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Editorial



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SOLYSTIC ADAPTS AND ENRICHES ITS OFFER

Numerous postal organisations are undergoing profound transformation with one major objective: to offer a personalised response to every one of their clients. Nicolas Routier from the Groupe La Poste confirmed this in his strategic vision for his "Services-Mail-Parcels" branch.

To support these changes, SOLYSTIC has engaged in an attentive approach, based on regular dialog, with its longstanding clients. This has given us the opportunity to develop innovative solutions and new concepts, and to anticipate new trends, in such a manner that customers can achieve their performance objectives even faster. Consequently, SOLYSTIC's offer has been enriched and advanced as the projects described in SOLYNEWS demonstrate. Our "100% recognition" solutions drastically increase the share of mechanisable postal objects. They offer greater flexibility for sorting and preparation for distribution and are suitable for both Mail and Parcels.

Cancelling solutions are integrated within our sorting equipment and optimise the industrial process for our customers.

The use of the XMS™ as a fusion tool that responds to fluctuating mail flows and prepares it for distribution is expanding with the start-up of the PMSM project with Posti. Addressed and non-addressed objects with very diverse characteristics will be processed simultaneously.

"Non-mechanisable" mail becomes mechanisable thanks to CPS or even CAMS, ensuring a complete and extended response to the totality of flows. Once again, SOLYSTIC has confirmed its capacity for advancing its range of solutions and accompanying its customers through their transformations. Post-Expo will be the opportunity to share these projects along with our vision of future trends. We will be delighted to welcome you as we reveal our latest innovations.

Providing a range of diversified and personalised services

By Nicolas ROUTIER, Group Executive Vice-President of La Poste Group, Managing Director of Services-Mail-Parcels.



S.: Can you describe the current mail environment, what are the prospects of this historical activity of La Poste Group ?

N.R.: Mail volumes have been reduced by around 6% per year over the past three years. In total, we are forecasting a division by half concerning volumes between 2008 and 2020. This environment is comparable with neighbouring countries when taking the local economic growth into account. The decrease experienced by Posts around the world is related to the use of electronic correspondence. It is due to technological evolution, particularly in terms of usage, more so than it is a consequence of direct competition. This transformation directly impacts La Poste and all Posts worldwide, who are operating in an open and changing world. Facing ongoing global changes,

"OUR BELIEF IS THAT THERE IS A FUTURE FOR MAIL"

every Post has adapted. Every one of them has reinvented their economic and social models accordingly. The Group La Poste has chosen the same models as the Belgian, Swiss, and Japanese Posts. This is a multi-activity model that includes a distribution network for mail and parcels, a bank that offers financial services, express mail and logistics, as well as digital solutions.

Our belief is that there is a future for mail, but to ensure its future, we must work to transform it, or even reinvent it. Over the past six years, we have incessantly worked at this, which today has brought us into a strong position; most notably with the enrichment of our Mail-Parcel offers, the construction of a powerful logistical network, the development of new services provided directly by postmen, and a worldwide leadership position for international mail.

S.: What are your thoughts about mail and it being a medium with added value?

N.R.: Mail is an added value, for example in the case of direct marketing. We have created a distinguished media platform giving it a full spectrum: an advertising agency, a way of measuring its audience, and media planning tools. For a number of years now, we have measured the efficiency of the Marketing Mail campaigns of our clients and the ROI's are very high. Selling mail as a media platform and adding value to its efficiency (impact, information retention, customer satisfaction, ROI, etc.) are very strong commercial approaches.

In terms of offers, two approaches are favourable: simplicity what we call easy mail, and the notion of multi-channel offers. The simplicity approach involves every step of the client's journey (production, franking, drop-off, receiving, information feedback) in such a way that they have no hesitation or hassle about

using this service. Multi-channel offers integrate the digital dimension (with email marketing for example, which offers a strong placement between paper and digital mediums), and also the postman's involvement at the time of delivery, to strengthen a message for example. To create innovative media, we have also developed a new technology that allows companies to send printed coupons on top of envelopes. This involves placing a range of small coupon stickers directly onto envelopes so that customers can easily peel them off.

Finally, we have made mail the first medium that guarantees a neutral carbon footprint without additional cost to customers.

S.: Today, what are the new opportunities for La Poste?

