Futureproofing Our Business
“The digitization of our society brings many challenges in this regard, but at the same time, I see it as a solid growth driver.”

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The bpost group in 10 keywords

bpost group Chairman of the Board of Directors, François Cornelis, and the brand new CEO, Jean-Paul Van Avermaet, have great ambitions for their company. In their opinion, digitization offers as many opportunities as risks. And thanks to strategic acquisitions and investments, bpost group should play a more important role, including at an international level. Here is their New Year’s letter, in 10 keywords.

Ambition

François Cornelis, Chairman of the Board of Directors: “Above all, our ambition is to transform bpost - a traditional postal operator - into a leading player in the field of e-commerce logistics. Consumption patterns have radically changed in recent years, and our business must be able to respond to them effectively. I think consumer expectation brings many challenges in this regard, but at the same time, I see it as a solid growth driver that can offset the decline in traditional mail. The internal transformation that the company has undergone in recent years, combined with external acquisitions, help us meet this challenge. E-commerce is a sector in its own right, a profession with its specific skills. We acquired more of these skills since the acquisition of Radial, among others. The major challenge will be to integrate these new skills and the additional expertise into the company as quickly as possible.”

Jean-Paul Van Avermaet, Chief Executive Officer: “Our society is digitizing, and that is why we need to transform. In my opinion, it is crucial to involve everyone who works with us in order to offer them a new future. As for the ‘last mile’, we already acquired a great deal of experience with the traditional mail; we still need to extend this expertise to an efficient and satisfactory ‘last mile’ distribution model for parcels.”

Services

François Cornelis: “The postman’s daily passage is a unique asset. This physical presence allows us to offer other services. To this end, we have established a number of partnerships. We will continue to study the possibility of offering new services in the coming years. In doing so, we hope to create other sources of revenue that could offset the decline of traditional mail.”

Jean-Paul Van Avermaet: “These new services can build on the ‘last mile’ and our unique proximity to the customer, but also exploit the know-how and the strengths that we have accumulated over time. Think of our collaboration with the Federal Public Service within the framework of the traffic fines platform, for example. In the future, we could work with the authorities in other areas to help them make their services towards citizens more efficient and more user-friendly.”
Sustainability

Jean-Paul Van Avermaet: “In recent years, we have made considerable efforts to build a greener fleet, from simple electric bikes and mopeds to cars and cargo bikes. Where possible, we want to continue to focus on sustainability. We see sustainability in a broader sense: for example, our automatic Cubee parcel lockers help reduce the number of kilometres travelled by allowing customers to collect their parcels themselves. We have noticed that municipal administrations and end customers particularly appreciate this formula.”

“We view innovation as an instrument to absorb and manage our future growth, not as a way to cut our workforce.”

Jean-Paul Van Avermaet, bpost group CEO
François Cornelis: “Radial is one of the major e-commerce players in the United States, offering a range of services covering the entire e-commerce logistics chain. With this acquisition, bpost has established itself on the world’s leading market. We want to consolidate this position and deploy the same activities in Europe. We have taken the first steps by establishing ourselves in countries like Germany, the United Kingdom and Italy. We are developing these activities based on the Radial model in the United States.”

Jean-Paul Van Avermaet: “It is clear that, in a very large market like the United States, an interesting segment has developed alongside the major commercial players in e-commerce. We must strive to develop a similar alternative offer in Europe, complementary to the existing market.”

François Cornelis: “Innovation is becoming a major theme for the company. The extremely rapid technological development characterized by artificial intelligence, robotics, blockchain and machine learning is transforming our professions and confronting us with permanent evolution. So, in order to respond to this evolution, we needed to strengthen the technical teams and develop an innovation expertise centre.”

Jean-Paul Van Avermaet: “Technological innovation is at the top of our agenda. This is reflected in initiatives such as bpost’s Future Lab and an ‘innovation committee’, but also in a number of pilot projects in the field of robotics and artificial intelligence. That said, we view innovation as an instrument to absorb and manage our future growth, not as a way to cut our workforce.”

François Cornelis: “Few professions are as visible to the public eye as that of the postman and we are still the largest private employer in the country. The human dimension is therefore of great importance within our company, at all levels.”

Jean-Paul Van Avermaet: “People are the strength of our business. For many years, bpost has also been recruiting people from vulnerable target groups to train them in their workplace, within the company. Right now, we are one of the largest employers of short-schooled employees, offering them the opportunity to graduate from secondary school. In this sense, we can say that bpost is present and active at all levels of the community.”

“Customer value, whether this customer is big or small, must be the starting point for each of our activities.”

Jean-Paul Van Avermaet, bpost group CEO
"The postman’s daily passage is a unique asset. This physical presence allows us to offer other services."

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Transformation

François Cornelis: "A first example is the introduction of a new distribution model. The automation of sorting processes as performed by Active Ants is a second example. The transformation of the company that started several years ago should lead to the creation of a new European player."

Jean-Paul Van Avermaet: "When we talk about the ‘last mile’, we are of course referring to the Belgian level, where we want to stay at the forefront, in a sustainable way. E-commerce certainly still has room for growth in Belgium. To be convinced, you only need to look at the development of e-commerce and logistics in our neighbouring countries."

Digitization

Jean-Paul Van Avermaet: "Digitization was of course the main driver of the explosive growth of e-commerce and therefore of the increase in the number of parcels. I also consider digitization as an important pillar in the development of new services for citizens. We are already carrying out experiments in that direction and hope to develop them into real-life solutions as soon as possible. Regardless of that, I think bpost has a duty to continue to serve customers who have not yet jumped on the digital train."

Clients

François Cornelis: "bpost is growing in increasingly competitive and customer-oriented professions. The Board of Directors therefore wishes to put the customer at the centre of bpost’s concerns."

Jean-Paul Van Avermaet: "Customers must be our top priority, and in this regard, I think we can do even better than in the past. More behind the scenes than in direct contact with them. Customer value, whether this customer is big or small, must be the starting point for each of our activities."

Society

François Cornelis: "bpost provides an important social service and wishes to be able to provide it over the long term. To this end, bpost will seek to develop additional services to society in partnership with the State."

Jean-Paul Van Avermaet: "Digitization has contributed to the fact that there is less contact between people, that society is perceived as less welcoming. In my opinion, bpost has always acted as a kind of physical intermediary between the government and the citizen, and I would like us to be able to continue to take on this prominent local role."
Key events in 2019

On January 23
bpost and the City of Brussels reached an agreement on the sale of Centre Monnaie building

On March 22
the Council of Ministers approved the terms and conditions applicable to bpost for the delivery of the universal service

On June 25
Radial opened a new fulfillment center in Brownsburg, Indiana

On August 30
bpost completed the sale of Alvadis, a company of the Ubiway group

Key figures

7.1 million
letters handled every day in Belgium

35,377
FTE and interim (average) worldwide
On November 6
it was announced that Jean-Paul Van Avermaet would be appointed bpost group CEO to succeed Koen Van Gerven.

On December 6
the Belgian Federal Council of Ministers decided to extend the press concessions.

On December 9
bpost reached an agreement on the sale of the CityDepot activities to BD myShopi.

On September 20
2019 bpost participated in the first Green Postal Day.

281,000
parcels handled every day in Belgium and The Netherlands

40,636 km
cycled by our postmen every day

28
Radial fulfilment centers in North America and Europe

82%
satisfied customers

3,837.2 million
EUR turnover

2,300
service points in Belgium
It has to be one of my earliest memories: every day during the holidays, as a little boy, together with my grandmother I was on the lookout for the postman. Footsteps, the rattling of the letterbox, letters that fell into the box. Regularity. Rhythm. Reliability. And once a month the postman also came in to deliver my grandmother’s pension. Then she had a little chat with him, and she was glad that her money had arrived safely. Trust. Safety. Certainty.

That was half a century ago, and a lot of things have changed since. I was lucky to fully enjoy one of the most exciting periods in human history, the rise of the digital age, and the technological revolution through the introduction of the internet. It has totally changed our lives. When I graduated, there was hardly any mention of the World Wide Web. And now, we can no longer live without our online or mobile connectivity. My children grew up in a world where digital is normal, where everything is always accessible everywhere and where you can look everything up. They are the generation that can be very annoyed when there is a glitch on the Wi-Fi and their Netflix or Spotify falters for a millisecond.
We are now in the phase where the rise of online and digital is also shaking up different business aspects. Look at the financial sector, where banks are closing more and more branches, because we can do everything on our smartphone, wherever and whenever we want. Or at the media, where newspaper groups have to reinvent themselves for a younger audience that grew up with Instagram, YouTube and Netflix and no longer has an affinity with a paper newspaper. But especially look at the retail sector, where we read reports every week about the increasing vacancy in shopping streets. And where the first wave of online players like bol.com and Coolblue anxiously await what is about to happen now that Amazon has set its sights on Belgium.

Almost everything has changed. And yet the postman still delivers our post. We all know it contains fewer and fewer letters, because they are sent more and more often digitally. And, for the same reason, the amount of newspapers and leaflets will also decrease systematically. The postman delivers more and more parcels, but is that the only silver lining for the future of a player like bpost?

For ten years we have paid a lot of attention to the famous “Unicorns”, the new online players who have grown so very fast and became so very dominant. Just think of Google, Facebook or Amazon. I am convinced that the next ten years we will mainly have to deal with a “Phoenix” phenomenon. Traditional players who embrace technology and emerge stronger. In the US, we see traditional retailers such as Walmart reinventing itself against Amazon. Or we see Disney rise like a phoenix in its fight against Netflix.

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In my opinion, there is a “Phoenix” in bpost: the opportunity to reinvent itself for the digital future. And then it’s not just about more parcels, but perhaps also about the ancient values that are embedded in the company. Regularity, rhythm, reliability: in a rapidly changing volatile society, we need it more than ever. Trust, safety, security: more than ever in a world of uncertainty, we need a safe beacon. Reinventing bpost is going to be a tough job, but the ingredients to make it shine like a beautiful phoenix are definitely there.
Radial brings Europe and America closer together

Thanks to its global e-commerce solutions, Radial brings Europe and America closer together. In 2019, the company invested heavily in both technology and warehouses. "We will continue to do so in 2020 to be futureproof for our customers," says Dries De Love, Executive Vice President at Radial Europe.

