

## “Swiss Post of tomorrow” to combine realignment with focus on traditional strengths

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Swiss Post is aiming for targeted growth in the coming years, in order to continue providing a high-quality universal service and to fund the necessary investments for this by its own efforts. The aim is for its nationwide public service to meet the needs of a Switzerland undergoing dynamic change. With its new strategy, Swiss Post is developing its traditional core competencies - the transport of goods, information and people, as well as financial services. Swiss Post intends to generate growth and the funds necessary to secure the public service over the long term in the logistics and communication services markets. Swiss Post is planning a clear change of course in the development of its network. It will open its network to service companies and public authorities and will stabilize the number of its own branches.

“We want to continue to be a Swiss Post for the people and economy of Switzerland, so that they can develop in a dynamic way”, says Urs Schwaller, the Chairman of Swiss Post’s Board of Directors. Since 1849, Swiss Post has been bringing Switzerland together every day and has been providing a reliable public service. The environment has changed markedly over the past 20 years. Letter volumes and over-the-counter transactions are collapsing, while the parcel market is booming. Swiss Post is responding to these major challenges that have arisen over many years with the “Swiss Post of tomorrow” strategy. With its new strategy, Swiss Post aims to continue funding the universal service and necessary investments by its own efforts, to stop the decline in revenue and profit and to reverse the trend. “The aim is for Swiss Post to grow again as a company”, Urs Schwaller emphasizes.

### **Growth strategy with a focus on logistics and communication services; opening of the postal network**

The “Swiss Post of tomorrow” is based on Swiss Post’s traditional strengths. “We’re focusing on the competencies and markets

that we believe will create the greatest benefit for Switzerland”, says Roberto Cirillo, Swiss Post CEO. The new strategy is scheduled to take effect on 1 January 2021 and will run until 2024. However, its scope stretches well beyond this date, covering the next ten years. The focus of “Swiss Post of tomorrow” is its core competency of trustworthy and reliable transport of goods and information, as well as a clear change of course in the development of its network. It will open its network and stabilize the number of its own branches.

### **1. Logistics – ensuring development of the last mile and Switzerland’s integration into the international goods flow**

People in Switzerland increasingly want immediate, nationwide and environmentally-friendly services – preferably delivered to their own front door. These services are enjoying increasing popularity. For this reason, Swiss Post is developing new services and offers while specifically expanding the “last mile”. It is also developing one-stop industry and customer solutions, helping to give Switzerland a competitive edge. In the goods transport sector, Swiss Post is

consolidating its position as market leader while expanding the goods logistics service beyond national borders, ensuring that Swiss companies are connected to international markets. In future, Swiss Post aims to provide logistics services based on cutting-edge solutions and to help shape the digitization of logistics by forming partnerships and participating in logistics platforms. The massive growth in the parcel business during the coronavirus crisis offers an insight into how volumes in the parcel market will develop. Swiss Post must take action today to ensure that it is prepared for the future. In light of the shift in volumes from letters to parcels, it will in future use its existing resources across all products. It plans to combine its letter and parcel logistics services into a single business unit. This will ensure that it can continue providing attractive jobs in sorting and delivery.

## **2. Communication – mail secrecy as the key to a secure digital world**

Swiss Post guarantees the established principle of mail secrecy in the digital world, too. It is building on its extensive experience as a trustworthy carrier of sensitive information, providing new digital solutions for companies, authorities and private citizens and enabling them to exchange confidential data via a reliable Swiss provider. This need has become even more apparent during the coronavirus crisis. As a public service company owned by the Confederation, Swiss Post supports Switzerland, and in particular SMEs, in their digital transformation process and in ensuring the secure exchange of information with customers and private citizens.

## **3. Postal network – expansion of access points and openings for service companies and authorities**

The branches and access points remain a cornerstone of Swiss Post's activities. They ensure that postal services are accessible throughout Switzerland. Swiss Post is developing and expanding its numerous and diverse access points. During the forthcoming strategy period, the network will be stabilized at approximately 800 self-operated branches – the number set during the last strategy period. Swiss Post is also opening its network to service companies and authorities. This clear change of course is designed to help bring an end to the systematic conversion of self-operated branches. The partners for whom the network is opened will benefit from Swiss Post's service delivery as well as the possibility of offering their customers a physical contact point in this digital age through the Swiss Post branch network. By opening the network in this way, Swiss Post is creating actual service centers for the different regions and genuine value added for Switzerland as a whole.

