Pakistan Post in the Age of Digital Communication: Developing a Strategic Business Plan



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CERTIFICATE

This is to certify that this thesis entitled: **"Pakistan Post in the Age of Digital Communication: Developing a Strategic Business Plan"** submitted by **Ms. Hira Maqsood** is accepted in its present form by the School of Economics, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Business Economics.

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Dedication

In the Loving Memory of lovely Aman (grandmother) & Abu (father)

This thesis is a humble tribute to my lovely Aman, without whose loving gestures and constant reassurance I would have never opted for further studies, and to my beloved Abu, who would have been immensely proud to see this milestone achieved today. May Allah grant them the highest place in Jannah and envelop them in His eternal mercy.
Ameen.

AUTHOR'S DECLARATION

I **Hira Maqsood** declare and affirm that my MPhil thesis titled is **"Pakistan Post in the Age of Digital Communication: Developing a Strategic Business Plan"** is my own originally produced work and I did not submit this manuscript in any soft or hard form for taking any MPhil degree from Pakistan Institute of Development Economics (PIDE), Islamabad, or anywhere else in the country/world.

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ABSTRACT

The rapid decline of traditional mail and the rise of e-commerce logistics have reshaped the operational landscape of postal systems worldwide. This paper explores how Pakistan Post can adapt to these structural shifts by developing a strategic business approach suited to the digital communication era. The research adopts a qualitative and comparative case-study methodology, using secondary data from international postal operators (USPS, India Post, and Japan Post) and local couriers (TCS and Leopards), along with semi-structured interviews with Pakistan Post officials. A benchmarking and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is employed to identify weaknesses in institutional, operational, and digital capacities. The findings reveal that, despite Pakistan Post's strategic importance due to its extensive reach, affordability, and public trust, its effectiveness is hampered by bureaucratic rigidity, financial difficulties, and limited digital progress. The study recommends a phased transformation plan focused on digitalisation, service diversification, and institutional reforms to enhance sustainability and competitiveness.

Keywords: Pakistan Post; postal reform; digital transformation; e-commerce logistics; public service modernization; strategic business planning.

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LIST OF ABBREVIATIONS

Abbreviation	Full Form
ADUS	Address Data Update System (USPS)
AI	Artificial Intelligence
API	Application Programming Interface
APPS	Automated Package Processing System (USPS)
B2C	Business-to-Consumer
CDWP	Central Development Working Party (Pakistan)
CMS	Complaint Management System (Pakistan Post)
CNIC	Computerized National Identity Card (Pakistan)
COD	Cash on Delivery
CX	Customer Experience
DX	Digital Transformation
EMO	Electronic Money Order
EMS	Express Mail Service
EXIM	Export-Import Bank (project support referenced in Pakistan Post digitization)
FBR	Federal Board of Revenue (Pakistan)
G2C	Government-to-Citizen
HR	Human Resources
IPPB	India Post Payments Bank
IT	Information Technology
KEXIM	Export-Import Bank of Korea
KPI	Key Performance Indicator
MDD	Mobile Delivery Device (USPS)
MoC	Ministry of Communications (Pakistan)
MoF	Ministry of Finance (Pakistan)
MoITT	Ministry of Information Technology & Telecommunication (Pakistan)
NADRA	National Database and Registration Authority (Pakistan)
NFIS	National Financial Inclusion Strategy (Pakistan)
OIG	Office of Inspector General
OTP	One-Time Password
PMG	Postmaster General
PMO	Project Management Office
POS	Point of Sale
PPO	Postal Pay Order
RFID	Radio Frequency Identification

RPA	Robotic Process Automation
SBP	State Bank of Pakistan
SLA	Service Level Agreement
TCS	Tranzum Courier Service (Pakistan)
UPI	Unified Payments Interface (India)
UPU	Universal Postal Union
USPS	United States Postal Service

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Pakistan Post, established in 1947 upon independence under the colonial Post Office Act of 1898, has a history spanning over 150 years. According to the Universal Postal Union (2018), Pakistan Post is among the oldest government departments in the Sub-Continent; the history of this organization dates back to one hundred and sixty years (Ministry of Communications (Postal Services Wing), 2018). It became an integrated Posts and Telegraphs Department following partition and then in 1962, telecommunication and mail services were partitioned and Pakistan Post as a separate national postal service was created. Pakistan Post provided universal postal services in the 20th century with more than 13,000 post offices covering a population of approximately 20 million households in the country. It also offered a wide range of public services, such as savings banking, life insurance, bill collection, and money orders, among others. It is not a profit-oriented courier, which is largely imposed by a social mission, but it has multifunctional functionality; nevertheless, it has severe social obligations (e.g., subsidized services and wide rural coverage), which are difficult to maintain (Ministry of Communications (Postal Services Wing), 2018; Bukhari and Masooma, 2019).

Although this has a noble history, over the past few decades, Pakistan Post has encountered a steep performance downward trend. It has also been losing its previously monopoly position with the entry of the private couriers such as TCS, Leopards, DHL among others who have taken over a larger share of the market. A study by Profit Magazine reveals a loss of Rs 10.5 billion in 2017–18, Post has registered a net loss of over Rs 50 billion between 2019 and 2024 with no increase in its revenue of about approximately 60 billion against a surge in the expenses to about 112 billion (Ellahi, 2025). According to a study by Ayoubi (2021), the cases of lowered services are also frequent: regular letters are not always delivered to recipients anymore, and postman and mailbox routes are no longer a part of any city environment

(Ayoubi, 2021). To conclude, in most cities the use and visibility of post has reduced radically and thus, the traditional economic model of Pakistan Post will collapse.

1.2 Historical Evolution and Decline of Pakistan Post

The British Indian postal system was passed on to Pakistan in 1947, but initially, postal and telegraphic services were operated jointly. They were split in 1962 and the Pakistan Post was administratively independent of the Ministry of Communications and Works (Ministry of Communications (Postal Services Wing), 2018). Throughout the years, the network has gotten bigger; today, approximately 13,000 post offices appear in almost every district and serve approximately 20 million homes (Ministry of Communications (Postal Services Wing), 2018; Bukhari and Masooma, 2019). This left a universal service duty where anybody regardless of whether he/she lived in rural or urban regions could receive and send mail at controlled charges. The wide coverage is also a strong asset; one example is that according to the Profit magazine, approximately 67% of Pakistan Post offices are in rural regions, which is mostly ignored by the courier industry (Bukhari and Masooma, 2019). Institutionally, Pakistan Post continues to operate as an attached department of the Ministry of Communications under the autonomous Pakistan Postal Services Management Board, rather than as a corporatized entity; this status, combined with its universal service mandate, underscores its role as a public utility much like electricity or basic telecommunications (Ministry of Communications (Postal Services Wing), 2018).

This was however a high cost of such a broad reach. The truth of the matter is that the vast majority of the post offices in rural areas are financially unviable and that the Post cannot just shut them without inciting a loud outcry. On the other hand, smaller courier companies such as TCS (900 locations) serve lucrative urban areas. Consequently, although the network size of Pakistan Post is unrivaled, its rural outlets are not profitable in 87 percent of instances, hence financial pressure continues to affect it. In the past, Pakistan Post subsidized its state services in forms of postal savings banks and life insurance. These incomes streams became weakened however in the 2000s due to changes such as improved wages among employees of the government and also the fact that savings bank fees were reduced. The organization began to face a significant change towards deficits after 2009. Its loss in the fiscal year of 2017-18

was 10.5 billion whereas it made a profit a decade ago (Bukhari and Masooma, 2019). The loss in financial terms due to the same went on into the 2020s, as reported in legislative reports (Mian, 2025; Ellahi, 2025).

Meanwhile, the reputation of Pakistan Post was lost. Its mandate of providing services to the people covers activities such as banking, remittance, bill payments and so on that are not processed by the other companies. Although the society is benefited by this broad scope, it reduces efficiency. Analysts note that Pakistan Post has never technologically or operationally reinvented itself, it is still mired in bureaucracy and multi-tasking, which is unlike courier companies who specialize in this business. To illustrate, its delivery teams are significantly smaller than those of DHL or TCS and the employees of this company are often not motivated or trained to deliver service fast and customer-oriented. This has led to most customers considering Pakistan Post to be unreliable and slow. One customer experience survey established that the entrepreneurs were complaining about the time spent on cash-on-delivery (COD) payments made to private couriers which are up to three months long and they want Pakistan post whose 10 days turnaround payment is quicker. However, even now Pakistan Post cannot match the requirements of the private sector in terms of speed, monitoring, and convenience (Bukhari and Masooma, 2019).

To conclude, the decrease in the core postal activities of Pakistan Post has been caused by historical inertia and budget limits. The reduction in earnings and mails is indicative of a larger change. According to a document published by Dawn, the quantity of post offices in Karachi has gradually declined, and roadside letterboxes and home delivery services have effectively vanished by now (Ayoubi, 2021). This is not only a decrease caused by managerial problems but also a factor outside the company: the emergence of digital communication.

1.3 Digital Disruption of Postal Services

The Internet, email, social media, and online billing have grown thus decreasing the traditional mail globally to a large extent. World postal services have experienced an outright reduction of the volume of letters. Individual cases indicate that the volume of letters fell by 75% in Denmark during the period between 1998 and 2012 with the further reduction of 50% by 2017,

making the total decline at 87.5% in twenty years (Falch & Henten, 2018). Experts in the industry are currently threatening the death of the traditional mail unless postal organizations change. According to the Post and Parcel Industry (2025), the number of single-piece mails has reduced by over 55% domestically and 85% internationally in recent years, and coronavirus has exacerbated the situation (King, 2025). Even though the package traffic is on the rise as a result of e-commerce, the Universal Postal Union (UPU) notes nearly ten years of recession in letter-post around the globe.

The same is playing out in Pakistan. Email, digital messaging and online invoicing reduce significantly the quantity of bills, statements, and notifications being handled out of paper. The officials at Pak Post openly admit that the usage has reduced with frequency of digital communicational methods. One of the news sources reports: Pakistan Post, like many other postal services around the world, has been experiencing a decline in the usage that has been explained by the increasing use of digital means of communication (Khan, 2023). This has made it possible to charge high fees by the private couriers whose major service involves packages and express letters due to a recoil of the traditional mail. According to a Dawn column, although Pakistan Post has raised charges drastically, service delivery remains poor, and a large number of customers are now resorting to professional couriers (Ayoubi, 2021).

The financial performance of the Pakistani Post is not exempted in this digital disruption. According to an investigation conducted by Dunya News, the postal revenues have decreased; the income is only Rs 7.1 billion in FY 2022–23, whereas the expenses spent on the work are Rs 18.7 billion (Ellahi, 2025). The disconnection depicts a situation where substitution of letters with SMS, email, and online transaction is undermining the postal industry. According to the policymakers, a study conducted in 2025 by the Senate warned that Pakistan Post only controls approximately 45 percent of the expanding market of e-commerce delivery in Pakistan, which means that the most of the digital era commerce is controlled by personal business (Mian, 2025). To conclude, the digital communication has put a strain on the classical business model of the Pakistan Post and forced it to create new functions.

1.4 Postal Modernization and Digital Transformation

Due to this stern threat, the world is working hard to modernize its postal services. According to a new industry report, the postal services are at a crossroads of critical proportions because traditional mail services are on the decline since digital communication is rapidly growing (Damevski, 2025). Consequently, the postage network of a number of countries are embracing digitalization, combined platform of services and new product lines. As an example, some postal organizations have adopted track-and-trace IT solutions, online service portals, and electronic post solutions, in which physical mail is being supplanted by secure digital delivery mechanisms (e.g., typical examples of e-ID, e-mailboxes). UPU data shows extensive computerization efforts: by 2018, Pakistan Post had begun computerizing counter operations, savings bank activities, and had implemented a basic track-and-trace system for packages (Ministry of Communications (Postal Services Wing), 2018).

The modernization of Pakistan Post has accelerated since around 2018. Facing declining legacy income, the leadership launched several digitization initiatives. One such effort is a mobile app introduced in 2018 for customer self-service, including complaints, tracking, office locator, and tariff details (Khan, 2023; The Express Tribune, 2018). This government-sponsored app was launched with great enthusiasm and aimed to provide basic postal services via smartphones. Pakistan Post set up Amazon Facilitation Centers in key locations, such as Karachi and Lahore, to help small exporters use Amazon's platform, targeting a share of the $4 billion garment export industry. Key express services were enhanced: an Interstate "Urgent Mail Service" was developed to deliver by overnight to homes and Express Mail Service (EMS) was increased to 104 countries. Another important development of Pakistan Post is an Express Post network of affiliate offices in large cities that offers delivery within a few hours on the same day and Cash-On-Delivery (COD) is a cooperative possibility (Khan, 2023).

Between 2022 and 2025, other projects were introduced. This will also encompass a computerized addressing system that identifies each location with a special code that is much more precise in delivery accuracy and efficiency. The Post also introduced financial technology (a doorstep Electronic Money Order (EMO) which has enabled users to send and

receive cash through their cellphones, and a micro-finance loan program that transpires through post offices, The Express Tribune, 2018). These service updates have been accompanied by investments in the information technologies of the back-office (e.g., introduction of the computerized invoicing and payroll processing and opening of the Pak Post Shop website where people can book their parcels online), and currently, there are more than 550 merchants registered in the Pak Post Shop (as of early 2019) (Bukhari and Masooma, 2019).

