International Post Corporation

Posti is planning a reorganization of work concerning the administration and supervisory positions of the Postal Services production due to the decline in mail volumes

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Posti begins cooperation negotiations to reorganize work in the administration and supervisory positions of the Postal Services business groupâ€™s production. The negotiations are the result of a drastic decrease in mail volumes. Posti continues to renew its operations to improve competitiveness and ensure profitability. The postal and media industry is undergoing a dramatic transformation. The number of letters delivered in Finland has decreased by half within ten years, and the delivery volume of printed newspapers has fallen to 1950sâ€™ levels. An average, Posti delivers to Finnish households only 8 delivery items per week. In the coming years, the amount of mail continues to decrease rapidly as the communication of citizens, companies and public sector becomes digital.

The need for savings amounts to approximately EUR 150–200 million in the years 2019–2021

Posti needs to reduce costs by at least approximately EUR 150–200 million over the next three years. These cost savings are required due to the substantial decline in mail volumes. The declining volume of letters no longer covers the cost of five-day delivery. The Parliament of Finland opened up postal services to full competition in 2016 and, as a result, competition in delivery services has intensified. Posti operates on market terms. Posti's operations are financed by service charges paid by customers and Posti does not receive any support from the State, unlike many other postal sector operators in Europe.

New growth is sought through investments

At the same time, Posti aims for strong growth in e-commerce and logistics services, which are both growing markets, in line with its strategy. The changes in the business environment and customers' needs mean that Posti must invest in new types of services, digitalization, technical solutions and competence. At the core of Posti's strategy are to win e-commerce play, keep mail relevant to customers, rething Logistics, renew service culture Posti Orange and to be digitally powered to secure service delivery.

Cooperation negotiations will commence on April 23

The aim of reorganization is to support Posti's operating model, introduced at the turn of the year, in which the services are as close to the customer as possible. The cooperation negotiations concern administrative and supervisory duties in the Postal Services business group's production. The aim is to clarify and renew the operation and management models of the business group's production as well as reduce costs.

According to a preliminary estimate, the personnel reduction need is a maximum of 120 permanent employees. The reorganization is also estimated to create new jobs which reduce the need for dismissals.

Source: Posti

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