The American company Radial, a bpost wholly owned subsidiary since 2017, is a leading international player in integrated logistics services, offering a range of services throughout the entire e-commerce logistics chain: "We deliver every service the consumer needs as soon as he has placed a product in his online shopping cart," says Dries De Love. "We manage the payments and the orders, we bring the product to the warehouse or we act as a call centre in case of problems with the order. In other words, retailers receive a full offer from a single, global player, thus avoiding having to work with five suppliers. That simplifies their process and improves customer experiences."

Why do customers choose Radial Europe?

Dries De Love: "Over the past 20 years, Radial Europe has developed a solid reputation as a reliable, worldwide brand. And, although we are a large company, we are fast, flexible and easy to work with. Companies that want to grow and expand globally never take risks with a player they don’t know.”

How does Radial bring the United States closer to Europe and vice versa?

Dries De Love: "By working with Radial, customers can be active on two continents, with the same contract, billing and reporting. That makes it convenient for them. Thanks to our warehouses in Europe and North America, they are much closer to their customers, with faster and cheaper shipping and return options. Two projects make that clear. We brought Untuckit, a well-known American clothing brand, to Europe through our warehouse in the United Kingdom. And we recently supported UK based gym and sportswear brand Gymshark’s international expansion, with warehouses in the US and Canada.

What are the main differences between the European and the American e-commerce market?

Dries De Love: "There used to be a perception that the American e-commerce market was more technologically advanced than the European one, but the gap is closing. Cheaper technology, better access to good web shops and various shipping options lowered the threshold for start-ups.”
By working with Radial, customers can be active on two continents, with the same contract, billing and reporting.”

Dries De Love, Executive Vice President at Radial Europe

“Because America is such a large continent, goods are more often shipped directly from the stores. In Europe “click & collect” is the normal course of business, because consumers regularly drive past stores, for example when they come home from work. But I see those two systems grow closer together.”

How do companies in the United States view Europe and vice versa? Are there cultural, legislative or political barriers to overcome?

Dries De Love: “American companies easily think that European legislation and taxation are complex, but that is not the case. It is true that Europe has several languages and borders, but if you focus on the three most important markets - Germany, France and the United Kingdom - you have access to 75 percent of the European market. We therefore advise customers to keep it simple and to remain calm. Unfortunately, political situations such as Brexit contribute to the confusion. Nobody wants customs to hold goods at the frontier, that deliveries take forever or that you have to pay extra duties. The answer is fairly simple for Radial and our customers: we have warehouses in the United Kingdom, Europe and North America and that can easily solve problems.”

What challenges does the e-commerce sector face? How is Radial making itself futureproof?

Dries De Love: “E-commerce is a very competitive environment. Retailers must meet the expectations of the consumer, so they don’t shop elsewhere. And the bar is set high. The delivery speed is now one to two days. In addition, consumers expect free shipping, delivery at flexible locations and free returns. Reaching these customers in a cost-efficient way is a major challenge in both Europe and the United States.”

“To make Radial futureproof, we mainly continue to do what we did before. In other words, we constantly invest in new technologies. We try to be active in markets before our competitors do. And finally, we offer our customers the opportunity to grow with us globally, through the different services we provide.”

What did Radial achieve in 2019? And what are the ambitions for 2020?

Dries De Love: “In 2019 we accelerated investment in our growth. We opened a new warehouse in Milan to increase our presence in Europe and we doubled our sales team. All of this to focus more on larger and globally active customers. In 2020 we will mainly implement that growth. We are looking at multiple locations for our customers who grow and need more space. Among other things, we signed an agreement for a larger warehouse in Poland.”
Gymshark is a manufacturer and online retailer of fitness apparel and accessories in the UK, supported by millions of highly engaged social media supporters and customers in 131 countries. Founded in 2012 by teenager Ben Francis and his high school friends, Gymshark is now known as one of the fastest growing fitness brands, ready to further conquer the United States. “We currently offer the best service possible, although we are thousands of miles away from the USA. Nevertheless, often customers are left waiting more than a week to get their purchased order,” says Chris Ormonde. “Not really a fine accomplishment if you compare it to some of our other key markets (UK, Germany, France) where, for example, our standard service guarantees next day delivery for an order placed at 8pm. Our partnership with Radial will now allow us to offer next day delivery as a standard in the USA, and even same day delivery to specific regions.”
Do Gymshark’s values align with Radial’s values (curiosity, collaboration, respect and passion) and mission statement (“making our customers succeed”)?

“Certainly! And this was one of the most important factors when making our decision. We visited plenty of other potential Third Party Logistics (3PL) partners in America and we saw some very impressive sites. At Gymshark, we view our 3PL partners as an extension of our workforce. Although they do not work in our offices and are paid by a different company, they are a key part in delivering on our customer promise and in providing a world class customer journey. If Radial’s values would have been conflicting with ours, it would just have been as if a new employee walked into our office with different values to the ones we set.”

What trends do you see in the e-commerce business?

“As I see it, e-commerce is still on the way up. Getting orders to customers quicker and cheaper, making the return process easier for them, seem to be the main drivers in today’s world. If I look at the services we offer now, vs what we did 3 years ago, I don’t believe we would still be alive had we not adapted to the ever growing customer demands.”

Gymshark’s business is heavily focused on North America and Europe right now, but do you see significant other opportunities? Asia for example. How does the geographical market influence your approach or do you consider e-commerce to be a truly global business?

“Right now, we are focusing on North America and Europe to give all of our consumers the same high level of service. The plan is to venture into Asia once we are ready, and once we can make sure we can give customers the same experience we currently give in other regions. Our full focus is on delivering a 100% e-commerce approach.”

When will you consider the partnership with Radial to be a true success?

“Once we have survived our first real peak in the US and seen the impact on the customer. We will not speak of a true success until our customers notice a change for the better.”

How important is customer experience to your success and what are the key elements to contribute to it?

“We regularly talk about being customer first. Without its customers Gymshark would not be the brand it is today. We can promise them the world, but if we can’t deliver, we lose our community of customers. We need to be trustworthy at all times! We can never let our customers down.”

What do you expect from your logistics partner in order to manage key sales and promotional events?

“One of Gymshark’s biggest challenges is how to handle peak periods and scale up during those moments. Today, we still are fairly consistent. Even when there are peaks, for example when new products are launched, for customers it will still be business as usual. But we look at the long term, regardless of the sales numbers we want to be able to guarantee that our customers will always enjoy the same service, best results, whether we are handling 1 order a day or 500,000. Whilst we aren’t there yet, without our logistics partners ability to scale up for these events, the customer experience shall be directly affected in a negative way when sales numbers increase.”

“If we survive our first real peak in the United States, we will consider the partnership with Radial to be a true success.”

Chris Ormonde,
Operations Director at Gymshark
How bpost is pushing world borders

Transferring parcels from train containers and airplanes onto trucks, handling customs formalities, forwarding shipments to international postal operators and last-mile deliveries: Landmark Global and bpost also are commissioned by online giant Alibaba for these transactions via our country. This results in a considerable parcel volume on an annual basis.

Since last year, Cainiao, logistics subsidiary of e-commerce giant Alibaba Group, has been organizing the delivery of several tons of parcels for and through our country to the rest of Europe. All of this in strong partnership with bpost.

Largest cargo airport

“Every week, we take care of the handling and processing of hundreds of thousands of parcels via Belgium on behalf of Cainiao,” explains Ming-chia Tu, International Product and Project Manager at Landmark Global, a bpost subsidiary. “As soon as the cargo flights and train containers arrive in Brussels and Liège, we take over. Thanks to our fast and structured processing, we limit the transit times of orders from thousands of European end consumers.”

Cainiao is responsible for the delivery via flights and trains between China and Europe. Jungen Huang, Head of EU Linehaul Network at Cainiao: “We choose Liège as a logistics hub for the distribution of e-commerce parcels because of its excellent central location in Europe. Moreover, the Liège airport is the largest cargo airport in Belgium, and the eighth largest on the European continent. We consciously avoid transport to Europe via ships: it just would make travel times unnecessarily long.”

Positive impact

Through this important partnership with a major Chinese player, bpost not only creates additional jobs in our country, but also encourages new partnerships with other Chinese companies, Ming-chia Tu emphasizes. “Thanks to the important partnership with Cainiao, we attract new customers and we extend deals with existing customers. For example, some Chinese companies only fly to Brussels, whereas we, as bpost, offer services both in Brussels and Liège airports. It gives the custom-
understand each other, but sometimes it requires some language and interpretation efforts on both sides. Anyway we like to work with Belgians: they are kind, honest and sincere.”

For this intercontinental cooperation, a digital communication gap also had to be bridged, says Ming-chia Tu. “Cainiao uses DingTalk, a self-developed platform for business communication and collaboration. Most conversations go through a corresponding app and official documents are shared in the same way. “The app has now been installed on the smartphones and laptops of the Landmark Global employees so that they can stay in touch with the customer wherever and whenever it is required. That took some getting used to because for their European customers, bpost staff mainly uses e-mails.

2020 and beyond...
Landmark Global is currently conducting additional discussions with Alibaba’s and Cainiao’s managers, concludes Ming-chia Tu. “The intention is to set up an even deeper and more strategic cooperation between Belgium and China. We do not only want to strengthen the cooperation between Landmark Global and Cainiao, we also want to expand it on an even larger scale in the coming years. This will benefit all parties.”

Language and digital communication Challenges
According to Jungen Huang, the biggest challenge of international cooperation on a large scale - such as that between Cainiao and Landmark Global - is perhaps the language difference between Mandarin and English. “Naturally, bpost and Cainiao share a number of important company values: these are the foundation of our open cooperation. In the end, our people always work together more options, allowing us to handle even larger volumes. “Moreover, Landmark Global is organized in such a way that it can be very flexible when it comes to deliveries that arrive later or different than planned for external reasons; Chinese customers can really appreciate that!

“Every week, we take care of the handling and processing of hundreds of thousands of parcels via Belgium on behalf of Cainiao.”

Ming-chia Tu, International Product and Project Manager at Landmark Global

“We like to work with Belgians: they are friendly, honest and sincere.”

