

## Posti Group plans to change its operating model to accelerate the renewal of its business operations

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Posti Group is planning to change its operating model in order to accelerate the renewal of the Group's business operations and to increase agility and productivity. The planned changes will affect the Group's organizational structures, ways of working, and job positions. Consequently, Posti will initiate cooperation negotiations concerning mainly expert and supervisory positions in Finland.

The disruption of the postal industry and the digitalization of society have had a significant impact on Posti's operations. The COVID-19 situation has further accelerated this transformation. In the second quarter, the number of addressed letters decreased by a record-breaking 24 percent in Finland; at the same time, parcel volumes increased significantly and competition in the industry has intensified. Posti must be able to respond to the rapidly changing needs of its customers in a more agile manner and to renew in a situation where part of its business has changed permanently. The company will also review its strategy and, if necessary, will adjust it during the remainder of the year.

"Our industry is undergoing a major transformation, and the COVID-19 situation has accelerated the pace of change even further. We must respond to the changing needs of our customers and renew our operations much faster than today. This is why we are planning to change our operating model, aiming to accelerate the renewal of our business operations and to improve operational efficiency. Unfortunately, this change will have impacts on personnel. However, we must look into the future and make the changes that the situation requires. The next three years will be a critical time for ensuring our competitiveness. We are doing

our best to support our personnel in this change situation," says Turkka Kuusisto, President and CEO of Posti Group.

The cooperation negotiations concern employees in mainly expert and supervisory roles in Finland. The estimated reduction need is approximately 130 positions. Freight Services and Transval are not in the scope of the negotiations. Cost savings are sought also in many additional ways, for example, through reviewing the ratio between outsourced work and work done by Posti's own employees. The cooperation negotiations will commence on September 15, 2020 and will last for at least six weeks unless the parties concerned agree to conclude the process earlier. Posti employs about 22 000 people.

### **Change in operating model aims to improve services and customer experience**

Posti seeks to adjust its operating model in a way that enforces the profit and loss responsibility of Posti's business groups and allows them to develop and direct their operations to meet customer needs in a more holistic manner. The objective is to improve Posti's services and customer experience. The operational efficiency of the business groups is planned to be increased, and some of the joint group functions would be decentralized

and streamlined. The current cost structure is heavy compared to the financial capacity of the businesses. The planned changes and

improved operational efficiency aim to create significant savings.

Source: [Posti](#)