

The Postal Sector – a key facilitator of global commerce for SMEs

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Introduction¹

If certain estimates are to be believed, Small and Medium Enterprises (SMEs)² account for 99% of the world's economic enterprises.³ There is no denying that SMEs are a key component of any country's economic activity. According to the Organization for Economic Co-operation and Development (OECD)'s Centre for Entrepreneurship, SMEs and Local Development, SMEs "are significant contributors to the global economy accounting for approximately 50% of local and national GDP, 30% of export and 10% of FDI."⁴ As such, they have rightfully received plenty of attention from governments and international organizations alike.

A growing concern amongst policymakers is that, for all their success, SMEs are still struggling when it comes to selling their products beyond their national borders, independently on whether the firms were located in developed, developing or least developed countries. Many reasons can explain this situation, among which are the perceived insecurity of trans-border transactions and the difficulty for some companies to gain access to the existing (global) supply chains by lack of financial resources or proper trade infrastructures.

This paper will endeavor to show how the global postal network can bring an innovative response to some of these hindrances. Adopting a holistic approach to the definition of the postal sector, the paper will consider how the integrated Postal Network – with its physical, financial and electronic dimensions – enables the postal sector and all of its actors, including partners, can play the role of a true global supply chain specially adapted to the needs of SMEs in all parts of the world.

For starters, the obstacles encountered by SMEs when trying to reach markets beyond their national borders will be briefly discussed. Next, after establishing a definition of a global supply chain, the focus will be on building a case for how the Posts, when considered as a global supply chain, can help go beyond some of these obstacles. We will do so by showing how the traditional postal assets such as the network of more than 665,000 retail outlets and 5.5 million employees in 191

¹ The authors would like to thank José Anson, Abdelilah Bousseta and Harald Weyerich, all members of the International Bureau of the UPU, for their valuable comments on an earlier version of this paper.

² According to Michael Danson and George Whittam, "Small and medium enterprises are usually defined in terms of number of employees. Small enterprises are recognized as having fewer than 10, 20, 50, 200 or 500 workers; medium as having more than 10, 20, etc. up to 500. Different agencies and authorities adopt different thresholds according to the period and the policy questions and instruments under consideration." (<http://www.rru.wvu.edu/WebBook/Danson/glossaryterms.htm>) In that respect, we have to bear in mind that the term of SME might be understood very differently depending on what country or region of the world we consider.

³ Calin Mirea, « The Importance of SME-s in Economic Development and International Trade », Paper presented at the "Bridging the Use-Divide", workshop organized by the International Trade Centre (ITC) in Izmir, November 2006. http://www.intracen.org/emds/docs/izmir_event/presentations/Mirea_SMEs_economic_development.pdf

⁴ http://www.oecd.org/document/14/0,2340,en_2649_34197_37667406_1_1_1_1.00.html

countries, coupled with an innovative use of ICT, entitle qualification as the largest and most accessible and affordable global supply chain (GSC) for SMEs.

The paper will then present a few concrete examples of projects designed by national postal operators that ease the integration of SMEs into the global market. Even though the supply chain solutions presented are mainly focused on enabling national trade, the emergence of projects that are starting to use the opportunities offered by the postal global supply chain seems to indicate that Posts are becoming aware of their global comparative advantages.

Finally, the paper will conclude by discussing some of the implications that the definition of the Posts as a global supply chain might have for the future of the sector and what this can in turn bring to SMEs. The ultimate goal of this paper is to trigger a vivid discussion on those issues, but also to reinforce the understanding of the role of Posts at the centre of trade facilitation.

SMEs and trade: an uneasy relationship

The difficulties faced by SMEs in terms of international trade have been extensively discussed in three recent studies/meetings by the OECD and the Asia-Pacific Economic Cooperation (APEC), the European Commission and the United Nations Conference on Trade and Development (UNCTAD) respectively. Each one of them has underlined different explanations for the relative weakness of SMEs' trans-border trade as described below.

OECD/APEC

In November 2006, OECD and APEC organized a two-day conference called "Removing Barriers to SME Access to International Markets".⁵ Starting from the observation that "SMEs are under-represented in the international economy relative to their contribution in national and local economies"⁶, the participants in the conference discussed at length why it was the case.