Jungen Huang, Head of EU Linehaul Network
In an economy that forces you to evolve at lightning speed, you have to look beyond the borders. bpost and DHL are doing it through De Benelux Bezorgers, their Belgian-Dutch total solution for cross-border e-commerce: “We are each other’s last-mile partners.”

”E-commerce removes physical borders,” says Stijn Hennebel, Vice President Performance & Customer Operations Parcels Benelux at bpost. “In logistics, of course, those borders do exist. But thanks to the Benelux Couriers, senders and recipients do not have to worry about it. The Benelux Couriers puts convenience first: send parcels to the neighbouring country through your web shop and have them delivered to your end customer by bpost in Belgium, by DHL in the Netherlands. Web shops receive one account manager, one contract, one integration and one invoice.

There is no point in competing
Once, DHL Parcel and bpost were direct competitors. Now they have concluded a non-exclusive cooperation agreement and they take care of each other’s figurative last mile. They sort each other’s parcels and deliver them to the delivery address. “Today we respond to the needs of both the sender and the receiver, with an eye for the subtleties of each country,” says Stijn Hennebel. Martijn Kleij, Vice President Marketing & Retail Benelux at DHL Parcel, adds: “We found more synergy than competition. In this case, one plus one really equals three.”
bpost and DHL Parcel share everything they can. “We were able to launch our DHL app faster thanks to the lessons learned during the rollout of the bpost app,” says Martijn Kleij. “Our people found inspiration for future results in Zaltbommel, when the new DHL sorting centre opened,” says Stijn Hennebel. “If our hubs and flows become less susceptible to malfunctions, customers on the other side of the border will also benefit from it.”

Parcel volumes on the rise
When asked about their biggest challenge, both men are unanimous: “Growth.” According to the Ecommerce Foundation, 68 percent of Belgians buy online, in the Netherlands 85 percent of the population does it. “We are not yet at the Dutch level,” explains Stijn Hennebel.

So, the growth potential is high. Since bpost and DHL joined forces, they both saw volumes increase. Martijn Kleij: “No lane with another country is growing as fast as the axis between Belgium and the Netherlands. Our volume there has grown by 40 percent, while elsewhere it has increased by 20 percent.”

In Belgium, cross-border volumes are also increasing more and more. So we have to constantly respond to this increased demand. An example: bpost opened its new Brussels X sorting centre in 2017. Every day, it processes 300,000 parcels. DHL followed in 2019 with a new hub in Zaltbommel. It is good for half a million parcels a day.

1.8 million customer preferences
Without efficient data streams, there are no Benelux Couriers. Martijn Kleij: “We are actually IT companies that happen to have parcels as a product. We let our IT systems talk to each other via so-called micro services.”

“And another advantage is that we can read each other’s barcodes,” says Stijn Hennebel. “In other countries, they usually stick a new label on foreign parcels. We offer a seamless solution.”

And the same is true for the customer preferences that bpost applies in Belgium. Because, as Martijn Kleij says: “There is not just a thing like ‘the one and only’ consumer.” “If you are not at home, you can have your parcel delivered via bpost at a safe place, a neighbour’s house or a pick-up point,” explains Stijn Hennebel. “And we also apply this to the many DHL parcels we deliver for the Dutch web shops.” In recent years bpost has captured an estimated 1.8 million customer preferences.

In the meantime, the web shops are also benefiting. “Because with a smooth delivery you win satisfied customers,” says Stijn Hennebel.

Logistics seems obvious
In the coming years, volumes will be rising. The sustainability issue will also demand extra attention - both organizations are looking at different solutions, including electric transport. And customer communication will gain in importance. Martijn Kleij: “We want to make B2B clients and consumers more aware of the logistics chain. A parcel that travels from Groningen to Brussels in a few hours goes through the hands of 8 to 10 people. All those manipulations cost money. Yet the end customer does not pay no more than the price of a good cappuccino.”

“People rarely realize that such a service cannot be free,” says Stijn Hennebel. And Martijn Kleij concludes: “If we can convince customers of the true value of our services, we are happy.”
bpost assists public services with innovative solutions

bpost is not just about delivering letters and parcels. Strong partnerships with public services lead to innovative solutions.

Collecting traffic fines efficiently

bpost is responsible for the administrative and financial management of traffic fines in our country. Last year 7.1 million letters were sent to offenders using a platform that was specially developed for that purpose.

Since 2012, EU member states can exchange the identity of traffic offenders. As a result, bpost, in close collaboration with the Federal Public Service Justice, developed a platform to manage the fines. “The government can use it to send the correct documents to offenders from the 27 EU member states,” explains project manager Bart Smeets. “And they receive all the documents in their own national language.”

“Thanks to this platform we can focus on our core tasks,” says Vincent Floré, a department of Justice collaborator. “It is a good example of a successful private-public partnership. We were looking for a partner that was both flexible and reliable. The quality of its service was also crucial. Moreover, that partner had to be able to upscale, if necessary. All these elements can be found at bpost.”

In 2019, 7.1 million immediate collections, amicable settlements and reminders were sent via the platform to offenders from 8 countries. In addition, bpost digitized 652,439 response forms (sent by the offender) via this channel and answered another 325,801 telephone questions. The trafficfines.be website, which is also part of the platform, has an average of 697,000 consultations every month.

Sensors monitor the Antwerp air quality

In the city of Antwerp, 20 postal vans are equipped with sensors from the research centre and innovation hub imec. “They continuously map the air quality,” says Henk Joye, project manager at bpost. “The data is permanently transmitted and analysed. With this survey, imec wants to test the quality and reliability of low-budget sensors and various communication technologies. bpost, on the other hand, investigates whether its daily presence in every street can create a different and additional value for our society.”

Traffic sign control for more safety

In Roeselare and Zonhoven, cameras on bpost vehicles film the traffic signs along the road. “Municipalities can detect and repair damaged traffic signs faster this way,” says project leader Diana Collinet. “In Roeselare alone, we detected 300 traffic signs that needed follow-up. At a later stage, we can also permanently monitor street furniture and road markings. And all this is done with the help of machine learning.”

“Offenders throughout the EU receive their fines in their own national language”

Bart Smeets, project manager at bpost
bpost employs approximately 26,000 people in Belgium, distributes mail into 5 million mailboxes in rural and urban areas, delivers on average nearly 300,000 parcels a day, and helps small and large companies develop and grow their e-commerce activities. In addition, it informs people through the distribution of newspapers at home and brings high-quality postal and basic banking services close to their homes—in an environment in which many bank branches close their doors.

Binding social role
“We want to reconfirm our binding social commitment both to the State and the citizens in the years to come,” emphasizes Dirk Tirez, Chief Legal & Regulatory Officer and Company Secretary at bpost. “At the same time, bpost is transforming into an innovative player in e-commerce logistics.” Globalization, digitization, and disruption create new challenges and opportunities for businesses striving to operate in a socially and environmentally sustainable way.

The decline in letter volumes jeopardizes the long-term survival of the universal postal service and the role of the postman,” says Dirk Tirez. In addition, the sixth management contract with the State for services of general economic interest, public service missions such as an extensive network of post offices and the at home distribution of pensions, will expire at the end of 2020. And the lack of balanced social conditions in the home delivery of parcels also threatens social security and socially responsible employment in the e-commerce industry.

Partner of the State
bpost wants to remain an important partner of the State in the coming years by offering socially relevant services to the population. “We think ahead with regard to how bpost can play an important role in social challenges such as digitization, mobility, the environment, integration, and socially responsible employment,” emphasizes Dirk Tirez. “The new federal and regional governments must make important decisions that will influence the future of proximity public services and of the e-commerce and logistics industry.”

Consider: the need for the conclusion of a seventh management contract to guarantee sustainable and quality public services in the whole of Belgium; the importance of fair and quality employment conditions for the parcels and logistics industry; and standards that encourage all parcel delivery and logistics actors to limit the impact of their activities on mobility and the environment.

Sustainable leader
“We also commit to sustainability,” concludes Dirk Tirez. “According to the IPC, the international network of postal operators, bpost has for years been one of the top three most environmentally-friendly postal companies in the world. We invest in the production and purchase of green energy and by 2030 we want to reduce our CO₂ emissions by another 20 percent.”

Due to its network and proximity to the people, bpost occupies a prominent place in Belgian society. In the coming years, bpost wants to continue playing an important role for citizens, the State, and other stakeholders.

“We offer solutions for new social challenges, together with innovative e-commerce logistics services for citizens and companies.”

Dirk Tirez, Chief Legal & Regulatory Officer and Company Secretary at bpost
Panel discussion: the future of our postal system

The postal market is changing rapidly. What should the postal system look like within 10 years to continue to meet customer needs? Five international postal professionals in debate. “More than half of our revenue comes from activities outside the traditional postal activities. And we are ready to expand those even further.”

Digitization, increasing e-commerce, evolving customer expectations and the importance of reputation and sustainability require new strategies and technology to make the postal system future-proof. And these changes demand new partnerships and vision. Listening to other voices is crucial in this innovation process.

**Q&A**

**Walter Oblin**
Deputy CEO at Österreichische Post AG

“It is our postmen and women who continue to make a difference on a social human level, they are the human interface.”

**Helen Norman** (Editor-in-Chief Parcel & Postal Technology International): “Yes, but not in their current form. Many postal operators are engaged in a transformation process to remain relevant. To do so you have to clearly map out the expectations...”
and requirements of your end customers, in order to adjust your strategy accordingly. To stand still is to go backwards.”

Holger Winklbauer (CEO at International Post Corporation): “I fully agree. By 2030, 70 percent of all retail purchases will be made online. That is a tripling of the current e-commerce volume. In addition, the traditional postal volumes - such as letters and postcards - will drop 33 percent by 2025, according to our forecasts. Postal companies must prepare for this. “

How should the postal system reinvent itself in the coming 10 years in order to remain relevant?

Walter Oblin (Deputy CEO at Österreichische Post AG): “On the one hand by defending the traditional mail business and keeping mail relevant, on the other by capturing the opportunity in the e-commerce market. Even if traditional mail delivery volume drops by another third, it still remains a substantial part of our turnover. The national network - door delivery, post offices, postal partners or self-service solutions - of postal operators remains an immense asset. That gives us an operational advantage over competing courier companies.”

