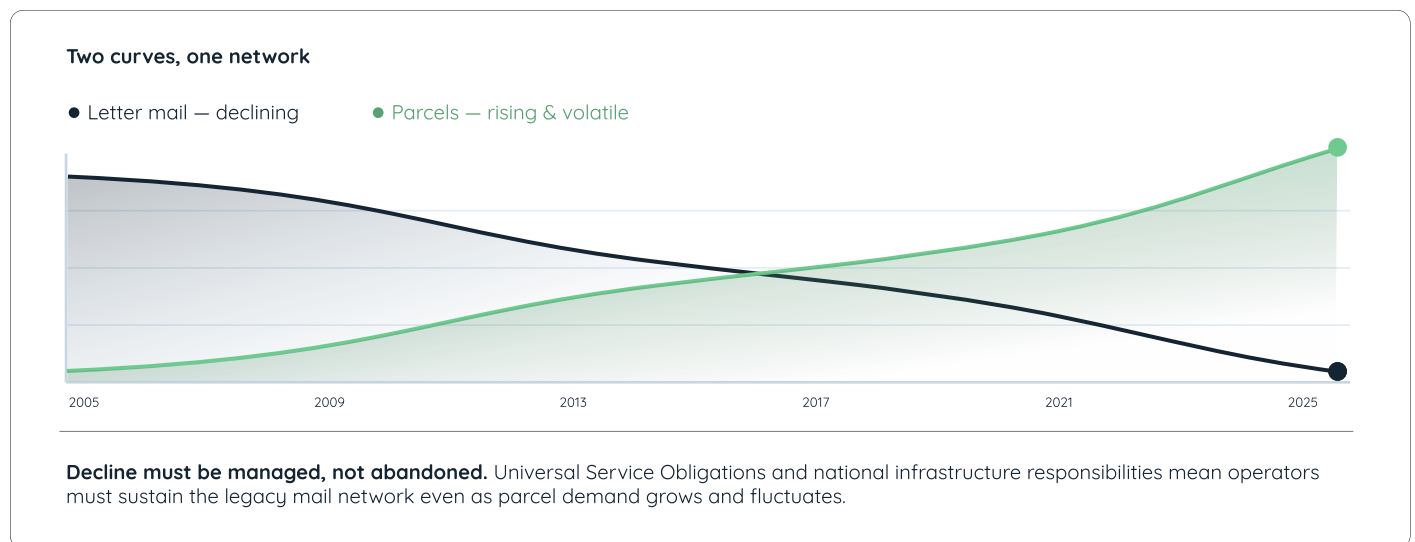


Postal Networks Were Never
Simple. **Now They Are
Changing Faster Than Ever.**

A non-linear world

For decades, postal and parcel networks evolved relatively slowly.

Volumes shifted incrementally. Delivery methods were largely predictable. Mail moved through highly structured operating windows. Network optimisation tended to focus on improving efficiency within a broadly stable operating model.



That world no longer exists.

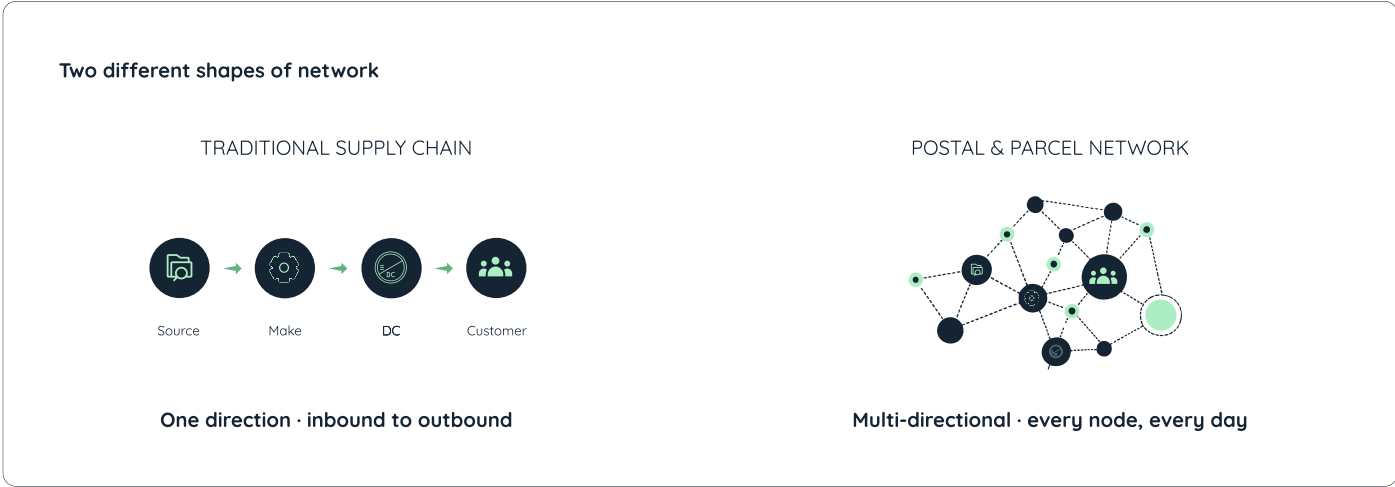
As one industry practitioner observed:

“The complexity in postal networks today is not simply about volume growth. It is the fact that operators are now managing multiple delivery methods, changing customer behaviours, declining mail, regulatory obligations and volatile parcel flows — all within the same network, every single day.”