Among the key contributions to this meeting was a survey aiming to pinpoint the main impediments to more trade for SMEs.⁷ Based on the responses of 978 SMEs worldwide, this survey identified 10 "top barriers" to increased trade as follows: 1. Shortage of working capital to finance exports; 2. Identifying foreign business opportunities; 3. limited information to locate/analyze markets; 4. Inability to contact potential overseas customers; 5. Obtaining reliable foreign representation; 6. Lack of managerial time to deal with internationalization; 7. Inadequate quantity of and/or untrained personnel for internationalization; 8. Difficulty in matching competitors' prices; 9. Lack of home government assistance/incentives; 10. Excessive transportation/insurance costs.

The underlying reasons for these barriers will not be discussed further in this paper, other than to mention that companies who mentioned the shortage of working capital to finance exports also had difficulties with collecting payments from abroad and resolving disputes.

⁵ http://www.oecd.org/document/6/0,2340,en_2649_34197_37244486_1_1_1_1,00.html

⁶ http://www.insme.org/documenti/OECD-APEC_Nov2006_Programme.pdf

⁷ OECD-APEC Keynote Paper on Removing Barriers to SME Access to International Markets, Executive Summary. (<http://www.oecd.org/dataoecd/4/16/37818320.pdf>)

European Commission

In December 2006, the European Commission issued a study bearing on the attitudes of companies towards cross-border sales.⁸ Based on telephone interviews of a sample of 6,606 managers (97% of whom working in SMEs) in the 25 countries of the European Union (EU), the survey delivered a noteworthy paradox.

Indeed, whereas 48% of the surveyed retailers declared to be ready to trade cross-border, only 29% did actually do so and in most of the cases in not more than one or two other European countries. The main reason given for this gap was a *perceived* insecurity of the transactions by the retailers (61%), this explanation coming shortly ahead of concerns about different national fiscal regulations and the difficulty to resolve complaints and conflicts cross-border.

UNCTAD

One of the topics discussed at the eleventh session of UNCTAD's Commission on Enterprise, Business Facilitation and Development was how to improve the competitiveness of SMEs through enhancing productive capacity.⁹

Among the various opinions expressed during this session, Benin's statement (on behalf of the LDCs) is particularly interesting because it gives the point of view of SMEs from poor countries which admittedly have different concerns than their counterparts in industrialized countries:

LDCs [require] investments in transport and communication infrastructure in order to bring about greater participation by developing countries in global trade. In particular, landlocked countries [are] marginalized by their lack of access to global transport networks. Even if enterprises [are] competitive in terms of factory productivity, their competitiveness [will] be wiped out by the costs associated with a deficient transport infrastructure. The promotion of multimodal transport, incorporating the services of local transport service providers, is crucial to enhancing the competitiveness of LDCs (and their SMEs).

With this statement, focused on the infrastructure and the accessibility of trade facilities, we have a more complete picture of what are the hindrances to commerce for SMEs. On the one hand, there are many obstacles that make SMEs hesitate to engage in trans-border trade, among these are doubts about the ability to get paid for, and to settle possible disputes about the services or goods they offer. On the other, a whole category of SMEs do not even have the opportunity to start trans-border trade because of insufficient infrastructure.

The remainder of the paper will be dedicated to explaining how the global postal network, considered as a global supply chain in its own right, can help SMEs all over the world overcome at least part of these hurdles. We start by giving a definition of what we mean by global supply chain.

⁸ "Business attitudes towards cross-border sales & consumer protection", Conducted by the Gallup Organization Hungary & Gallup Europe, Flash EB Series #186, December 2006. (http://ec.europa.eu/consumers/topics/flash_eb_186_ann_report_en.pdf)

⁹ See doc TD/B/COM.3/82 for the report of the session. (http://unctad.org/en/docs/c3d82_en.pdf)

Global Supply Chain

Referring to the definition of “supply chain” found in the online encyclopedia Wikipedia, a “supply chain” is “*a coordinated system of organizations, people, activities and resources involved in moving a product or service in physical or virtual manner from supplier to customer*”. This statement, albeit relatively straightforward, is fairly congruent with most of the definitions of this concept found in the public domain.

