

OCT/NOV/DEC 2015



## You’ve (Still) Got Mail

With an approach more akin to a private business than a public entity, **Canada Post** group president **Jacques Côté** is keeping the postal service relevant in the digital age

By Matt Alderton

The first known letter mailed from Canada was sent in 1527 by English explorer John Rut, who wrote to King Henry VIII from St. John’s, Newfoundland, to report findings from his expedition along the east coast of North America. One hundred sixty-six years later, in 1693, mail delivery began between Québec City and Montréal, and 82 years after that, the British government commenced official postal services across the Canadian colony.

Needless to say, a lot has changed since then. Thanks to technology, Canadians can now communicate not only by mail but also by phone, text message, instant message, e-mail, Skype, and social media. The result: after reaching a peak of 5 billion pieces in 2006, letter-mail volume in Canada decreased to 3.8 billion pieces in 2013—an average decline of more than 150 million pieces per year.

Canadians shouldn’t count the postal service out yet, though. According to **Jacques Côté**, group president for physical delivery network at Canada Post Corporation, evolution should not be confused with extinction.



“We are in the middle of a major transformation,” Côté says. “Nobody knows exactly where mail will end up, but we are actively working to restructure Canada Post so that it remains fresh and relevant in the context of the digital economy.”

### Wearing the Crown

There are none more qualified to lead Canada Post through the digital revolution than Côté. Although he’s a finance executive by trade, he originally wanted to be a pilot. Exploration and navigation, therefore, come naturally.

“I went to college to become an airline pilot, but unfortunately my eyesight was not good enough, so I had to reorient my career,” explains Côté, who received a bachelor of commerce from the University of Ottawa in 1980 and an MBA in finance from Laval University in 1982. “I studied to become an accountant but quickly discovered that accounting and auditing probably wouldn’t suit my desire to participate in executive decision-making and business analysis, so I studied finance.”

Côté commenced his finance career at telecommunications firm Nortel Networks, where he worked for 11 years prior to joining Canada Post, which in 1981 became a Crown corporation—a government-sponsored enterprise legislatively mandated to generate its own funding.

“When I joined Canada Post in 1993, the corporation had not yet made a profit,” recalls Côté, who spent his first five years at Canada Post in operational finance, after which he spent two years supporting post offices. He became CFO in 2000, COO in 2005, and group president in 2011. “We made our first profit in 1993/94 and turned Canada Post from a department that was losing money year after year after year into a system that was finally meeting its public-policy objective of being self-sustaining.”

### Gaining Ground

Making Canada Post profitable was the first step in a deliberate transformation designed to make the Canadian postal service adaptable for the future instead of stuck in the past. Getting there, however, has been neither quick nor easy.

“There are only four people per square kilometre in Canada,” Côté says. “Serving a very large area with a very low density of population—and doing it profitably—has long been a challenge.”

Solving that challenge required a 20-year investment during which time Canada Post addressed inefficiencies in management, labour, infrastructure, and operations.

“Each five-year period has had its own [focus],” Côté says. “The early 1990s, for example, was about shop-floor productivities. The late 1990s was about greater commercial orientation for revenue and expense. In the early 2000s, we did a huge reengineering of our IT system. And between 2005 and 2010, we were again focused on our commercial operation to make us more competitive.”

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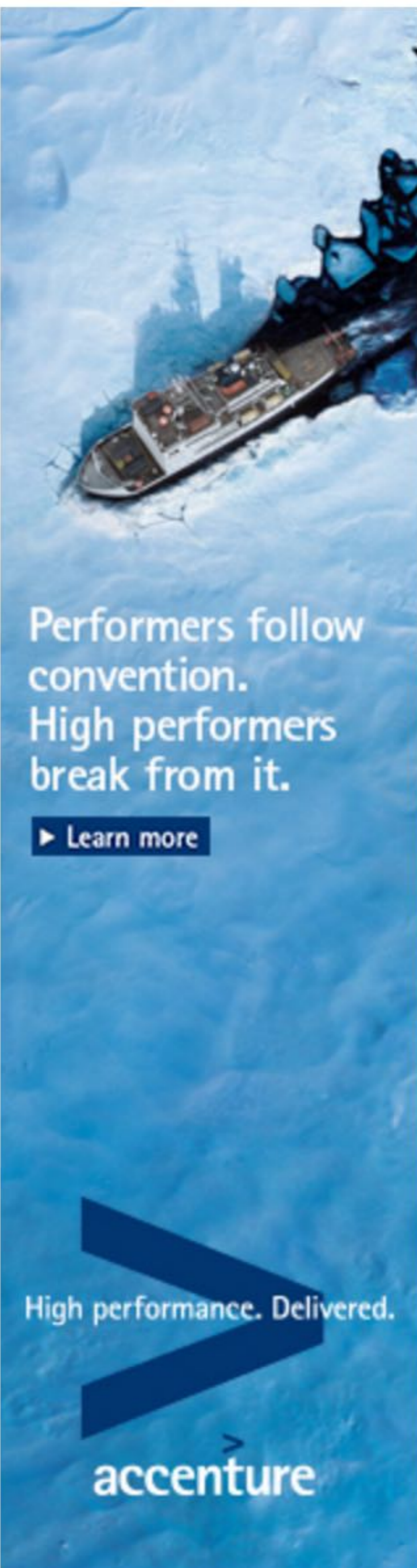
Canada Post increasingly is focused on developing new products and services, such as coins, prepaid credit cards, and electronic money transfers, which it currently sells at post offices, as well as same-day and seven-day parcel delivery, which are helping it capture more shipping business from Canadians who are shopping online.

“I don’t believe that mail volume will go to zero, but there is definitely room for it to decline further,” Côté says. “To cope with that, Canada Post needs to keep up with the times by actively changing its portfolio to be competitive against the likes of UPS and FedEx.”

For an organization that has had to adapt quickly and substantially, Canada Post has made meaningful strides in catering to an evolving market and customer base. The organization and its approach will continue to change, but with Côté at the helm, the company is ready to take on the challenge.

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