

New Zealand Post deploys Unit4 Business World to enable major change cycle

Tell me about New Zealand Post

For the last 170 years New Zealand Post has met the diverse communication needs of New Zealanders, taking their place as one of the country's most established and respected national service providers.

The New Zealand Post Group, far from being a purely mail-focused organization, consists of a wide portfolio of businesses dedicated to providing comprehensive communication and business solutions. From their core mail business through to banking and digital solutions, New Zealand Post Group is a dynamic and continually evolving organization.

Comprising of Kiwibank, Express Couriers, and NZ Post along with a number of other subsidiaries, the Group has made concerted efforts to diversify from supporting an ailing communication platform to concentrate on more relevant and productive portfolios including banking, package delivery and digital solutions.

What was the overall purpose of the Business World project?

With serious changes underfoot in the traditional mailing business, NZ Post Group faced some interesting challenges and motivations for transforming their business model toward banking and delivery services.

In step with changing times, with people mailing fewer and fewer letters each year, a thorough restructure became glaringly necessary. New avenues of business have been opened in their Kiwibank and Express Couriers businesses, resulting in the renewed vibrancy and purpose currently gripping the entire Group.

Responding to and anticipating these local and global shifts in customer needs, New Zealand Post is embarking on an ambitious transitional journey toward a

modernized and more service focused business model with the customer at its heart.

To achieve this transformation, New Zealand Post required a dynamic yet centralized financial management solution to simplify and centralize their business processes. They achieved this by replacing PeopleSoft (their ageing and highly customized legacy system) with the Unit4 Business World (formerly Agresso) ERP solution – a single core application, to produce the elusive “single source of truth” for all financial data across the entire Group.

“It's been a real case study in terms of how successful we can be working with a vendor under that paradigm. It was mentioned to me that the teams on the ground worked so closely together that people outside the project couldn't figure out who belonged to which organization, it was just “The Team.” Which I think is a real testament to how the cultures of the two came together and how well the team collaborated.”

Mark Yeoman, CFO



The solution was delivered on a cloud platform hinging on a SaaS (Software as a Service) model which has increasingly become the norm for both large- and small-scale ERP implementations. Unit4 partner, Agilyx New Zealand, operates their private secure cloud platform from which the feature-rich solution operates.

Part of this refreshed drive also comes from the Group's need to become more thrifty with their technology investments. The move to Business World not only consolidated their heavily customized legacy systems but, in the process, significantly reduced their cost of ownership whilst allowing the Group to undergo upgrades with significant ease and reduced cost.

Another notable prong of the solution was the improvement and integration of their growing courier business – Express Courier Limited.

The Business World ERP solution included the first ever implementation of Unit4 Wholesale outside of Europe. This module provides advanced logistics management capabilities and supports sophisticated pricing models for wholesale and retail sectors Unit4 Wholesale was implemented for Express Courier Limited in an effort to integrate their supply chain with the core financials of the entire group, increasing the efficiency and financial transparency of their courier operations whilst increasing their reporting capability.

Three measurable ways this implementation has benefited New Zealand Post Group

1. Cost

First things first, the all-important bottom line! New Zealand Post has drastically reduced its cost of ownership through their decision to consolidate their ageing finance systems into a single unified core application – Unit4 Business World.

The move reduced the Group's ongoing operating costs by over US\$1 million (NZD \$1.5 million) per annum. Not only is this a clear and direct cost benefit, but it will have

a cumulative effect when it comes to upgrading their system. Upon any future upgrade of Business World, NZ Post will also be delivered a significant price cut in comparison with their previous solution, making for a bankable return on investment.

2. Performance

Since implementing Business World, the Group has experienced a significant increase in productivity and related performance. While the man hours allocated to calculating and reporting on year-end profits has been reduced by a full 40%, using the new finance system they were still able to consolidate their year-end within 5 working days instead of the previous 10.

3. Information

The amount, depth and breadth of the financial information now available to managers dwarfs the previous system, allowing clear and accurate oversight of the most vital mechanics of the organization - their financial overview and forecast. Combine this increased capacity for meaningful reporting with a boost in timeliness and accuracy and you have a thoroughly revitalized situation when it comes to the financial management of the organization.

Key take-away from the project

A unique partnership-oriented business agreement

NZ Post was going through a period of rapid transformation when they first looked at Unit4 Business World. They wanted a vendor who would go on that change journey with them, as a single unified team. In order to support such a relationship, the contract was created as a Partnership Agreement, aligning the interests of customer and vendor, and sharing the responsibility for the project outcomes. This ensured that the maximum energy, time and creativity was focused on generating solutions and delivering the business benefits; and the minimum on commercial debate.



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