N.R.: We primarily have three main areas of development. The first is the development of publicity mail for which there are still some opportunities if we compare what is happening in our neighbouring countries.

The second is the development of parcel-logistical activities in order to satisfy the evolving needs of customers and to support the growth of e-commerce, or more largely online commerce. The third involves services provided by the postmen, which are delivered within close physical proximity and support the digital culture while addressing the needs of an aging population.

S.: E-commerce, neighbourhood services, logistics: what are you planning to put in place concerning these three areas?

N.R.: Concerning logistics and e-commerce-related delivery, we are working to improve the competitiveness of our offers with services aimed at recipients - to better inform users, choice of delivery time slots, parcelbox shipment for returns, etc.

We are also working to improve the competitiveness of our delivery services with low cost offers that respond to certain expectations such as faster distribution in order to better serve the need for rapidity - or even immediateness - of deliveries. More broadly, we .../...



would like to develop online commercial services with the help of greater data exploitation, notably of geolocalised

"REDUCE LOGISTICAL COSTS"

data stocks, in order to improve the supply chain of our customers. Also, the priorities are to: reduce logistical costs, optimise the level of working capital in the shops, reduce inventory, and expand the range and depths of product arrays in our stores. These innovative services are notably supported by our subsidiary VIAPOST.

S.: The postman has always played an important role in society. In the context of reduced mail volumes, what will his activity look like in the future?

N.R.: The postman is, effectively, a central figure in our society and very well-liked given that 92% of French individuals believe in him according to a survey conducted by TNS*. Our postmen and collectors embody, during this digital revolution, a favourable relational closeness in real life all the while staying connected via the La Poste's FACTEO smartphones that they are supplied with. This particular technology provides postmen with the means to support their customers, making them legitimate and leading actors in the field of neighbourhood and home services. This is why we would like to grow the post-



man's network position: yesterday, the last link in a one-way logistical chain, tomorrow they will be a pivoting link

"THE POSTMAN WILL BE A PIVOTING LINK IN THE TWO-WAY SERVICES CHAIN"

amongst the two-way services chain. We are convinced that these services are useful to society. They are needed by our customers and will be engraved into our history: throughout history, post-

men have always been present in every home delivering mail and parcel objects, providing home services (stamps, money orders, digital identities, etc.), and they truly are customer relations professionals.

S.: How will the profession of La Poste evolve?

N.R.: Our profession, for the Services-Mail-Parcels Branch, will evolve increasingly beyond logistical expertise into a diversified and personalised service offering. We will be and already

are a provider of local logistical services with shopping deliveries, for example. Also, we are providers of services that help the elderly as well as household maintenance, making us leading actors in the service domain in a broad manner. Our entire positioning is changing, which will see our traditional role merge with an emphasis on services to differentiate our offers. For example, with regards to parcels, recipients receive up-to-date information on delivery times, can choose specific delivery times, receive parcels in their mailboxes, and can opt for delivery when they're sure to be home. Finally, the knowledge that we have about our customers is increasingly important for our activities. It's this customer knowledge that allows us to expand our industrial processes and to personalise our services.

S.: Can you describe the strategy of La Poste for 2020 and beyond?

N.R.: For its Services-Mail-Parcels activities, La Poste aspires to be a supplier of premium communication services thanks to Média Courrier, a major actor in digital logistics and a leader in home and enterprise development services, offering personalisation with the help of its customer knowledge. ■

* A world leader in market and business analysis.

PERFORMANCES

bpost optimises Mixed Mail

The Mixed Sorting Machine helps bpost achieve better performance.

Through its Brussels sorting centre, bpost has become one of the first postal operators in the world to use the XMS™ machine, the most recent and sophisticated equipment in its class. Recently, bpost's CEO Koen Van Gerven announced bpost's plans for the near future. One XMS™ – named MSM* in Belgium, can sort all mail objects with a thickness of up to 1 cm, no matter what format, all the way up to the number of a house's address, corresponding to the order of the postman's rounds.

