

# Banking on change: How the post office plans to reinvent itself

 By [Danette Breitenbach](#)

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The South African Post Office (SAPO) is a classic example of a dysfunctional relationship between government, business and labour. And it is the mission of Mark Barnes, CEO of the post office, not only to transform the institution, but to do so in order to provide a case study for how government, business and labour can work together for a common cause.



Mark Barnes

## Reinvent or be replaced

Barnes was addressing a fundraiser for Afrika Tikkun at the Wanderers Club in Johannesburg. He told the audience that business today is about reinventing yourself or being replaced. "One only has to think of a company such as Kodak to know this is the reality."

In 2012, this iconic company, with its rich tradition and brand reputation, had to file for bankruptcy because it failed to recognise the threat of digital photography and almost didn't adapt in time.

On the other hand, he quotes one of his favourite companies, Uber. "Their underlying message is the message for all businesses. To be successful, a company has to come to you - the consumer, not the other way around."

## Taking your business to the customer

It is for this exact reason that he believes that banks will not exist in 20 years' time. "Companies that will succeed in the future will centre around the customer, because mobile technology has made the consumer very powerful," he adds.

But to succeed, Barnes says you need to get in early and take some risks. There will be failures, but when you get it right, it will be huge. "When taxis in London said Uber was competition to them, Uber's comeback was that they are not in competition with taxis, but with Toyota. Younger generations will ask why own a car?"

## From post office to bank

Following this thinking, the post office will not just deliver mail, but do much more. “It will also be a financial institution, which will not only cover banking. It will include life insurance and investments.”

To demonstrate his point, Barnes quoted a number of post offices around the world that provide banking services, including China and Brazil. “Namibia’s postal service banks 20% of that country’s population. Serbia’s postal service did 150,000 financial transactions last year.”

The first steps in realising this vision has already been completed with the South African Reserve Bank (SARB) approving the first-level application for a banking licence for Postbank.

The awarding of the licence means that the Postbank is closer to offering more than just savings accounts as it will be able to offer banking cards and other services.

Officials expect the next and final level for the licence to be completed within 12 months.

## **Adding ecommerce**

Apart from financial services, the entity will expand its current mail offering. “The revenue stream will comprise ecommerce beyond parcel deliveries. Why can we not deliver ARV medicines, for example?

He says this is a worldwide trend, with unlikely partnerships forming to meet consumer demand. “We are seeing this as brands join forces to remain relevant. Amazon bought petrol stations in the US, so people could pick up the goods they purchased there. You can do this in this country with Macro at Sasol. But we are saying why just Sasol... why not the post office? And we are taking our distribution points for ecommerce to garages.”

## **The future - one step at a time**

This future, he believes, is entirely within the post office’s grasp. “We make money from small things that have to be moved urgently from one place to another. We can do this if we are functional because then we can compete with other companies that offer the same service, but at a much higher cost to the market.”

It is also a process of one step at a time. “We have settled the past, and while we are still losing money, we are at base zero now. The hard work is still ahead. We are lifting people up and they are starting to get it that they have it in them to change, and they are standing up to be counted. If everyone does the one thing they do 20 seconds faster, then we have a functional organisation. And then we can become a modern deliverer in a digital world.”

## **ABOUT DANETTE BREITENBACH**

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a

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