Almost all of these include the idea of a *flow* (of products, but also of information, knowledge, materials, finances, etc.) that goes from supplier to manufacturer to wholesaler to retailer to customer, with some of the intermediaries—especially the wholesaler and the retailer—potentially absent.^{10,11}

From this, we can assume that a *global* supply chain will link the different actors and processes involved in the creation and delivery of a final product or service, with all or some stages taking place in a country different from the one hosting the producer’s headquarters (outsourcing). Moreover, a global supply chain should also include all operations related to the return of defective or unsatisfactory products.

The Postal Sector, a Global Supply Chain of a particular kind

General remarks

Before going into detail about the postal network as a global supply chain (GSC), we can already stress two of its most remarkable features.

First, when thinking about a supply chain, we usually consider the way the different stages of production of *one particular* good or service are linked to one another. In this framework, a supply chain is seen as a fairly homogenous scheme.

Conversely, the GSC offered by the Postal sector is made up of a disperse range of interconnected networks and therefore differs widely from country to country. However, the universal postal network is built on the foundation of global universality and is open to any quantity of merchandise or information to be transported. Furthermore, the postal GSC is permanent and non-discriminatory - that is, everybody everywhere can have access to it, an important detail for SMEs. Also, as it relies on national operators located in 191 countries, it shows an infinite flexibility as to the direction and final destination of the various flows.

Secondly, the GSC provided by the Posts is naturally focused on the first and last mile of any supply chain, that is, the one that will connect the customer to the other links of the supply chain. With the development of e-commerce, which tends to reduce the links and improve the connectivity in the chain, this focus is all the more relevant and will therefore receive the bulk of our attention here.

Let’s look at the aspects of Posts that make them a reliable GSC - the 3 dimensions of the postal network – physical, financial and electronic.

Infrastructure: a worldwide retail network

With its 665,000 retail outlets located all around the world, the postal network allows people and companies, whatever their size, to send goods to any point in the world. The reach of this network also allows dissatisfied customers to bring their goods for return to the supplier. Returns processing is one of the significant

¹⁰ See the definition at <http://www.balancedscorecard.biz/Glossary.html>.

¹¹ Typically, e-commerce fosters a more direct relationship between the manufacturer and the customer.

enablers of confidence in E-commerce, and identified in the previously quoted EU study as a significant inhibitor of cross-border commerce.

Notably, the distribution of these postal offices in the global network tends to match the distribution of the population as the following table, describing the distribution of the postal delivery network in Sub-Saharan Africa shows.

Table 1: the postal delivery network

	Most populated city	Second most populated city	Third most populated city	Rest of the country (smaller cities and rural)
Median share of the population living in	9.3% (2.9 to 22.3%)	2.5% (0.3 to 8.1%)	1.2% (0.2 to 5.1%)	82.4% (73.3 to 95.4%)
Median share of total post offices placed in	10.1% (2.2 to 74.0%)	2.9% (0.5 to 21.7%)	1.9% (0.2 to 14.7%)	80.8% (23.0 to 95.0%)
Posts/private Money Orders operators (ratio)	0.24	0.42	0.72	6.45

Source: José Anson and Joëlle Toledano, “Survey of Postal Delivery in Sub-Saharan Africa: Final Report”, Universal Postal Union, February 2007, pp. 7-9.

We can also notice that, compared to private entities (in this case, the money orders private operators), Posts are extremely well represented in medium-sized cities and in the countryside, providing services where the population is located.

Completing these physical locations, Posts operate large fleets of vehicles—in some places, like France, they have the largest fleet of trucks in the country—allowing for either pick up or delivery of goods.

In addition to moving goods, Posts also assure the flow of information and finances related to the physical products. As we will talk about the way Posts provide information about the status of the products later, let us just mention here that thanks to its growing International Financial System (IFS) network, the worldwide postal electronic payment system, the postal network is in a position to offer a wide range of payment facilities for producers, be they rich or poor. Posts also provide a wide range of e-payment options, such as e-bills, which facilitate the integration of the different segments of the GSC.

