



Communications for all in East Africa

FRAMEWORK FOR POSTAL MODERNIZATION STRATEGY

**Prepared by EACO
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1.1 PREAMBLE

The postal volumes of physical letters have been decreasing substantially, particularly in the last couple of years and the situation worsened during Covid pandemic. This has led to loss of revenue hence inability to generate income sufficient for operating expenditure and investment. At the same time digital innovations, e-commerce, e-payments, data collection, and digital identity have been at the heart of postal operators' efforts to propose new services, spawn operational efficiencies, and adapt their organizational culture and strategy to the needs of the digital economy in connecting people, businesses and government across the world.

These tendencies require a different postal infrastructure as well as different skills and patterns of employment for postal operators. Hence, the need for modernization that involves identifying areas for improvement, updating/upgrading existing systems/implementing new technologies, streamlining processes, and infrastructure to align with current technological advancements and user expectations, that meet the changing needs of the postal industry and customers.

It involves replacing legacy systems, optimizing workflows, improving user interfaces, and enhancing data management practices. Modernization can also encompass organizational changes, cultural shifts, and skill development to ensure the successful adoption of new technologies. The modernization has become a strategic priority for postal operator.

2 SCOPE

Developing a comprehensive postal modernization strategy requires a systematic approach that identifies areas of improvement and addresses the issues. The working group committee proposes a framework to guide the development of modernization strategy as outlined below.

2.1 ASSESSING THE CURRENT STATE

This entails evaluating the existing infrastructure, processes, and technologies in the EAC postal sector in order to identify strengths, weaknesses, opportunities, and challenges.

In addition, conducting a benchmarking analysis to compare the EAC postal sector's performance with international best practices is critical in providing insights into best practices that can be adopted

2.2 DEFINING VISION AND OBJECTIVES

The committee shall establish a clear vision for the modernization and transformation of the global postal sector by considering the evolving needs of customers, emerging technologies, and postal industry trends.

Further to the vision, the committee shall define measurable objectives that align with the vision, such as enhancing operational efficiency by integrating digital solutions, enhancing customer experience, reducing costs, adopting environmentally friendly practices, increasing postal revenue generating ability by expanding service offering.

2.3 STAKEHOLDER ENGAGEMENT

The committee to engage with key stakeholders, including government authorities, postal regulators, postal employees, customers, and industry experts in seeking their input and feedback to better understand their perspectives to ensure that the modernization strategy addresses the needs of all parties involved.

The stakeholder's engagement is also considered significant in strengthening collaboration and building consensus on the modernization strategy.

2.4 TECHNOLOGY ADOPTION

The committee to identify emerging technologies and trends that can enhance postal operations, such as automation, adopting track and trace technologies, leveraging artificial intelligence (AI) and data analytics, route optimization, introducing digital platforms for online tracking and delivery notification.

The evaluation for feasibility and impact of adopting these technologies will consider factors like cost, scalability, interoperability, and security.

Upon identifying the emerging technologies and undertaking feasibility analysis, the committee shall prioritize technology initiatives based on their potential to drive efficiency, improve service quality, and support future growth.

2.5 PROCESS OPTIMIZATION

Process optimization entails analysis of end-to-end processes within the postal sector, including mail collection, sorting, transportation, delivery, and customer service in order to identify bottlenecks, inefficiencies, and areas for improvement and develop strategies to streamline them.

The analysis shall then inform process for streamlining, reengineering workflows, optimizing transportation and logistics/redesigning delivery routes to improve speed and logistics, elimination of redundancies, and implementation of lean practices to increase operational efficiency and reduce costs.

2.6 DIGITAL TRANSFORMATION/SERVICE DIVERSIFICATION

The committee to develop a roadmap for digitizing postal services, encompassing areas such as online platforms, mobile applications, digital payment systems, and electronic document management thus expanding the range of services offered by the postal service to meet changing customer needs. This could include e-commerce, e-fulfilment services, partnering with local businesses for last mile delivery, providing electronic

document management solutions, exploring alternative delivery methods like drones or electric vehicles.

The main focus shall be improvement of the customer experience through seamless online transactions, real-time tracking, personalized services, and efficient complaint resolution.

The success of digital transformation will depend on ensuring availability of secure and user-friendly digital channels for all customer segments, including individuals, businesses, and government entities.

2.7 WORKFORCE DEVELOPMENT

This will demand an assessment of the current workforce's skills and capabilities and identify areas for improvement. The output of the assessment to inform development of training programs that will equip employees with the necessary digital and technological skills required to adopt to the modernization efforts. Emphasize digital literacy, provide training on new technologies and encourage a culture of continuous improvement and innovation.

2.8 POLICY AND REGULATORY FRAMEWORK

It will be necessary that the EAC postal operators collaborate with government entities to create a conducive regulatory environment that supports postal modernization.

The industry regulators to advocate for policies that promote competition, innovation, and investment in the postal sector. The regulatory framework to also ensure compliance with data protection and privacy regulations, particularly in the context of digital transformation.

2.9 PERFORMANCE MEASUREMENT

The committee to establish key performance indicators (KPIs) aligned with the objectives of the modernization strategy besides implementing a robust monitoring and evaluation system to track progress, identify deviations, and make data-driven decisions.

The stakeholders to regularly receive communication on performance results towards incorporating feedback for continuous improvement.

Establish key performance indicators (KPIs) to monitor the progress and effectiveness of the modernization strategy with regular evaluation reviews against the KPIs, gather feedback from customers and employees and adjust as needed to optimize outcomes.

2.10 IMPLEMENTATION PLAN

The committee to develop a comprehensive plan for implementing the modernization strategy that outlines the sequencing of activities, resource allocation, timelines, and responsibilities. The implementation plan to incorporate strong project management and coordination among different member states to monitor the implementation progress and make necessary adjustments to stay on track.

Communicate the plan to all stakeholders and ensure that necessary support and resources are available for successful implementation.

3 NEXT STEPS

Undertake stakeholders' analysis in assessing the current status in order to address the unique challenges and priorities

- a. Put in place a modernization plan and program
- b. Provide funding in the budgets or seek USF support as appropriate
- c) Procurement
- e) Capacity building and culture change
- f) Implement the transformation program

NOTE: Every designated operator is unique & at different levels in automation and the modernization strategy should be tailored to the specific needs of the individual organization.

4. CONCLUSION

The approved strategy serves as guideline to member countries in the formulation of their strategy to modernize their postal sector. The same will be reviewed from time to time to ensure its continued relevance and effectiveness for the sector.

This document was approved in June 2024.