"LARGE PROCESSING SPECTRUM AND HIGH THROUGHPUT WERE DECIDING FACTORS"

In the current environment of fluctuating mail-to-flat ratios, bpost is optimising its mixed mail flow in order to achieve maximal efficiency and reduced operational costs. It has chosen a "mixed mail" solution to address the issue of shifting mail volumes. "We are not planning to use the machines for a mixed flow, except for a marginal flow of certified letters and flats. Possibly, in the long term, there is a possibility that we will implement

the mixed flow to respond to decreased mail volumes, but this is not yet certain and it wasn't the motivation for the purchase. bpost mainly chose the MSM Mixed Sorting Machine for its flat sequencing capabilities, which was hard to realise before. The large spectrum of mail that it is able to process and its promising throughput level were key deciding factors," explains Karl Dobbelaere, Sequencing Project Manager at bpost. In the context of mixed mail, SOLYSTIC's XMS™ will be of interest for bpost mainly in a second organisational phase. During the first year in operation, the new equipment will be used to perform round sorting - flats are only sorted up to postal code by the FSM-TOP 2000, while letters are sequenced on the LSM. Beginning with the second year, it will be used to sequence flats. "The MSM will enable bpost to realise our new operational model that consists of Centralisation of the Mail Bag Preparation process in the five Industrial Mail Centres, which serve more than 200 mail offices. In order to accomplish this concept, it is crucial that the MSM can sequence flats to a high degree and that manually-handled volumes can be further reduced so that this flow can be sequenced centrally and subsequently be

merged into the sequenced flat flow," Mr. Dobbelaere continues to explain. He also believes that the roll-out schedule for the MSM's can be applied by other postal operators. bpost announced that MSM's offer an advanced technology for a maximal sorting efficiency in a recent press release. The installation of 12 MSM's in five of its sorting centres is an important fea-

ture of its "Vision 2020" project, which will allow large-scale reorganisation of mail distribution. The project will also see the construction of a new 70,000 m² sorting centre in Brussels, making it the largest of the country's five sorting centres. ■

* MSM: Mixed Sorting Machine



Koen Van Gerven, CEO of bpost and Paul Dens, Director of SOLYSTIC Belgium Branch in front of the MSM.

BELGIUM



bpost making continuous improvements



Since January, two MSM Mixed Sorting Machines have been in operation in Brussels, following two others in Ghent in April.

FINLAND



Posti chooses the XMS™

Within the context of its PMSM* program, Posti has chosen the XMS™ machine. The project started a few weeks ago. In this phase, it covers the installation of one pilot machine, and the adaptation of Posti's IT infrastructure known as Common Reading Platform.

* Printed Media Sorting Machine



THE NETHERLANDS

Rest Mail improvements



PostNL has chosen SOLYSTIC to handle its CPS* to complement its Mixed Mail processing system installed in Holland. Mail that is unsuitable for processing on the XMS™ is known as Rest Mail. With this sorting system, all of the postman's satchel content will be processed automatically. Equipment deployment is planned for early 2016.

* Coding & Printing System



NORWAY

TIKI* program: more good results

After three years in action, the TIKI program continues to deliver improvements to Norway Post's reading and coding system. Notably the reading rate has now reached 70% for parcels and 90% for flats.

* Try It, Keep It

PORTUGAL



Performance upgrades

The Optical Character Recognition improvement program is in the process of implementation. The upgrades focused on reject reduction while maintaining low error rates. In addition to these performance enhancements, new distribution points corresponding to more doorsteps have been integrated into the delivery database.

Accelerated software development with SOSi™

Simulation software ensures a seamless transition between virtual and physical worlds.

The requirements for postal operators to safeguard efficiency, or even excel at it, are constantly advancing. Along with the focus on greater productivity, the need for optimised process, machine, and software performance becomes extremely obvious. As operators delve into this realm, they quickly understand that the great interconnectedness at each facet of operations proves to be somewhat of a chain reaction. Their preferred solutions intensely simplify the implementation of performance improvements to be delivered and immediately operational on site, therefore achieving heightened efficiency faster and cost-effectively.



