



# Poste Italiane's diversification strategy

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→ **Mission**

→ **Company Profile**

→ **The Group's Strategy**

→ **Financial Results**

→ **Partnership with PTT**

## Posteitaliane

- To be a **high value-added service provider** by increasing the importance of **its assets** and in particular of its **capillarity** throughout the national territory
- **Address all kinds of customer needs** by offering a **full-range integrated product and service portfolio** engineered both on its **specific logistical, postal and financial competences**, and on its **expertise in outsourcing process management**
- Build up a **leading ICT infrastructure** aimed at creating one of **the most integrated, complete and advanced network system in Italy**

**Poste Italiane responds to market challenges by focusing on technological, process and service innovation**

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➔ Poste Italiane – the “Network company” – is the largest Italian company focused on serving citizens and enterprises, and it has the most modern integrated network and platform systems



**Employees** ~153.000

#### Postal Services

▶ *Served Houses* ~26 mln

#### Banking services

▶ *Accounts* ~6 mln

▶ *On line accounts* ~over 1 mln

▶ *Debit and credit cards* ~6,5 mln

▶ *Postepay cards* ~7 mln

#### Mobile services

▶ *Customers* ~2,3 mln

# Company profile: the network 2

## PHYSICAL NETWORK

- ▶ 14,000 post offices
- ▶ 5,000 offices of delivery
- ▶ 22 automated sorting centres



## MULTI-CHANNEL ACCESS NETWORK

- ▶ 5,500 ATMs (cash dispensers)
- ▶ 600 multimedia kiosks
- ▶ Mobile phones

## LOGISTIC NETWORK

- ▶ 41,000 vehicles
- ▶ 4,500 couriers
- ▶ 320 semi-trailers
- ▶ 3 aircrafts & 16 flights/day
- ▶ 3 automated hubs



## ICT

- ▶ 12,000 post offices linked in wide band to more than 10 Gbps
- ▶ High capacity IP transmission network best in class
- ▶ 5 Data Centres with 1000 Terabyte storage capacity
- ▶ Datawarehouse with 32 m customers
- ▶ Real time ongoing service monitoring
- ▶ 60,000 workstations
- ▶ Over 1,400 Contact Centre operators



## Real-Time Infrastructure and Business Monitoring



The greatest and in real-time control system in Italy including 3 control rooms in the HQ:

- 1) Service Control Room
- 2) Logistic Control Room
- 3) Security Control Room

The new platform allows **real-time control** and tracing of postal products in every phase of the process

Poste Italiane has implemented a new logistic platform, integrated with its international partner's systems (UPS), thus ensuring real-time monitoring of every single item (or service) within its logistic chain and also providing full reporting to end customers

# Company profile: innovation in the new logistics model

Operations

Transport

Delivery

New Services

- ✓ Automated logistic network consolidation
- ✓ Technological evolution of process and services
- ✓ Control Management of operational processes



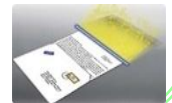
- ✓ Transport networks upgrading
- ✓ Increasing security and reduce environmental impact



- ✓ Palmtops for postmen: process and service development (PostaTime, registered items, pick up)



- ✓ Development of innovative and integrated services
- ✓ eGovernment
- ✓ Electronic communications services
- ✓ Certification services