Dirk Tirez (Chief Legal & Regulatory Officer and Company Secretary at bpost): “Even more than today, the end customers will increasingly need solutions for their delivery services. The same applies to the convenience of having a pick-up point or post office with services close to our end customers’ homes: that is becoming even more important. bpost not only grows along with the increasing parcel market, but also strategically diversifies its value chain. We provide complete solutions for e-tailers who want to sell online: with fulfilment, associated customer care services, payment and fraud services and delivery options. In 2020, we expect to reach the milestone where half of our turnover comes from activities outside the traditional postal activities. We are ready to expand that further. Among other things by focusing even more specifically on a high-quality customer experience through our services. We build on our strong brand, that is trusted by companies and citizens. “

How do customers perceive the Belgian postal system? What about bpost’s reputation?

Stephan Salberter (Senior Advisor at Akkanto, Reputation Institute’s exclusive partner on the Belgian market): “We give companies and organizations a reputation score based on research into consumer perceptions and media attention. The international reputation average is 63 out of 100. The higher the reputation score, the greater the consumer interest to buy products or services from that company. bpost scores better than the international average. That reputation is also determined by the quality of and access to products and services, and by the customers’ emotional connection with the company. In Belgium, consumers are even more familiar with bpost than with Amazon. That proves the Belgian postal operator’s strong brand quality.”

Speaking of Amazon: such large e-commerce players dominate the market. How can postal companies convert this evolution into an advantage? Which partnerships are needed?

Helen Norman: “Partnerships will be absolutely necessary to ensure the success of the postal service in the future. In the UK, Amazon and related companies are the absolute market rulers in the last mile delivery space. If a postal company can collaborate with them and develop solutions, both parties benefit from it. The postal operator benefits from the growth of that e-commerce company, while the e-commerce company benefits from the delivery network, the brand and the public trust of the postal company. This symbiosis also translates into an asset for the end customer. There is a golden future in such partnerships.”

Dirk Tirez: “Large e-commerce companies are of course important customers of postal operators. There is room on the growing e-commerce logistics market for players of various sizes and specializations. In addition to logistical and delivery options, postal companies can also offer digital solutions. “

“In my opinion, drones can hardly be used by postal companies. Just think of the weather conditions, air traffic restrictions and safety risks.”

Helen Norman, Editor-in-Chief Parcel & Postal Technology International”
to professional customers, with which they can, for example, manage their offline and online shop stock. bpost wants to assist customers to succeed in their endeavours and help them in their growth: regardless of whether they are major international players or medium-sized companies.

In Belgium, since the beginning of March, urgent mail and parcels are delivered daily, non-urgent letters twice a week: do other European countries use a similar distribution model?

Dirk Tirez: “The international network of traditional postal deliveries is being adapted to changing customer needs. bpost will make its eco-system network even more efficient and service-oriented, offering a great customer experience. It is the end customer who drives this change, not a regulator nor the postal company on its own. This trend is present in most European countries.”

Walter Oblin: “In Austria, too, we now deliver standard mail every other day but of course continue to deliver priority mail every day. Some customers do want a fast delivery for their parcels and classic letters-and at the same time there are customers who are looking for cheaper services at lower speed. By differentiating our delivery and price model in fast and slightly more expensive, against slower and cheaper, we target two different customer needs. The challenge? To set up the distribution network in such a way that you achieve an operational balance and synergy between both forms of delivery - with a high quality of service.”

Sustainability is becoming increasingly important in our modern society: what can the postal system undertake to improve itself on that topic?

Holger Winklbauer: “Postal companies are leaders in sustainability. Since 2008, our members, through the IPC Environmental Measurement and Monitoring System (EMMS), have reduced their combined CO₂ emissions from 8,758,000 tons to 6,426,000 tons in 2018. That is 27 percent less since the start of the program. Customers expect that too. Our survey of 25,000 consumers in 41 countries shows that 40 percent of customers would like to receive their parcel in a CO₂ neutral way. They don’t even mind waiting longer for it, if it reduces the environmental impact.”
Dirk Tirez: “bpost also focuses on reducing its CO₂ emissions, that goes without saying. But we add an additional social responsibility to it. We employ a lot of short-skilled workers through open-ended employment contracts. We make people from various population groups believe in a brighter future, and offer them training and development opportunities. In other words: we strive for sustainability in the broadest sense of the word.”

Helen Norman: “Sustainability must be a focal point throughout the entire postal organization. Electric vehicles are a good place to start, but sustainability should be considered in every business operation. Companies should look at both big and small gains in this area. We have to look at the way the staff works, the policy about recycling paper, the way the energy consumption of buildings is organized: it is a combination of many small and large issues. Companies that succeed in realizing those objectives, in turn, become a role model for other companies.”

How do you see the future: which emerging technology is becoming important for postal companies?

Helen Norman: “I see a future for self-driving vehicles in the postal sector, especially in urban areas. I also believe underground delivery tunnels that have no impact on city traffic could provide a unique solution to the challenges of congestion, pollution and volume growth. Magway’s concept in the UK is one example. This revolutionary delivery system will soon deliver goods in small wagons that travel along magnetic tracks. People often talk about drones, but I think they more suited to specific use cases, rather than for widescale last mile delivery. Just think of the weather conditions, air traffic restrictions and safety risks.”

Holger Winklbauer: “A recent survey with 150 experts indeed shows that technology such as drones and also 3D printing have little future in the postal sector. For example, people will not suddenly start to massively print their products at home instead of ordering them online. However, 81 percent of respondents believe that postal operators can improve their last mile deliveries via digital systems, and more specifically with AI and robotics.”

Dirk Tirez: “Digital and technology are indeed crucial and limitless for the best possible customer experience. bpost believes in robots, artificial intelligence and blockchain, among other things, to make services more efficient, faster and more convenient. But technology is merely a means and not the end goal. The real innovation is the optimum experience that customers get from it.”

Walter Oblin: “The focus must indeed remain on the consumer. That is why - in addition to new technology - the human factor will continue to play an important role in the coming years. It is our postmen and women who continue to make a difference on a social human level: they are the face of our organizations; the human interface, as it were.”

Stephan Salberter

“Technology is merely a means and not the end goal. The real innovation is the optimum experience that customers get from it.”

Dirk Tirez,
Chief Legal & Regulatory Officer and Company Secretary at bpost

“In Belgium, consumers are more familiar with bpost than with Amazon.”

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Stephan Salberter,
Senior Advisor at Akkanto
Planning, planning, planning: how bpost and Radial manage the peak periods

Last end-of-the-year period, bpost recorded a 20 percent increase in volume. Around Cyber Monday, the number of orders at bpost’s subsidiary Radial increased fivefold. The secret to a successful peak period? Planning and extra employees.

Traditionally, the week before Christmas is the busiest period of the year for bpost’s sorting and distribution departments. But that was not the case in 2019. “As usual, volumes started to rise from Black Friday - November 29 - on,” says VP Operations Parcels Paul Vanwambeke. “But the week that followed was immediately the busiest of the year. On Tuesday, December 3 - the day after Cyber Monday - we processed no less than 480,000 parcels. That is an absolute record in bpost’s history.”

In the United States, Black Friday and Cyber Monday are well-known concepts for a long time now: Radial, the e-commerce logistics company acquired by bpost in 2017, processes around five times more orders during those so-called peaks than during the rest of the year. For some customers that can even amount to ten times more.

Workforce planning
Both at bpost and at Radial, extra temporary employees ensure the success of the peak periods. Last year, bpost employed 1,900 extra employees to cope with the high workload during the holidays. “Those were mainly people with a temporary employment or a temp contract,” explains Vanwambeke. “To the extent possible, we choose our own staff first over subcontractors and third parties. And we encourage our employees with a desk job to help out for a few days during the end-of-the-year period. That initiative is greatly appreciated.”

“During a peak, swings in volume require us to have a daily workforce planning cadence,” says Sabrina Wnorowski, Sr. Director of Total Rewards & Talent Acquisition at Radial. “At Radial, an average of 20,000
extra temporary people are recruited, making good workforce planning absolutely essential. In our fourth quarter peak, our workforce is quintupled. The selection of suitable candidates, their training and support, and ensuring that they are scheduled at the right time to process the expected volumes, is an effort throughout the year.

Rearrange infrastructure
The peak periods also require considerable planning with regard to available infrastructure. "Radial is built for peaks," says Matt Snyder, VP Operational Excellence at Radial. "Our operational processes are built in such a way that they can easily be scaled to process extra volumes of orders. We can expand our storage capacity and deploy more fulfillment infrastructure such as the carts with which the orders are picked up and the stations where they are packed. The way people work during the year is the same as during the peak, but we do it with a lot more orders and employees during peak season."

Paul Vanwambeke: "In Belgium we try to organize our logistics departments in such a way that we can make maximum use of them. By moving the handling of return parcels during the peak period to Ghent and Liège, for example, we are creating additional sorting capacity in Brussels. In addition, we also spread our sorting activities a little more over our sites in Charleroi and Antwerp."

Forecasts
The preparation of the end-of-the-year’s planning already starts during the summer, and is orchestrated at bpost by a multidisciplinary working group. "Employees from different departments join together to make plans in function of the expected volumes," says Vanwambeke. "They take into account the increasing success of e-commerce. Based on this, we distribute the workload as optimally as possible among our operational branches."

Everything starts with a close and intense collaboration with customers. "The importance and impact of those peak periods for our customers cannot be underestimated," says Matt Snyder. "To be successful together, we need to know what is coming from our clients. For example, many clients also have a “back to school” peak in July-August, while for others the seasonal peak is in January. With a good prediction of end customer order volumes, we can not only provide for enough internal workforce in time, but also reserve the correct transport capacity with the couriers. In this way we meet our clients’ agreements, deadlines and production goals without loss of quality. And this does not only apply to fulfillment, but also to our customer care services."