Interoperability/interconnection/interfaces with other networks

Because the postal network relies on a myriad of independent, mainly nationally-based companies, it is important that a high level of interconnection be assured between them in order to form the seamless GSC necessary to support reliable global commerce.

Thanks to the Universal Postal Union (UPU), the UN specialized agency responsible for the worldwide postal sector that fosters a genuine inter-operability between the different postal operators, everyone can access to a network spanning the whole

world. Furthermore, the diversity of the members of this global network coupled with its universality further strengthens the position of the Posts as an efficient GSC. Indeed, Posts provide their customers with a “localized access to a global supply chain”: even if customers have global aims and destinations for their products, they will always have the opportunity to have a local contact should any problem arise.

Interconnection is not just about better links between different postal operators. It is also about how Posts interact with key sectors of global transportation facilitation, such as, customs and transport. High level contacts between the UPU and organizations such as International Air Transport Association (IATA) and the World Customs Organizations (WCO) guarantee that, once a product is given to the Posts, it will be seamlessly delivered on an international scale, respecting the regulations and obligations of these global governing bodies.

Thanks to this intensive cooperation between these different international organizations, the postal sector possess one of the major qualities needed to make a GSC successful, “...significant value is added by selecting a provider that can manage local pickup and delivery, line-hauled ground transportation and air freight, [...] and customs clearance on either end of the shipment”.¹²

The electronic postal information network

A GSC must be able to provide information anytime on the status of the products present in its network. Posts do just that when providing track and trace information about parcels and letters introduced in their supply chain. This information allows users of postal services to check anytime where their goods are and what their status is. POST*Net, the UPU's global postal telecommunications network, combines all the tools needed to transfer electronic information between Posts, airlines, carriers, custom authorities, security agencies or other transport and distributions organization anywhere in the world.

Besides this general architecture, specific products were developed to help Posts (and therefore their customers) have information on the physical products circulating in their network. Thus, the UPU, through its Postal Technology Centre (PTC) launched in 1995 the International Postal System (IPS) combining mail and parcels processing, operational management and EDI messaging into one application. IPS provides a means for posts to have an accurate and comprehensive view of their mail and parcel movement covering every point between origin and destination, including transit offices of exchange, international carriers, and handling through Customs.

As for financial exchanges, the IFS network mentioned above is also a measurement tool. It thus allows Posts to collect money order data, such as registration of any processing up to the final payment, reimbursement or cancellation of the transaction. It also has track and trace functions and can produce very accurate statistics.

In order to guarantee a secure exchange of data, especially over the Internet, it is imperative that firms and customers know who they are dealing with so management and authentication of identity is one of the keys for a reliable e-commerce. Against the growing threats of spam, phishing and identity theft, Posts are beginning to build services. For instance, the physical postal retail network provides a valuable asset to deploy In-Person-Proofing services to mutually

¹² Mark Morrison, “How to Succeed With a Global Supply Chain”, March 2007, <http://www.ecommercetimes.com/story/56167.html>

authenticate people as they come on the internet. Also, the postcodes and address databases of the Posts are increasingly valuable tools in the ability to verify legal address details for credit card and other financial or business transactions. Finally, Posts in some countries such as USA and France, are playing the role of a trusted third party for online transactions, for example in certifying commercial documents by means of a digital postmark, the digital equivalent of the postmark indicia.

Security

One of the core values of the postal network is the high level of importance given to security and trust of its services all along the global supply chain, such as the security of the transport of physical goods such as parcels and small packets, but also of the security of the digital transactions conducted over postal networks, such as money transfers and exchange of data. Data is becoming a critical part of postal network management and control, and the security of that data is paramount. Data is also becoming more and more necessary to exchange with supply chain partners to ensure the conformance of the entire chain to national and international laws and regulations. The postal sector actors take this obligation very seriously, to ensure the rights of individuals to universal access whilst at the same time respecting the sovereign laws.

The UPU recognizes that the safety and security of the postal sector is critical to support world-wide commerce and communication. Through a holistic approach to security, including training initiatives, consulting missions and prevention programmes, the UPU strives to protect the employees and assets of the Posts along with safeguarding the global supply chain from fraud, theft and misuse.

