

Swiss Post – simply customer-friendly and always customer-focused.

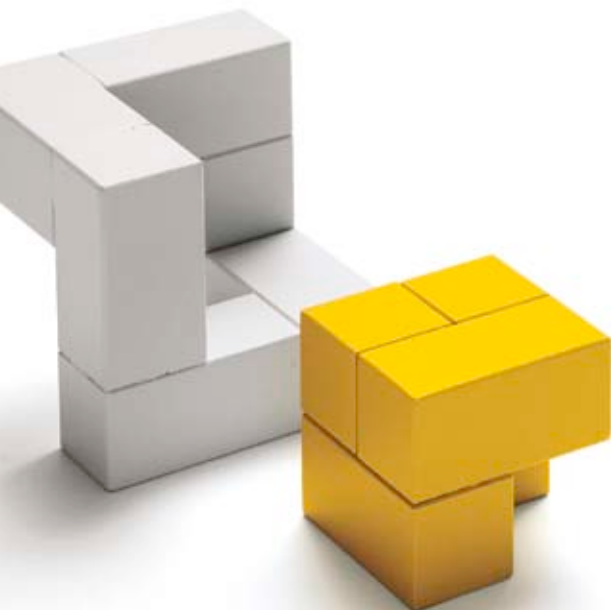
At Swiss Post the customer always stands centre stage. We offer private customers and SMEs easily accessible, standardized and inexpensive postal services, while for larger companies we create service packages or solutions optimally tailored to their specific business models and workflows. To do so, Swiss Post disentangles complex scenarios, consolidates its competencies and ultimately inspires confidence through simplicity. This is rooted in its ongoing customer orientation encompassing sales focus, organization and the entire process of innovation.

Customer friendliness

Swiss Post has the whole of Switzerland as its clientele. It provides services for private customers, business customers, the public sector and government agencies. It serves SMEs as well as large companies and multinationals. Its business customers operate in all industries and sectors of the economy. The socio-demographic structure of its private customers reflects that of the Swiss population as a whole. All these customers have their own specific requirements and needs. This represents both a challenge and an opportunity for Swiss Post.

Customer structure

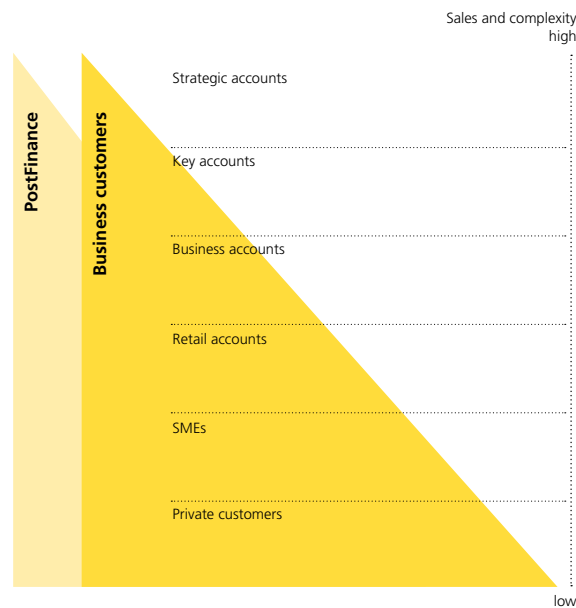
In the logistics business we generate sales worth around 3.3 billion francs from almost 90,000 business customers. Making up just under half of these customers are the 200 strategic and key accounts that generate sales worth at least 2 million francs each. By contrast, approximately 50,000 SMEs (those with a turnover between 3,000 and 25,000 francs) account for 3 percent of our sales. The rest of sales were distributed between the many SMEs with turnover of under 3,000 francs and the many private customers. The picture is a similar one at PostFinance. In other words a small group of large accounts is responsible for generating the majority of our revenue.



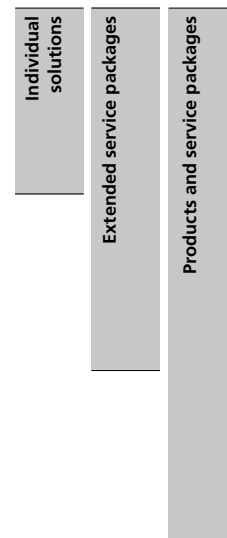
Support

Strategic customer management (central)
Units (PostMail, PostLogistics, Swiss Post International)
Post offices (Post Offices & Sales)

Customer categories



Services



Differentiated services, differentiated support

To cater optimally to all customer segments, we offer them differentiated services in accordance with their needs and importance, and via channels appropriate to their situation.