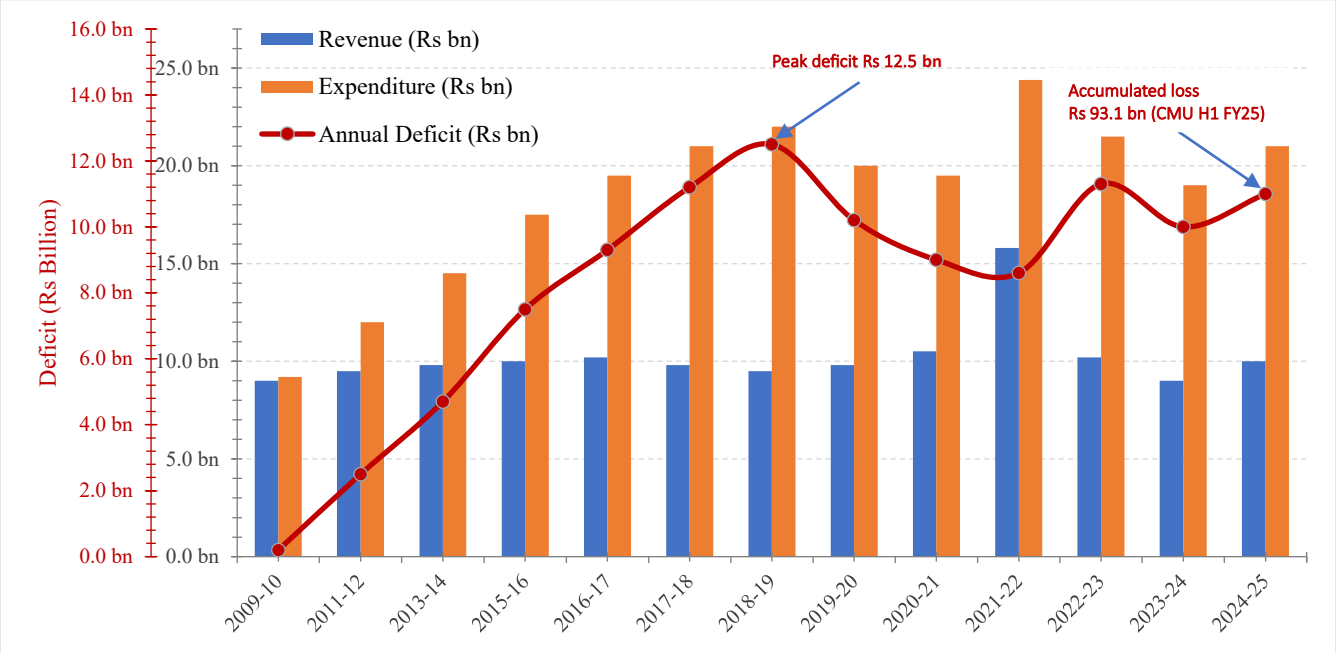
Though some of them are still in their fledgling state, some have registered some tangible changes. In 2022, the UPU performance of Pakistan Post was ranked very high, with its ranking has been improved by about fifty percent: in 2018, the company is ranked 92nd and now it takes the 55th position in the list of 162 countries (Khan, 2023), which means that the services provided by it has become more reliable. According to the officials, the revenues of Pakistan Post were increasing as of the first half of 2019 when it underwent numerous reforms (Bukhari and Masooma, 2019). To conclude, the process of modernization of the Pakistani postal service can be seen as corresponding of the global trends of postal transformation, which are to turn the small carriers of letters into a full-scale logistics and digital service centers (Damevski, 2025; Khan, 2023). There are still barriers to implementation, however.

Pakistan Post Office Department

Financial Performance & Operational Trends — FY 2009–10 to FY 2024–25

Sources: Pakistan Post Annual Reports 2019–20 & 2023–24; AGP Audit Report 2022–23; CMU Bi-Annual SOE Reports FY2023, FY2024, H1 FY2025 (Ministry of Finance); Ministry of Communications Yearbooks 2019–20 & 2023–24; Dawn (2018, 2024, 2025); Express Tribune (2017, 2025); The Nation (2018); State Bank of Pakistan Annual Report 2023–24.

Figure 1: Revenue, Expenditure and Annual Deficit Trends (FY 2009-10 to 2024-25)



* FY 2019–20 and FY 2023–24: confirmed figures from Ministry of Communications Yearbooks.

*FY 2021–22 receipts inflated by agency functions since withdrawn. Intermediate years from AGP Audit Reports and parliamentary committee records.

*Sources: Pakistan Post Annual Reports; AGP Audit Report 2022–23; CMU Bi-Annual SOE Reports; Ministry of Communications Yearbooks 2019–20 & 2023–24; Dawn; Express Tribune.

Table 1: Pakistan Post — Annual Performance Summary

Fiscal Year	Revenue (Rs bn)	Expenditure (Rs bn)	Deficit (Rs bn)	Post Offices	Employees	UPU Global Rank	Key Event / Source
2008–09	~9.0	~9.0	Break-even	~13,500	~60,000	—	Last profitable year
2009–10	~9.0	~9.2	0.2	~13,500	~58,000	—	Savings commission cut; salary +50%
2011–12	~9.5	~12.0	2.5	~13,400	~56,000	—	Express Tribune (2017)
2013–14	~9.8	~14.5	4.7	~13,300	~54,000	—	Dawn (2018)
2015–16	~10.0	~17.5	7.5	~13,200	~50,000	—	Deficit Rs 7.49 bn (The Nation, 2018)
2016–17	~10.2	~19.5	9.3	~13,100	47,347	—	Express Tribune (2017); Rs 9.31 bn deficit
2017–18	~9.8	~21.0	11.2	~13,000	~47,000	—	Dawn (2018); Senate committee testimony
2018–19	~9.5	~22.0	**12.5 ▲**	~12,900	~45,000	—	Peak deficit — Dawn (2018)
2019–20	9.8	20.0	10.2	13,021	42,000	—	MoC Yearbook 2019–20
2020–21	~10.5	~19.5	9.0	~13,000	~40,000	—	AGP Audit; revenue fell 7% next year
2021–22	15.8†	24.4	8.6†	~13,000	~38,000	—	AGP Audit Report 2022–23
2022–23	~10.2	~21.5	11.3	~13,000	~37,000	—	CMU SOE Report FY2023
2023–24	~9.0	~19.0	10.0	13,000	35,755	55th	MoC Yearbook 2023–24; Annual Report
2024–25	10.0	21.0	11.0	~13,000	35,755	55th	Express Tribune Oct 2025; CMU SOE H1 FY25

Notes:

✓ Confirmed data points from official published sources (Ministry of Communications Yearbooks / AGP Audit Report).

▲ Peak deficit year. All other years interpolated from AGP Audit Reports, parliamentary committee transcripts, and media reports citing official figures.

† FY 2021–22 revenue of Rs 15.8 bn was unusually elevated due to agency functions (pension payments, postal savings bank) subsequently transferred away. Post-2022 own-source revenue reverted to ~Rs 9–10 bn.

Highlighted rows (blue) = confirmed official data points. Red cell = peak deficit. Amber cell = distorted year. All figures in Rs billion unless stated.

SOE Context (Ministry of Finance, Central Monitoring Unit)

Accumulated Loss (CMU H1 FY25)	H1 FY25 Loss (6 months)	SOE Sector Total Losses (since 2014)	Government Fiscal Support to all SOEs (H1 FY25)
Rs 93.1 billion	Rs 6.3 billion	Rs 5.9 trillion	Rs 616 billion (grants, subsidies, loans)

Source: Ministry of Finance, CMU Bi-Annual SOE Performance Report H1 FY2024–25, as cited in Dawn (July 12, 2025). Pakistan Post ranked among top loss-making SOEs alongside NHA, PIA, and Pakistan Railways.

Key trends and discussion points:

Viewed by decade, Pakistan Post's financial trajectory shows a clear turning point. Through the late 1990s and 2000s, up to 2008–09, the department remained self-sustaining, financed largely through its postal savings bank commission and life insurance business. This position was reversed by two policy decisions taken in 2010: the Finance Division cut the savings bank commission rate from 1.5% to 0.5% (costing approximately Rs 3.5 billion in annual revenue), while government employee salaries were simultaneously raised by 50%. Together, these decisions produced an immediate loss of around Rs 10 billion and set the department on a structural deficit path that has persisted since.

Over the following decade, the deficit widened steadily rather than stabilizing. By FY 2016–17, revenue of Rs 10 billion against expenditure of Rs 20.5 billion had produced a loss of Rs 5.5 billion; by 2018–19 the annual deficit had more than doubled to Rs 12.5 billion, with cumulative five-year losses reaching Rs 52 billion. This decade therefore illustrates a compounding pattern: recurring structural costs (pension and salary liabilities) combined with an eroding revenue base (declining mail volumes, reduced commission income) to produce successively larger deficits, rather than any single-year shock.

In the 2020s, this pattern has continued alongside some data distortions and a further contraction of the department's own-source revenue base. FY 2021–22 figures illustrate this: receipts of Rs 15.776 billion against expenditure of Rs 24.419 billion appear elevated only because they still included agency functions — pension payments and postal savings bank commission — that were subsequently withdrawn from Pakistan Post's mandate; once these are excluded, underlying revenue actually fell by 7% relative to 2020–21. By FY 2024–25, income stood at Rs 10 billion against expenditure of Rs 21 billion, missing its Rs 11.5 billion revenue target. The withdrawal of

pension payments and postal savings accounts — which previously generated Rs 10–12 billion in annual commission — appears from the interview evidence (Table 4.1, Theme 2) to reflect an institutional and regulatory shift, specifically the lack of system integration with the State Bank of Pakistan and the Federal Board of Revenue, rather than a deliberate government decision to discontinue these services; the loss of this income base is nonetheless the single largest driver of the department's persistent deficit across the three decades examined here.

1.5 Statement of the Problem

Pakistan post, a national postal network, is experiencing a lot of challenges due to the shift of communication to the digital platform. The mails have decreased because of email services and online messaging (Asif, 2024) and e-commerce industry is dependent on own courier services that have real-time tracking and provide payment options. The Post is experiencing financial deficits and operates in outdated processes (Mustafa, 2025) and hence requires contemporary tracking techniques, an online payment system, and a new corporate strategy (App, 2025; Mustafa, 2025). The monopoly and huge infrastructure of Pakistan post is at risk by digital disruption and private competition. There is a risk of further decline and inefficiency of the institution without extensive structural changes and a digital transformation based on a strategic plan in the dynamic environment of the rapidly changing communications environment (Damevski, 2025).

1.6 Research Problem

This study examines the problem how Pakistan Post can revitalize its organization using strategic approach. The work is aimed at determining effective changes to implement technology and digitalization and increase the efficiency of operations, optimize tracking systems and transition to e-commerce, as well as enhance the quality, reliability, and competitiveness of the main postal services. Based on international best practices demonstrated by other advanced postal systems, the research will seek to present an achievable business plan framework of Pakistan Post in line with its institutional capability and market realities, the study will look at historical developments of the organization and apply SWOT analysis to review its internal capabilities and external environment. The analysis will be qualitative and based on the case study approach (situational and benchmarking analysis), to determine some of the key gaps and propose action-oriented strategies to transform the opportunities.

1.7 Research Questions

RQ1: How has Pakistan Post evolved over time, and what developments shape its current position?

RQ2: What does a SWOT analysis reveal about Pakistan Post's internal and external situation?

RQ3: Which business plan can Pakistan Post make to modernize and digitize the operation?

1.8 Objectives of the Research

- To develop a **strategic business plan** that integrates feasible reforms for Pakistan Post's modernization and competitiveness.

1.9 Significance of the Study

This study is significant in several respects. From a policy perspective, it supports evidence-based postal reform and digital-transformation planning for Pakistan Post. From a practical standpoint, it identifies key modernization and digitalization gaps through benchmarking with international best practice. Theoretically, it contributes to the public-sector transformation and digital-innovation literature in developing-country contexts, where dedicated academic treatment of national postal operators remains scarce. Finally, the study carries social relevance in that it addresses service accessibility, institutional efficiency, and citizen trust in a national postal service that continues to serve a substantial rural and under-banked population.

1.9.1 Contribution of the Study

Existing literature on postal reform and public-sector digitalization largely treats situational diagnosis, strategic benchmarking, and business-model design as separate exercises, and rarely addresses Pakistan Post specifically. This study contributes to that literature by integrating SWOT analysis, cross-country benchmarking, and business-model design into a single, context-specific strategic business plan for Pakistan Post — offering both a theoretical contribution to public-sector transformation literature and a practical, implementable roadmap absent from prior country-level studies.

1.10 Structure of the Thesis

This thesis is organized into six chapters. Chapter 1 introduces the research context, problem, objectives, and scope. Chapter 2 reviews global postal transformation trends and extracts lessons from benchmark operators and domestic courier competitors. Chapter 3 outlines the qualitative, comparative research design, data sources, and analytical tools. Chapter 4 presents the analysis and findings, including interview-based situational analysis and comparative benchmarking. Chapter 5 translates these findings into a practical business plan for Pakistan Post. Chapter 6 concludes the study and provides policy and management recommendations, along with future research directions.

1.11 Theoretical/Conceptual Framework of the Study

This study is grounded in strategic management theory rather than macroeconomic theory, consistent with its aim of producing an applied business plan. Three theoretical strands anchor the analysis: SWOT-based strategic planning theory (Helms & Nixon, 2010; Chermack & Kasshanna, 2007), used to diagnose Pakistan Post's internal and external position; the Business Model Canvas and Value Proposition Canvas (Osterwalder & Pigneur, 2010), used to design the proposed strategic response; and comparative institutional benchmarking theory (Camp, 1989; Boyne, 2002), used to evaluate Pakistan Post against international and domestic comparators. Together, these three frameworks form the theoretical lens applied throughout Chapters 4 and 5, linking directly to the study's objectives of diagnosing, benchmarking, and designing a strategic plan for the institution.

1.12 Limitations and Delimitations of the Study

The research paper will be limited to the study of strategic and digital transformation in Pakistan Post with regard to postal operations. It is above it to carry out detailed financial modeling, surveys of consumers or quantifiable national evaluations. The benchmarking exercise will focus on three international postal systems, that is, USPS, Japan Post and India Post, chosen due to successful paths of modernization. The data are obtained on the basis of a secondary information, reports and rather on the basis of qualitative data rather than exhaustive field work and experimental analysis.

Beyond these deliberate scope choices, the study is also subject to genuine limitations. Most significantly, there is very little dedicated academic literature on Pakistan Post specifically — as

Section 2.9 discusses, the available material is largely non-academic (news reporting, audit reports, and government documents) rather than peer-reviewed institutional analysis, which constrains the extent to which the findings can be triangulated against prior scholarly work. The reliance on qualitative, interview-based data collected in two locations (Islamabad and Sukkur, as detailed in Section 3.2.1) also means the findings cannot be assumed to be nationally representative, and the absence of a large-scale customer survey limits the extent to which customer-experience claims can be generalized beyond the interview evidence gathered.

