABLE POSTS





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Escher Research

