

**EGYPTIAN NATIONAL POSTAL ORGANIZATION
“ENPO”**

CHALLENGES & VISION

FOR THE

**DEVELOPMENT & MODERNIZATION OF POSTAL
SERVICES AND POSTAL FINANCIAL SERVICES**

3 APRIL 2002

WHAT ARE THE STRENGTHS & WEAKNESSES ?

STRENGTHS

- ❑ ENPO HAS GAINED, BY LAW, A MONOPOLY FOR THE POSTAL SERVICES;
- ❑ ENJOYS A LARGE CLIENT NETWORK nationwide;
- ❑ ENJOYS A LARGE NETWORK OF OFFICES [MORE THAN 3000 OWNED AND MORE THAN 6000 CONTRACTED OFFICES];
- ❑ OPERATES UNDER A LAW [LAW 16/1970] GRANTING ATTRACTIVE INCENTIVES AND FLEXIBLE STATUS;
- ❑ ENJOYS A PROFITABLE FINANCE SERVICE FROM THE POSTAL SAVING ACCOUNTS;
- ❑ OFFERS PAYMENTS FOR PENSIONERS;
- ❑ OWNS AND OPERATES A LARGE PRINTING FACILITY.

WEAKNESSES

- ❑ LIMITED PRODUCT DIVERSIFICATION;
- ❑ LOW INTEREST MARGIN FOR POSTAL SAVING ACCOUNTS;
- ❑ LOW RETURN FROM THE PENSION AND SALARY SERVICES;
- ❑ LACK OF CONSUMER DATABASE;
- ❑ LACK OF MARKET ORIENTED STRATEGY;
- ❑ LOW AUTOMATION;
- ❑ MAJORITY OF THE TRANSACTIONS ARE PROCESSED MANUALLY;
- ❑ LOW PRODUCTIVITY;
- ❑ LACK OF A SOPHISTICATED FINANCIAL AND ACCOUNTING SYSTEM.

WHAT ARE THE OPPORTUNITIES & THREATS ?

OPPORTUNITIES

- ATTRACTING EXCESS CASH FOR POSTAL FINANCIAL SECTOR;
- EXPANSION IN THE FINANCIAL SERVICES MEETING MARKET NEEDS;
- IMPROVED MAIL AND PARCEL SERVICES;
- DEVELOP A COMPETITIVE EXPRESS MAIL SERVICES;
- STRENGTHEN THE PARCEL SERVICES.

THREATS

- COMPETITION;
- POSSIBLE LOSS OF THE MARKET SHARE IN INTERNATIONAL EXPRESS SERVICES GIVEN THE HIGH COMPETITION FROM INTERNATIONAL OPERATORS.

WHAT ARE THE DEVELOPMENT PARAMETERS ?

THE SCOPE OF POSTAL SERVICES HAS TO BE DEVELOPED ALONG THE FOLLOWING

PARAMETERS:

- ✓ INTERNATIONAL STANDARDS OF SERVICE PROVISION;
- ✓ UNIVERSAL SERVICE OBLIGATION;
- ✓ CUSTOMERS' & MARKET NEEDS;
- ✓ EFFICIENT SUPPLY OF SERVICES AND PRODUCTS;
- ✓ PROFITABILITY;

THE POSTAL SECTOR HAS TO BE DEVELOPED ALONG THE FOLLOWING GENERAL

FRAMEWORK::

- ✓ REGULATORY FRAMEWORK & OPERATION FUNCTIONS;
- ✓ DEVELOPMENT AND MODERNIZATION OF THE POSTAL SERVICES;
- ✓ DEVELOPMENT AND MODERNIZATION OF THE POSTAL FINANCIAL SERVICES;
- ✓ TECHNICAL SUPPORT SERVICES;
- ✓ INFRASTRUCTURE DEVELOPMENT;
- ✓ DEVELOPMENT OF NEW SERVICES.