The implementation of new requirements always needs to provide a modified software capable to deliver the new functionalities or the increased performance. In the past, software enhancements were initially developed for tests

"SOSi™, A REAL-TIME SIMULATION SOFTWARE"

in factory and then installed on real equipment in real sorting centres. Regrettably, the amount of data available was limited and relied upon statistical extracts of the entirety of each potential modification. Today, part of the difference lies within the exploitation of a database that features a detailed archive of past behaviours and performances, allowing developers to work within a complete framework for reliable software development. The past scenario gave

birth to the notion of virtual simulation as a means for developing, testing, and validating software systems to ensure a greater level of consistency prior to actual installation. The goal was to eliminate any negative impact an upgrade could have on production and its value was immediately acknowledged. SOLYSTIC developed SOSi™, a real-time simulation software that fully replicates actual scenarios from the physical world, to respond to the immediate need for better performance faster. The concept has matured with time; initially concentrating on a fixed amount of

parameters, its capabilities have now grown into understanding the interdependency of the entirety of floor operations while carefully taking each set of operations into account. Through the years, SOSi™ has experienced continuous enrichment, making it a reliable solution for the planning, testing, and validating of software systems. Operators acquire measurable cost and time savings because the systems undergo lengthy development, testing and fine-tuning in factory prior to implementation. SOSi™ gives users a true-to-life picture of how their systems will interact and perform upon software upgrades and new installations. It also provides a highly dynamic real-time environment and numerous scenario possibilities so that users can select the most optimal plan. Users can also opt to modify a broad number of parameters in order to cus-

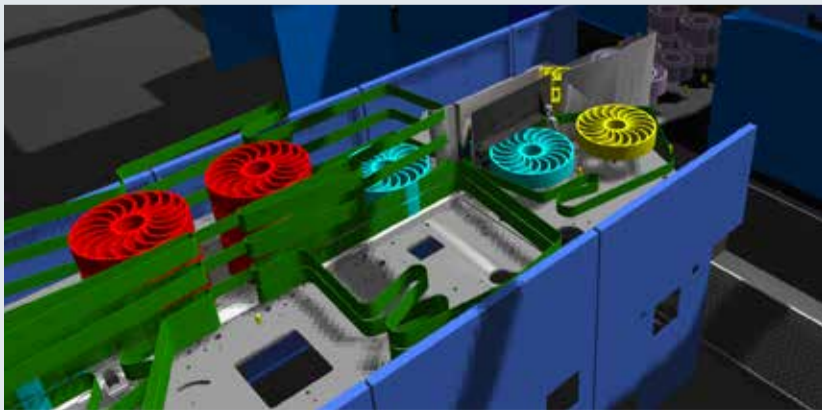
tomize the solution that is best suited for their needs. Once the most optimal software system has been decided upon, users can apply it to several systems that require the upgrade to be installed at the same time with considerable effort savings. They are given an in-depth un-

"SOSi™ OFFERS HIGH-DEFINITION GRAPHICS IN 3D"

derstanding and visualisation of how the systems will play out, consequently achieving better optimisation faster. SOSi™ offers high-definition graphics in 3D and uses cameras to provide users with a different perspective at various angles for a complete view of the entire system. Users obtain a good grasp for the system's complexity and its real behaviour, as well as a visual representation of the whole system and the parts that interact. They can also witness real-life behaviour of a variety of postal objects such as flexibility, bending and rigidity, which provides a clear picture for how operations will perform under different scenarios. This allows them to integrate software systems more seamlessly in order to be directly operational. During software updates and new installations, SOSi™ permits users to visualize the chain of events that will impact a range of elements, confirming that the software installed on physical systems will perform as tested. The reliability that is delivered with virtual simulation assures that complex sorting centres and their software systems will remain up and running - free from productivity interruptions. Looking to the future, it is clear that performance and efficiency are vital for postal operators in a market that is constantly changing. Advanced technology, such as SOSi™, will play a significant role in ensuring that business targets are achieved and customers are satisfied. SOLYSTIC's close collaboration with its partners and customers leads to the development of forward-thinking solutions that ensure greater performance is attained faster while remaining cost-effective. ■

SOSi™ is a comprehensive simulation software that is also capable of developing new products by allowing users to :

- Invent and develop new equipment
- Test and develop new software
- Analyse and explore solutions
- Connect and validate all projects



CAMS* interests European Posts

Norway Post is testing CAMS at its Robs-rud mail centre. Posti is doing the same with a pilot installed in Helsinki in June. CAMS offers postal operators new functionalities and flexibility, complementing the Mixed Mail solution or any other automated sorting equipment. CAMS sorts manual mail prior to its merging with mail sequenced on automated sorting equipment. ■

* Computer Assisted Manual Sorting



EVENTS

PARCEL EXPO 2015 - Singapore

The growing volume of parcels sets the stage for advanced technologies.