“Workforce planning is a year-round effort.”
Sabrina Wnorowski, Sr. Director Total Rewards & Talent Acquisition at Radial

bpost’s peak periods of 2019

From Black Friday (November 29) on, until Christmas

More than 20 percent growth compared to 2018

Up to 480,000 processed parcels per day

Absolute peak day was December 3

1,900 extra people were deployed
In a semi-industrial building in the fashionable Antwerp South district, a trendy racing bike hangs on a concrete wall. Colourful armchairs fill the meeting room. It is a cozy place. But here, people also work hard – on innovation. “When you are busy with your daily business, it is not always easy to think about the future and its possible impact on your organization,” explains Hanne de Kesel, VP Future Lab & Group Innovation Director. “When you get the opportunity to distance yourself from all of that, you forget about the context and you create an environment where innovation can grow faster. That is why we chose physically for a different location. And that works. Colleagues from all over the organization come here for creative sessions or workshops. This cool location has grown into an innovation spot for and by bpost.”

bpost’s Future Lab experiments with the way in which we will receive parcels in the future. It detects trends and novelties and tests with partners such as Zalando or Coolblue what works and how it works.

“What is awaiting us in two, five or ten years? What kind of opportunities does that entail for an organization such as bpost? Together with our customers, Future Lab looks for the answers.”

Hanne de Kesel, VP Future Lab & Group Innovation Director
Naturally, innovations play a role in the other bpost offices too. “But colleagues there are more engaged in optimizing processes, improving existing services, etc. which is at least as important for our business. We focus on a different type of innovation. Our approach is different. We look outside the box. What is awaiting us in two, five or ten years and what impact will it have? What kind of opportunities does that entail for our organization? Those are the insights we will address.”

Making innovation physical
The Future Lab team consists of ten innovators, some of whom come from the US and Canada. “They are all specialists with at least ten years of experience in innovation. Two years ago they decided to focus completely on bpost. You cannot categorize them. They do not have a marketing or a technological profile, they have an innovation profile. Their field of expertise consists of paving the way for a particular product or service. Their starting point: emerging customer needs. Of course some have more affinity with design, others more with technology or business.”

bpost’s Future Lab’s approach? To experiment. “That is the only way to make innovation tangible. Everyone can read reports from major consultancy companies or listen to inspiring speakers. We work pragmatically with small experiments to find out what they mean to us. If all works out positively, we get started with teams from the organization to turn it into a new product or service.”

“As a team, you cannot claim innovation. We only do a small part with a clear approach. Our colleagues also do very nice, interesting things. Our task is also to support them. It is of course not up to us to determine what they do, but we do help by making the right tools available.”

In the trunk of a car
A striking Future Lab experiment last year was the in-car delivery. “We are increasingly ordering online and many parcels are delivered at the workplace. Easy, because you don’t have to be home or you don’t have to drive past a pick-up point. But companies with many employees are sometimes flooded with parcels. That is why we experimented with in-car delivery,” explains Hanne de Kesel.

“Employees of a company could have their parcels delivered in the trunk of their car while they were working. When our postman arrived, he scanned the parcel and was shown a map on his device with the location of the employee’s car. The postman could also open the trunk of the car with his device. When the trunk was closed again, the employee received a message that his parcel had been delivered.”

In the end, bpost decided not to pursue the in-car delivery. Hanne de Kesel doesn’t mind. “We got the flow of it, we saw how the app could look, and we experienced the end users’ reactions. When the market is ready for it, we will have our learnings and be able to get started right away.”

The Future Lab barely spent two weeks developing the app. “We strongly believe in prototyping. We don’t develop anything, but we make things look real to an extent that people believe it and can give an opinion about it. So we can test things quickly and cheaply instead of spending months in developing them.”

No vacuum
One of this year’s largest focus areas is sustainability. “Last year’s climate marches were just the beginning. 2020 will be the year in which companies will add their piece of the puzzle, step by step. We are increasing those efforts for the rest of the organization. And that goes further than using electric delivery vans or bamboo packaging. Here, too, we start from the perspective of opportunity and - very important - we do it together with our customers, the senders.”

“Innovation is not in a vacuum. Our customers are also facing increasingly faster moving market evolutions which they often cannot solve by themselves. Together with the Zalandos and the Cool-blues of this world, we are looking for new models to meet changing consumer needs. In addition, we are also noticing more and more interest from smaller start-ups in the logistics sector. Together with them we look at how their solutions can work within bpost.”

How sending parcels will evolve over the coming years is something Hanne de Kesel cannot predict. “That is the 1-million-dollar question ... If I knew the answer, we would not be here now. What I do know: people will also be an important focus in the coming years. We see topics emerging like the gig economy, for example. What are the new expectations of the employee vis-à-vis the employer and how can we creatively fulfil it in the organization?”

Future Lab in 2019
Winner of the Final Mile Innovation of the Year award
• In-Car Delivery experiment
• Launch EcoLab
• More than 20 workshops with customers and colleagues
Artificial Intelligence makes sorting solutions smarter

A robot is a good alternative to repetitive work. But what happens when you add artificial intelligence? You get a machine that learns by itself and can take over physically demanding work. That is why bpost pioneers with the technology of Covariant, Flemish top scientist Pieter Abbeel’s company.

Pieter Abbeel is a Professor of Electrical Engineering and Computer Science, Director of the Berkeley Robot Learning Lab, and Co-Director of the Berkeley AI Research (BAIR) Lab at the renowned University of California, Berkeley. He is a global authority on artificial intelligence (AI) and also worked as a research scientist and advisor at Elon Musk’s OpenAI lab. “My three co-founders and I started Covariant in 2017 with the mission to bring AI to the real world. Two and a half years later, our company has grown to 40 employees and we’ve seen great progress as we’ve developed and deployed AI Robotics stations in the real world.”

Abbeel, who lives just outside Silicon Valley, regularly meets with top business executives all over the world, giving them briefings on the latest research and the future of AI. During one of those working visits, he met the CEO of bpost, who introduced him to Marc Sorgeloos, Manager Automation & New Equipment at bpost. They teamed up to figure out the best opportunities at bpost for AI Robotics solutions.

“Our activities are vertically structured. We make parcels, collect them, sort them, take care of distribution and ultimately deliver them to the customer. And we do that in a mature market with a high standard of living. It is the ideal context to automate. With traditional sorting machines alone, we cannot make it, because we will meet our limits. That is why we work together with a specialist in AI-robotics technology in the logistics sector.”

“We’re building the Covariant Brain: universal AI that allows robots to see, reason and act on the world around them,” says Abbeel. “Our software powers all different kinds of robotic stations and can handle a wide range of tasks and items, including parcels and packages that come into bpost’s facility every day.”

Four challenges
bpost installed a Proof of Concept with a robotic arm in its sorting center in Antwerp. “We had identified four challenges,” says Marc Sorgeloos. “It started with removing parcels from our containers and placing them on the input side of the sorting machine, just like an employee would do it. In other words, not just grab it, but...”

“Powered by AI, robots can learn to see, pick and place any type of item, from parcels to packages to common household goods.”

Pieter Abbeel, Covariant co-founder, President and Chief Scientist, and Professor of Engineering and Computer Science at University of California, Berkeley
Artificial Intelligence makes sorting solutions smarter

"With this technology you can start automating the heavy manual work and thus avoid back and shoulder problems." — Marc Sorgeloos, Manager Automation & New Equipment at bpost

perform the right action depending on the parcel. After that, MARS - multipurpose AI robotics station - had to do the same with China rest mail, all kinds of small parcels that mainly come from China, are often wrapped in recycled plastic and on which all kinds of stickers are glued.

The next challenge for MARS? "Handling mail items, including magazines without wrappings. The robot had to recognize them so that he would not tear them to pieces. That, too, was a huge success, without changing in any way the setup. Covariant only had to teach the underlying technology about postal items."

The final challenge consisted of common retail goods such as shirts wrapped in plastic polybags, pill bottles and boxes of band aids. "Covariant's technology worked well on every item, regardless of size or shape. The same technology was able to work on every type of item. We were so impressed that our subsidiary Active Ants placed an order almost immediately (see insert)."

Why were these such huge challenges? "Real world environments like bpost's facility are challenging for robots because there’s an unlimited number of scenarios they encounter. Bpost receives millions of packages and parcels each day, and no two are exactly alike. It's impossible to program a robot to handle millions of objects — that's why you need AI. Powered by AI, a robot can figure out how to handle each unique item without being told what to do," says Abbeel. "Through our work with bpost, we've been able to bring the most advanced AI research to these stations, together mastering the challenge of picking a wide variety of letters and parcels."

Cautious approach

Sorgeloos confirms: "Covariant supplies the most advanced technology in the world, with which we can relieve our employees of stressful and heavy work." During the demos, employees and trade unions were also allowed to take a look. "We told them the whole story: with this technology in combination with an adapted robot you can start automating the heavy manual work and thus avoid back and shoulder problems. In the long term, you can compensate for the increasing shortage of labor in a rapidly growing parcel market. In addition, visual AI technology also comes into view. It checks and monitors the flow of parcels, so that it can prevent and correct any errors during the process," says Sorgeloos. "The bottom line is that this technology allows you to continuously monitor and adjust complex machines and processes meticulously."

Abbeel is very enthusiastic about bpost's cautious approach. "Compare it to self-driving cars. You do not immediately test it on the highway, but you move ahead step by step."

Solid growth based on technology

With e-commerce, everything revolves around fulfilment, the journey between the placing of the order and the moment the buyer receives his parcel. That is the playing field of Active Ants, a 64 percent subsidiary of bpost, with a logistics centre near Utrecht.

Active Ants deployed MARS - the prototype with Covariant's AI technology that bpost tested in Antwerp - in its warehouses, says Jeroen Dekker, Managing Partner at Active Ants. "Active Ants handles as many as 50,000 different objects with only one gripper. A huge challenge. In the meantime, there is already one robot station up and running, and we are busy setting up the next one. With this AI technology we can process orders with fewer errors, guarantee continuity in the order process and manage our supply chain in a more targeted manner," Dekker adds. "And all of this will be more and more automated," confirms Marc Sorgeloos.
bpost matches its fleet to a rapidly changing mobility

Traffic-free streets, low-emission zones and circulation plans: our mobility is becoming increasingly complex. bpost is adjusting its fleet to various social changes. “As a logistics player, we believe in the benefits of alternative means of transportation.”

In our rapidly changing world, bpost is constantly looking for new ways to reduce its ecological footprint. “We explore the national and international market through exhibitions and contacts with companies, including start-ups,” explains Tom Goethals, fleet manager at bpost.

