

# escher

## World Leaders Forum

Smart and Collaborative Solutions to Enhance Customer Trust

Postal Operator: Posti (Finland)  
UPU CC Member: Escher Group



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# 1 POSTI'S CLEVER RESPONSE TO DECLINING LETTER MAIL VOLUMES

## 1.1 Description

Posti Group, invested in automation and Optical Character Recognition (OCR) software to address the challenges posed by the rapid decline of letter mail volumes. maintain profitability in letter mail. The problem they faced was the need to manage decreasing letter mail volumes effectively and economically while maintaining accuracy and speed in sorting and delivery operations. To solve this, Posti partnered with Escher Group to enhance their OCR and automated sorting process. This advanced Optical Character Recognition (OCR) technology enabled Posti to streamline its operations and improve processing times, exceeding all expectations by becoming one of the most profitable areas of its business.

Escher's Optical Character Recognition (OCR) solution helped Posti solve several key challenges in their mail and parcel handling operations:

- **Automated Processing:** The solution automated the processing of mail items, which significantly reduced the need for manual intervention. This automation enabled Posti to improve the accuracy and speed of sorting, allowing them to handle the increasing volume of parcels driven by the growth of eCommerce.
- **AI-powered:** The advanced AI-powered OCR technology allowed Posti to automate the reading and sorting of mail items, which drastically reduced the need for manual intervention. By leveraging Escher's technology, Posti's OCR solution can adapt to different types of handwriting and printed text, making it highly effective across various mail items. This adaptability was crucial in helping Posti maintain high levels of accuracy and reliability.
- **Seamless Integration:** The seamless integration of Escher's OCR solution into Posti's existing infrastructure ensured that these benefits were realized quickly and with minimal disruption to their operations. This ease of integration ensured that Posti could quickly realize the benefits of the technology, such as improved accuracy in mail and parcel sorting, reduced processing times, and lower operational costs.



## 1.2 Escher Group's Technology

Escher Group has provided several key technologies and solutions to help Posti address its operational challenges and adapt to the evolving demands of the postal and logistics industry:

- **AI-Powered Optical Character Recognition (OCR):** This advanced technology automates the processing of mail items, significantly reducing the need for manual sorting and increasing the speed and accuracy of operations. This has been crucial in managing declining letter mail volumes and improving overall efficiency.
- **Address Matching:** This fuzzy matching address lookup engine improves automatic sequencing performance and enables optimization of material streams, i.e., reduces the number of mail pieces with low-quality recipient information going to the physical sorting process
- **Video Coding:** Escher VCS is a fast, scalable, versatile, and CEN-standard-compliant web-based video coding system that supplements OCR and address matching should mail items fail to be sorted automatically. Featuring groundbreaking deep-learning technology, VCS enables a user to manually enter address details until the correct sorting decision is found.
- **Round-stop ordering:** Over 90% of the mail passing through Posti's Escher-powered OCR solution can be auto-sorted into round-stop orders, which all but eliminated sorting downstream at the delivery units. The impact of centralized sorting means that Posti now has a surplus of prime real estate they can repurpose or sell for a profit.

These technologies and solutions have allowed Posti to maintain profitability while meeting new challenges in the postal industry.



## 1.3 Impacts of Posti's OCR Technology

The implementation of OCR technology at Posti is significantly impacting its operational efficiency and profitability. By automating the processing of flat mail items, OCR is greatly reducing the need for manual data entry and sorting, leading to faster processing times and improved accuracy. This solution also gives Posti greater agency over its physical infrastructure through the repurposing of existing spaces across its network and inherently improves workforce management by enabling Posti to strategically redeploy personnel to better serve business and customer needs.

### 1.3.1 Benefits to Posti

- **Cost Reduction:** The automation provided by OCR technology will reduce labor costs associated with manual sorting and data entry. It will also lower the error rates, minimizing the costs associated with reprocessing or misdirected mail.
- **Scalability:** Posti will be able to scale its operations to meet growing demand, particularly from the eCommerce sector, without a corresponding increase in infrastructure or workforce.
- **Enhanced Profitability:** Improved efficiency and reduced costs will lead to higher profitability, making Posti more competitive in the logistics market.

### 1.3.2 Benefits to Posti's Customers

- **Improved Accuracy:** Posti's OCR technology enhances accuracy in mail and parcel processing, reducing errors associated with manual data entry. This ensures that parcels are correctly sorted and delivered on time, building customer confidence in the service's reliability.
- **Increased Efficiency:** By automating data extraction, OCR technology accelerates processing times, leading to faster deliveries. Customers can trust that their mail items will be handled promptly.
- **Enhanced Tracking Capabilities:** The OCR technology improves tracking by providing real-time updates, giving customers greater visibility and control over their letter mail.
- **Transparency and Visibility:** Customers gain enhanced transparency into the delivery process, as the OCR technology ensures accurate and up-to-date information, fostering trust through clear communication.
- **Consistent Performance:** The reliability and consistency of OCR technology in all flat mail, including hand-written mail, reassures customers that Posti is a dependable delivery partner.