The case for partnerships

The 3 dimensions of the postal network – physical, financial and electronic – provide a powerful infrastructure for partnerships to exploit global commerce. In this age of “coopetition”¹³, partnerships with perceived competitors are opening up new and innovative ways to build stronger networks for the various actors in the postal sector.

For instance, in June 2006 the United States Postal Services (USPS) awarded a three-year contract to the specialized transportation and logistics company UPS to transport mail by plane to and from 98 U.S. cities. The agreement between two “friendly rivals” is expected to help USPS accomplish its tasks more effectively while at the same time generating revenue of more than \$100 Million a year, according to estimates.¹⁴

What can be learnt from this example is that Posts, if they want to provide the most complete solution to their business customers, will not shy away from cooperation with other companies in the domains where these represent a valid complement to the postal network. Furthermore, it should be made clear that the opposite can also happen: indeed, thanks to the global reach of their network and their openness in terms of standards and practices, Posts can be a reliable partner for joint ventures.

¹³ [Raymond Noorda](#) of [Novell](#),

¹⁴ USPS news release #06-044, http://www.usps.com/communications/news/press/2006/pr06_044.htm

For more information on this partnership, see <http://www.dmnews.com/cms/dm-news/direct-mail/37326.html>

Concrete examples of Posts as a global supply chain for SMEs

The few concrete examples that we will present hereafter¹⁵ are made to illustrate how some posts are innovating with their products and service to foster commerce and e-business for SMEs. As all of them use technology innovation on the core postal capabilities, they are good examples of how the postal sector is working to strengthen its position as a trusted and accessible GSC in the future.

The majority of the presented projects have a national scope but we are beginning to see the emergence of *regional* projects building on close cooperation between national operators, paving the way for a future integration of the various local projects.

*CorreiosNet Shopping (Brazil)*¹⁶

CorreiosNet Shopping is a complete E-shopping solution for online merchants in Brazil. It covers all the needs of its clients: the web platform for running an online store, payment solutions and delivery/returns service. The merchants can use the CorreiosNet platform or may run their own shop. As a result of successful operations a trust mark was developed—"delivered by Correios" assuring the quality of the merchant and the delivery. The platform hosts around 500 shops and another 500 are currently being added.

*Poste Italiane and e-commerce (Italy)*¹⁷

Poste Italiane started its E-commerce project in 2006. The main objective of this project is to build an integrated platform that will enable SMEs to run their online business in the most cost-effective way, knowing that SMEs account for more than 95% of the companies in Italy.

When fully operational, the platform will offer online merchants a full range of services such as hosting websites, providing a platform for payments, delivery with warehousing and return support and marketing services (special deals with Google and Yahoo among other options). Generally Poste Italiane will offer just the platform—a postal logo will not appear on the merchant's web page, unless the merchant specifically requests that the website also be included in the online postal store.

*RFID in Correos (Spain)*¹⁸

In order to improve its efficiency in handling and delivering letters and parcels, Correos in Spain has deployed an innovative use of RFID.¹⁹ The primary aim of this project is to pinpoint inefficiencies in Spain postal service's delivery system, but the impact of the introduction of RFID technologies in postal services will probably go far beyond that.

Indeed, RFID technologies will allow Posts in the future to refine and develop their "track and trace" solutions to provide a wealth of information on any product present in their networks giving customers the opportunity to manage their stocks as accurately as possible. In the longer term, RFID may allow Posts to propose integration of transport and stock-management solutions in addition to their core activities.

¹⁵ The description of most of the projects is based on a report on a workshop on E-shopping held at the UPU headquarters on February 20, 2007.

¹⁶ <http://shopping.correios.com.br/wbm/shopping/script/> (Website in Brazilian Portuguese)

¹⁷ http://www.upu.int/e-commerce/en/2007-02-20_presentation-03_e-commerce_poste_italiane_way_en.pdf

¹⁸ http://www.ianywhere.com/success_stories/spanish_post.html

¹⁹ <http://www.rfidjournal.com/article/articleview/3209/>

*Le Shop.ch*²⁰

In Switzerland, Swiss Post, thanks to a customer solution of its logistics division, allows customers of the online supermarket leshop.ch/migros-shop.ch to receive fresh products and goods directly at their front door. Next-day delivery to the recipient is assured by Swiss Post's courier service to cities and conurbations throughout Switzerland. A supply chain proposed and managed by Swiss Post has many benefits for LeShop.ch: it can have its goods delivered in large quantities everywhere in Switzerland; it can offer delivery in large cities and conurbations at fixed times; and it also benefits from Swiss Post Logistics acknowledged delivery quality. As for Swiss Post, LeShop.ch represents a growing source of revenue and a way to start reorienting its core activities.