“We are always looking for the most efficient, ergonomic and ecological vehicles. By 2030 our company wants to emit 20 percent less CO₂; a fleet consisting for 50 percent of electric vehicles must help achieve this. That is why, last year, bpost replaced some of its 297 mopeds with electric tricycles and added an additional 255 electric bicycles, bringing their total number to 2,603 in 2019.

Pilot projects
Last year, there were also various pilot projects with alternative means of transportation. “In the centre of Brussels we test bicycles with trailers,” says Tom Goethals. “A big advantage is that in areas where cycling is difficult the postman can detach that trailer and continue with it on foot.”
In 2019, bpost’s fleet consisted of 15,739 vehicles...

- 2,603 electric bicycles (255 more than in 2018)
- 2,506 bicycles
- 437 mopeds (297 fewer than in 2018)
- 374 electric tricycles
- 22 cargo bicycles
- 6 bicycle trailers
- 7,641 small vans (29 electric and 496 less on diesel than in 2018)
- 647 medium vans (including 10 electric)
- 676 large vans
- 827 trucks (3 on LNG)

In 2020, this project will be expanded to Hasselt, Charleroi, Bruges and Leuven.”

bpost also tests medium-sized electric vans, the so-called Colibus, where the driver has access to the cargo space behind the driver’s cab and can get out on the right side of the vehicle for increased safety. “All our new vehicles are selected and if necessary optimized for postal use in collaboration with the prevention service,” says Tom Goethals.

**Dare to fail**

For pilot projects, bpost also listens to the feedback from the participating postmen. Then adjustments are made or a project is even stopped if necessary. Tom Goethals: “Daring to fail is part of any innovation process. For example, we discovered after a test that an electric step is less suitable for postmen because the users wanted a saddle on those steps. This means that such a two-wheeler falls into the category of locomotion devices and is therefore considered a moped.”

The future? bpost wants to electrify more and more vehicles: small and medium-sized delivery vans in the city centres, and also large delivery vans outside the centres. “In the coming years we will consider the challenges that this entails,” concludes Tom Goethals. “Charging infrastructure is needed on our sites. And we must investigate how these means of transportation fit in with our changing distribution model. Finally, we also follow the developments of hydrogen-powered vehicles.”

“By 2030 our company wants to cut down its CO₂ emissions by 20 percent: a fleet consisting for 50 percent of electric vehicles must help achieve this.”

Tom Goethals, fleet manager at bpost
The rise of new technologies and the growth of e-commerce are changing the way we consume. That is why bpost is accelerating its digital transformation. Because the company is convinced that it can continue to play a crucial economic and social role. By offering high-quality postal and public services, by innovating and diversifying and by remaining an important employer.

Why is the increasing digitization an opportunity for bpost?

Nico Cools (CIO at bpost): “For several years now our postal volume has been dropping, due to the digitization. It is an international trend that we cannot go against. What we can do is use this phenomenon as an opportunity to discover new paths. That is why I consider digitization to be a great opportunity to shape the future of our company.”

Kathleen Van Beveren (Director of Parcels & Logistics Europe & Asia at bpost): “We are fully reaping the benefits of certain market evolutions. The distribution and delivery of parcels is one of our fastest growing business activities. The e-commerce market would not exist without digitization. By embracing digitization, and aligning our approach, our structures, our resources, and our processes, we strengthen our business.”

Does a better digital experience strengthen the relationship with the customer?

Nico Cools: “I am convinced it does. The mobile story is also becoming more
important. It is the most normal thing in the world for more and more customers to find what they are looking for in a matter of seconds on their smartphone. People also compare differently: they weigh the efficiency of customer communication and the quality of the digital experience against that of financial institutions, airlines and retail chains. We cannot afford to be left behind.”

Kathleen Van Beveren: “Knowing what customers want and what keeps them busy enables us to develop mobile applications, digital services and products that meet today’s needs and expectations. And all these efforts and innovations must of course also be commercially viable. In short: an optimal digital experience prepares our company for the future and increases customer intimacy.”

How does smart data analysis make bpost’s processes and logistics chain even more efficient?

Kathleen Van Beveren: “For example, we use artificial intelligence in our organization - in many ways. We do it in our predictive delivery model, in which we use algorithms to estimate when a postman comes by, how long his round lasts on average, and so on. That data is adjusted in real time, depending on where and when he scans parcels during deliveries. In sorting, AI can ensure that a robot arm recognizes parcels and then performs the correct actions. And even our chatbot uses AI to answer customer questions as smartly and accurately as possible.”

Do new technologies also optimize bpost’s HR policy?

Nico Cools: “Certainly. Take the Mobi, the device that our postmen use to scan, among other things. By making that interface as accessible and intuitive as possible, we help our employees to deliver more qualitative work, and we ensure that they are incorporated much faster. The applications that we build today must be self-explanatory. Their ease of use increases job satisfaction. They also increase job involvement and pride: postmen can use it to report all kinds of things during their rounds. Happy and committed employees stay longer. And so technology can help to bind employees to us and grow with us in digitization.”

Which other digital services are you expecting to develop in the coming years?

Nico Cools: “We will only experiment with new technology as soon as we and our international technology partners find that they are sufficiently mature. It makes no sense to lose time and money with the impulsive embrace of every new trend. We choose solutions that have more or less proven themselves.”

“But to answer your question: we are considering a service with which people can identify themselves digitally, just like they do physically with their identity card. So we can guarantee, on behalf of the State and certain companies, that someone is really the person to whom they address their communications or services.”

Kathleen Van Beveren: “We possibly integrate that into My Mail (see article on page 39, ed.). In any case, bpost still plays an important role in the Belgian society: thanks to its proximity and the trust it receives from the population. In these digital times, we also want to continue to play that role optimally.”

“I see digitization as a great opportunity to shape the future of our company.”

Nico Cools, CIO at bpost
bpost invests heavily in an optimal digital customer experience

More and more customers are looking for a digital channel that can easily and optimally help them. With a new track & trace site, a chatbot, improved emails and a mobile app, bpost offers a customer experience that meets those expectations.
Companies that offer customers an optimal experience create satisfaction. And satisfied customers come back and boost the company’s turnover. bpost understood that. “Through the roll-out of a strategically elaborated Digital Customer Experience (DCX) program, bpost is putting the customer first,” says Erica Verzelen, Project Director at bpost.

The Customer Experience program

“We initially lagged a bit behind in digital customer experience.” That is why, last year, we renewed our track & trace website which, among other things, allows end customers to track the status of their parcels online.”

This site not only provides operational information about the status, the delivery date and the time slot of shipments, it also communicates more clearly about the delivery preferences and provides an answer to the most frequently asked questions for parcels with a certain status.

An equally important pillar in the DCX program includes the development and launch of the My bpost app: a brand new application for mobile Android and Apple iOS devices. More than 370,000 Belgians have now downloaded this free app. Online shoppers can use it to track their parcels where and when they want. “The app automatically sends status updates for each shipment, if desired,” explains Erica Verzelen. “Customers can also set their delivery preferences. They indicate, for example, whether they want to receive shipments at home, at the neighbours, in a safe location or at a pick-up point of their choice, all depending on their own agenda and schedule.”

“Our app offers shoppers a single channel to follow up and optimally receive all their online purchases.”

Erica Verzelen, Project Director at bpost

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**My bpost: facts and figures**

| The app is available in 3 languages: Dutch, French and English |
| 370,000: that is the number of downloads to date |
| 7,000 to 10,000: so many downloads are added every week |
| In October 2019, the My bpost app was the most downloaded app in the App Store |
| 56 to 60%: of downloaders are active users of the app |
| +/- 400,000: the number of parcels monitored via the app every month |
| 4.2 out of 5: the user score of My bpost in the App Store (Android = 3.8/5) |
Track & trace all courier companies
Unique to the app: online shoppers can use it to monitor - and even return - shipments that are handled and delivered by other logistics and courier companies.

Erica Verzelen: “Our app offers shoppers a single channel they can use to follow up all their online purchases. They can also give each parcel a unique name to keep an overview. Parcels addressed to the customer are automatically added to the application, or can be entered manually based on its barcode.”

The development of the My bpost app was both internally and externally engineered by an international team of eight specialists. Thirty people are now working on this complete digital experience.

An app for postmen
bpost is also working hard on the development of Mobi: a smart mobile tool for postmen. It will be rolled out in the course of 2020 and will also have a positive impact on the digital customer experience. Erica Verzelen: “Feedback that postmen enter via Mobi’s intuitive menu structure during their rounds, such as traffic jams, a technical breakdown of a service vehicle or another incident that delays or changes the postal delivery, is passed on to the end customer.”

That way, customers stay even better informed about the status of their shipment. And, thanks to the interaction between Mobi and bpost’s digital customer channels, they can also find out when and why a parcel was sent back to the sender. Mobi also offers customers the option to digitally pay shipments at their front door using a Payconiq/Bancontact QR code.

Artificial intelligence and the future
bpost believes in artificial intelligence for improving the digital customer experience. Last year, the company integrated a chatbot on its track & trace website, which will also appear in the My bpost app in 2020. “We are gradually developing that chatbot, with additional functions constantly being added,” says Erica Verzelen. “For example, our automatic dialogue assistant can explain to the customers how they can be helped when they received a damaged parcel, or when they were not at home when the parcel was presented, etc.”

The chatbot guides the customer through the various scenarios towards the best possible solution. Here too, the end goal is the same, concludes Erica Verzelen. “With all these initiatives we strive for a better customer experience, as it creates a win-win situation for everyone. The end customers feel faster and better supported, some of our employees’ duties are lightened, leaving them time to perform other tasks, and bpost strengthens its position as a logistics player in the distribution market.”

Which will be the app’s extensions in 2020?
- Additional digital customer support via chatbot
- Improved tracing (faster updates, better delivery time window)
- A photo of the specified “safe place” when the recipient is not at home
- Better notifications based on events (not just statuses)
- Integrated functions to send parcels (create a label)
Smart innovations make bpost’s digital ambitions tangible

bpost is increasing its focus on quality and customer satisfaction through new digital innovations, such as My Mail and subsidiary DynaGroup’s dynamic track & trace function. This opens up new commercial opportunities and offers an even better service to the consumer.