Today's private customers receive a basic level of advice as well as standardized, good-value postal products through an easily accessible, nationwide network of 2,500 post offices. This offering is also suitable for SMEs which have the same or similar needs as private customers and who use the services of Swiss Post regularly, though not necessarily frequently. SMEs which transact more business with Swiss Post receive appropriate advice at post offices to help them choose and make optimum use of the right postal products for them, with individual service packages being created as needed.

Companies with an annual turnover of more than 25,000 francs are no longer serviced by post offices. Instead, these clients receive specific guidance from the Group's relevant business unit, which will put together an extended package of our services for their company. Above a turnover of 2 million francs, we develop individual solutions for our busi-

ness customers which are tailored precisely to their particular business models and processes. These solutions integrate the flow of goods, data and money where appropriate. Our biggest customers such as banks, insurance firms, telecommunications companies and mail-order businesses can count on the support provided by our Strategic Customers & Solutions unit created in 2007 especially to cater to the needs of this segment. (► 32)

PostFinance takes care of its customers following the same principle of differentiated support, with a basic service being offered in post offices. Customers can access financial services beyond that of opening an account or making payments at one of the PostFinance branches. Moreover, specialist advisors are dedicated to SMEs, offering solutions for both business and private transactions.

Parallel sales channels

Because today's working patterns and lifestyles are characterized by increasing mobility and ever greater use of the Internet, post offices alone with their restricted opening hours are no longer an adequate way of providing access to postal services. Conversely, it is not enough to have only an Internet pres-

ence when customers desire a face-to-face consultation.

This is why we are implementing several parallel sales channels. Post offices and PostFinance branches, customer advisors and our telephone-based customer service offer a medium to high level of advice and individuality. Our recently overhauled network with modernized postboxes, Postomats and our Internet service guarantee 24/7 availability.

We are therefore continually expanding the electronic services we offer. Swiss Post's Internet platforms not only enable customers to obtain information about our services, they can also find addresses and postcodes, make payments, view timetables, design and print their own stamps as well as track consignments, arrange redirection or even view them directly online. At the same time we want our customers to benefit from the simplifications brought about by technological progress. Special applications enable them to exchange electronic data securely and verifiably, integrate online payment solutions or electronically archive all their business documents in compliance with the latest regulations.



Simple solutions

All services provided by Swiss Post are designed to be customer-friendly. Our customers should obtain from us simple and uncomplicated solutions that satisfy their requirements. To do this we put ourselves in our customers' shoes, recognize and reduce the complexity of their requirements and consolidate our competencies. Doing business with Swiss Post today should still be as simple as dropping a letter into a postbox.

Customer focus

Strengthening the focus on selling

Swiss Post has laid the foundations for a greater focus on customers through a radical programme of change. The main thrust here was to strengthen sales and the focus on selling throughout the Group. The Sales Committee was created at the beginning of the decade as a central body for discussing and coordinating sales activities. This led to the harmonization of customer categories and marketing methods, as well as account planning across the whole Group. As a result, our marketing approach changed. Priority was accorded to the needs of our business customers and these were then used by Sales as well as by Marketing and Production as the benchmark for developing new services.

This greater focus on sales and customers is reflected in the fact that virtually all sales managers are now represented in the executive management of units, and

the Group has a total of 22 exchange platforms ('Communities of Practice') in which over 200 members consider marketing and sales issues. A central customer service was created in 2006. In addition, our CEO awards a prize to the best sales team in the Group at an annual sales event.

Organizational restructuring

One important step was adapting our organization to the needs of customers. For instance, from 2001 we expanded the post office network into a competitive sales division for private customers and SMEs. This created an attractive nationwide sales channel. Important milestones between 2001 and 2006 were the restructuring of the decentralized organization, the modernization of the post office network (urban network, organization of post offices into types and Ymago projects), the focus of the marketing department on developing the market, plus the nationwide professionalization of SME support from 2006.