CHAPTER 2

Literature Review

This chapter reviews the existing literature on the decline of conventional mail, the rise of e-commerce-driven parcel logistics, and the reform experiences of postal operators internationally and in Pakistan. It is organized thematically: Sections 2.1 and 2.2 review global evidence on volume decline and e-commerce growth; Section 2.3 synthesizes the reform literature for India Post, USPS, and Royal Mail, together with brief reference to other examples; Sections 2.4 to 2.7 review the literature on customer-centric innovation, enabling institutional factors, e-commerce logistics, and the Pakistan-specific e-governance and inclusion literature; and Section 2.8 reviews the literature specific to Pakistan Post's own documented challenges and initiatives. The chapter closes, in Section 2.9, by identifying the gap in the existing literature that this thesis addresses.

2.1 Global Trends: Fall of Conventional Mail

International postal systems have experienced significant declines on the volumes of letters that could be explained by the spread of digital communication. The most digitalized postal market was Denmark, where the letter mail fell by 87.5 percent in the period between 1998 and 2018 (Falch & Henten, 2018). **Market-dominant mail** in the United States, which was mostly the First-Class and marketing mail, fell by 46 per cent between 2008 and 2023, partly due to what is commonly known as electronic diversion to email, texting and online billing (Office of Inspector General, United States Postal Service, 2024). The volume of letters in the United Kingdom was highest in the early 2000s and has steadily declined since then, now the average UK household gets approximately four letters per week, as compared to ten (Emily, 2024). These trends represent an international trend: the fundamental business of the postal service as the provision of physical copies of documents is shrinking to the demise as new consumers and businesses are adopting electronic options (U.S. Postal Service Office of Inspector General & Joy Leong Consulting LLC, 2011; Emily, 2024).

The postal operators face fourfold pressure including reduced volumes of letters, intense rivalry in the parcel service, the digitalization of traditional postal networks and the ever-anxious customer demands. According to research conducted by Sia Partners, the global decline in sales is 23% letter-post volumes from 2015 to 2020 (The Age of Postal Transformation, 2025). UPU statistics

corroborate this "structural decline," notably with a pronounced decrease during economic recessions, when up to 40% of the reduction in the US transpired in 2009 and 2020 (Office of Inspector General, United States Postal Service, 2024). The traditional mail industry is declining.

Significant fact: In several countries, letter mail volume has dropped by fifty percent or more. US First-Class mail declined by 50% from 2008 to 2023 (Office of Inspector General, United States Postal Service, 2024), while UK letter volumes fell from around 20 billion to 6.7 billion annually (Emily, 2024).

Operators: Ubiquitous internet connectivity, mobile communication, and digital services replace traditional mail (U.S. Postal Service Office of Inspector General & Joy Leong Consulting LLC, 2011; Office of Inspector General, United States Postal Service, 2024). Electronic invoicing, social networking, and digital marketing divert transactional and marketing correspondence (Office of Inspector General, United States Postal Service, 2024).

The consequences in the financial arena suggest that any cut in the postal volumes makes meeting the requirements of the universal services difficult to fund the postal services. As an example, the USPS income growth has slowed even despite the increase in the number of parcels, which has compromised the sustainability of the universal postal service (Office of Inspector General, United States Postal Service, 2024).

2.2 Expansion of E-commerce and Parcel Services

Volume of letters has reduced but package shipment has been very high. The online commerce has become an essential force of postal network sustainability. According to the United Nations Postal Administration, worldwide small packet and parcel deliveries that were enacted by the postal services have grown by 48% in the years 2011-14 (Universal Postal Union, n.d.). E-commerce in the parts of Asia and Oceania recorded high growth, which increased the package trade across the borders. Consultant enquiry proves that the volume of global postal shipment has been on the increase since 2015 (The Age of Postal Transformation, 2025). By the mid-2010s, global B2C e-commerce attained a valuation of around $1.2 trillion2014 (Universal Postal Union, n.d.).

- The postal organizations have acted by countering these market forces by diversifying in logistics, rapid delivery of shipments, and novel goods management. Nowadays, there is a host

of postings that handle international e-commerce packages, and deliver cash-on-delivery services, and lightweight e-commerce delivery.

- The demand among customers is changing: online buyers expect their products to be delivered quicker, with good monitoring of their locations, and with convenient pick-ups or drop-offs. To meet these demands, postal systems are changing by using automated sorting, tracking and tracing system, and the delivery of online payment options (Sebastian, 2025).
- However, the parcel business is very competitive. The pressure created by the private couriers and large markets on the price and speed of delivery is rather significant and puts the profit margin under compression. This means that postal operators have to maximize their activities, gain scale economies, or they will be surpassed (The Age of Postal Transformation, 2025; DigitalRoute, n.d.).

2.3 Case Analyses of Postal Reform

2.3.1 India Post

India Post is a 170-year-old postal service that has quickly transformed out of the traditional delivery of letters to full-fledged logistical services. With over 150,000 branches (which is, arguably, the largest network of electronic postal services in the world), India Post collaborated with Tata Consultancy Services to implement a massive digital transformation through a long-term project. This program installed 80, 000 point-of-sale terminals and 130,000 portable gadgets that were run by Gramin Dak Sevaks in villages (Tata Consultancy Services, 2019). As a result, post offices have been re-packaged as digital centers, and they provide mailing, banking, insurance, and e-commerce package services, even in remote areas.

India Post takes advantage of the large footprint to fulfill the growing e-commerce business needs, by inviting investments in automated sorting centers, new parcel centers, and real-time tracking of parcels, to improve operational efficiency and transparency to customers (Sebastian, 2025; Tata Consultancy Services, 2019). It has been estimated that the sector will have a valuation of 200 billion dollars in the upcoming years 2026 despite the reduction in the number of letters (Sebastian, 2025). Others included in the strategy of the organization are automation of its processes, digitization of customer interface, and encouraging parcel and banking services (Sebastian, 2025; Tata Consultancy Services, 2019).

2.3.2 United States Postal Service (USPS)

The history of the United States Postal Service (USPS) provides an example of a larger North American trend in the abandonment of the traditional method of mail delivery. There is empirical evidence showing a significant reduction in the U.S. mail volumes, whereby first-class correspondence decreased by half since 2008 to 2023 (United States Postal Service, 2024). On the other hand, the number of package traffic has been increasing significantly along with the growth of e-commerce. The USPS Office of Inspector General has categorized this evolution as the expression of a variant of disruptive innovation, highlighting the transformation of the paper-based pattern of communication to the electronic model to internet-based business (U.S. Postal Service Office of Inspector General & Joy Leong Consulting, 2011). In retaliation, the agency has shifted to delivery of parcels, introducing new delivery trucks, enhancing service provision through Priority Mail Express service and Priority Mail service, and also establishing collaborations with online stores. Other new efforts such as Informed Delivery- sends the customers digital previews of the mail they are going to receive- and the implementation of mobile applications have been established with the aim of increasing the digital presence of the experience in the postal service.

In spite of these precautions the USPS is still facing financial difficulties. Its 10-year strategic plan, which is called the Delivering for America, focuses on operational efficiencies, such as sorting technological improvements and network rationalization, as well as on the establishment of new services. However, analysts and critics in the industry worry that the agency should emphasize more on the customer-focused innovation especially with the advent of online shopping by enhancing customer tracking, payment and reliability of last mile delivery. One of the ways through which the Inspector General has been promoting the incorporation of physical and electronic services is by suggesting implementation of these services as a move to mitigate these unresolved challenges (U.S. Postal Service Office of Inspector General & Joy LLC, 2011).

2.3.3 Royal Mail (United Kingdom)

The Royal Mail in the United Kingdom has seen one of the steepest declines in volume of mails; the previous Chief Executive Officer of this company (Martin Seidenberg) reported that the volume of letters declined to more than 20 billion at its maximum up to 6.7 billion per annum by 2023. The Ofcom UK regulator has allowed Royal Mail to suggest reducing the number of days on which it needs to deliver to meet cost saving goals hence enabling the organization to redirect

resources towards delivery of parcels. Royal Mail is also undertaking automation and package-sorting systems, and at the same time is trying to enter higher volumes of parcel traffic with strategic alliances, both with Amazon and other partners, and by expanding its offerings like Sunday parcel delivery, and returns. However, the issues of service reliability and the level of operating costs are still high. The case of the UK talks about the need of the postal reform, including the amendments to the universal service requirements, introduction of new pricing mechanisms, and the strengthening of the postal networks to be fully competitive in the age of online retail (Emily, 2024).

2.3.4 Other Examples

continued downward trend in the volume of mails was matched by a rise in package volume, which increased by about 7% between 2014 and 2015 (Hillebrand et al., 2016). More than 93 percent of postal operators in the world are now offering a variety of digital services: online tracking, electronic postage and e-commerce logistics, and e-commerce digital identification, which is often made possible by a partnership (Universal Postal Union, 2025). The UPU's Connect.Post initiative is set to ensure that all post offices can be linked to the internet by 2030, thus transforming postal outlets into community digital access centers (Universal Postal Union, 2025).

2.4 Customer-Centric Innovation in Postal Services

The postal operators are more focused on customer-driven innovation in the framework of dramatic transformation. The modern consumer can often be described as digital, hyper-connected and information-saturated, which possess little loyalty and have very high expectations. On the global level, the postal services are discussing a transformation that fits into the customer-centered approach: an increase in the level of the user experience, a variety of the value-added services, and the streamlining and technological sophistication of the operations.

A study conducted by the Universal Postal Union identifies four major methodologies developed to support a customer-driven change:

- Transform the consumer experience: Postal services, including mailing and banking, are being redesigned around the end-user, with examples such as integrated mobile apps for monitoring and reservations, redesigned postal facilities, and innovative parcel storage systems.

- Use data and analytics: By leveraging consumer and logistics data, postal services customize offerings (e.g., targeted delivery notifications) and improve forecasting accuracy.
- Restructure the business model: Most of the operations are now shifting towards a less traditional and more market-driven model with some organizations setting up competitive divisions and creating new e-logistics brands.
- Establish digitally-driven activities: Employing robots, AI routing, cloud platforms, and real-time tracking to ensure operations provide a seamless digital experience (Universal Postal Union, 2021).

2.5 Enabling Factors: Public Sector Reform and Partnerships

Modernization of the postal system needs thorough institutional changes. Decentralization of the government sector may strengthen the ability of the postal service to innovate such as through corporatization and regulatory changes that allow the postal service to provide non-mail services. Reforms in various jurisdictions have removed the functions of postal and telecommunications, thus bringing about competition to the business sector by the privates and forcing, state owned postal enterprises to focus more on business as can be seen in the European postal reforms since 1990s (Falch & Henten, 2018). In Pakistan, improvements in the efficiency and anti-corruption initiatives as well as digital governance in the public sector have proven to create a favorable environment to modernize.

Digital infrastructure has become indispensable in investment. It has developed a digital identification system through the CNIC system of NADRA adopted by the Government of Pakistan and made strides, including the Pakistan Stack, a collection of application programming interfaces. These constructions enable the inclusion of the services, such as banking and mobile payments and welfare disbursements, into the digital spheres (Malik and Saxena, 2024). Thereby, they allow the access to national electronic payment networks, identity checking as well as e-government solutions oriented to postal services. Pakistan Post partnered with NADRA in 2019 to offer money-transfer and bill-payment services by over 15,000 NADRA e-Saulat shops. This type of franchising spread postal-financial services to the rural territories without the need to build a lot of infrastructure. The federal minister of communications also stressed that in order to change the post into a national asset, use of technology, including mobile applications, e-commerce platforms, and faster mail services will be necessary (Express Tribune, 2019).

Partnerships, such as the ones between the government and corporations and the collaboration between governments, have significant power. The policy of e-commerce in Pakistan (Ministry of Commerce) also promotes the development of partnerships between the public and the private in the logistics. An appropriate policy document suggests the research on China Post and the establishment of public-company partnerships in an attempt to boost the foreign e-commerce capacity of India Pakistan Post (Shaikh et al., 2024). In May 2025, the Universal Postal Union (UPU) and the International Federation of Library Associations (IFLA) launched a partnership programmed to eliminate the digital divide by offering internet access and training to post offices and libraries. These kinds of initiatives recognize that postal networks are ready allies to enhancing digital inclusion because they have a wide presence and the reputation they enjoy in neighborhoods. The UPU's Connect.Post initiative aspires to convert all post offices globally into fully integrated digital access points by 2030 (Universal Postal Union, 2025; Universal Postal Union, n.d.).

In the case of Pakistan Post, the maximization of these facilitators requires alignment with the national reforms. Increasing the rate of mobile penetration and internet growth, especially to rural Sindh and Punjab will improve the viability of online postal services. Although Pakistan's e-government projects are ranked relatively low on the United Nations index, progress is being made through digital identification and mobile financial services, which could be equipped with a postal interface. The modernization of the postal service is being enabled by projects to make the public sector more efficient e.g. the focus on government digitization and the establishment of e-commerce by Vision 2025. Finally, the customer-based Pakistan Post needs to exploit the digital infrastructure in the country through interaction with NADRA, mobile money, and online business channels alongside considering domestic and external partnerships in the quest to embrace the best practices and technology.

2.6 E-commerce Growth and Postal Logistics

The uniform growth of e-commerce is essentially causing radical changes in the operational paradigms of postal logistics. In the Pakistani setting, online business growth has been growing at a significant pace during recent years, and the COVID-19 pandemic has increased this impact. However, the sectorial freight and delivery services are both competing with the issues of capacity which hamper the sustenance of reasonable service levels. In some cases, postal agencies often

have better capabilities to undertake last-mile delivery than private courier firms, particularly in geographically secluded territories where commercial companies deliver services face huge logistical challenges. Pakistan Post, with a rich network of more than 13,000 post offices spread all over the country has the potential strategic leverage to support B2C deliveries. To maintain the rapidly developing e-commerce environment, the national postal operator needs to make significant improvements to its logistics system.