→ Modernization and innovation in each step of the postal logistic value chain



# Company profile: integration in a business model



Retail

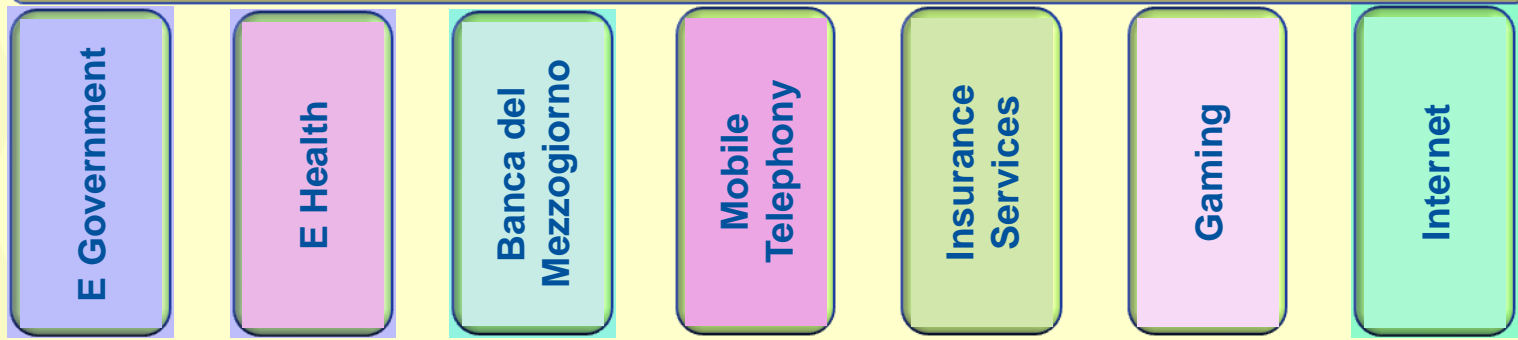


Business

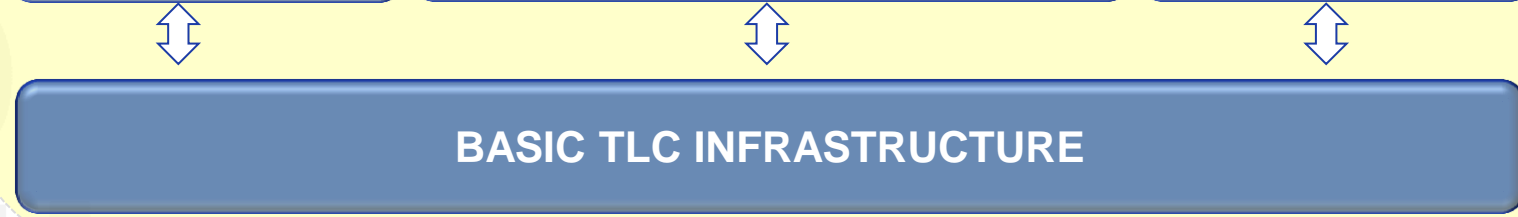


Public Administrations

## MULTICHANNEL SUPPLY PLATFORM



## INTEGRATION



→ From the integration of service platforms, that links in with the TLC infrastructure, innovative services are supplied via multi-channels

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## 1 Postal Services and Electronic Communication

- Hybrid and digital communication
- Integrated Services
- Certification Services
- Electronic Document Management

## 2 Express Courier, Integrated Logistic & eCommerce

- Integration of logistic assets with third parties
- Further development of UPS Partnership
- Integrated eCommerce Platform

## 3 Financial Services

- Leadership in the issuing market and in payment transactions

## 6 International Partnerships

- Replicate internationally Poste Italiane's best practices and innovative solutions in partnership with relevant international players