In 2007, the Post Offices & Sales unit was accorded Group-wide responsibility for all counter services, as well as the authority to decide on the product range offered. Post Offices & Sales and the business units are now defining jointly which products will be sold where. To further reinforce the focus on sales, a new management organization structure was introduced with effect from 1 September 2007. 22 newly formed sales regions will concentrate on sales and marketing.

Also in 2007, Swiss Post created the new Strategic Customers & Solutions unit (SKL). It encompasses the former Strategic Customer Management unit and a total of over 40 subsidiaries in Switzerland and abroad that primarily offer their customers services along the postal value chain. We are therefore paying special attention to our business customers in Switzerland and abroad and to the specific expectations they have from companies such as Swiss Post. For this segment we are combining our traditional mail, logistics and payment solutions with new allied services such as document management, dialogue marketing, billing and e-business solutions.

With SKL, customers benefit from all-round and innovative solutions in Switzerland and abroad. Not only can we handle all internal mail, we also offer companies services such as the scanning, indexing and archiving of documents. To send out marketing mailshots, firms need only send us the data – we print, place in an envelope and send the respective documents. When a company wishes to launch a customer loyalty card scheme Swiss Post is also on hand to create effective dialogue marketing via fax, Internet, telephone or even the traditional postal route. In addition we offer customers practical payment solutions for all business processes in the electronic world, and we can effectively link flows of goods, money and information.





Strengthening innovation processes

To extend its business activities and grow further, Swiss Post attaches great importance to innovation. Innovations at Swiss Post are generally not earth-shattering firsts, but simply new services that create added value for our customers. (► 35)

For Johnson & Johnson Medical's DePuy Division for instance, PostLogistics implemented a logistics solution for orthopaedic products for which employees of PostLogistics and Johnson & Johnson are working hand in hand at one site where PostLogistics is responsible for incoming goods and storage. The specialists from Johnson & Johnson check the instrument sets that were used and replace the implants used for the operation. The instrument and implant sets are then supplied directly to practitioners and clinics using the logistics service of innight medica. Besides great logistical flexibility, this extensive intermeshing with the processes of the customer has the advantage that the customer can then concentrate on its core business.

Such specific and innovative solutions that we develop for large customers play an important role at Swiss Post: they show us the needs of the market, enabling us to further develop and adapt solutions then offer them to other customer groups. Innovations thus spread both horizontally and vertically.

If the needs are the same for all market players in an industry, we can develop a standardized vertical-market solution.

The Vinolog solution is an example of this. Here Swiss Post handles distribution to end customers in the mail-order wine business, which is an essential requirement for online and telephone ordering, and which benefits both retailers and consumers. Products and solutions can be disseminated horizontally in this way.

In the case of vertical dissemination, we transform custom solutions into service packages or individual products that we can make available to a large number of customers. For instance, following on from the service provided by the Mail-Source Group (as part of SKL) in which it handles not only internal mail, but also the printing, packaging and franking of consignments as well as the archiving of documents such as invoices and insurance policies for large companies, PostMail will now also offer such mail-room services to smaller customers as well – although in a simplified, standardized and consequently more cost-effective form.

With the development of solutions and their wider dissemination, Swiss Post is leveraging the collective knowledge and experience available across the Group as an important human resource and is creating a climate of permanent innovation. We also make use of a wide variety of platforms to instil an innovation-driven corporate culture. 2007 saw the first Innovation Day at Swiss Post, on which employees from all hierarchical levels visited technology-oriented enter-

prises in the company of CEO Ulrich Gygi and discussed innovations. Last year's management conference also took "Vorsprung durch Innovation" as its theme, examining the greater importance attached to innovation and the increasing significance of innovative business models. Swiss Post has set aside a budget of 7 million francs in innovation funds for Group-wide projects. In addition we are intensifying our collaboration with the Federal Institute of Technology in Lausanne which allows us to explore the latest technologies. The aim is to spot technological trends early and then go on to develop new products and services.

► Read more online:

www.swisspost.ch/ar2007links

32) Account management

35) Innovation versus change

99) Figures for the 2007 Annual Report

Innovations at Swiss Post generate added value for customers.