



Case study: **Posten Aland** (Post of Aland)

Delivering postal savings

- Effective customer communications
- High volume print and mail production capacity
- VAT free postage and related services

Client Profile

The Åland Islands are situated in the Baltic Sea and form the smallest region of Finland. Posten Åland is the official postal operator for the Åland islands and is owned by the Government of Åland. Its four main areas of business include: logistics, packing and distribution, general services (receipt and delivery of letters, packages, etc) and stamps.

Objectives

- To be competitive in the Nordic Banking & Insurance market
- Faster growth
- Improved document management and postal solution under one roof

The Pitney Bowes solution

Posten Åland appointed Pitney Bowes Management Services in 2006 to help drive towards achieving its objectives. Since then, Pitney Bowes has developed a Document Solution Centre at the post's premises, where it delivers a range of Customer Communication Management services.

From this single location, Pitney Bowes provides print and mail services to Posten Åland and its customers. The Document Solution Centre is designed to create and process high volume communications, whether that be transactional, direct marketing, compliance/statutory notices or transpromo communications.

Pitney Bowes deploys specialist technology to enable Posten Åland to achieve customer communication excellence whilst also saving money. For example, its JetStream colour printer means that the Post and its customers do not need to provide and store pre-printed paper, as logos or images can be printed on demand. This also allows Posten Åland to also offer variable data colour print and transpromo communications as a service to its customers.

Results

Posten Åland can now produce high volume communications and, moreover, offer this as a service to its customers across the banking, insurance and charity sectors in various countries across Europe. By taking an outsourced approach, Posten Åland has been able to achieve this with minimal initial capital outlay.

According to the Åland Protocol in the Treaty of Accession, Åland Island is excluded from the application of EU VAT and excise tax directives. Therefore, Åland is not part of the EU tax union and so transportation of goods (postage) is from a VAT perspective treated as any other transaction between EU and non EU region or country. As a result, VAT exempt customers outsourcing their processes to Åland are able to enjoy significant cost savings from the production and mailing of high volumes of customer communications. With recent VAT rises in many European economies, it is also an attractive incentive for companies across Europe to divert the production of their high volume customer communications to Posten Åland's facility to take advantage of these cost savings. Furthermore, for mail order companies, there is an opportunity to enjoy VAT benefits on mail order goods (e.g. DVDs, CDs, books, contact lenses) of a certain value and going to most EU countries.

Benefits of outsourced customer communications management

- New service centre developed by specialist partner
- Production of high volume, intelligent customer communications provided by secure data handling and specialist technology
- VAT exempt status delivers significant savings to Posten Åland's customers



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