The key findings of the empirical research and case studies are:

- Best use of logistics: A sorting must be automated and parcel control must be advanced especially to handle large number of packages with accurate processing (Sebastian, 2025). An example of such strategy is found in India Post which has implemented automated parcel centers and electronic barcoding technology.
- Tracking and information: Modern consumers require the reports about their orders in real-time. Therefore, to meet this requirement, organizations will have to invest in high-level scanning and tracking systems, like RFID and mobile data collection (Hillebrand et al., 2016).
- Delivery services: Postal services also offer delivery services that are convenient to customers, such as weekend/evening delivery, pick-up locker, and multi-channel notifications. As an example, United States Postal Service partners with companies like Walgreens to create spots to pick up the packages, and similarly, the efforts used by Pakistan Post to create packages pickup services (EMS) and mobile application-based services show the tendencies towards the same direction (Express Tribune, 2019).
- E-commerce integration: Postal operators are gaining more and more cooperation with online trading platforms like Amazon, Flipkart, and Daraz, as well as payment systems. The Universal Postal Union (UPU) recommends the postal services to actively facilitate e-commerce integrating the digital path to payment as well as supply chain connections (Universal Postal Union, n.d.).
- Dealing with volume: The postal services have faced an excess capacity of delivery of letters although its parcel volumes have increased. A large number of postal authorities transfer operations of the mail carriers to either parcel distribution or rural route reorganization; this reorganization is frequently politically sensitive, as seen in the case of the United Kingdom

where more debate surrounds the cutting down of Saturday deliveries, but is considered economically rational.

The mentioned processes have just come into being in Pakistan. There have also been private courier services that come out as avid competitors particularly in e-commerce urban set-ups. It seems that the role that the Pakistan Post has in the e-logistics chain is underutilized. According to recent studies, Pakistan Post has the potential to support logistics of e-commerce, which will ensure increased reach and efficacy (Shaikh et al., 2024); it should do it within a short period of time. The development of the local e-commerce services (e.g., Daraz, Telemart) and the international trade with China may also provide Pakistan Post with the possibility to find the niche, depending on the further modernization of its IT network, delivery control, and service range.

2.7 Pakistan-Specific Context: E-Governance and Inclusion

Surveys on Pakistani e-governance and digital inclusion focus on highlighting achievements and the chronic lack of success. These events have been accompanied by several high-profile projects introduced by Pakistan, including the computerized national identity card (CNIC) introduced by the National Database and Registration Authority, mobile-based money transfers like Jazz Cash and Easypaisa, and a set of online government services, which intend to increase financial access and efficiency in terms of administration (Malik and Saxena, 2024). However, empirical literature shows that overall e-government performance, based on the United Nations metrics, is still unsatisfactory; shortcomings can be explained by the weakness in infrastructure software, budgetary constraints and lack of uniformity (Malik & Saxena, 2024). Furthermore, urban-rural and gender disparities also persist: the rural population has a poor broadband connection, and many men and women are not digital-literate (Atique et al., 2024).

These trends have great implications on the national postal service. Pakistan Post has the potential to be made into a digital inclusion hub to take advantage of the network of post offices that it has by using the network to offer services that are similar to those that Common Service Centers offer in India. This approach would help close the digital divide with kiosks to submit government documents, help register or renew CNIC with the assistance of NADRA, and also offer services of recharging the broadband. The Tribune published an interview on 2019 that Pakistan Post

increased its portfolio to bills payment and money order in 15,000 retail stores by collaborating with NADRA (Express Tribune, 2019). The combination of postal and governmental activities would make the post office one of the pillars of e-governance delivery.

At the same time, the available literature shows that the institutions in Pakistan have constantly faced poor delivery of public services. The literature touching upon e-governance singles out a strong divide between the official policy and its practical implementation (Atique et al., 2024). This highlights the fact that policy changes will never be adequate enough; a careful rollout, capacity-building, and informed ability to invest on information technology systems, staff training, and customer-service orientation are the only ingredients that will ensure Pakistan Post to seize the opportunities that come with the digital inclusion.

2.8 Pakistan Post: Challenges and Emerging Initiatives

To conclude, the Pakistan Post is facing a typical dilemma in the post industry, which is outdated infrastructure and stale legacy operations despite the world evolving to digital offerings.

Based on the challenges outlined in scholarly resources and discussions in media, one can single out significant issues, which are:

- **Obsolete technology:** Absence of dependable internet monitoring and payment mechanisms. Customers frequently lack comprehensive shipment tracking or are required to pay cash upon arrival.
- **Operational inefficiencies:** Manual sorting and record maintenance result in inaccuracies and delayed delivery. As prosecuted in the blog about the Lahore Office of Exchange by United Nations Postal Administration (UPU), the application of crude interventions, namely the process of calling back the recipients to check the addresses, resulted in a decrease of undelivered consignments by 68 per cent (Gul, 2022). This result implies that there is higher need of systematic operations of customer service within the network.
- **Competition:** TCS and Leopards are involved in stiff competition due to the presence of other courier companies in the urban centers. Although the coverage of Pakistan Post is very high, it has to match the delivery speed and reliability with the commercial courier services.

- **Financial constraints:** The Post remains heavily dependent on government subsidies to cover recurring deficits; the pattern and scale of this fiscal dependency are examined in detail in Section 4.2.1.

There are many projects as well as strategic directions that are currently being developed or proposed.

- Digital platforms: In 2019, Pakistan Post created a smartphone app and redesigned its web portal, a project that earned several accolades because of the cooperation with the National Database and Registration Authority (NADRA) (Express Tribune, 2019). The company will incorporate the e-commerce-based reservations and monitoring capabilities in these digital platforms.
- Franchise and agent network: The franchise model will be based on the utilization of NADRA e-Sahulat outlets, which will allow the provision of access to the services of the Pakistan Post in the country at about 27,000 points. This system has two advantages it will increase client convenience by allowing mail transfer and receiving at various locations and it will produce income as fees are charged. This model is approved by the Minister of Communications as a plan of developing a self-owned postal enterprise (Express Tribune, 2019).
- Logistics emphasis: Leadership has put emphasis on logistics particularly in the cargo and e-commerce operation. In spite of absence of comprehensive action plans in the literature evidence, analysts advise that resources of Pakistan Post should be channeled towards building of sorting centers as well as sorting its fleet to create a reliable national logistics infrastructure.
- Alliances: In addition to its cooperation with NADRA, it could be advised to create alliances, one of them being the acquisition of knowledge through Chinese cross-border e-commerce platforms as seen in Chinese Post (Shaikh et al., 2024). As the Universal Postal Union (UPU) has been pursuing the focus on innovation, it can be implied that the company can also participate in global postal technology projects or sell data-driven knowledge to other countries.
- Customer service orientation: The discourse of the Lahore Office of Exchange reflects a customer-oriented attitude of the Pakistan Post (Gul, 2022). It will be necessary to reinforce this strategy using measures like training postal employees on how to communicate with the customers and set up special call centers to help create better perceptions among the people.

2.9 Critical Synthesis of the Literature Review

Taken together, the literature reviewed in this chapter shows that the decline of conventional mail and the rise of e-commerce logistics are well documented internationally, and that comparator operators such as India Post, USPS, and Royal Mail have published, evaluable records of reform. What this literature does not provide, however, is any dedicated academic treatment of Pakistan Post itself. The available material on Pakistan Post is almost entirely non-academic — news reporting, government yearbooks, audit reports, and industry commentary — rather than peer-reviewed institutional or strategic analysis, and it treats Pakistan Post's operational and financial difficulties largely as isolated facts rather than situating them within the comparative postal-reform literature reviewed in Sections 2.1–2.6. Similarly, while the Pakistan-specific e-governance literature (Section 2.7) documents a persistent gap between policy and implementation, it does not consider the postal network as a potential channel for closing that gap. This absence of an academic, comparative, and strategically framed study of Pakistan Post — one that connects its institutional and financial constraints to the international reform experience and translates the resulting lessons into an actionable business plan — is the specific literature gap that this thesis addresses.

CHAPTER 3

METHODOLOGY

This chapter sets out the methodology used to examine Pakistan Post's institutional and operational position and to develop the strategic business plan presented in Chapter 5. It explains, in turn, the overall research design and its justification (Section 3.1), the data sources and respondent-selection procedure used for the primary interviews (Section 3.2), the analytical tools used to structure the situational analysis, benchmarking, and business-planning frameworks (Section 3.3), and the ethical considerations observed during data collection (Section 3.4). Each methodological choice is linked explicitly to the methodological literature that supports it, and the chapter closes with a brief summary of how these methods combine to answer the research questions set out in Chapter 1.

3.1 Research Design and Approach

This chapter gives a description of the methodological approach adopted for the study and the preparation of strategic business plan of Pakistan Post. The choice of these methods is determined by the nature of the problem to be thoroughly examined through a study of the history of the institutions, a systematic analysis of the present functioning environment, a comparison study of postal operations in different systems and a hearing of the opinions of the insiders in the institutions.

The study is based on **qualitative, descriptive and comparative case study studies.** This is an appropriate design because the research is designed to understand rather than measure variables, processes, perceptions, organizational issues and strategic opportunities. Descriptive aspect will help in recording the history of Pakistan post with great care, present organizational structure and environment where Pakistan post is working. The comparative aspect enables the analysis of comparative contrast between Pakistan Post with selected samples of international postal services (USPS, India Post, Japan Post) and local competitors from the private sector (TCS, Leopards); therefore, it is possible to draw practical lessons and identify the gaps so far as digital transformation and strategic renewal in the postal sector is concerned.

3.1.1 Justification for the Chosen Methodology

This methodology is ideally suited to the current study in a number of ways. Pakistan Post has a complex institutional environment, influenced by the government policies, public service commitments, and competitive pressure of the market, which can be best defined in a context and interpreted rather than measured by statistics (Creswell & Poth, 2018). Each of the research questions are qualitative in nature and involve investigation into the history of the organization, the perceptions of its stakeholders and its positioning. In this case, a purely quantitative approach would not suffice as the overriding purpose is to understand how and why Pakistan Post is dealing with these challenges, and how it can develop a grounded strategic business plan — not to test a hypothesis, nor measure a predetermined variable (Yin, 2018). The case study approach is also justified because it is a bounded real-life system (Pakistan Post, a national institution) in a specific socio-economic and policy setting. Case study research is most suitable when the investigator has limited control over the phenomena and has a focus on a phenomenon that is contemporary and in its natural setting as identified by Yin (2018). Likewise, the comparative element reflects the mainstream of public administration scholarship, which has included cross-national studies of institutional change to generate policy-relevant lessons (Pollitt & Bouckaert, 2017).

3.1.2 Strengths and Limitations of the Approach

The qualitative case-study method used in this study has significant advantages. It enables rich and in-depth understandings of institutional constraints as to stakeholder experiences and reforms that quantitative data cannot capture (Flyvbjerg, 2006). It allows for the integration of several data sources (interviews, secondary documents, and comparative data on cases), which can be used for triangulation, increasing the credibility of the findings (Denzin & Lincoln, 2018). The descriptive – comparative design also enables the placement of Pakistan Post's problems in the broader perspective of postal transformation globally to develop practical and evidence-based recommendations instead of theoretical statements. But the method is not without its drawbacks and these are to be recognized. Qualitative results are likely to be specific to the situation at hand and may not be statistically representative of other postal services or other institutions in developing countries (Creswell & Poth, 2018). Semi-structured interviews also might result in 'response bias's in that the interviewees might tell 'institutional stories'. Furthermore, the benchmarking is restricted to a limited number of postal operators in other countries because of

the limited scope of the postal operators that can be included in the comparison. The limitations being observed are overcome by methodological triangulation, multiple analytical tools and clear data sources as detailed below.

3.2 Data Sources

The current research uses both **secondary** and **primary** sources of data. The secondary data represent the underpinning corpus of explaining the institutional context, service performance, and international best practices. This corpus has included global postal enterprise annual reports, government releases, regulatory reports, and corporate web pages, years of industry analysis, academic books, and publicly available statistics relating to postal services. The data about the competitors, namely TCS and Leopards, is also obtained based on their official service lists, corporate descriptions, and the available operational announcements.

The main data will be gathered by conducting **semi-structured interviews** using key informants. The targeted group of people to be interviewed includes current or former employees of Pakistan

Table 3.1: Data sources and purpose (secondary and primary)

Type of Data	**Sources**	**Purpose**
Secondary	Annual reports of USPS, India Post, Japan Post; Government documents; Competitor websites (TCS, Leopards); Industry reports; Published statistics	Understand global practices, benchmark services, review institutional evolution, assess local competitive landscape
Primary	Semi-structured interviews with Pakistan Post officials, employees, customers, and logistics stakeholders	Capture internal insights, identify operational barriers, understand service expectations and experiences

Post, regular consumers of postal service or courier shipping, and any professional who is either in logistic or electronic commerce industries and relies on delivery systems. The semi-structured format to allow the respondents the latitude to ensure that they can describe their experiences and challenges using their own words will, at the same time, guarantee adherence to the research objectives. The interview data are in complement to the secondary sources, making them more

triangulable, corroborating the findings, and helping to explain the inner processes and deeply penetrating the institutional prospects and barriers related to modernization.

3.2.1 Respondent Selection and Interview Procedure

The primary data for this study were collected through semi-structured interviews, which Chapter 1 and the abstract refer to collectively as the study's survey component. Respondents were selected using purposive sampling, the appropriate strategy for qualitative case-study research where the aim is to capture the depth and range of institutional experience rather than statistical representativeness (Patton, 2015; Palinkas et al., 2015). Three respondent categories were targeted, consistent with the data sources summarized in Table 3.1: (i) current and former Pakistan Post officials and employees, spanning headquarters-level and field/regional roles, to capture both policy-level and operational perspectives; (ii) regular customers of postal and courier services, to capture the service-user perspective reflected in the situational analysis themes in Chapter 4; and (iii) professionals in logistics or e-commerce whose work depends on delivery systems, to capture an external, competitor-facing perspective.

Fieldwork was conducted in two locations — Islamabad, where Pakistan Post's federal headquarters and national policy functions are based, and Sukkur, representing a regional/field-level operating environment — so that the interview evidence would reflect both head-office and field-level realities rather than a single administrative vantage point. This two-site design is the scope limitation flagged in Section 6.3 and is treated as a deliberate trade-off: it sacrifices national representativeness for depth and access, consistent with the purposive, non-probabilistic logic of qualitative case-study sampling described above.

