

Why Annual Network Design Cycles **No Longer Work**

The first article in this series argued that postal networks are facing a unique combination of complexity, volatility and structural change. The challenge is not simply that networks must evolve. It is that they must evolve continuously, while still supporting day-to-day operations.

Historically, network design was often treated as a periodic exercise: a major review would be undertaken, recommendations implemented and the resulting network would operate largely unchanged until the next strategic cycle. Increasingly, however, postal operators are discovering that the pace of change has accelerated to the point where traditional redesign cycles are struggling to keep up.



The networks that move mail and parcels are being asked to change faster than they can physically adapt.

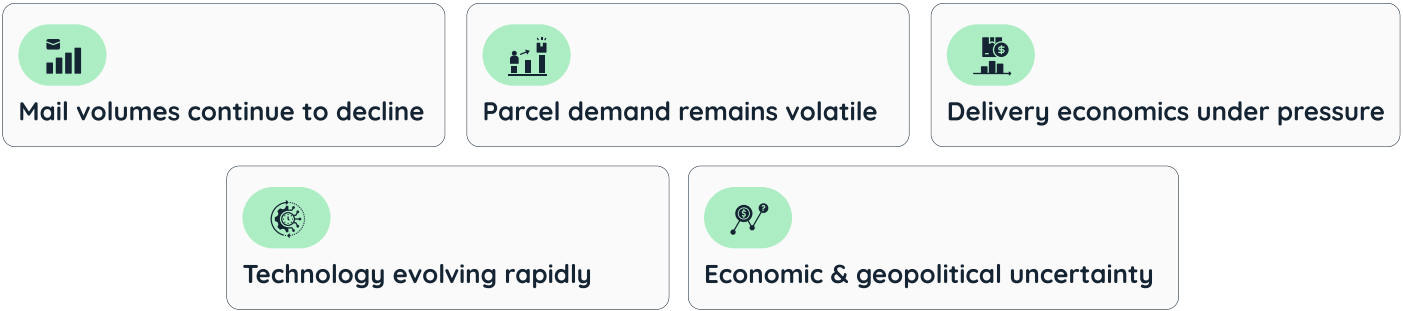
The Pace of Change Has Changed

For many years, network design followed a familiar rhythm. Forecasts were developed, scenarios tested, investment cases assembled and recommendations implemented. The resulting network would then operate broadly within that design until the next major review.

The reality today is very different. Even when a network redesign is successfully implemented, the work is rarely complete. Operational realities, changing volumes, new customer behaviours and evolving market conditions quickly begin to create distance between the network that was designed and the network that is actually being operated.



That approach made sense when mail volumes, customer behaviour and delivery methods moved relatively slowly. It is much harder to defend in an environment where mail volumes continue to decline, parcel demand remains volatile, delivery economics are under pressure, technology is evolving rapidly and wider economic and geopolitical uncertainty continues to influence investment decisions. Together, these forces create a planning environment that is fundamentally different from the one in which many postal networks were originally designed.



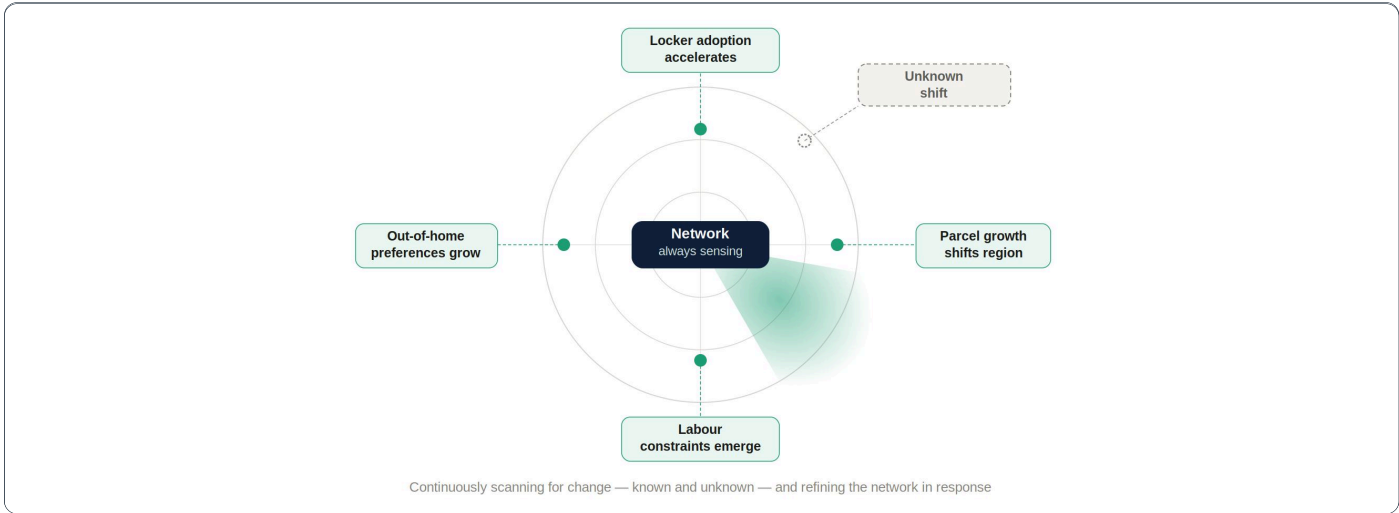
Parcel flows can shift materially as marketplaces change fulfilment logic, competitors launch new out-of-home options, or consumers adopt different delivery preferences. The assumptions underpinning network design are now changing faster than many networks can physically adapt.