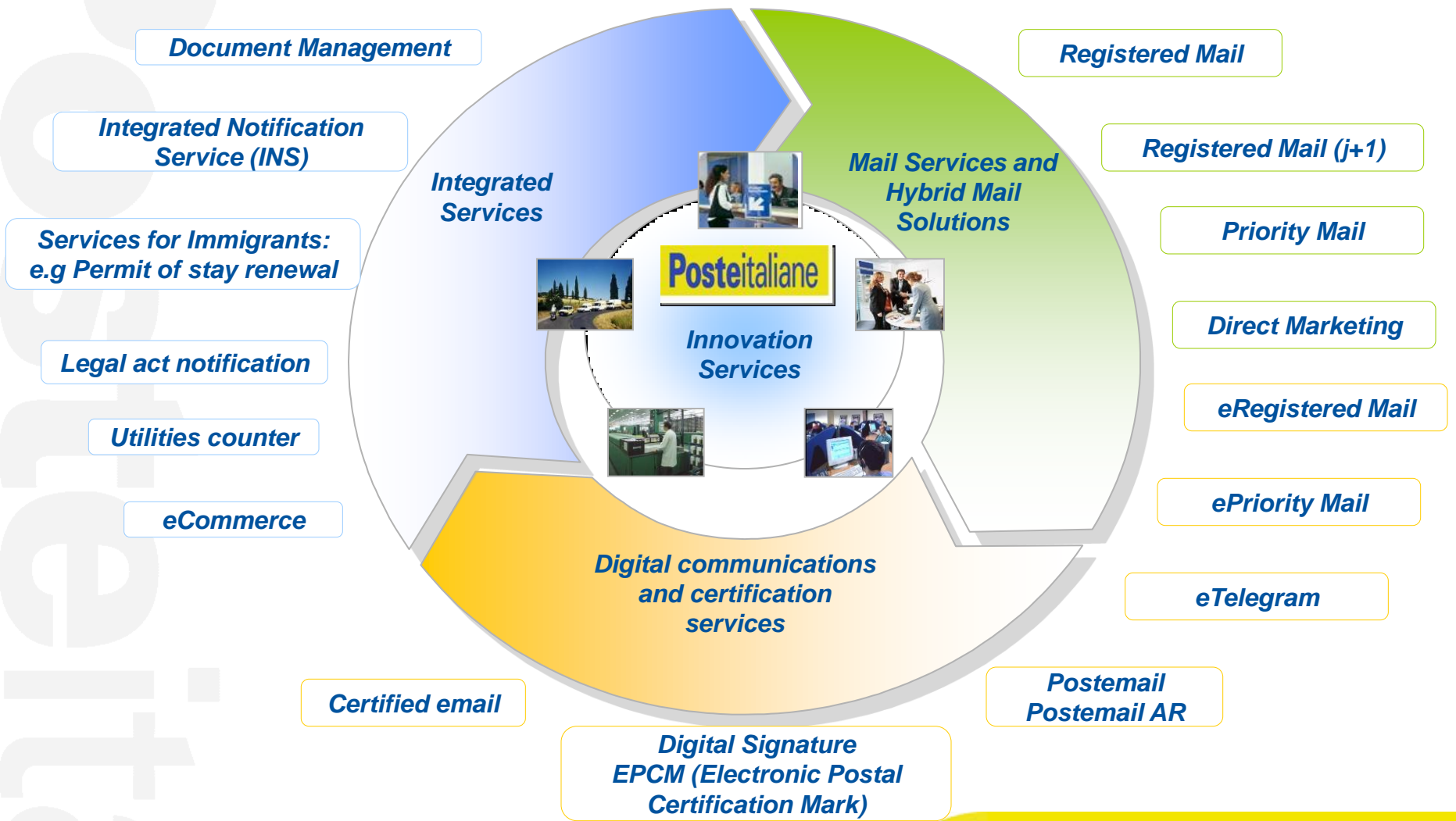
## 5 Mobile and Multi-channel

- Mobile Virtual Network Operator providing value added services
- Multi-channel capability
- Handheld devices for postmen

## 4 eGovernment

- Integrated solutions for local and central administration
- One-stop shop for the citizen