Cross Border – international E-commerce

*Exporta Fácil (Brazil)*²¹

In 2000, the Brazilian Post carried out a market study to assess the state of the Brazilian exporting industries. The results were baffling: Brazil held less than 1% of the total of the world's exports. These exports were highly concentrated: 56% of them went to 7 countries only; 25 products represented 60% of the exports; and 40 companies shared 39% of the exports. Furthermore, less than 15,000 companies exported at all, of which 29% were SMEs (compared with 50% in Mexico and 53% in Italy). Further investigation indicated that the main factors holding back firms from sending goods abroad were high costs of export; high logistics and product distribution costs; and bureaucracy and unfamiliarity with the procedures involved in the import/export processes.

Confronted with this situation, the Brazilian Post saw an opportunity to step in and at the end of 2000 launched *Exporta Fácil* designed to tackle these issues. In order to do so, it had to work closely with the government so that a legislation preventing Posts from exporting goods could be scrapped. It also worked with the Brazilian Central Bank to put into place payment solutions for exports through postal money order and collaborated with the foreign trade agencies. The final result is remarkable. *Exporta Fácil* allows exports of parcels weighing up to 30 kg and worth up to \$10,000. It is open to companies of any size, as well as to farmers and craftsmen. Thanks to the reach and interconnection of the global postal network, the Brazilian Post's clients can export their products all over the world.

Another key aspect of *Exporta Fácil* is that it makes the customs process much simpler, thanks to a partnership with the Brazilian Federal Revenue Secretariat. Remarkably, the Brazilian Post is the only logistics operator in Brazil with customs operations within its premises. To quote Brazil Post, *Exporta Fácil* has "demystified export in order to include and ensure the constant presence of foreign trade in the daily routine of Brazilian companies."

*Borderfree by Canada Post (Canada)*²²

Canada Post's BorderFree project was set up to open the Canadian markets for US online merchants. Noticing that it was very difficult for Canadian shoppers to buy online on US companies websites because of all kinds of hidden costs (taxes, duties and currency exchange variations) adding to the cost displayed online, Canada Post

²⁰ http://www.post.ch/EN/index/uk_geschaeftskunden/pm_versand_inland_gk/log_euk_expressundkurier_postportal/log_euk_kundenloesungen/log_euk_leshop.htm

²¹ <http://www.correios.com.br/exporte/default.cfm> (Website in Brazilian Portuguese)

²² <http://www.borderfree.ca/en/consumers/index.jsp>

decided to develop a integrated solution easing the way for both Canadian customers and US retailers.

Its principle is very straightforward: Canada Post provides the US companies that want to be part of Borderfree with a product that allows them to install a “Canadian section” on their website. This section, especially devoted to Canadian customers, calculates all the costs linked to the shipping of the product to Canada and therefore allows customers to know exactly what they are going to pay when buying online on a US website. Furthermore, the US retailer only has to ship the ordered goods to a US “hub” from where the goods are processed by Canada Post for delivery to the Canadian recipient. This trade-facilitating measure has brought a significant increase in the volume of packages between the US and Canada.

From a supply chain perspective, this solution is extremely innovative: the US retailers that want to expand their sales in Canada do not need to change anything in their logistical processes, as Canada Post takes charge of everything, transport to Canada included.

Kahala Post Group

The Kahala Post Group (KPG)—an alliance between the national postal operators from Australia, China, Hong-Kong, Japan, Korea and the United States – was established in 2003. The primary objective of this group was to achieve a set of business objectives to grow revenue and market share. In order to do so, KPG studied the market of mail and parcels exchanges between the countries of the group and found out that a segment of this market was somewhat neglected by operators such as UPS and FedEx, namely the “business customers” that had 11-100 shipments a month. These customers required reliability, pick-up options, guaranteed date-certain delivery as well as item tracking in-transit and proof of delivery.