This does not mean postal operators should redesign their networks constantly in a disruptive or undisciplined way. It does mean that the capability to evaluate the network, test assumptions and understand future options needs to become far more continuous. The relevant question is no longer simply whether the network is optimal today. It is whether it can remain effective as conditions change tomorrow.

From Designing Networks to Managing Options

Historically, network design was often framed as the search for the best answer: the optimum number of hubs, the optimum facility locations, the optimum transport structure and the optimum balance between cost and service. That mindset remains useful, but it is no longer sufficient. Postal operators are increasingly operating in an environment where there is no single stable future against which the network can be optimised.

The task is therefore shifting from designing one preferred network to understanding a range of robust options and maintaining the ability to adapt. What happens if locker adoption accelerates? What if parcel growth is concentrated in different regions than expected? What if labour availability becomes a constraint in some locations but not others? What if customer preferences continue to move towards out-of-home delivery?



Beneath every major network decision sit dozens of assumptions regarding volumes, service models, operating methods, customer behaviour and future investment priorities. Individually these assumptions may appear reasonable. Collectively, they can have a profound impact on the shape and economics of the resulting network. The challenge is not simply making decisions, but continually testing whether the assumptions behind those decisions remain valid.

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Scenario modelling
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Digital twins
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Rapid what-if analysis

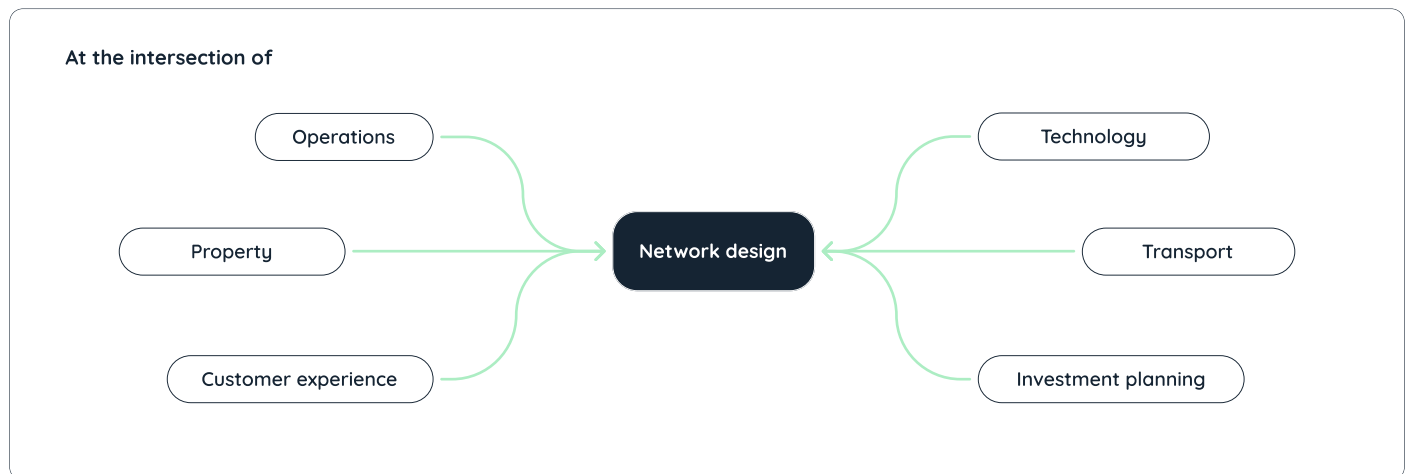
This is where scenario modelling, digital twins and rapid what-if analysis become strategically important. Their value is not that they allow operators to predict the future with certainty. Rather, they allow decision-makers to understand how different futures would affect cost, capacity, service and investment. In a market defined by uncertainty, preparedness is often more valuable than precision.

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Network Design as an Enduring Capability

The most important shift may be organisational rather than technological.

In many organisations, network design was historically treated as a periodic project, often supported by a small specialist team or external consultants. Increasingly, however, operators are recognising that network design is becoming a core strategic capability in its own right — one that sits at the intersection of operations, technology, property, transport, customer experience and investment planning.



Postal operators now need a more enduring capability: one that connects operational knowledge with data, tools and decision-making across strategy, finance, property, transport and customer teams. This does not mean that everyone in the organisation becomes a modeller. It means that more people can engage meaningfully with the assumptions, scenarios and trade-offs behind major network decisions. The strongest organisations will combine operational intuition with analytical discipline, using models not as black boxes but as tools for better executive debate.

This capability also changes the role of network design itself. It becomes less about producing a final answer and more about maintaining organisational readiness. Leaders need to understand which assumptions matter most, where the network is most vulnerable, which investments create genuine optionality and where incremental improvement is no longer enough. That requires repeatable decision support rather than occasional analysis.

The logical consequence is that network design can no longer remain a periodic exercise. It must become a continuous management capability. But continuous design only creates value if the organisation is clear about what it is trying to achieve. A network built for lowest cost will look different from one built for growth, resilience, service leadership or strategic repositioning. The next question, therefore, is not simply how often the network should change, but what business strategy it is there to serve.

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