Interviews followed a semi-structured protocol: a common set of open-ended questions covering institutional governance, financial sustainability, digital readiness, and customer experience was used across all respondents, with follow-up probes tailored to each respondent's role. This format, consistent with Section 3.1.2, was chosen specifically to let respondents describe their experience in their own terms while still ensuring comparability of coverage across interviews (Kallio et al., 2016). Interviews were conducted in person and recorded in written notes with respondents' consent; no respondent was compensated for participation, and confidentiality was maintained throughout, as set out in Section 3.4. The interview evidence was then organized thematically —

the procedure for which is set out in Section 3.3.1 below — and forms the basis of the seven-theme situational analysis presented in Table 4.1.

3.3 Analytical Tools

The study uses a set of analytical tools to provide a summary of empirical evidence and guide the structure of a plan of strategic business. Firstly, a **situational analysis** is used to evaluate the current internal and external circumstances facing Pakistan Post, which also involves organizational structure, operational procedures, technological readiness, market forces, competition, and the regulatory environment. This discussion makes it possible to determine the current positioning of the institution and clarify how contextual factors of the institution determine the extent of possible reforms. Methodologically, the situational analysis was conducted by thematically coding the semi-structured interview transcripts described in Section 3.2.1: recurring issues raised by respondents were grouped inductively into themes, refined iteratively, and then organized against the internal/external, organizational/environmental framework recommended for institutional situational analysis (Okuyoyi & Okello, 2018; Kweyu & Juma, 2023). This process produced the seven themes reported in Table 4.1, each supported by indicative interview evidence, and provided the empirical basis subsequently classified into the SWOT categories discussed in Chapter 4.

The strengths, weaknesses, opportunities and threats are then classified using a **SWOT Analysis.** This tool is enriched with the internal audit and external standards, to offer a clear and concise strategic picture of Pakistan Post.

To facilitate this evaluation a **benchmarking matrix** was developed and Pakistan Post was benchmarked with the United States Postal Service (USPS), Japan post and Indian Post along with the domestic postal service. This comparative approach is represented by a certain absence of digital services delivery, logistics, customer experience and revenue diversification. These analytic tools provide the research with the ability to organize the unstructured observations into intelligible action.

Both the Business Model Canvas and the Value Proposition Canvas function as input-driven tools rather than automated software: the canvas does not generate insight on its own but organizes whatever evidence is fed into it. In this study, that input was the qualitative data gathered through

interviews with Pakistan Post officials, customers, and logistics professionals (Section 3.2.1). Recurring statements about service gaps, customer frustrations, and institutional strengths were extracted from this data and mapped onto the relevant blocks of the canvases — for instance, customer complaints about delayed cash-on-delivery payments were entered as a "pain point" in the Value Proposition Canvas, paired with a "pain reliever" describing how a proposed digital tracking feature could address it. In this way, the canvases translated interview evidence into a structured, visual argument for why a given service change would create value for both Pakistan Post and its customers.

This approach is not unique to this study; the Business Model Canvas has become one of the most widely adopted strategic planning tools internationally since its introduction by Osterwalder and Pigneur (2010), used by start-ups, corporations, and public-sector organizations alike, including in the United States, where it is a standard part of business planning and entrepreneurship training. Comparator operators such as USPS and India Post similarly rely on such frameworks, often disclosed in their own annual reports and strategy publications, to communicate how new investments are expected to create value — much of the descriptive data used to populate such canvases is typically drawn from organizations' own published disclosures, such as annual reports and official websites, rather than proprietary internal data alone.

The canvases can be created digitally using tools such as **Strategyzer** (the official software from the canvas's original creators, Osterwalder and Pigneur), which provides ready-made templates for both the Business Model Canvas and the Value Proposition Canvas. Other accessible options include Canva or Miro, which offer free templates for the same purpose.

3.3.1 Justification for Benchmarking Methodology

While Sections 3.1.1 and 3.1.2 justify the overall qualitative, case-study research design adopted for the thesis as a whole, this subsection and Section 3.3.2 justify the specific analytical tool used within that design — benchmarking — and the criteria used to select its comparator cases. The methodology used in this study was based on the comparative institutional analysis approach in which the performance and practices of a focal organization are systematically examined, analyzed, and compared with the performance and practices of selected peer organizations in order to find gaps and draw conclusions and lessons to be applied in the focal organization (Camp, 1989;

Bowerman et al., 2002). Benchmarking is especially well suited to public sector reform research as it offers a framework and evidence base with which to assess service delivery gaps without needing to set up controlled experimental conditions (Boyne, 2002). This research identifies 10 strategic indicators against USPS, India Post, Japan Post, TCS, and Leopards, which are benchmarked with Pakistan Post with respect to these indicators such as Delivery Speed, Digital Services, Automation, E-commerce Integration, Financial Diversification, and Customer Support. These comparators have been carefully chosen: USPS, India Post, and Japan Post have been documented to have been subject of digital transformation, while TCS and Leopards are domestic private-sector benchmarks that are working in the same national context. This blend allows for an aspirational comparison (what's possible when sustained reform happens) and a proximate comparison (what other players in the local playing field are getting done). Its advantage is its capacity to deliver practice specific information that is relevant to the context, as opposed to abstract theoretical guidelines. The primary drawback is that for some indicators, performance is based on publicly available reports and disclosures made by companies, which do not necessarily reflect the operational reality of the individual companies; this is recognised in the interpretation of the findings.

3.3.2 Case Study Design and Comparator Selection

The case study approach used in this research is a multi-case or comparative case design which is used to examine multiple cases to obtain patterns, contrasts and transferable lessons as explained by Yin (2018). The three international postal operators (USPS, India Post and Japan Post) were chosen for purposive sampling based on the following criteria: (1) documentation of digital reform, (2) institutional comparability as public postal operators and (3) credible data available from official annual reports and regulatory disclosures. The domestic private couriers (TCS and Leopards), are considered as a local competitive baseline and treated as supplementary cases. This is appropriate for the study since the main objective is not statistical inference but rather to develop a rich, context-specific understanding to guide a strategic business plan for a particular institution (Stake, 1995; Flyvbjerg, 2006). The case study method allows the researcher to understand the process of transformation in each of the comparator organizations - what was done, under what conditions, and what the results were; and to draw lessons that are plausible and actionable for Pakistan Post under Pakistan's own institutional constraints. One good thing about this approach

is the use of multiple sources of evidence (official reports, secondary literature, industry analyses) that are in a coherent analytical framework. The one caveat is that only data available will suffice for the depth of case analysis, and causal attribution should be handled with care because of the complexity of the process of institutional change.

An example of the benchmarking matrix structure used in the analysis is shown below:

Table 3.2: Benchmarking matrix structure used for comparative analysis

Indicator	**Pakistan Post**	**USPS**	**India Post**	**Japan Post**	**Local Competitors (TCS/Leopards)**
Digital Services	Limited	High	High	Integrated	Moderate to High
Tracking System	Basic	Advanced	Advanced	Advanced	Moderate to Advanced
E-commerce Readiness	Low	High	High	Moderate	High
Service Speed	Variable	Standardized	Standardized	Standardized	Fast
Financial Diversification	Moderate	Limited	High (IPPB)	High (Bank/Insurance)	Low

This matrix is also discussed in the findings chapter to combine additional indicators and detailed explanation.

The ten benchmarking indicators used in Table 3.2 and expanded in Table 4.2 — delivery speed, digital services, automation, e-commerce integration, tracking systems, financial diversification, customer support, governance/institutional structure, workforce capacity, and revenue-cost sustainability — were derived from the case-analysis literature reviewed in Chapter 2 on USPS, India Post, and other reforming postal operators, rather than being generated independently of it. Delivery speed, tracking systems, and digital services follow from the global-decline and customer-centric-innovation literature discussed in Sections 2.1 and 2.4 (Universal Postal Union, 2021; Sebastian, 2025); automation and e-commerce integration reflect the India Post and USPS case-analysis literature reviewed in Section 2.3 (Tata Consultancy Services, 2019; U.S. Postal

Service Office of Inspector General & Joy Leong Consulting LLC, 2011); financial diversification and governance/institutional structure draw on the public-sector reform and comparative-institutional-analysis literature underpinning the benchmarking method itself (Bowerman et al., 2002; Boyne, 2002); and customer support and revenue-cost sustainability were added based on the enabling-factors and Pakistan-specific literature reviewed in Sections 2.5 and 2.8. Japan Post, the third benchmarking comparator used from Chapter 4 onward, is not covered in the Chapter 2 literature review and is instead introduced directly in Section 4.3 on the basis of its own published disclosures. This literature-derived basis for indicator selection is the same basis used when the matrix is expanded and applied in Table 4.2.

3.3.3 Business Plan Development Methodology

The strategic business plan presented in Chapter 5 was developed through a structured, three-stage process that converts the situational analysis and benchmarking evidence from Chapter 4 into strategic direction. The first stage classifies the seven interview-based themes and benchmarking findings into a SWOT (Strengths, Weaknesses, Opportunities, Threats) framework. SWOT was selected because it is one of the most widely used strategic-planning tools for service-based and public-sector institutions, valued in the literature for its simplicity, diagnostic clarity, and ability to structure managerial strategic knowledge (Helms & Nixon, 2010). Chermack and Kasshanna (2007) similarly regard SWOT as a useful precursor to strategic discussion in large, heterogeneous organizations, while cautioning that it can be misapplied if strengths and weaknesses are listed without empirical support; this study addresses that risk by grounding every SWOT entry directly in the interview and benchmarking evidence from Chapter 4 rather than in unsupported assertion. In the case of Pakistan Post specifically, SWOT provides a realistic, evidence-based method for plotting the institution's position: it enables the opportunities arising from e-commerce, digital payments, and public-sector digitization to be assessed alongside internal constraints such as service quality, manual systems, and ageing infrastructure. Because it captures both internal constraints and external pressures, SWOT is an appropriate instrument for directing strategic change and developing a realistic business plan, consistent with international evaluations of postal-sector reform more broadly (Campbell et al., 2008; Crew & Brennan, 2022).

The second stage converts the SWOT classification into strategy using the TOWS matrix (Weihrich, 1982). Where SWOT is primarily descriptive — it classifies conditions into four

categories — TOWS is prescriptive: it systematically pairs internal factors with external factors (Strength–Opportunity, Weakness–Opportunity, Strength–Threat, Weakness–Threat) to generate specific strategic options, rather than leaving the analyst to infer strategy informally from the SWOT categories. This study applies the TOWS matrix to the Chapter 4 SWOT to derive the four strategic inferences reported in Table 5.1, which in turn inform the strategic objectives and transformation pillars in Section 5.3.

The third stage translates these strategic inferences into the operational and visual planning tools used in Chapter 5. The five transformation pillars — service diversification, technology adoption, HR and training, partnership strategy, and financial sustainability — are presented in Figure 5.2 as a radial (cyclical) diagram. This is a presentational device rather than a distinct analytical method: arranging the five interdependent pillars around a cycle is intended to convey that they are mutually reinforcing and iterative rather than sequential, consistent with standard strategic-planning visualization practice (Kaplan & Norton, 2004). The business model itself is summarized using the Business Model Canvas (Osterwalder & Pigneur, 2010), shown in simplified form in Figure 5.3, which structures the plan's key partners, activities, value propositions, channels, customer relationships, and revenue and cost streams on a single template. Customer-facing elements of the plan are further developed using the Value Proposition Canvas (Osterwalder, Pigneur, Bernarda, & Smith, 2014), shown in Figure 5.4, which maps customer pains and gains identified in the Chapter 4 situational analysis directly onto the corresponding features of Pakistan Post's proposed service design. Together, these three tools — TOWS, the Business Model Canvas, and the Value Proposition Canvas — provide a traceable methodological path from the Chapter 4 evidence base to the specific business plan components presented in Chapter 5.

3.4 Ethical Considerations

The practice of ethical principles is strictly followed during the research process, which guarantees the integrity and confidentiality of the research participants, not to mention respect. The participants of the interview are informed completely of the study goals and their involvement is however voluntary. None of the personally identifying information is provided in the analysis and all the responses are used solely on academic purposes. Secondary information is received in the publicly available and reliable sources, and references are taken accordingly. The research does

not focus on sensitive organizational disclosure deliberately, and all the gained information has been addressed in a responsible way.

3.5 Conclusion

This chapter has set out a qualitative, comparative case-study design (Section 3.1), justified by the exploratory and institutional nature of the research questions; the primary and secondary data sources underpinning the study, including the purposive sampling and interview procedure used to select and engage respondents (Section 3.2); the analytical tools used to structure the findings — situational analysis, benchmarking, and the SWOT-to-TOWS business-planning sequence — together with the methodological literature justifying each (Section 3.3); and the ethical safeguards observed during data collection (Section 3.4). Together, these methods provide a traceable path from the interview and secondary evidence collected for this study to the situational analysis and benchmarking findings presented in Chapter 4, and from there to the strategic business plan developed in Chapter 5.

CHAPTER 4
Analysis and Findings

This chapter presents the empirical findings of the study, following the methodology set out in Chapter 3. It begins with the situational analysis derived from the semi-structured interviews (Section 4.1), before turning to the national fiscal context that constrains Pakistan Post's investment capacity (Section 4.2). Section 4.3 then benchmarks Pakistan Post against three international operators — USPS, India Post, and Japan Post — and two domestic private couriers, TCS and Leopards Courier, using the indicators developed in Chapter 3. Section 4.4 examines specific digital-transformation models at USPS, India Post, and Japan Post in more depth. Together, these findings provide the empirical basis for the SWOT classification and TOWS-derived business plan presented in Chapter 5.

4.1 Situational Analysis of Pakistan Post

When trying to understand the present strategic state and service delivery of Pakistan post in the framework of digital communication, it becomes necessary to conduct a well-developed situational analysis that will examine the internal and external environment of the organization. Through a systematic analysis of organizational strengths and weaknesses at the same time alongside external opportunities and threats, situational analysis helps the various leaders to identify lateral forces that contribute to institutional performance and competitiveness (Okuyoyi & Okello, 2018).This involves not only internal assessments but also scanning the broader environment for trends, constraints, and competitive dynamics that influence strategy and operational effectiveness (Kweyu & Juma, 2023)

Upon thorough situational analysis conducted through interviews, it has been observed that the challenges faced by Pakistan Post revolve around seven major themes, which are summarized and presented in the table below.