The rapid growth of the e-commerce marketplace, and the rise in parcels, have created both opportunities and challenges for the postal industry. As the trends in this market are estimated to continue to grow strongly, the emphasis remains on productivity and efficiency all along across the logistics chain. New technologies will be adapted to meet the needs for parcels and must be embraced to ensure operators achieve, or even exceed, their targets.

SOLYSTIC was a sponsor of PARCEL EXPO 2015. The event took place May 13-14, 2015 in Singapore and focused on the diverse ongoing needs of the parcel logistics industry. Some of the topics discussed included: improved last-mile efficiency, automation, cross-border integration, and security matters.

SOLYSTIC attended PARCEL EXPO 2015 where it presented its findings on both the challenges and solutions facing the parcel industry. ■



Pierre Patry,
Marketing & Communication Director of SOLYSTIC

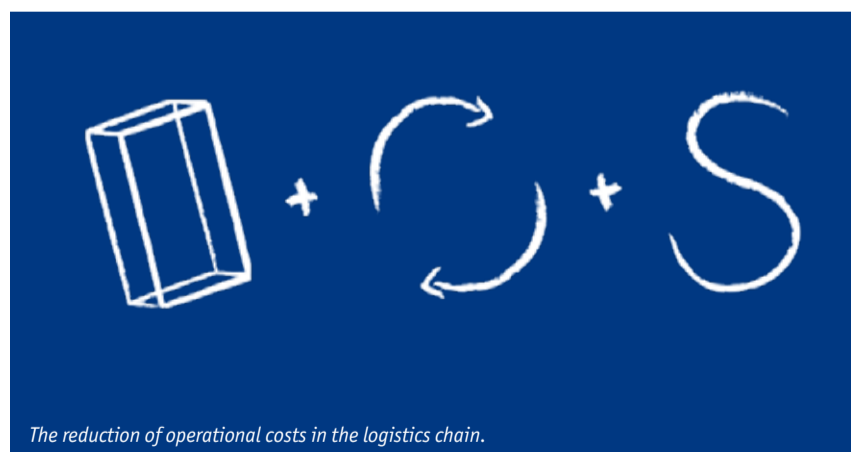


...and soon POST-EXPO 2015

This year, Post-Expo will be held from September 29th to October 1st in Paris, close to the heart of the City.

This is a great opportunity for SOLYSTIC to meet all its customers in one place. On our stand, we will present our innovations designed to provide pertinent solutions to the challenges facing postal organisations.

A particular focus this year will be on reducing costs in the logistics chain, facilitating transport and delivery of various mail streams - letters, packets generated through e-commerce - from sender to receiver. We look forward to welcoming you to Paris and discussing the future together. ■



The reduction of operational costs in the logistics chain.

AUSTRIA



End of program

The 20 STAR machines (LSMs) have been delivered and commissioned successfully in line with the original plan. The machines are connected to the customer's recognition system and are used to sort and walk sequence letters.

FRANCE



SOLYSTIC provides address recognition to parcels at ColiPoste

ColiPoste, the parcel distribution network of La Poste Group, has chosen SOLYSTIC's address recognition system to equip four of its sorting platforms. This project, delivered through Actemium, is another opportunity for SOLYSTIC to install its automatic address recognition solution to parcels.

FRANCE



Cancelling on TOP 2000

La Poste has chosen a cancelling pilot project on a TOP 2000 machine. With this system, tested throughout the summer, a cancelling mark will be applied to flat objects directly by the sorting machine.

JAPAN



TOP 2000 in Tokyo

Following Kawasaki and Osaka, the Tokyo sorting centre is now equipped with a TOP 2000, operational since early 2015. Japan Post now has three TOP 2000 flat sorting machines.

UNITED KINGDOM



Royal Mail confident with SOLYSTIC

Royal Mail has renewed the support contract for all of its SOLYSTIC machines. Further, at the customer's request, SOLYSTIC's UK-based Spare Supply Facility will be extended in order to manage spare parts for all of Royal Mail's SOLYSTIC supplied letter and flat equipment.

SERVICES



The recently-awarded service contracts, whether it be in terms of support, hotline or assistance demonstrate the confidence that postal operators have in SOLYSTIC. The implementation of these solutions enables customers to operate confidently with high machine availability levels.



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