



POSTA UGANDA



New Vision

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Clients being served at the Posta Uganda headquarters on Kampala Road in the city centre. The company is undertaking innovations to remain relevant on the market

Posta turns to Expedited Mail Services

By Benon Ojiambo

Advancements in technological developments in the recent years have seen an increase in the use of the Internet and mobile messaging among masses, a trend that has led to the decline in the traditional means of communicating, such as the use of letters.

Statistics show that the volume of mails handled by Uganda Post Limited, trading as Posta Uganda, the company responsible for postal services in the country, fell from an estimated 9 million to 2.6 million in a period between 2002 and 2012. Registered mail include letters, packets or other postal documents.

Developing EMS

"The decline in the volume of letters posted and received both domestically and internationally means a downward trend in revenue to Posta Uganda," notes Francis Oundo, Posta's Expedited Mail Services (EMS) manager. "Back in the days, it was only through the letter that people communicated, but now, the Post Office does not handle only the mail services," adds Julius Mugume, Posta Uganda's General manager.

To stay afloat in business, Posta has pointed its guns at developing EMS, the courier arm of the organisation.



Francis Oundo, Manager EMS

Oundo notes that technology has eaten into business. However, whereas there is a persistent decrease in mail volumes handled, there is an increase in the courier services and the organization is eyeing better performing areas of Posta cargo, courier services evidenced by its increasing trend.

Both national and international EMS volumes handled by Posta increased from 9,677 to 11,232 and 13,142 to 15,361, respectively between 2009 and 2010.

Why EMS

Though it puts mail volume at a disadvantage, according to Mugume, technological development has come as a blessing to the postal sector in such a way that it has seen an increase in online purchases, whose delivery cannot be made online.

Oundo also alludes to Mugume's point and remains optimistic that



Julius Mugume, Manager General Post Office

despite the fall of mail volumes, their focus on the growing sector (courier arm) will deliver desired results

Oundo adds that the company is in the process of diversifying from the traditional mail into logistics handling where there is visible growth potential.

Laying the strategy

Oundo notes that the company has laid plans of increasing on its motor assets and this shall increase its efficiency in its service delivery to clients.

He explained that they recently acquired 60 motorcycles that have been stationed at different post offices across the country to ensure timely delivery of clients' merchandise to their destinations.

This acquisition brought their motorcycle fleet to more than 100. He added that they are in advance stages of bringing in 10 new buses, in addition to the current 10 that they

have, to ensure that they have at least a bus that runs on a daily basis to different parts of the country.

Challenges

Mugume notes that even though Posta is fully owned by government, it (government) has not fully come out to support the entity, and this has greatly affected their business operations. "The government would come in to support this service because it needs us to enable its citizens communicate effectively.

Like any other government agency, we need to be facilitated to ensure that we run this business effectively. The government should come in and meet the organisation's operational costs," he explained.

He also added that the government should make it a policy that all mail services for government ministries, departments and agencies be handled by Posta.

"It's like setting up a restaurant and then going to the neighbour's to eat from there. The government should have made it a policy that all government mails be handled by us, something that would increase our revenue," Mugume said.

Oundo also explains that the volatility of the exchange rates has affected their operations. He said:

"We conduct our business with partners like airlines and countries where we send these cargos. These charge us in foreign currencies, such

as dollars and pounds, against our shilling. The fluctuation eats into our profitability," Oundo explains.

Future prospects

Even though the trend predicts tough conditions for the mail services, Oundo ruled out a possibility of doing away with them for they are the fundamental reasons as to why they were set up. He added: "We also have a feeling that the mail services will stay despite advancement of technology".

Mugume appeals to Ugandans to book the still available box space for rent. He also urged those who have not paid for their box numbers to meet their obligations because they are re-allocating boxes, and once owners lose them, they may not be able to recover them.

Financial Services

Posta Uganda has partnered with telecom companies like MTN, Airtel and Uganda Telecom to provide mobile financial services. It also offers money transfer services using money order service. With the increasing number of Ugandans going abroad for greener pastures, provision of international money transfers is becoming a key component of Posta Uganda's financial services. Justine Ssenoga, the manager financial services, the Finance manager has been at the helm of some of these innovations.