Table 4.1: Interview-based situational analysis themes and indicative evidence

Theme 1: Political & Institutional Constraints	**Situational Dimension**	**Interview-Based Insights (Verbatim / As Provided)**
Officials repeatedly emphasize: • Heavy dependence on government approvals • Policy dependence • No financial autonomy • Policy bottlenecks ("red-Tapism") • Multi-layer approval chain (Ministry → Finance → Regions)	Explains structural governance rigidity and why Pakistan Post cannot behave like private firms.	• "Every reform proposal has to move through multiple ministries" • "Policy makers decide, we only suggest"
Theme 2: Severe Financial Stress • Chronic fund shortages • High pension liabilities (paid in billions/lacs) • Overstaffing in past → abolition of ~476 posts • No bonuses or incentives for employees • Savings Bank erosion due to lack of integration with SBP/FBR in past. • Manual operations raised compliance risks (FATF concerns).	Demonstrates weak financial sustainability and institutional rigidity.	• Funding approvals delay modernization • Savings Bank declined due to lack of SBP/FBR linkage • Manual transactions raised compliance concerns
Theme 3: Digital Backwardness • Non-digital systems • Manual transactions • Digital wallets reduced PPO's transactional role • No deep e-commerce integration	Confirms lag in digital enablement rather than lack of relevance.	• "The system is still manual" • "Private companies are fully digitized" • "Exim Bank project is the only major silver lining"

• Tech adoption depends on external funding (e.g., EXIM Korea project)		
Theme 4: Human Resource Constraints • Workforce shrinking (no new hiring) • Only ~100 postmen in Islamabad region • Overemployment in past • Government job protection → low accountability • No incentive structure • Lack of training	Explains **why service quality lags**, even when infrastructure exists.	• "Staff is unaware of modern techniques" • "Government servants cannot be fired like private employees"
Theme 5: Competition Perception • They reject comparison with private firms on *network size* • They admit inability to compete on *speed and digitization* • They believe their *rates* are unmatched • Public perception favors private couriers for speed	Forms balanced SWOT input: strong reach and pricing, weak speed and digitization	• Weak on speed • Strong on reach & affordability
Theme 6: Ongoing & Planned Reforms • EXIM Bank (Korea) project • 500 post offices being digitized	Pakistan Post is **not static**, but reforms are **slow and externally driven**.	• Silver lining only is EXIM Bank (Korea) project

• Modern equipment, solar power, synced systems • Online grievance system (CMS) • Track & Trace system exists		
Theme 7: Operational & Logistics Challenges • Transport dependency on railways • Only one mail bogie in some regions • Misalignment between ministries • Delivery delays not demand-driven but system-driven	Highlights system-driven inefficiencies rather than employee-level failure.	• Transport dependency on railways for long routes, no any other source to deliver other than short van's for intra city transfers.

The situational analysis reveals that Pakistan Post's current performance is heavily influenced by institutional and policy challenges, such as governance rigidity, financial reliance and lack of digital skills. These structural limitations limit flexibility while the organization still holds strong assets from the public sector, like trust, affordability and a nationwide reach. Meanwhile, pressures and opportunities for reform are driven by the competitive marketplace and expectations for digital services. To summarize these internal and external factors and explore their strategic significance, the following SWOT analysis is provided in the form of a table which would create a sound foundation to draw up a realistic and policy-suitable strategic business plan for Pakistan Post.

Strengths	Weaknesses
• Largest nationwide postal network (Nagarpakar → Siachen) • Nominal, affordable rates • Rural financial inclusion • Government-backed institutional trust • Existing Track & Trace system • Online grievance redressal (CMS) • Existing parcel & overnight delivery services • Ongoing Exim Bank digitalization initiative	• Dependence on government approvals for funding and reforms • Bureaucratic decision-making • Manual operations and low digital maturity • Lack of staff incentives and training, and performance-based rewards. • Heavy pension liabilities • Workforce shortages • No performance incentives • Poor infrastructure due to low budgets • Slow decision-making ("red-Tapism") • Poor logistics infrastructure • Absence of long-term strategic vision
Opportunities	**Threats**
• E-commerce growth (Daraz, online retail) • Digitization of 500 post offices (Exim Bank) • Financial service revival (if digitally integrated) • Government digital initiatives • Rural logistics & last-mile delivery • Strategic partnerships (banks, fintech, e-commerce) • International partnerships	• Private couriers (TCS, Leopards) • Digital wallets replacing PPO services • Public perception favoring private sector • Political interference and policy instability • Continued fiscal pressure on government • Budgetary constraints and fiscal pressures • Risk of further service erosion • Transport inefficiencies

4.2 SWOT Analysis and Interpretation

1. From the SWOT analysis, it is evident that Pakistan Post enjoys strong public sector assets, but it also has significant structural constraints. Its main **strengths** are the availability of a nationwide network, its low cost, its ability to reach rural areas and its institutional trust, which private couriers cannot easily compete with. Basic service capacity is already available in the existing services like parcel delivery, Track & Trace and grievance redressal.
2. these strengths are however tempered by a number of **weaknesses**, such as having a weak culture of bureaucratic decision making, relying on government funding for financial decisions, low digital maturity and low levels of incentives and training for employees. Other factors include limited operational flexibility and modernization due to manual operations, pension liabilities and poor regulatory integration.

3. **Opportunities** lie in the external environment as well, with the growth in e-commerce, the implementation of government digital initiatives, post office digitization initiatives, and possible collaborations with banks, fintech companies and logistics companies. These opportunities are in sync with Pakistan Post's last mile connectivity and the public's demand.
4. Concurrently, **Threats** of service irrelevance and competitiveness due to private courier services, digital payment options, fiscal challenges and policy volatility are major. In conclusion, the analysis indicates that Pakistan Post can enhance its sustainability by capitalizing on its institutional strengths and potential opportunities, while mitigating inefficiencies within the organization through a strategic business plan that is focused and realistic.

4.2.1 Fiscal Context: Government Financing Pattern and Its Strategic Implications.

National level fiscal data is used to further contextualize the financial stress theme identified in the situational analysis; it also draws together the figures on Pakistan Post's own fiscal position introduced earlier in Section 2.8. According to the Pakistan Economic Survey 2024–25, overall federal PSDP expenditure reached Rs 413.6 billion in July–March FY 2025, up 28.6 percent from the same period the previous year (Government of Pakistan, Finance Division, 2025). However,

no specific allocation was provided for the development of Pakistan Post under the PSDP. The PSDP allocation for Communications — covering all communications-related infrastructure projects apart from highways — was just Rs 728 million in FY 2024–25, dropping further to Rs 149 million in FY 2025–26 (Planning Commission of Pakistan, 2025). At the institutional level, the Annual Report of Pakistan Post (2023–24) shows self-generated revenue of around Rs 8.5–9 billion against total expenditure needs of around Rs 18–19 billion, leaving a financing gap of roughly Rs 9–10 billion, which is met through government grants and budgetary transfers (Pakistan Post, 2024). The only substantial development investment in recent years was the USD 25 million digitization project covering 500 post offices, financed by the EXIM Bank of the Republic of Korea rather than the government — in contrast to India, where the government itself funded the India Post Payments Bank and the TCS-led IT modernization programme as a deliberate policy investment rather than a response to deficits (Tata Consultancy Services, 2019). Taken together, these figures confirm what interviewees reported: that the government's financial relationship with Pakistan Post is reactive — covering recurring deficits — rather than a proactive source of development investment, and that this absence of ring-fenced development funding is a governance gap in its own right. This distinction matters for the business plan developed in this thesis: given how limited capital budgets are in this fiscal context, any reform plan must prioritize partnership-led investment, externally financed pilots, and revenue diversification over capital-intensive infrastructure spending.

4.3 Comparative Benchmarking of Pakistan Post with International and Domestic Operators

The benchmarking analysis highlights the performance of Pakistan Post on ten strategic performance indicators with selected international public postal operators (USPS, India Post and Japan Post) and top domestic private couriers (TCS Pakistan and Leopards Courier Services). These factors range from delivery speed to digital customer service, automation and sorting technology, integration of e-commerce, financial diversification, strategic transformation programs, network scale, customer support systems, financial performance to revenues generated. The aim of this comparison is to understand the relative performance of Pakistan Post in the changing postal and logistic industry and determine the gaps and draw out some relevant best practices to suggest a strategic business plan. This benchmarking approach facilitates an orderly

comparison of the public-sector transformation models, as well as efficiency-focused private-sector systems.

Table 4.2: Comparative benchmarking matrix across ten indicators

Indicator	USPS	India Post	Japan Post	TCS (PK)	Leopards (PK)	Pakistan Post
Delivery Speed	1–3 days domestic	1–3 days with Speed Post	1–2 days	1–2 days	1–3 days	3–7 days (variable)
Digital customer services	Informed Delivery (72.9M users; mail preview & notifications). (USPS)	Mobile apps + e-services; POS digitization & Aadhaar integration. (India Post)	Digital kiosks, DX program & smart post-office features. (Japan Post)	App + online booking, e-commerce logistics portals (company). (TCS Express)	Online booking, COD & customer portals (company). (Leopards Courier Services)	Basic app + Pak Post Shop; limited tracking and poor notifications. (Pakistan Post)
Automation & sorting tech	APPS, ADUS & high-speed sorters; handheld scanners. (Postal Facts - U.S. Postal Service)	IT modernization (TCS partnership), real-time tracking hubs. (MEITY Portal)	AI/robotics in sorting; automation investments in hubs. (Japan Post)	Semi/full automation in parcel hubs; private investment. (TCS Express)	Investments in tech/automation claimed; fleet & hub upgrades. (Leopards Courier Services)	Mostly manual sorting; limited automated hubs. (Pakistan Post)

Indicator	USPS	India Post	Japan Post	TCS (PK)	Leopards (PK)	Pakistan Post
E-commerce & marketplace integration	USPS Connect & marketplace logistics tie-ins. (USPS)	eCommerce portal, API & partnerships (Amazon/Flipkart). (eComm Services)	Parcel lockers & e-commerce support, cross-border logistics.(Japan Post)	Strong B2C e-commerce shipping infrastructure. (TCS Express)	E-commerce deliveries, COD; expanding B2C services. (Leopards Courier Services)	Weak API/e-commerce tie-ins; small e-commerce share. (Dunya News)
Financial services / diversification	Retail partnerships & value-added services; revenue mix shifting. (USPS)	India Post Payments Bank (IPPB) — millions of accounts; banking via post offices. (ETBFSI.com)	Integrated post + banking + insurance (major revenue diversification). (Japan Post)	Logistics + warehousing + corporate solutions diversify revenue. (TCS Express)	Warehousing, freight, COD services (diversified logistics). (Leopards Courier Services)	Limited diversification; traditional money orders; recent small fintech/EMO pilots. (Pakistan Post)
Strategic transformation programs	"Delivering for America" 10-year plan & modernization roadmaps. (USPS)	National digitalization programs; IT modernization & IPPB. (Digital India)	Japan Post Group DX & medium-term value-creation plans. (Japan Post)	Company internal growth & expansion strategies (not public). (TCS Express)	Growth & tech adoption stated in corporate profile. (Leopards Courier Services)	Ad hoc reforms; no comprehensive long-term transformation plan in public domain. (Dunya News)
Scale / network	~31k retail units; national addressing, route network. (USPS)	~150k post offices (largest network); huge rural outreach. (Network Stats)	~24k offices; dense national network integrated with services. (Japan Post)	Thousands of service points and wide urban presence. (TCS Express)	National network with multiple offices; international reach. (Leopards Courier Services)	~12–13k post offices (broad rural footprint but losses at many outlets). (Pakistan Post)

Customer support & complaints	Digital portals, surveyed CX metrics via USPS studies. (USPS)	App-based grievance redressal; call centers; local outreach. (India Post – Post Info / Grievances)	Strong customer channels and service standards. (Japan Post)	App/WhatsApp support, dedicated corporate account managers. (TCS Express)	Helpline/app; focus on COD and merchant support. (Leopards Courier Services)	Largely manual complaint handling; limited e-complaints. (Pakistan Post)
Financial performance (latest available)	Detailed FY reports; overall postal losses and revenue breakdown in official reports (see USPS FY reports). (USPS)	India Post (government entity) revenue/parcel volumes reported; IPPB financials show rapid growth; IPPB profit milestones reported 2025. (ETBFSI.com) (IPPB Profit 2025)	Japan Post Group annual reports show revenue and segment results; diversification into banking/insurance key. (Japan Post)	Private: company statements indicate large operations; public revenue data limited — use industry reports. (TCS Express)	Private: company statements; limited public financials — use industry sources. (Leopards Courier Services)	Pakistan Post: recent reports show large losses (news reporting ~Rs50bn loss over 2019–24) and limited revenue (~Rs7–9bn 2022–24). (Dunya News)
Revenues / Profits	FY2023 revenue **$78.2B**; net loss **$6.5B**.	FY2022–23 revenue **₹18,036 crore** (~$2.16B); IPPB customer base 12 crore and growing; profits still stabilizing. **(**IPPB Update**)**	FY2023 consolidated revenue **¥11.39T** (~$75B); net profit **¥419B** (~$2.8B). Postal profit modest; banking/insurance drive earnings.	Estimated annual revenue **PKR 35–45B**; profit not publicly disclosed.	Estimated annual revenue **PKR 12–18B**; profit not publicly disclosed.	Annual revenue approx. **PKR 8.5–9B**; cumulative losses **PKR 50B+** (2019–2024).

4.3.1 Benchmarking Interpretation

The benchmarking analysis shows that Pakistan Post has a significant structural and technological deficit with respect to modernized postal systems of other countries, and also with private domestic postal couriers. International operators like USPS, India Post, Japan Post have shown a high level of performance in almost all metrics, including digital customer services, automation, strategies and service diversification. Examples of this include postal organisations like USPS's *Informed Delivery*, India Post's adoption of Aadhaar and digital banking via IPPB and Japan Post's digital kiosks and DX programs. Integrating logistics, financial services, e-commerce and customer engagement in a unified digital ecosystem.