## 1 Postal Services and Electronic Communications



2

## Express Courier, Integrated Logistic and eCommerce

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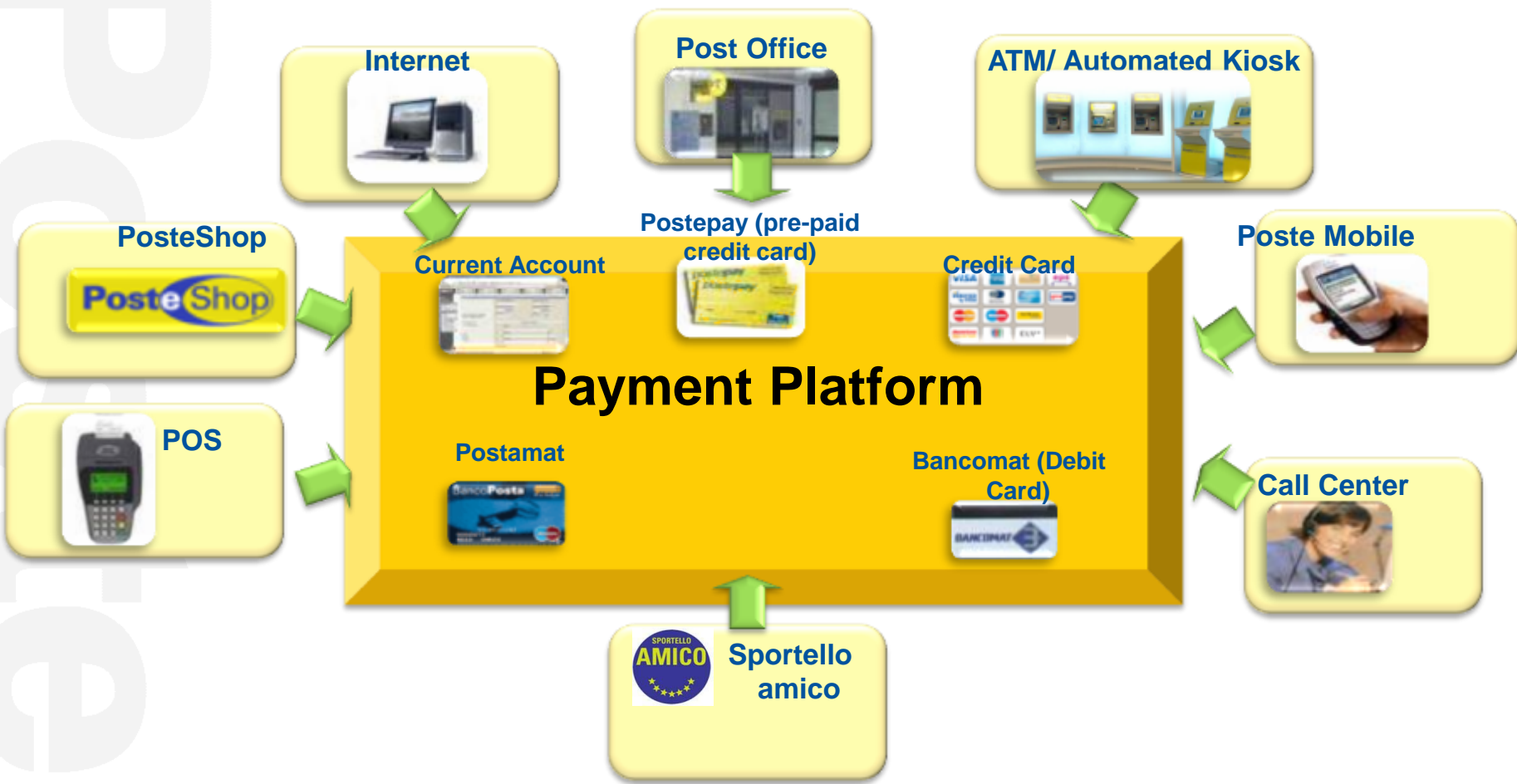


- **Italia Logistica** (a Poste Italiane and Ferrovie dello Stato joint venture) has been established as a national, integrated logistic company ranking as the **top ten operators** in the sector and seeking to reach by 2010 a position of excellence at an international level
- Through the integration between **Omnia Logistica (FS Group)** and **SDA Logistica (Gruppo Poste Italiane)**, the new business model integrates the railway-road combined transportation over long distances with the last mile delivery, bringing together FS's handling of large volumes of goods, with Poste Italiane's capillary retail delivery

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- Partnership in **International Express Courier for Retail/SoHo Customers**
- Potential partnership **extension in International Express Courier for Large Customers**
- Reach **operational and commercial synergies**



With 13 Mln payment cards, Poste Italiane is the leading issuer in Italy (credit, debit and pre-paid cards)

4

eGovernment

Posteitaliane

for the eGovernment



Addressing Digital Divide



Outsourcing of critical services and processes



Leverage of an existing and powerful ICT infrastructure



Increased ability to interact and connect with citizen



Low cost solutions (project financing and pay per use)