The result is a level of operational and network-design complexity that is both uniquely difficult and increasingly dynamic.

Unlike many traditional supply chains, parcel and postal networks are inherently non-linear. Every delivery point is also a collection point. Flows move in multiple directions simultaneously, with middle-mile and final-mile operations increasingly interwoven across national networks. This differs significantly from more linear FMCG or manufacturing supply chains, where product largely moves through predictable inbound-to-outbound pipelines.

Unlike linear FMCG or manufacturing pipelines, **every delivery point is also a collection point**. Middle-mile and final-mile flows move in multiple directions simultaneously, across the whole national network, every day.



Postal and parcel operators, by contrast, operate everywhere, every day, under highly variable conditions and increasingly demanding customer expectations. Consumers who once tolerated multi-day delivery windows increasingly expect next-day — or even same-day — service, complete with traceability, delivery flexibility and out-of-home collection options. In markets such as Poland, parcel lockers have already fundamentally reshaped delivery economics and customer behaviour.

This creates a uniquely difficult balancing act: operators must modernise parcel capabilities while continuing to support legacy mail networks, ageing infrastructure and nationwide service obligations — all while protecting already fragile delivery economics.

At the same time, traditional letter volumes continue to decline. Yet unlike many industries facing demand erosion, postal operators cannot simply exit the legacy business. Universal Service Obligations, regulatory frameworks and national infrastructure responsibilities mean that mail decline must be managed rather than abandoned.

Modernise

Build modern parcel capabilities for next-day, same-day, traceable and out-of-home delivery.

Sustain

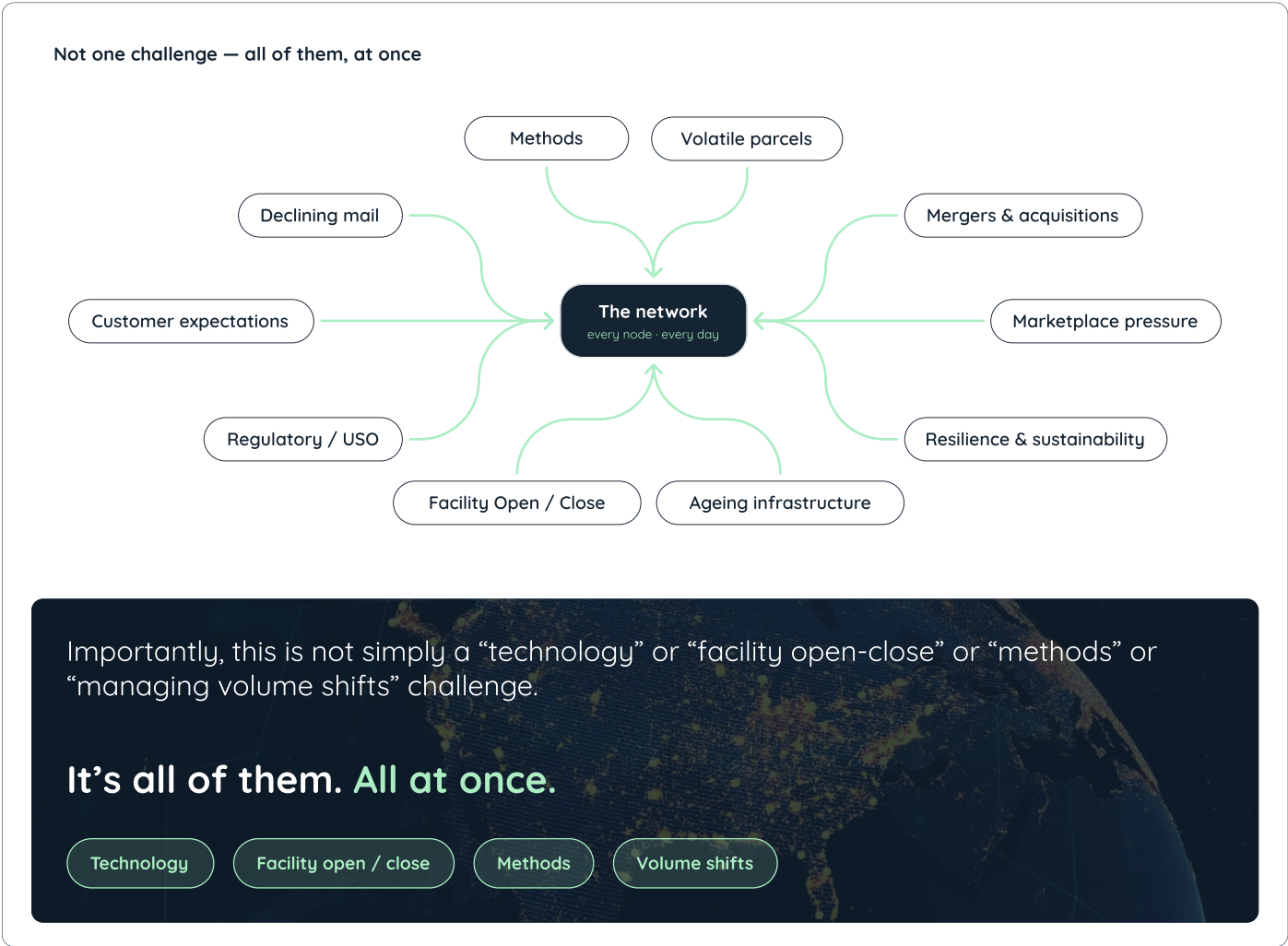
Maintain legacy mail networks, ageing infrastructure and nationwide service obligations.