On the other hand, Pakistan Post has low levels of digital maturity on most key indicators. Basic digital Customer service, limited automation in sorting and logistics, and low level integration of e-commerce. The basic system like Track & Trace, Pak Post Shop and CMS etc. are available, however, they are not comprehensive, well integrated and scaled like the international standard. Reform activity, including the digitization of post offices, through the EXIM Bank, is project-focused instead of a systemic approach, meaning there is no long-term digital transformation strategy.

This gap is reflected in the financial diversification indicator as well. Japan Post and India Post have been able to incorporate banking, insurance, and other digital financial products in their postal system, making a stable revenue source from non-mail service. Private players like TCS and Leopards have expanded into diversified businesses like warehousing, corporate logistics, freight and ecommerce. However, Pakistan Post has been largely lacking in diversification in the traditional primary revenue sources with only some pilots in fintech and electronic money orders to show.

This is a type of gap different from that found when comparing with domestic private couriers. The delivery speed, customer experience, automation, and logistics efficiency are among the key areas where TCS and Leopards outperform Pakistan Post, thanks to private investment, digital platforms, and operational flexibility. These, however, do not come anywhere near to Pakistan Post's geographical spread, affordability, rural presence or public service goal. This means that

Pakistan Post is not only missing the institutional relevance but is also lacking on strategic execution, digital capability and governance structure.

International postal systems show that diversification and digitalization is effective in stabilizing financial performance, even in flat mail markets, in both terms of revenue and performance. Note that banking and insurance services are the main source of income for Japan's Post Corporation, and IPPB expansion is a result of good financial integration in India Post. In contrast, Pakistan Post is still facing financial losses and experiencing low revenues growth, underscoring the relationship between digital transformation and financial sustainability.

Overall, the benchmarking analysis reveals a moderately good level of physical capabilities and public legitimacy, with low level of digital capabilities, weak diversification and low level of strategic coordination for the Pakistan Post organization. The evidence indicates that the postal transformation needs to be technologically advanced and backed by institutional change, long-term strategic planning and integrated postal service models. The above findings directly contribute to the direction of the strategic directions proposed in the next section of the chapter, which is based on the construction of a realistic, phased strategic business plan for Pakistan Post that is institutionally feasible.

4.4 Key Model Transformations: USPS, India Post, Japan Post

To face digital disruption and the increasing expectations of customers and the increasing use of e-commerce, postal organizations have developed different transformation models over the last 20 years. The chapter highlights the three widely-quoted good examples, the United States Postal Service (USPS), India Post and Japan Post Group, in terms of the main reforms that they undertook, namely digital services, automation, e-commerce integration, financial diversification and governance/strategy. These cases are a few examples of practical and institutional solutions for modernizing old postal services and offer a lesson for Pakistan Post. India Post and USPS were also discussed in the literature review (Section 2.3); the treatment here is distinct in purpose and scope — rather than synthesizing what has been published about their reforms, this section applies specific, empirically detailed transformation models from all three comparators directly to the benchmarking framework developed in Chapter 3, including Japan Post, which is introduced here

for the first time as it was not part of the Chapter 2 literature review. (USPS; Tata Consultancy Services; Japan post)

4.4.1 USPS – Digital Innovation, Automation and Strategic Transformation

1. Digital Services & Customer Engagement

A pillar digital service of the USPS, informed delivery allows customers to preview their mail, package tracking and notification, and receive mail delivery alerts by e-mail or app. During fiscal year 2024-25 alone, USPS has mailed more than 12.5 billion Daily Digest e-mails covering more than 33 billion mail pieces and 10 billion packages (United States Postal Service - July 9, 2025a). According to the service's figures, by 2025 it will have 72.9 million active users, a significant number of users for a postal service of a national state (United States Postal Service, 2024b). The 2025 user-survey results reveal that 94% of respondents were "satisfied or very satisfied" with Informed Delivery, demonstrating high acceptance (USPS, 2025). The 2025 user-survey results reveal that 94% of respondents were "satisfied or very satisfied" with Informed Delivery, demonstrating high acceptance

2. Automation & Operational Efficiency

In total, the USPS network comprises over 9,000 units of automated sorting equipment that handle and sort a massive amount of mail and parcels, of which the Matrix Regional Sorter is the largest automated processing system that can sort as many as 52,600 packages per hour (United States Postal Service, 2024c). Other equipment such as delivery-unit sorters, robotic containerization systems, barcode sorters, and flat-mail sorters work together to achieve high volume, high accuracy and high efficiency (United States Postal Service, 2024c). USPS uses Mobile Delivery Devices (MDDs), handheld scanners that carriers carry in their bags to scan the mail and packages that are delivered at each location, the scanners provide real-time updates of the location. This enables services such as Informed Delivery, and complete visibility of the mail stream (United States Postal Service, 2024c)

3. Strategic Transformation & Long-Term Planning

The United States Postal Service (USPS) modernization initiatives are not intended as a series of unrelated projects; instead, they are part of a comprehensive strategic plan that is long term and specific to the United States, which has been dubbed Delivering for America. Under this plan,

USPS will coordinate operational changes, service-level changes, and financial management changes—delivering a clear path and not random initiatives (Deliver the Future | USPS, n.d.) The company has also diversified its services beyond traditional mail and parcels by offering label-broker printing, package campaign APIs, and commercial mailer innovations, among others. (United States Postal Service, n.d.)

4. Key Metrics & Performance Indicators

Table 4.3: Selected USPS digital and automation metrics (illustrative indicators)

Metric / Indicator	Value / Fact
Informed Delivery daily digest emails (2024)	> 12.5 billion sent
Active Informed Delivery users (2025)	72.9 million
Automated packages sorted per hour by Matrix Sorter	52,600 packages/hour
Number of automated sorting/processing machines in USPS network	> 9,000
Daily mailpieces processed (all categories)	371.3 million (2024 data)

Sources: United States Postal Service (2024a); United States Postal Service (2024b); United States Postal Service (2025); United States Postal Service (2024c).

Such numbers show the potential of having digital services, automation and massive infrastructure coexisting, reflecting the way a postal system could be designed to be customer-friendly and efficient.

4.4.2 India Post – IT Modernization and Financial Inclusion

1. Large-scale IT Modernization (TCS partnership)

Information Technology has been the biggest reason behind the modernization of India post with the help of Tata Consultancy Services (TCS) venture. The initiative computerized counter operation and installed Point of sale (Pos) terminal in thousand offices and provided handheld to each delivery agent (Gramin Dak Sevaks). TCS describes this as one of the world's largest e-postal

implementations and highlights deployment of PoS terminals and 130,000+ handheld devices for field banking and postal services. (Tata Consultancy Services, 2019)

2. Postal Banking: India Post Payments Bank (IPPB)

IPPB uses the postal network for doorstep banking and has seen rapid scale. Recent reports indicate IPPB has reached 12 crore (120 million+) customers and has been recognized for digital payments expansion and financial inclusion. IPPB's model uses postal employees with mobile devices to open accounts and perform transactions in rural and remote areas. (The Economic Times, 2025)

3. E-commerce Enablement & Advanced Postal Technology

India Post invested in e-commerce tooling (online booking portals, APIs) and pilot programs for parcel OTP verification and UPI payments at delivery (Advanced Postal Technology 2.0). Recent reporting notes OTP-based parcel confirmation, 5G-enabled devices for post offices, and real-time tracking rollouts in major regions — moves designed to make India Post competitive for e-commerce last-mile logistics. (The Times of India, 2024)

4. Scale: Network & Field Force

India Post is the world's largest postal network by offices — official releases and government press updates cite ~150,000–165,000 post offices (mostly in rural areas), supported by a very large field force. Recent PIB data reports ~164,987 operational post offices (March 2025). (Press Information Bureau, Government of India, 2025).

4.4.3 Japan Post – Group Digital Transformation (DX) and Service Integration

1. Group-level Digital Transformation (DX)

Japan Post Group has pursued an integrated Group DX strategy linking postal, banking, and insurance services under coordinated digital platforms. The annual reports describe initiatives such as the Post Office App (group platform), AI & robotics pilots, RPA process automation, and data-driven customer experience (CX) programs. The DX approach is explicitly framed in Japan Post's value creation / medium-term plans. (Japan Post Group, 2024)

2. Automation, Smart Post Offices & Robotics

Japan Post has implemented automation across sorting hubs, adopted robotics in operational centers, and trialed smart post offices with self-service kiosks and locker systems. Its annual

reports show that it invests in robotics and automation that decrease manual labor and quicken customer service on retail counters. (Japan Post Group, 2024)

3. Financial Services Integration & Revenue Diversification

The consolidated organizational structure of Japan Post Group includes significant banking and insurance subsidiaries; financial institutions contribute a significant amount of revenue and profit that support the operations of the postal services. As it is evidenced in the annual reports, the consolidated revenue and profit data of the group is often overwhelmed by the efforts of the banking and insurance operations. This diversification as a result eliminates the dependence on the volume of mails and makes it easier to finance capital investments. (Japan Post Group, 2025)

4. Customer Experience & CX Governance

Japan Post emphasizes CX (Customer Experience) governance (CX committees, CX design departments) to coordinate improvements across business units. This governance focus ensures digital and operational changes translate into measurable customer outcomes. (Japan Post Group, 2024)

Among the domestic private couriers included in the benchmarking discussion above, TCS and Leopards Courier are the most relevant direct comparators:

TCS is an established courier and logistic company in Pakistan established in 1983 (TCS, n.d.). Leopards Courier Services was also established in 1983, from humble beginnings, and subsequently grew to be a nationwide courier, logistics and supply-chain service (Leopards Courier Services, n.d.). These private couriers are significant alternatives to the public postal service (Pakistan Post) particularly in the e-commerce logistics, quick parcel delivery, and modern couriers sectors.

1. Services & Market Position

TCS

Provides a wide range of courier services: domestic and international delivery, e-commerce logistics, express mail, freight/cargo, "door-pickup" (home pickup) services, and corporate logistic solutions (TCS Express). Offers multiple delivery speeds — e.g., overnight express, economy services, time-choice delivery, and specialized services for documents and goods (TCS Tracker).

Provides customer support via helpline, website, complaint portals, and online tracking systems (tcsexpress.com.pk).

Leopards Courier

As per its official profile, Leopards provides courier and logistics services including express delivery, warehousing, freight, e-commerce fulfillment, overland transport, and supply-chain solutions (Leopards Courier Services). Their service portfolio includes "Overnight & Same-Day Delivery," express services, economy services, document care, and various e-commerce logistic solutions (Leopards Courier Services).Leopards claims a nationwide network of service centers, hubs, and coverage across urban and remote areas — offering reach that is comparable to national mailing demands. (leopards.enic.pk)

2. Infrastructure, Network & Reach

The corporate profile of Leopards shows how they have spread out of their few destinations to over 1,000 express centers throughout Pakistan and even more number of regional hubs geared towards sorting and dispatch which shows the comprehensive network and logistical infrastructure (leopards.enic.pk). Both TCS and Leopards are continuing to provide their services in many of these smaller towns and rural aspects each allowing them to access the growing number of e-commerce demand outside the major urban centers (TCS Express). Their strategic elasticity of operations and the potential to meet all aspects of the market, including retail consumers, small-scale enterprises, corporate, and e-commerce vendors, is expressed through their multidisciplinary service provision, i.e., logistics, freight and warehousing, express courier and door-to-door pickup (Leopards Courier Services).

3. Service Quality, Speed, and Customer Experience

TCS advertises express services such as overnight or next-day delivery, with claims of broad coverage, tracking system, and customer support via helplines and online portals (tcsexpress.com.pk). Leopards offers express, economy, and specialized services (document care, express courier, cargo) with tracking support — indicating an attempt to match or surpass consumer expectations aligned with modern courier standards (Leopards Courier Services).Their logistics and warehousing capabilities suggest they are capable of handling higher volumes of

parcels and goods — a necessary feature in e-commerce logistics where volume, speed, and reliability matter (Leopards Courier Services).

What the Literature / Reports Suggest: Strengths & Challenges of Private Couriers

Strengths of Private Couriers (TCS and Leopards)

- *Flexibility & service variety:* The structure of these organizations can easily adapt to changing demands in the market, e-commerce, cash-on-delivery, overnight express and warehousing, unlike most of the public systems that are more heavily structured.
- *Better customer-oriented services:* These operators value speed, tracking, real-time notifications, and customer service, which are factors that are becoming more sought after by modern e-commerce consumers and businesses.
- *Logistics & network infrastructure:* The countrywide coverage and remote locations are achieved by a powerful hub-based distribution system which is supported by warehousing, freight, and transport capacity; as a result, these companies can be considered as a possible rival and competitor of national postal service.
- *Service specialization & diversification:* Beyond simple parcel delivery, they provide value-added services (logistics, fulfillment, warehousing, etc.), allowing multiple revenue streams and resilience.

Challenges and Critiques of Private Couriers (based on public feedback)

- *Service reliability varies:* On websites like customer-review forums, customers have displayed complaints of delivery delays and loss of parcels and the lack of customer support so that it is not always the case that the quality of services provided by the private courier services is high (Trustpilot)
- *Potential issues with consistency in remote areas:* Although the companies claim to offer a national delivery system, the real time of delivery and performance in the distant or rural locations may be negatively influenced due to the infrastructural and logistical limitations.
- *Transparency and governance issues:* Since even a private courier company performs on their own behalf, a regulatory control, and personnel guidelines, the consumer might feel confused and have unequal consumer experiences, especially when using cash-on-delivery (COD), returns, and delivery of high-value products.

4.7 Conclusion

This chapter has presented the empirical findings on which the business plan in Chapter 5 is built. The situational analysis (Section 4.1) identified seven recurring themes in the interview evidence, ranging from institutional and governance constraints to financial stress and digital backwardness. Section 4.2 showed that these constraints are compounded by a national fiscal environment in which Pakistan Post receives reactive budgetary support rather than dedicated development financing. The benchmarking exercise in Section 4.3, and the deeper transformation case studies in Section 4.4, showed that comparator operators — USPS, India Post, Japan Post, and the domestic private couriers TCS and Leopards Courier — have each addressed broadly similar challenges through digitization, automation, and financial diversification, providing a concrete evidence base for the strategic options considered in Chapter 5. Taken together, these findings confirm that Pakistan Post's core difficulty is not a lack of physical reach or institutional legitimacy, but a combination of constrained investment capacity and slow adaptation of its service model to a digital, e-commerce-driven market — the problem the business plan developed in the next chapter is designed to address.

