

## Swiss Post acquires Basel-based Distriba AG, intends to optimize its promotional mailing processes

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With the acquisition of Distriba AG in Basel, Swiss Post intends to better position itself in the unaddressed promotional mailing sector and exploit synergies. In addition, the delivery of promotional mailings will be optimized and the processes adapted.

The delivery of unaddressed promotional mailing items throughout Switzerland is part of the core business of Direct Mail Company AG (DMC), a Swiss Post subsidiary. In order to better position itself in the advertising market, which has been in decline for years, and to exploit synergies, Swiss Post acquired the Basel-based company Distriba AG and integrated it into DMC at the end of June.

## **Employees of Distriba AG will continue their employment**

The former owners of Distriba AG had contacted Swiss Post in the course of the succession plan and offered to sell the company. As a first step, DMC took over the six permanent employees of the former Distriba AG as well as around 150 delivery staff under the previous employment conditions. In a second step, the delivery routes are to be adjusted, processes optimized and synergies exploited. At the same time, the conditions of employment will be aligned with those of DMC. These changes must be governed by a new employment contract. This is part of a consultation process that will last from 5 to 23 August 2019. The suggestions made by the employees will be carefully examined. Swiss Post will then make a firm decision on the implementation of the planned measures and inform employees accordingly. It is already clear that all employees of the former Distriba AG will continue to be employed at DMC.

## **Adjustments for delivery**

As a result of the situation in the traditional advertising market, demand for a second "delivery window" per week is decreasing, while cost pressures still prevail. DMC has therefore analysed its delivery processes and intends to adapt them. As of 1 January 2020, deliveries will be made once a week on two consecutive days. There are currently two "delivery windows" for unaddressed promotional mailings: Monday/Tuesday and Wednesday/Thursday.

Swiss Post aims for "collective employment agreement for printed matter"

DMC employs around 4,500 staff throughout Switzerland, of whom around 4,430 work part-time in delivery. If this were reduced from the current two to one "delivery window" per week, it would affect around 3,370 employees. This would lead to adjustments in the employment contracts, which is why the current consultation procedure is also part of it. Due to long-term customer contracts, however, a possible reduction in the "delivery windows" does not currently affect the former employees of Distriba AG.

However, another "delivery window" per week would have an impact on DMC"s employees at Niederbipp (canton of Berne), where the mail is prepared for delivery. Production there would have to be converted to single-shift operation, meaning around 25 employees in



production and administration would lose their jobs. A social plan should help to cushion the effects of the planned changes. DMC will also begin talks this year with the syndicom trade union and the transfair staff association for a "collective employment contract (CEC) for printed matter".

Source: Swiss Post