

Production data creates transparency in Post Danmark



PROCESS ORIENTATED MANAGEMENT HAS REPLACED THE FUNCTIONAL WAY OF THINKING IN POST DANMARK. THE INTRODUCTION OF AN ADVANCED DATA WAREHOUSE SOLUTION HAS SUPPORTED THE PROCESS OF CHANGE AND CREATED TRANSPARENCY AND ENHANCED MANAGEMENT INFORMATION IN THE LARGE ORGANIZATION.

CHALLENGES

For most people, Post Danmark is symbolized by red mailboxes and cycling mail carriers in happy uniforms. An unchanging image with no connection to concepts such as automation, Data Warehousing and the Internet. However, Post Danmark is an up-to-date business with annual profits of close to half a billion Danish kroner, several business areas and a highly advanced production plant.

Since the mid-90ies, Post Danmark has invested heavily in up-to-date production equipment. Central package and mail centers with advanced sorting plants and distribution centers with GSM scanners contribute to optimizing business operations and improving competitiveness. The previously geographically based functional management was replaced by process management and holistic management. However there was still some way to go before all opportunities of the new technology could be utilized.

Both the organization and the production plants were optimized, but the problem

was the need for new control data. The new equipment gave us a chance to collect large amounts of data, however we still needed the right IT solutions with which to analyze and use the information, says Herman Petersson, Vice Director of Post Danmark Finance department.

At the time, Post Danmark was occupied with the possibility of collecting management information more efficiently than the existing procedures would allow.

At the same time the business wanted to create added value for data which would improve the production management, increase the knowledge of the customers, and assess the efficiency of the production processes.

APPROACH

In 1998 this led to the decision to implement a new IT solution. Herman Petersson was in charge of the project to define the requirements for the new solution. The vision was to achieve a situation with focus on facts which would support action rather than discussion.

The vision was generally referred to as 'Den Lysegrønne Ø' (Paradise) to indicate that the long journey which would be necessary in order to reach the final goal.

With assistance from Platon, Post Danmark chose a Data Warehouse solution using Informatica and BusinessObjects. The system is connected directly to the package, letter and distribution centers in the production plants, which will automatically update the Data Warehouse solution with new data. Thus the plants provide all packages with bar codes and collect data about the progress of each package through the system. Any deviation is registered so that the number of packages which require additional and manual handling can be calculated.

The collection of data continues all the way to the receiver, where the mail carrier will scan the bar code before the package is delivered.

POST DANMARK – PROVIDING POSTAL SERVICES IN DENMARK

Each day, Post Danmark handles:

- about 110,000 packages
- about 3,000,000 machine-sorted letters
- about 2,000,000 manually sorted letters

Packages and letters are sorted in:

- 6 central package centers
- 8 central letter centers



Post Danmark



"As in so many other businesses, all data was available in the business, but we did not have the flexible infrastructure which would spread the data in the organization in the right form and at the right time. By introducing the Data Warehouse, we have obtained a solution which contributes to providing holistic management information.

There is a perfect match between process orientated operations and the Data Warehouse."

- HERMAN PETERSSON
VICE DIRECTOR FINANCE
DEPARTMENT, POST DANMARK

FROM SUBSEQUENT REPORTING TO REAL-TIME INFORMATION MANAGEMENT

Previously, some of the data was reported on a daily basis and in inconsistent formats. Today, data is transferred in near real time to the Data Warehouse solution. It is connected to Post Danmark's intranet, from which the information can be acquired for comparison and analysis round the clock. All that is needed is a browser.

BUSINESS BENEFIT

We are able to run reports from the individual plants every five minutes. Data can be broken down or sorted according to predefined categories, making it easy to compare. With the direct connection to the production plants, our Data Warehouse is according to Platon one of the most advanced plants in Denmark, says Herman Petersson.

The new solution has paid off very quickly. The common structure and quick access to management information has created overview and transparency in the organization. This has among other things led to a considerable reduction in the duplication of efforts. At the same time, Post Danmark has acquired a better overview of the many processes and is able to measure and manage them quickly on the basis of a holistic solution.

REALISTIC PRICES AND BETTER SERVICE

The analysis tools have also made Post Danmark a more professional collaborator. Some may say a tougher negotiator, says Herman Petersson. Our new knowledge has for example given us a much better chance to give the customer an offer which reflects their actual forwarding pattern. Previously, too much was based on averages.

Post Danmark's new negotiating position is however, an advantage to the vast majority of people. All contract negotiations between Post Danmark and the customer are based on a solid data foundation, and by looking at the individual customer's history, Post Danmark can offer better services.

We have become a more professional partner in the total supply chain. In the end, we are fighting for customers and therefore I am highly satisfied that we are already now using a system which is at the leading edge in this area, Herman Petersson explains.

BUSINESS EXCELLENCE MODEL

Post Danmark has introduced the process orientated organization on the basis of the principles from the Business Excellence model. The Business Excellence model is oriented around holistic management. When Post Danmark started working with the model, it became clear that there was a pronounced need for focus on facts.