My Mail offers users a digital look at the mail items that they can expect to receive in their physical mailbox that same day. “With My Mail we build a bridge between our offline products and the digital world.”

My Mail is a brand new feature in the My bpost app. If the user has physical mail, he receives a push notification on his smartphone in the morning. A photo of every shipment addressed to the user is added, explains Finke Jacobs, Product & Solutions Development at bpost. “They can then save, share or delete the shipment, or report an error.”

For some mail items, the user can also click through to the sender’s website for more information, or digitally browse through a folder. “My Mail has two clear advantages: on the one hand users never miss out on important mail, on the other hand it is an extra digital channel for senders to obtain greater reach, more flexibility and interesting data.”

My Mail builds a bridge between offline products and the digital world, says Finke Jacobs. “My Mail is one of the agile pilot projects in the Digital Factory, an innovation hub in the head office where digital services are developed. Thanks to our agile way of working, we were able to launch the service to a test audience after three months. And with success: 84 percent of users think My Mail is relevant or very relevant. The plans for 2020? We would like to offer this service to all users of the My bpost app and add a lot of new features.”

DynaGroup innovates with new track & trace technology

Last year, DynaGroup - a bpost subsidiary since 2017 - developed and launched new smart track & trace software. It combines GPS data and smaller delivery windows for a dynamic arrival time.

Dynalogic is supply chain specialist DynaGroup’s department specialized in delivery, installation, assembly and return of valuable products such as computers and TV sets at the time desired by the customer. In December the company launched a new version of its real-time track & trace functionality MyDynalogic.

“Our latest innovation is a dynamic expected arrival time,” says Stephan van Mullken, CEO at DynaGroup. “That time is updated every ten minutes and gives the consumer a time window that predicts the expected delivery time more accurately. As soon as we think we will arrive earlier or later, we adjust the expected arrival time and send a text message to the recipient.”

With this new feature, Dynalogic introduces a unique tool for the modern consumer who wants to be constantly informed. “What’s more, you don’t have to wait for hours at home for a parcel to be delivered,” continues Stephan. This way we prevent second delivery attempts and therefore unnecessary CO2 emissions. Staying ahead in the increasingly digitalizing market, is of course important. But sustainability also plays a key role for us.”
The more digital we become the more human we have to be

bpost is a company undergoing a digital transformation. The letter makes way for online services. Artificial intelligence, robots and analytics seem to be fundamentally changing one of the oldest and most recognizable services in the world. Is there still a future for people at bpost?

For 40 years, management gurus have been predicting the end of the organization and the career as we know it. But nobody can predict the future. And researchers Osborne and Frey, who made world headlines in 2013 with their research stating that 47 percent of all jobs were threatened, now indicate that they were misunderstood. More recent research by Frey confirms that technology also creates new and different jobs.

This is the essence: what future jobs will look like is difficult to predict, but services will always be a people business. After all, jobs change as new technology presents itself. That change is continuous. We may be talking about AI, robots and analytics with awe today, but 30 years from now we might very well be looking back on it with a smile.

Because whoever believes that we are now experiencing a profound revolution, should imagine how people felt when they sent letters with the first ships to the new world in America or Australia. How world leaders gave a message to humanity on a silicon disc when landing on the moon. How a postal war between West and East Berlin made sending letters impossible during the Cold War.

We do not live in a unique time of major transformation. That would imply that after this time of major change there will once again be a moment of calm, of business as usual. That will not happen. Because each of us can only participate in a limited part of history, it always seems like we are living in the most unique of times. Because technological changes seem to be succeeding each other faster today, the biggest challenge is to ensure that people keep on learning.

How do you organize work so people can keep on learning? The recipe is the same recipe that you use to organize motivational work, namely the three C’s: Career, Connection and Cause.

Career means that you design careers in which people have a long-term perspective, in which they feel they are making progress and they are getting somewhere. People need psychological safety before they take risks to experiment and learn. They must be given the opportunity to build an identity; if you do not know who you can be in the future, you will not be willing to invest in learning.

Connection means that learning is not an individual process, but is embedded in the environment and driven by others. Man is a social
animal. Therefore, as an organization, you have to invest in a rich feedback environment, where not only managers give feedback. People need to be encouraged to reach beyond the limits of their position, their team and their company to develop social networks. Leaders challenge people by making a real connection, by listening, asking questions and coaching. Learning is only possible in a team where people feel psychologically safe to experiment with new ways of working, where they can discuss matters and where they can occasionally fail.

Cause means that people know why they learn, how they can transcend themselves. How does their job make a difference for others? That does not have to be a higher purpose, set by the organization. People can find meaning in their work in all sorts of ways. But without meaning and the chance to determine for themselves how they contribute to this world, there is little motivation to keep on learning.

There is no simple formula for lifelong learning. It requires an organization that focuses on people with their own identity, wishes and dreams. That means that the more digital the company becomes, the more human we have to be.

Researchers Osborne and Frey made world headlines in 2013 with their research stating that 47 percent of all jobs were threatened.

Frederik Anseel, business psychologist

Since November 2019, Frederik Anseel has been Professor of Management & Associate Dean Research at the University of New South Wales Sidney (Australia).
“Short-schooled or not, at bpost everyone is given opportunities”

As one of the Belgium’s largest employers, bpost plays an important role in society. Is that an important attraction factor for candidates?

“How attractive is bpost as an employer? How does bpost find talented people? And especially: how does bpost deal with a tight labour market, in a sector that is transforming at the speed of light? We ask Lien Ardies, project manager for employer branding at bpost.

“They are an inclusive employer and encourage diversity. At bpost everyone who wants it is given opportunities and the space to grow, everyone has a place. In addition, if you enjoy doing something, you do your best for it. The supervisors explain everything with clarity and they constantly motivate us. We are a close team: we help each other out.”

Mohammed Mezyan has been living in Belgium since 2017. He started working at bpost through an Individual Vocational Training (IVT). Team leader Tom Tulfer: “Mohammed went to the post school for a month and accompanied an experienced postman. Now he still gets help every week from a language consultant who helps him with Dutch.”

After his IVT, Mohammed Mezyan was offered an open-ended contract. “We are very pleased with Mohammed,” says Tom. “He is independent and always comes to work with a smile.”

An IVT often means that you have to process a lot of information in a short time. Today, Mohammed is happy that he didn’t give up: “All beginnings are difficult. But if you enjoy doing something, you do your best for it. The supervisors explain everything with clarity and they constantly motivate us. We are a close team: we help each other out.”

His job at bpost means a lot to Mohammed: “I get so much more out of it than just a paycheck. I was welcomed here with open arms and wanted to give something back. Now I can make a contribution to this country and I enjoy a better life.”
in 2019 we focused on our values as an employer. More than ever, the employee is key. We want our employees to remain enthusiastic and show that together we play a major role in society.”

How does bpost express that in its employer branding?

“Our story is a we-story, because bpost is a brand we are all proud of. Moreover, we notice that our external reputation as an employer is growing stronger. We distinguish four important target groups on the labour market: starters and trainees, specialists for our head office, people who ensure behind the scenes that all shipments arrive in the right place on time and people who are closer to customers such as the postman or the post office employee. Every group has specific needs. That is why we align our approach with the target public.”

What does that mean in concrete terms?

“We look for the preferred channels of potential employees and only deliver messages that interest them. Experience and research taught us what drives them to apply for a job and stay with bpost. We build our segmented approach based on that. We appeal to a potential postman with assets such as freedom and working outside, a young starter with innovation and the opportunity to do great things. There is one common thread: we all go for a positive impact on society.”

Do bpost’s employees contribute to the its employer brand?

“They certainly do. Our employees are even our most important target group. We only succeed if we get them to believe in our story and if they want to tell their own story. We have around 26,000 employees in Belgium, and they are all bpost ambassadors in their own way. If only by sharing their experiences with friends and family.”

What kind of opportunities are given at bpost employees?

“We are the first employer for short-schooled people. That applies to 75 percent of our employees. And people who have missed opportunities get the chance to give shape to their ambitions. We are very innovative in that field: employees can obtain their high school diploma through us, give a completely new turn to their career, try new things and refine their talents. All of it through on-the-job coaching, self-study and training.”

What kind of initiatives have you created?

“We offer traineeships to our office starters. Graduates can participate in different projects in different departments during a two year period. They learn quickly, discover the diversity of our company and improve their language skills. We created a solid package of growth initiatives for every target group.”

Also for employees without a diploma?

“Indeed. With FutureMe, we give them a chance to grow. It’s a two-, two-and-a-half-year with a mix of general and specific subjects. Employees study in their free time, both online and in the classroom. We look for the best school and pay all costs. This can be quite intensive for those employees. We give them the key. It’s up to them to open the door.”

Thanks to my traineeship I found my place here at Sales & Marketing”

After studying Applied Economics and Strategic Management, Emily Decloedt started a traineeship at bpost. “Why bpost? It is a Belgian company with international opportunities and exciting courses. Everything I was looking for in a job, I found at bpost.”

During her traineeship, Emily had to change position every eight months. “I worked at Finance, Operations and Sales & Marketing. At the last department I really felt at home. I would never have ended up in that department if it wasn’t for the traineeship.”

“bpost offers you a lot of opportunities, as long as you are assertive enough to seize them. I really wanted to organize the trainees’ graduation event, and I was allowed to do so. Undertaking things yourself is really encouraged. That’s what I find so great at bpost.”

“I also had the opportunity to teach for a week at the pop-up university of WeLoveBXL. We introduced disadvantaged young people from Molenbeek to the business world. Being able to do something like that as a young employee is a real treat.”

“We are convinced that we will all win if our employees can show the best version of themselves.”

Lien Ardies, project manager employer branding at bpost
“The best decision I have ever made”

Shara Nijs started her career in the hospitality business. But when her parents’ pub closed, she looked for a new challenge: “I didn’t have a secondary education diploma and wanted to rectify it. So I started looking for a job that I could combine with my studies. bpost’s FutureMe programme proved to be the ideal solution.”

In addition to their job, employees take online classes via FutureMe so they can still obtain their diploma. “During the week I worked as a postwoman, in the evenings and the weekends, my study books were my closest companions,” says Shara. “It was intense, but after two years I had my secondary education diploma.”