### **Swiss Post to make targeted investments in its core competencies**

In order to guarantee a self-funded universal service in Switzerland in the future, additional resources need to be generated. The requirement for this is growth, which in turn will initially require substantial investments. "In logistics and digital communication, we want to build up new competencies and grow significantly. To do so, we will invest over 3 billion Swiss francs over the next four years", says Roberto Cirillo. Swiss Post aims to strengthen and expand its service through acquisitions and partnerships in the fields of logistics and communication, in order to guarantee a future-proofed public service for Switzerland. Swiss Post will use its solid financial reserves and additional funds for this process and is considering steps such as selling individual non operations-relevant properties from its real estate portfolio.

### Steps in other areas

Following the rectification of the incidents that came to light in 2018, the PostBus strategy has been realigned. PostBus remains a key element of Swiss Post, retaining its leading role in regional road-based passenger transport and increasingly focusing on sustainable mobility solutions. The Swiss Post subsidiary PostFinance is the only bank in Switzerland with a universal service obligation for payment transactions. In the future, the aim is for PostFinance to be able to issue loans and mortgages independently. This is a matter for Parliament to decide. In the coming years, Swiss Post still anticipates a sustainable and future-oriented contribution to the overall result from the financial services business. The Swiss Post subsidiary Swiss Post Solutions (SPS) has transformed itself into one of the world's leading outsourcing partners for business process solutions and innovative services in the field of digital document management. Swiss Post is committed to ensuring that SPS can continue its progress down its chosen path.

### New organizational structure supports strategy

On 1 January 2021, Swiss Post intends to adapt its Group structure in line with the new strategic orientation. PostBus, PostalNetwork, PostFinance and Swiss Post Solutions will remain unchanged in organizational terms. The logistics and communications competencies, however, will be combined into the "Logistics Services" and "Communication Services" units. From 1 January 2021, the new Executive Management will therefore be composed of the Heads of the Logistics Services, Communication Services, PostalNetwork, PostBus, Swiss Post Solutions, Finance and Human Resources units and the CEO. The Head of PostFinance will retain the role of non-voting member. The Informatics unit is expanding its field of activity within the new

IT/Technology unit and will be represented in Executive Management from 1 January 2022. The aim is for Swiss Post Solutions to be able to evolve independently under the umbrella holding company of Swiss Post Ltd. Swiss Post Solutions Ltd will continue to operate. PostalNetwork will be converted into the new legally autonomous company PostalNetwork Ltd, enabling Swiss Post to further develop its network and open itself to third parties.

The heads of the current units of PostMail, Ulrich Hurni, and PostLogistics, Dieter Bambauer, both members of Executive Management, will retire before the end of the next strategy period and will not assume either of the two new functions in Executive Management. They will contribute their extensive experience to continue developing within Logistics Services two of the units which are crucial to the success of the strategy. Dieter Bambauer will press ahead with the expansion of the national and international goods logistics unit, in which significant investments are planned. In addition to his role as Chairman of the Board of Directors of Asendia, Ueli Hurni will bring together "Operations" for CEP, national and international mail, and the Media and Advertising Market units. The aim of this new organizational structure is to strengthen collaboration in processing and delivery and to free up capacities. The free capacities will be able to be used for the booming parcel market. The coronavirus crisis of recent weeks has shown that this approach has potential.

With the implementation of the strategy and the new organizational structure, Swiss Post will remain an attractive employer. Thanks to optimized usage of the infrastructure, jobs will be safeguarded in every region. Careers at Swiss Post are becoming even more attractive. This supports Swiss Post's efforts to offset the impending wave of retirements

in coming years through new appointments. Even if changes are made to the sorting and delivery processes, jobs in production and around the country will be protected. Individual management tasks and functions may change, however. The Group transformation at the heart of the “Swiss Post of tomorrow” strategy requires the development of additional competencies and aims for growth, rather than a reduction in the number of jobs. As is customary at Swiss Post, organizational changes will be supported by the social partners.

The “Swiss Post of tomorrow” will meet the challenges of dynamic developments in Switzerland. On this basis, it will be able to continue to expand the public service for the population and the economy, with its qualified and motivated staff. “We see ourselves as powering a modern Switzerland”, says CEO Roberto Cirillo.

Source: [Swiss Post](#)