Nowhere is that pressure felt more acutely than in the final mile, where labour shortages, congestion, fragmented parcel flows and rising customer expectations are forcing operators to rethink traditional delivery models. New operational methods — from parcel lockers and PUDO networks to multi-wave delivery structures — are beginning to reshape both network economics and the operational design of postal networks themselves.

- Parcel lockers
- PUDO networks
- Multi-wave delivery
- Further letter automation and up-stream sortation

A step-change, not a refinement

The shift is structural, not incremental. Pressures that were once handled one at a time now act on the same network simultaneously — which is why refinement alone can no longer keep pace.



As one industry practitioner recently observed:

“This is no longer about incrementally improving the network we already have. It is about designing networks capable of adapting continuously.”

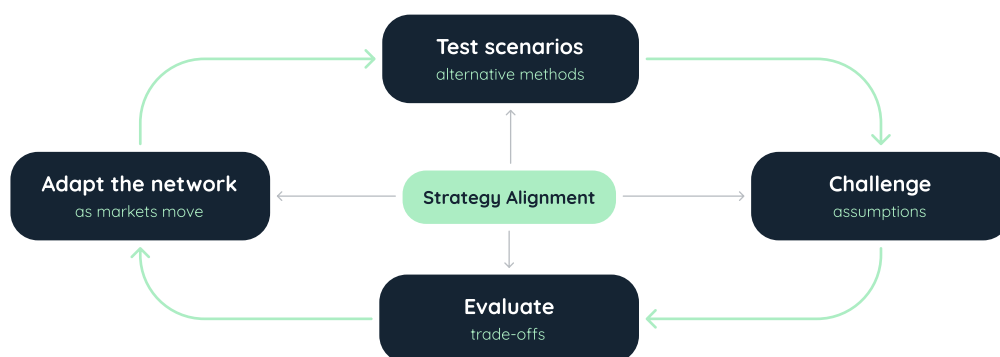
That distinction matters - many parcel and postal organisations are still attempting to respond to structural market shifts through incremental operational improvements. Yet the pace and scale of change increasingly suggest this is a step-change challenge rather than a refinement exercise.

The complexity is compounded further by mergers and acquisitions, increasing competitive pressure from marketplaces, rapidly evolving customer expectations and growing demands for resilience and sustainability.

Designing for continuous change

Network design can no longer be treated as a periodic optimisation **exercise conducted** every few years. The operators making the most progress build an enduring capability to test, challenge and adapt continuously.

From one-off optimisation to an enduring capability



01 Test scenarios

Testing alternative operating methods, e.g. more granular central sorting to routes



02 Challenge

Evaluating capacity constraints and stress-testing assumptions



03 Evaluate

Understanding facility investment trade-offs and divestment of facilities no longer suited to modern and future methods



04 Adapt the network

Modelling different customer and regional archetypes and transport modes



05 Strategy Alignment

Ensuring network decisions continuously align with broader business strategy and objectives

The sector now has proven examples of operators using advanced modelling, scenario testing and operational strategy tools to evaluate alternative network structures, delivery methods and investment priorities. There is growing recognition across the industry that network design can no longer be treated as a periodic optimisation exercise conducted every few years.

As an industry practitioner noted recently:

“The operators making the biggest progress are no longer treating network design as a one-off optimisation exercise. They are building the capability to continually test scenarios, challenge assumptions and adapt the network as market conditions evolve.”

The objective is not to create “perfect” networks.

In an environment this volatile, perfection is both temporary and unrealistic. The objective is to create networks with enough resilience, optionality and operational flexibility to continually remain commercially and operationally relevant as the market continues to evolve.

That requires robust, repeatable and objective decision support and solution iteration.

It also requires organisations to develop the capability — internally and externally — to architect these uniquely large scale & complex models appropriately, manage solution complexity and evaluate trade-offs with confidence.

The real challenge

Because the challenge facing parcel and postal operators today is no longer simply how to optimise the network.

It is how to continuously redesign it while the market keeps moving underneath it.



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