WHAT IS NEEDED ?

- **Market Orientation**
- **Organization Restructuring**
- **Efficiency in operation: Profit-oriented strategy**
- **Efficiency in operation: Tools**
- **Regulatory issues and relationship with government**
- **Financial services**

WHAT IS NEEDED?

Market Orientation

- ASSESS MEANS TO IMPROVE CORPORATE IMAGE AND RENOVATE RETAIL OFFICES;
- EVALUATION OF THE EXISTING SERVICES AND PRODUCTS;
- CUSTOMERS' SEGMENTATION;
- DIRECT MARKETING DEPARTMENT;
- MARKET ORIENTED PRODUCT RANGE;
- ASSESSMENT OF SORTING TECHNOLOGY;
- THE DEVELOPMENT OF VALUE ADDED SERVICES;
- IDENTIFICATION OF SECURITY ASPECTS

Organization Restructuring

- ORGANIZATIONAL RESTRUCTURE;
- DEVELOPMENT OF HUMAN RESOURCES;
- DEVELOPMENT OF ASSETS MANAGEMENT UNIT;
- REVIEW OF THE INTERNAL CONTROL PROCEDURES AND ASSESS MEANS OF DEVELOPMENT;
- FINANCIAL MANAGEMENT SYSTEM;
- POSTAL TECHNOLOGY UNIT;
- TECHNICAL SUPPORT SERVICES IN CERTAIN SECTORS;

WHAT IS NEEDED?

Efficiency in operation: Profit-oriented strategy

**DEVELOPMENT OF COST CENTERS;
IDENTIFY OPERATING COSTS OF THE
DIFFERENT STEPS OF THE VALUE CHAIN
FOR EACH PRODUCT;AND ASSESS
MEANS OF DEVELOPMENT
DEVELOPMENT OF AN EFFICIENT
MANAGEMENT INFORMATION SYSTEM;
ASSESS POTENTIAL FOR PARTNERSHIP
IN CERTAIN ACTIVITIES;
THE DEVELOPMENT OF INVESTMENT AND
FINANCING PLANS;**

Efficiency in operation: Tools

ASSESS MEANS TO MAXIMIZE
PROFITABILITY OF THE PRINTING
FACILITY;
STANDARDIZATION OF PRODUCTS;
DEVELOPMENT OF A SYSTEM TO
IDENTIFY MISS-SORTING AND MISS-
ROUTING;
USE OF A GEOGRAPHICAL INFORMATION
SYSTEM 'GIS';
ASSESSMENT OF MEANS OF
IMPROVEMENT OF TRANSPORT SYSTEM
REVIEW OF POSTAL ZIP CODES TO
BECOME MORE POPULAR;

WHAT IS NEEDED?

Regulatory issues

REGULATORY FRAMEWORK ANALYSIS;
NEW REGULATORY BASIS [SEPARATION REGULATOR AND OPERATOR ISSUE];
ASSESS THE LOW FEES / TRANSACTION RECEIVED BY ENPO FOR PENSIONS AND SALARIES' PAYMENT SERVICES AND MEANS TO INCREASE THESE FEES;
RETURN ON SAVING DEPOSITS [INTEREST MARGIN]

Financial services

DEVELOPMENT OF AN ATM SYSTEM FOR POSTAL FINANCIAL SERVICES;
DEVELOPMENT OF ADDITIONAL SERVICES [NEW SAVING INSTRUMENTS, AUTOMATIC REMITTANCE SERVICES FOR SALARIES, ELECTRONIC MONEY TRANSFER] TO ENABLE A LEADING POSITION IN THE CONSUMER FINANCIAL SERVICE SECTOR;

WHAT IS NEEDED?

Efficiency in operation: Profit-oriented strategy

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- DEVELOPMENT OF AN EFFICIENT MANAGEMENT INFORMATION SYSTEM;
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Efficiency in operation: Tools

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