- Poste Italiane has developed **services for the Public Administration**, with the aim of facilitating interaction for the citizen and overcoming digital divide leveraging its vast physical postal network
- Examples of eGovernment solutions are :
  - **Health sector services, such as electronic or mail delivery of medical tests**
  - **Handling of requests and payments for medical examinations** via call center or directly at the post office
  - **Home delivery of medicines or medical devices** by mail for disabled citizens
  - **Inquiries and payments of local taxes**, online or at the post office
  - Provision of a state funded **card for people needing financial assistance**

## 5 Mobile and Multi-channel

### Mobile

Poste Italiane entered the TLC sector as Mobile Virtual Network Operator (MVNO) not only to distinguish its business but also to upgrade its service portfolio providing a new access channel to its distinctive services (e.g. bill payments, telegrams, micro-payments)

### Posteitaliane



### Value added Services

#### Financial Services

- Account & Prepaid Card
- Balance/Transaction List
- Money Transfer:
  - from prepaid card to prepaid card
  - from account to prepaid card
- Bank credit transfer
- Bill payment
- Pre-paid card recharge
- SIM card top-up
- Parking payment



#### Postal Services

- Telegrams
- Registered Mail
- T&T\*

Since November 2007: 2.3 Mln New Customers chose PosteMobile's innovative services



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## International Partnerships

### Mail Solutions



- ✓ Design and implement a postal network in emerging countries from pick-up to delivery and billing
- ✓ Design and implement customized hybrid mail solutions in emerging and industrialized countries

### Mobile Services



- ✓ Share expertise on IT solutions to develop a wide range of financial services (micropayments, peer to peer payments) and communication services (mLetters, mRegistered Mail) through mobile technology



### Integrated and Digital Communication Solutions

- ✓ Implement a Document Management Integrated System
- ✓ Implement Value Added Services (eProcurement, eCommerce, eGovernment)
- ✓ Replicate Digital Certified communications



### Financial Services



- ✓ Development of financial platforms and services with international institutions
- ✓ Development of pre-paid cards international business model

# Main international partnerships



→ **Russian Post:** partnership for developing Integrated and automated logistic systems, Post office network restructuring and financial services development



→ **Egypt Post:** partnership for logistic optimization, postal & digital system development, international money transfer and co-branded pre-paid cards



→ **Saudi Post:** cooperation in developing digital communication services, shared pilot of postal registered electronic mail (PReM)



→ **Albanian Post:** digital signature services supply and digital communication services; partnership in international money transfer and pre-paid cards



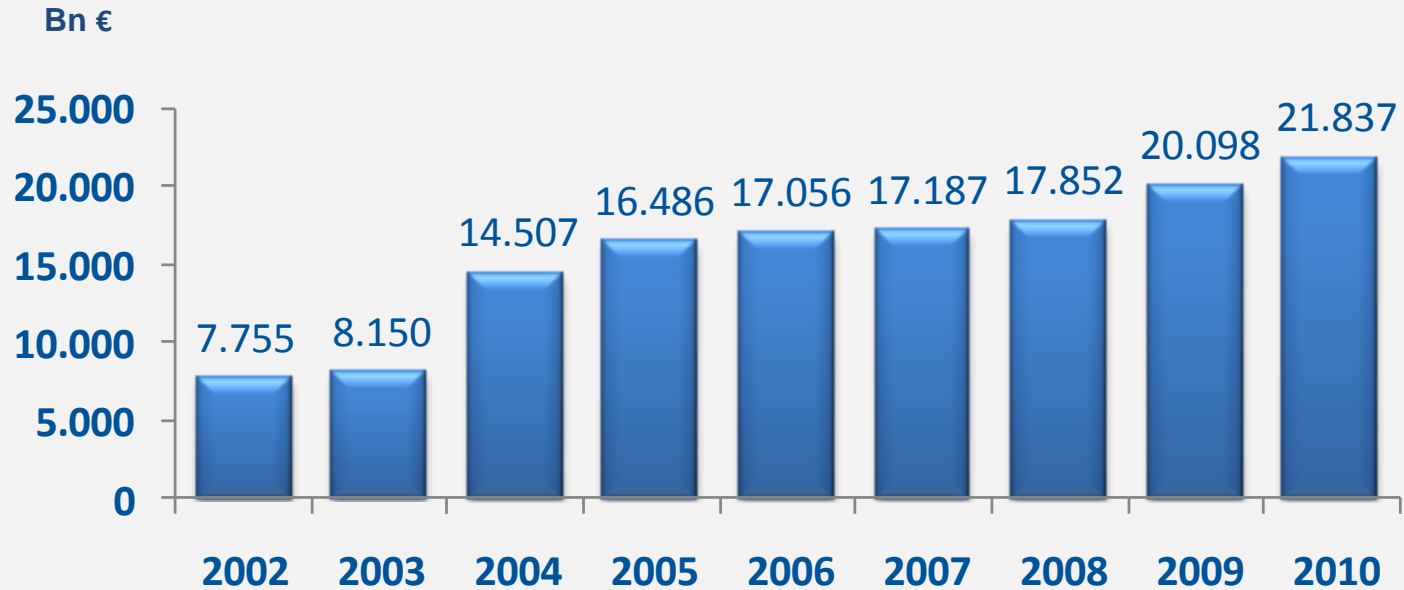
→ **India Post:** Poste Italiane, together with HSBC, won an International bid for issuing pre-paid cards through the Postal network