Shara’s diploma paved the way for further education in graphic design: “That really is my thing. I took a one-year career break to study full-time. With my second diploma I started my own small graphic company as a secondary occupation, while I was still working half-time as a postwoman.”

Then Shara had the opportunity to follow a trajectory to become a team leader: “In the meantime, I have been working in that position for a year, and it’s the best decision I have ever made.”

“bpost is an employer with a heart”

James Stafford was a postman in Bruges when he got a cyst and an infection in his leg. And what did the doctors say? They said he needed surgery, followed by an intense rehabilitation. And after that came a very bad surprise: he could forget about riding a bike for the rest of his life.

Fortunately I found another job at bpost,” says James Stafford. “I entered a reintegration programme and immediately received a lot of support from my superiors. They actively looked for a solution that fitted my situation.”

After a training period, James became a truck driver in Ghent. “I learned all the tricks of the trade - while being paid by bpost - and obtained my category C driver’s license. I now work the night shift. A very different regime than before, but I feel happy. Moreover, I have more contact with colleagues.”

“For me, bpost is an employer with a heart. My mother’s health is deteriorating and I want to be there for her. That is why I chose to work part-time over the coming period. And I am very grateful for the fact that bpost was so very understanding about my decision.”

Are there also people without a diploma who want to continue growing?

“Yes! They can sign an IVT contract (an individual vocational training contract). It is ideal for learning the business. When you sign an IVT with us, you always have a supervisor who will guide you. The focus is on learning and mastering the language, to limit the uncertainty factor at the start of your career.”

Why are all these options so important for bpost?

“We are convinced that we will all win if our employees can show the best version of themselves. This includes many opportunities, contemporary employment conditions, and strong internal mobility to grow in all possible directions. The world and our sector may be changing fast but we give our employees a certain peace of mind: bpost is there for you, your job happiness and your well-being.”
Sustainable procurement:
yes, we can!

With its exemplary function in mind, bpost focuses on making its corporate culture and processes more sustainable. In its procurement policy too, people and the environment play an increasingly important role.

As one of the largest employers in Belgium, bpost plays an important social role. Its ecological choices regarding buildings, energy and waste management clearly show it. But in its procurement policy too, the sustainable reflex is never far away. "We are, for example, strongly committed in making our fleet more sustainable by purchasing e-bikes, alternative means of transportation, double-deck truck trailers and electric vehicles, and we are examining alternative fuels," explains CoE Manager Procurement Joyce Drooghmans. "That is not unimportant, because together with the increasing number of parcels, volume is also increasing and we can absorb the growth."

Code of Conduct
"bpost strives to establish a sustainable code of conduct that is supported by our suppliers. To determine whether they actually respect this, they are assessed by an external and independent partner. An example: local control agencies see to it that our uniforms in Bangladesh are produced in accordance with the applicable legislation and the bpost code of conduct. Compliance with this code of conduct will increasingly play a significant role in identifying and collaborating with potential suppliers.

Our purchasing policy also aims to meet the changing needs of consumers. For example, we will review the procurement strategy of the packaging (for example envelopes and boxes) sold by bpost, specifically with regard to quality, innovation and sustainability. The packaging market is constantly evolving and we want to capture existing innovations in order to purchase packaging that meets both the consumers’ wishes and our sustainability strategy."

Achieve results together
“Every sustainability project has an impact on multiple departments at bpost. That is why we always work in cross-functional teams. It is important to involve all employees closely in the plans. We try to increase their level of expertise through training and education. We also open these training courses to all our stakeholders, including our suppliers and partners.”

“Compliance with the code of conduct on sustainability will increasingly play a significant role in identifying and collaborating with potential suppliers.”

Joyce Drooghmans,
CoE manager procurement at bpost
Jean-Marc, the hero of everybody’s tour

In November 2019, Tom Boonen was the voice behind a campaign video called the ‘Champion of everybody’s tour’. It was an ode to the postman, who, rain or shine, delivers his letters and parcels just like a cycling champion aiming for the finish line. We followed such a champion. For eighteen years now, Jean-Marc is doing his daily round, his Tour of Rêves.

It is Wednesday. At 8 o’clock we arrive at the bpost sorting centre in Fleurus, near Charleroi. Between the snowflakes we already saw the huge building from the motorway. Inside, our two pairs of eyes are not enough to absorb all the activity: parcels fall into trays, scanners are squeaking frantically, postmen come and go. The smell of paper and cardboard tickles our nostrils. We truly are in the backstage of mail delivery.

Team leader Yves Jordens greets us. Despite the hard work, there is an atmosphere of camaraderie in the Mail Center. The employees laugh and joke. They even joke about cranky postmen. About 90 people work here in Fleurus, Jean-Marc is one of them. He is 45 and has been with bpost for 24 years. He approaches us with a broad smile. He always starts his day - at half past seven - by greeting all his colleagues. “A habit that only makes him more popular,” says his chief. “He has a good word for everybody and an eternal sincere smile.”

Jean-Marc became a postman more or less by coincidence. On May 2, 1996, he was deployed as a replacement at the Frasnes-lez-Gosselies post office. He has remained loyal to his postal uniform ever since. “Being a Frasnes citizen myself, I began in the neighbourhood where I lived.”

“After just two days I started my rounds. In the end I stayed in Frasnes for six years, after which I went to Les Bons Villers, where I have been delivering mail for eighteen years now in the borough of Rêves. In my opinion, a good postman is versatile, sympathetic and has respect for his customers. Of course, a good sense of direction is also indispensable.”

Jean-Marc’s workspace is no larger than three square meters, just enough space to turn around his own axis. “In the early days, a postman still had to sort the mail...”
“Over time, some residents have entrusted me with the key to their gate or garage. If they are not at home, I can leave their parcel in a safe place.”

by street and then by house. Now my colleagues have already sorted the mail before my arrival. All I have to do is pick it up and put it in the bins before I leave on round. It is a great advantage that you only have to perform one single action.” Jean-Marc’s movements are fast, precise and it all seems to be automatic. “We work with a colour code. Red indicates the streets, while yellow represents the place where I stop my van to distribute the mail.”

In his early days, Jean-Marc delivered four to five parcels a day. He put advertisements in all mailboxes once a month. “We delivered the mail on foot or by bicycle, sometimes by moped. We used a van to deliver large volumes. Nowadays we do everything by car and you need racks to store the parcels. This morning is not too bad: 25 parcels is very little. During the Holiday Season it can mount up to three containers a day. The great evolution of our profession lies undoubtedly in the increasing number of parcels.”

The big clock in the depot indicates just after 9 o’clock when Jean-Marc is about to load his van. He puts on a sweater, jacket and cap and takes a striking bunch of keys. “Rêves is a wealthy municipality with 90 percent villas. I’m lucky to have been doing the same round for almost twenty years now. In time, some residents have entrusted me with the key to their gate or garage. If they are not at home, I can leave their parcel in a safe place. I always leave a note: Attention, parcel. Signed, Jean-Marc. With a smiling face. That is a habit of mine.”

With his fully loaded van, Jean-Marc takes to the country roads for a tour that ends around 4 PM. The bond he managed to forge with ‘his’ inhabitants earned him – rightly – the nickname ‘Mayor of Bons Villers’. Everywhere the faces of the inhabitants light up when they see ‘their’ postman arriving. Also at Nelly’s place, where Jean-Marc stops every Wednesday for a cup of coffee. “A tradition that started about four or five years ago,” Jean-Marc recalls.

Being a postman means hard work. Fortunately, there are still people who, like Jean-Marc, give meaning and a human dimension to this beautiful profession.
A paradigm shift of the financial organization during a business transformation

Almost every company with a long history goes through a transformation these days. To remain effective, the financial organization of that company will have to adjust its paradigm and consequently its way of working too. The role and purpose of the finance department remains unchanged, but the path to get there does not.
You could describe bpost as “deep roots, strong wings”. One of those roots is its strong balance sheet position. Typical about a business transformation is the fact that more investments are required. A company with a lot of cash then becomes a company that has to make a well-considered choice where it uses its capital. This requires a completely different finance toolkit.

Capital allocation is much more than a technical exercise based on the financial plans related to the business transformation. The choice of the assumptions that are made in this exercise with regard to financial discipline (healthy balance sheet), management of the portfolio of businesses and compensation for all stakeholders, after all, determines the strength and speed of implementation, as well as the company’s equity story.

The transformation also requires a different investment governance. Business cases should not only be assessed on profitability within a single business unit, but also from the standpoint of the portfolio of the entire group. Replacement investments in the traditional business must now be weighed against investments in the new business: predictable vs. less predictable cash flow, short vs. longer depreciations... So, investment management gets an even more important role in safely guiding the organization through its transformation.

Where cash management required attention, cash forecasting will gain in importance. With healthy financial ratios as a starting point and an investment plan for the business transformation, correct timing is important. The treasury department should therefore further refine its toolkit and be more closely involved in business decisions to ascertain whether investments should be made via make or buy, given the impact on the timing of the cash out.

“Do not create the illusion that the pace of business transformation is predictable, when it is not so ...”, are the wise words of a London banker. Not exactly a motivator for all business controllers who are involved in the budgeting process. Budgeting for the unknown is a difficult task. In any case, waterfall budgeting is not suitable for this new reality. And a detailed and long budget process gives a false sense of certainty.

“Zero-based thinking” and calling the status quo into question are in any case a good basic philosophies to apply throughout this exercise. Its conclusions can then be included in the budget, without making the budget process too long and theoretical.

bpost strives for a clear and transparent communication to its shareholders. Opinions among analysts and investors are however divided as to what that exactly means: granularity versus qualitative guidance. For an organization in a business transformation, where a number of things are more difficult to predict, you should not create that illusion. In a transformation, it testifies to the organization’s sense of reality to be transparent and clear about what you do know, but also to be transparent and clear about what you do not know.

In the end, it’s the people who make the difference. It is the bpost finance team that embraces the new paradigm and uses a new toolkit. Because they believe in the deep roots of which they are a part and because they want to spread their wings!

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Leen Geirnaerdt, CFO of bpost since May 2019

Studied Applied Economic Sciences at the University of Antwerp
Key figures

Domestic mail volume evolution

Domestic parcel volume evolution

External operating income per Business Unit

Adjusted external operating income 2019