KPG members realized that, as a network reaching 261 million delivery points linked through 8 billion origin and destination delivery point pairs, accessible in 142,000 retail locations, they were in a position to provide such a product. They did so by enhancing their Express Mail Service with a date-certain, money-back guarantee and transit times of 3-5 days. The quality of this service is very tightly monitored to ensure the needs of customers are met.

Innovation and the UPU - encouraging the evolution of the postal networks

All these examples are snapshots of what is being done by Posts to provide their clients with customer friendly solutions. Taken together, they show the huge potential of the postal network as a GSC spanning developing and developed countries.

The postal network’s key assets are more relevant than ever before, due to the increasing globalization of trade and commerce brought on by the rapid advancements in ICT. In the era of the Internet, people and businesses are more than ever seeking security, reliability, predictability, accessibility and confidence in end to end services. The postal networks are attempting to meet these demands in an innovative, rejuvenated way thanks to the inclusion of ICT and new technologies in postal products and processes locally – all linked in a worldwide network for global reach.

More and more postal operators have integrated technological developments to provide SMEs and business customers with solutions helping them manage the delivery of their products to their own customers. As the Italian example shows,

postal solutions for businesses are not just about delivering goods, but also about stock management, marketing advice and payment options. In other words, postal operators are putting their assets together, with the help of technology, in order to offer reliable supply chain management solutions especially tailored to SMEs, wherever they may be.

In that respect, the present surge in e-commerce and m-commerce all around the world is particularly favorable for the postal network. Indeed, the growing accessibility of broadband technologies in industrialized and emerging economies and range of mobile devices in developing economies specifically in Africa will allow many new small players to enter previously inaccessible markets. More generally, it has lately been recognized that “ICTs provide a significant potential, in particular for SMEs, by facilitating business networking, transfer of knowledge and access to international markets.”²³ These SMEs may not have the logistics capacities that bigger firms have, so in this context, the postal network is building on the different experiences of its members to use its universality and competencies to position itself as a GSC, capable of moving goods, information and money over its tri-dimensional network from anywhere to everywhere. Even though many Posts have taken encouraging actions in this direction, the UPU is engaging with all actors of the postal sector to encourage greater development and capacity building of the global postal network to build a global supply chain for all citizens of the world.

To do this the UPU is initiating a strategic shift to raise awareness among the postal sector actors about the *global* character of the supply chain provided by the worlds Posts. Indeed, as we saw before, most of the solutions provided to SMEs still have a national scope only. This can historically be in part explained by regulatory and interoperability issues for commerce and trade, but a certain responsibility also lies on the shoulders of the national operators, which see the international traffic at best as a complement to the revenues they earn from their national markets. The evolution of the postal network will necessitate that postal employees acquire new skills and new tools to be able to cope with the new demands from their customers. The accent will therefore be put on their training, especially in new technologies, with the help of the private sector or of other international organizations. The postal GSC can only be as strong as is its weakest link. Special attention is being paid to developing the capacities of poorly-equipped postal operators to ensure they can step up to the greater demands of being part of a global supply chain.

Conclusion

In conclusion, the dramatic changes taking place in global commerce encouraged by the rapid evolution of the internet and the greater accessibility of ICTs to all level of economic development, demand the universal features of the postal network as a non-exclusive, easily-accessible global supply chain. The postal sector allows people and businesses to access the world market from where they are while assuring a local focal point even in the most remote areas. The postal sector is in a strong position to support the global growth. From what was considered to be the greatest threat to the postal industry, the internet, has emerged to be its greatest opportunity to realize even more value out of its core assets and strengthen its role as global provider of services for the facilitation of trade and commerce.

²³ Dana Eleftheriadou, keynote opening address to the IANIS (Innovative Actions Network for the Information Society) policy seminar “From eBusiness to SMART business”, Brussels, April 23, 2007.
<http://www.ianis.net/index.php?page=events&sub=detail&idevent=1801>