Chapter 13
The Egyptian National Post Organization Past, Present and Future:
The Transformational Process Using ICT

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ABSTRACT

Over the last 20 years, the international postal sector has changed drastically due to several forces, including globalization, changing technology, greater demands for efficient services and market liberalization. For Egypt, keeping up with the changing atmosphere in the global market meant investing in information and communication technology. The Ministry of Communication and Information Technology (MCIT), as part of its efforts to transforming government performance using ICT, chose the Egyptian National Post Organization (ENPO) as a model for ICT integrated government portal. The selection was due to ENPO’s extensive network, the public’s confidence and its trust in the organization. The case of ENPO, capitalizing on public-private partnership models, proved successful when reflecting ICT deployment for organizational transformation within the context of an emerging economy. In addition to its importance in providing eGovernment services to citizens, ENPO is evolving as a critical medium for effectively developing Egypt’s eCommerce. This case study takes an in-depth look at how ICT has improved the quality and range of services offered by ENPO, while asserting the magnitude of its impact on the country’s emergence as a competitor in today’s global postal market.

INTRODUCTION

As Amr Badr Eldin, ENPO vice chairman for Information Technology and responsible for IT strategy, infrastructure deployment and utilization, approached his office at the headquarters of ENPO, which is ironically Egypt’s oldest museum, located in Ataba square, one of the busiest squares in downtown Cairo; the first object that immediately grabbed his attention was the 1865 automatic stamp vending machine. In a country like Egypt,
where automatic vending machines were scarcely found and were still considered innovative, one immediately realized the great role that this place once had in the establishment of modern Egypt. The postal sector, on an international level, had changed drastically in the last 20 years. Several key forces had driven this evolution in the postal market including but not limited to changes in the volume of supply and demand of postal services, globalization effects, market liberalization, changing technology, dynamic communications shift, and regulatory progress, amongst other factors.

One other primary reason was the ever-growing competition from the private sector threatening the comfortable monopoly enjoyed by public operators for centuries. The level of services offered by the private sector had grown dramatically forcing public operators to change to meet the demand of the globally and growingly integrated mail market. Postal organizations across the world had started to transform their business and use information and communication technology (ICT) in order to compete with the change in market trends. There were various successful models of services offered by various postal organizations. This included the United States Postal Service (USPS) offering email and eCommerce services; the South African Post Office offering hybrid mail services; and, Korea Post offering a synchronized information network (mobile, radio communication and RFID) whereby consumers have access to mail services and track the whereabouts of mail or packages anytime, anywhere. ENPO was determined to join that league in offering new services beyond the traditional mail services it used to offer for decades.

Since 1999, Egypt had been implementing an aggressive ICT strategy as part of its national development plan; and ENPO was perceived as an integral part of such strategy. ENPO has been leveraging its capability to serve millions of consumers and trust to regain lost ground and compete, offering a plethora of services similar to those of other national postal organizations and pursuing further developments; thus turning it into a highly competitive organization. With images of newspaper titles racing in Badr Eldin’s mind, celebrating ENPO’s latest achievement in succeeding to become the only governmental institution to be part of Egypt’s third mobile operator, he started to wonder where this organization once was, where it currently is and, most importantly, where it is going. The question immediately presented itself; was Egypt’s National Post Organization rediscovering itself once again? The development of ENPO using ICT comes as an integral factor in the overall ICT development in Egypt. Table 1 demonstrates the evolution of ICT in Egypt.

BACKGROUND

ENPO volume and diversity of service had reached more than 18 million local customers and led to a long lasting trust between the national post and the local population from different segments and backgrounds. Such trust led to increasing the number of customers who took part in the financial services of ENPO to 2 million last year. A trust that has resulted in having “Daftar Tawfeer” (Arabic translation for a savings account) becoming the generic name for a saving account used by literally all segments of the society from all ages and from different social and economic segments and groups. ENPO was the main pillar for connecting Egypt with the outside world. This unmatched penetration within the Egyptian culture was made possible by the organization’s large and extensive distribution network of more than 3,700 post offices located in every province and across the nation’s 4,000 villages making ENPOs’ distribution network the largest in Egypt coming in second to the network of national schools. One of the major characteristics of such a huge organization was the exceptionally large number of employees working in it; whereas, ENPO employed over 45,000 people of which 50% are located in remote offices in order to secure the quality and rate of...
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