→ **Netherland:** partnership with the Dutch company Cycleon for Reverse logistic from Italy for Amazon

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## Revenues

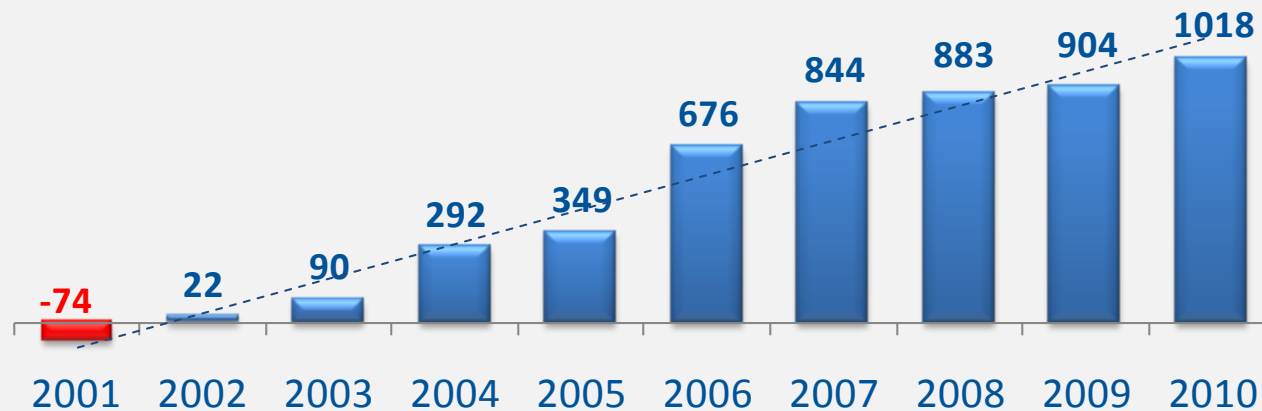


**Revenues increased dramatically in the last decade mainly thanks to the business diversification**

*\*IAS Criteria applied starting from 2004*

## Net profit

Mln €



**High quality standards in postal services**  
**State of the art financial services**  
**State of the art technology**

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## 1. Mobile Services



- ✓ Develop together an MVNO in Turkey. Poste could share its expertise on VAS and solutions to develop a wide range of financial services (micropayments, peer to peer payments) and communication services (mLetters, mRegistered Mail) through mobile technology

## 2. Financial Services



- ✓ Joint Development of financial platforms and services (Insurance, Saving)
- ✓ Joint Development of pre-paid cards

## 3. Postal and Logistic optimization



- ✓ Design together customized hybrid mail solutions to be sold to other countries

**Our Partnership could be:**

- 1- Bilateral and
- 2- within Euromed