CHAPTER 5

Business Plan for Pakistan Post

This chapter translates the evidence and strategic implications reported in Chapter 4 (Analysis and Findings) into an implementable business plan.

5.1 Executive Summary

Chapter 4 showed that Pakistan Post is strategically relevant as it has countrywide presence, has a low cost and is trusted by the public but is underperforming compared to private couriers and modern postal operators because of structural execution constraints. The binding constraints observed in Chapter 4 are multi-layer dependency of approvals, long term financial constraints (including pension obligations), manual processes and low digital maturity, lack of skills on the work force, and system driven logistics delays, driven by the need for more rail dependent transport and lack of alternatives. Meanwhile, practical enablers have paved the way in Pakistan Post—Track & Trace, Complaint Management System (CMS), existing parcel and overnight services, and digitizing of 500 post offices supported by the EXIM Bank, setting up a solid ground for phased transformation.

This business plan takes a "stable service reliability and visibility first, monetize the network via e-commerce and institutional logistics; and, rebuild financial sustainability via diversified revenue mix and cost-to-serve reduction" approach – constraint-aware. The strategy can be summarized in Figure 5.1.



Figure 5.1: Strategy map linking Chapter 4 findings to strategic pillars and measurable outcomes.

Source: Author's analysis

5.2 Introduction to the Business Plan

As highlighted in Chapter 4, the postal sector context is one of diminishing relevance of traditional mail services, growing expectations on digital convenience, and stiff competition from private couriers in speed and service quality. The comparative advantage of the Pakistan Post is not being able to deliver speed parity in the short-term, it is the ability of delivering at an affordable price at national scale, even in the last mile to rural areas. So, the business plan focuses on specific competitiveness areas where Pakistan Post can succeed – visibility, reliability, reach-based e-commerce logistics and institutional service delivery.

This chapter translates the Chapter 4 findings into a concrete business plan using the methodology set out in Section 3.3.3: the situational analysis and benchmarking evidence are first classified into a SWOT framework, then converted into strategic direction using the TOWS matrix (Table 5.1), and finally operationalized through the strategic pillar cycle (Figure 5.2), the Business Model Canvas (Figure 5.3), and the Value Proposition Canvas (Figure 5.4). The plan is deliberately scoped to the comparative advantages identified in Chapter 4 — network reach, last-mile access, and institutional trust — rather than attempting to compete with private couriers on dimensions,

such as delivery speed, where Pakistan Post's cost structure and legacy processes make near-term parity unrealistic. The remainder of this chapter sets out the strategic objectives and transformation pillars (Section 5.3), the SWOT-to-TOWS strategic inferences (Section 5.4), the resulting business model (Section 5.5), and the operational design that follows from them (Section 5.6).

The design principles that come from the evidence in Chapter 4:

- Institutional feasibility: reform is planned to go through approval processes and not work autonomously.
- Not just procurement, but adoption of digital – truly changing the way things are done and held accountable for, not just the hardware.
- Reliability – started on priority lanes where transport and hub discipline can be controlled, and then developed in the corridor.
- Partnership led scaling: revenue diversification and capability gaps are holistically tackled through organized partnerships where internal investment is limited.
- Compliance first transactional services: digitized audit trails come ahead of any scaling of postal financial services.

5.3 Vision, Mission, and Strategic Objectives

Vision: To establish Pakistan's most trusted, digitally enabled national last-mile network that is reliable, affordable and accessible across the country.

Mission: To provide measurable and dependable postal and logistic services through digitization, better transport security, increased capacity of the postal services workforce and partnerships, in line with the mandate and constraints identified in Chapter 4.

The strategic objectives, built upon the seven-theme diagnosis and gaps identified in Chapter 4:

- Digitize priority service nodes and maintain the discipline of scanning at end-to-end (initially 500 EXIM supported post offices).
- Minimize variability in deliveries by redesigning dispatch scheduling and corridor operations (system-driven delays).
- Share of grow parcels and e-commerce logistics through merchant ready services (bulk acceptance, returns and performance reporting).

- Enhance the customer experience by enabling Track & Trace along with proactive notifications and CMS complaints to closure processes.
- Increase the capacity of the workforce through role training, operational SOPs, and KPI-based supervision that is flexible in line with public HR limitations.
- Ensure financial sustainability through growing non-mail revenue sources and reducing cost-to-serve through reduction of exceptions and rework. The five transformation pillars used to deliver these objectives are visualized in Figure 5.2.

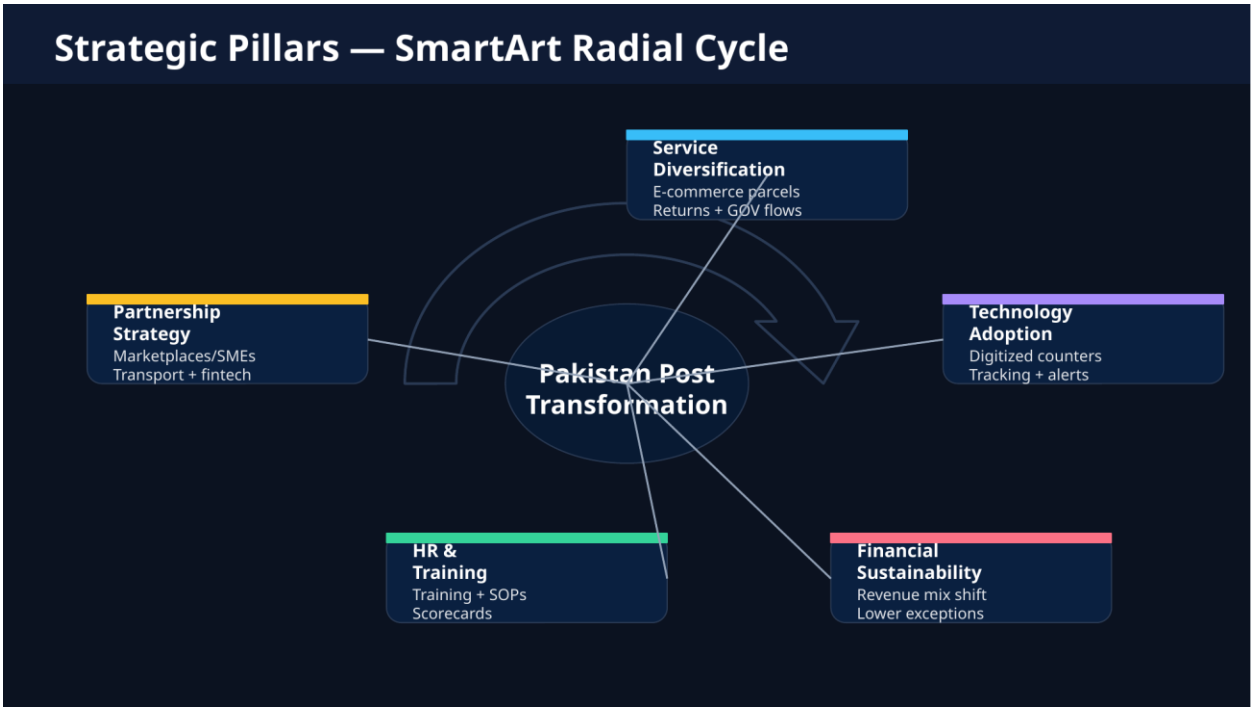


Figure 5.2: Strategic pillar cycle (service diversification, technology adoption, HR & training, partnership strategy, financial sustainability).

Source: Author's analysis

5.4 SWOT Analysis (Strategic Inferences from Chapter 4)

The detailed SWOT is provided in Chapter 4. The SWOT is applied in this chapter solely as a decision tool, to make inferences to strategy. The plan uses a TOWS approach to make SWOT into actionable decisions without rephrasing the SWOT matrix.

Table 5.1: TOWS-style strategic inferences derived from Chapter 4 SWOT

SWOT logic	Inference applied in this business plan
SO (Strength–Opportunity)	Use nationwide reach + affordability to win e-commerce and institutional distribution, especially in underserved areas.
WO (Weakness–Opportunity)	Use EXIM digitization as an anchor to eliminate manual bottlenecks and enable merchant services (portal/API, notifications, scan discipline).
ST (Strength–Threat)	Compete on transparency, reach, and predictable service tiers (rather than blanket speed claims) to counter private courier perception advantages.
WT (Weakness–Threat)	Reduce rail-only risk on priority corridors via contracted line-haul pilots; strengthen complaint SLAs to prevent further trust erosion.

5.5 Proposed Business Model

The proposed model puts Pakistan Post as a digitally enabled national last-mile platform that reinforces with three streams of business: (i) modernized postal services and tracked parcels; (ii) e-commerce and merchant logistics services; and (iii) compliant and partner enabled transactional services offering auditability through digitization. The model is summarized in figure 5.3 in a simplified business model canvas.

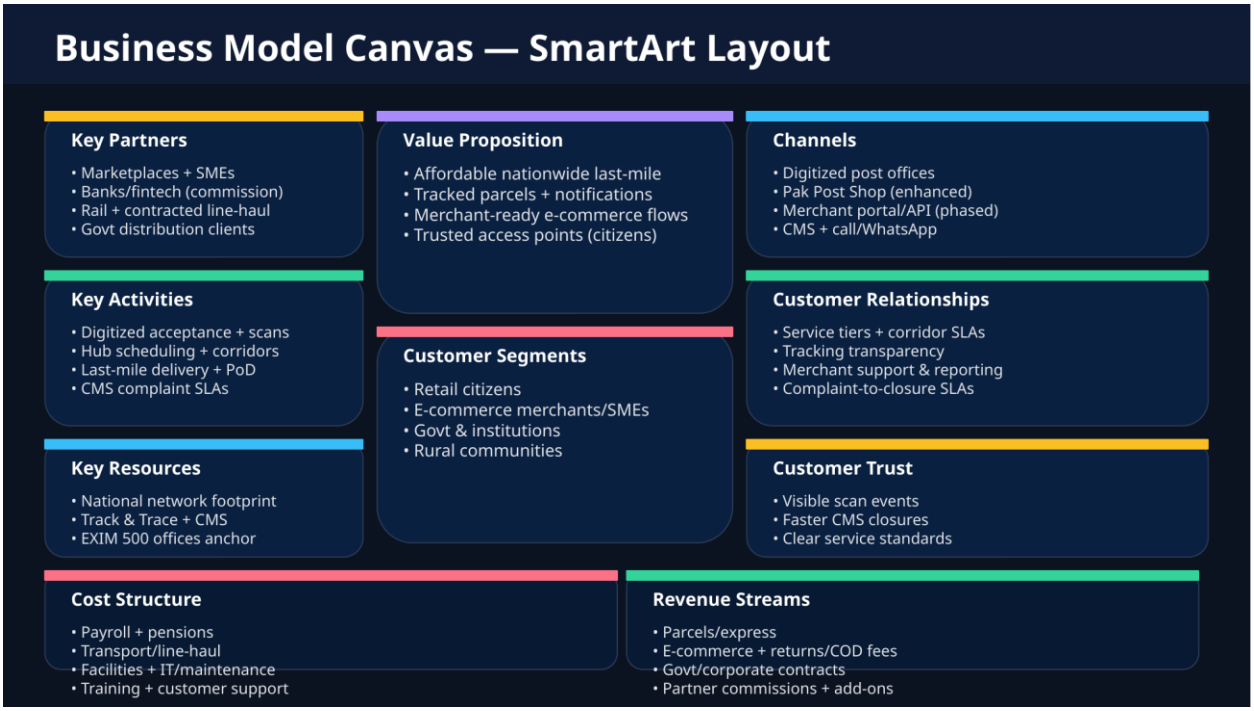


Figure 5.3: Simplified business model canvas for Pakistan Post (derived from Chapter 4 findings).

Source: Author's analysis

Design decisions for Business Models (Chapter 4):

- Legacy reliance on mail is eroded and revenue focus moves to parcels, merchant services and institutional contracts.
- Customer relationships are dealt with through service tiers and corridor SLAs and the complaint to closure standards based on CMS.
- Operations focus on the compliance and discipline of the scan process and on making tracking systems a true means of controlling the service.

5.6 Operational Plan (Services, Logistics, Technology Adoption)

As mentioned in chapter 4, most of the delays are system dependent (transport dependence, inter-ministry misalignment, manual processing). Thus, operational modernization is based on (i) a service tier discipline, (ii) logistics control based on corridors, and (iii) technology adoption which alters the way of working and responsibility.

Table 5.2: Service tier design and operational controls

Service tier	Customer promise (realistic)	Operational controls required
Standard tracked parcel	Affordable, trackable at key points	Acceptance + delivery scans; minimum exception handling
Priority corridor parcel	Lower variability on defined corridors	Scheduled dispatch windows; corridor line-haul planning; hub scan compliance
Merchant e-commerce service	Bulk booking + returns/COD workflow (phased)	Merchant node counters; basic portal/API; settlement reporting; returns routing
Institutional/G2C distribution	SLA-based reporting and proof of delivery	Batch dispatch; PoD; route planning; exception escalation via CMS

Operational priorities and controls:

- Logistics: implement hub scheduling and corridor planning to minimize the disruption to priority flows (rail retained where cost-effective).
- Technology adoption: view missed scans, delays and correct them with digitized counters, Track & Trace events and CMS Tickets.
- Customer visibility: add proactive notifications with scan events (addresses ‘poor notifications' gap, Chapter 4).
- Enable employee workforce: mandatory SOP training for digitized offices & delivery staff; introduce score cards and recognition/allowances where appropriate.

5.7 Marketing and Customer Engagement Plan

A perception gap, as customers like private couriers for speed of service and digital convenience, while Pakistan Post's key differentiators remain reach and affordability is confirmed in Chapter 4. So marketing is founded more on the practical results of improvements to reliability and visibility, as opposed to a generic speed statement. The value proposition fit for the priority segments (retail parcels and e-commerce merchants) is illustrated in figure 5.4.

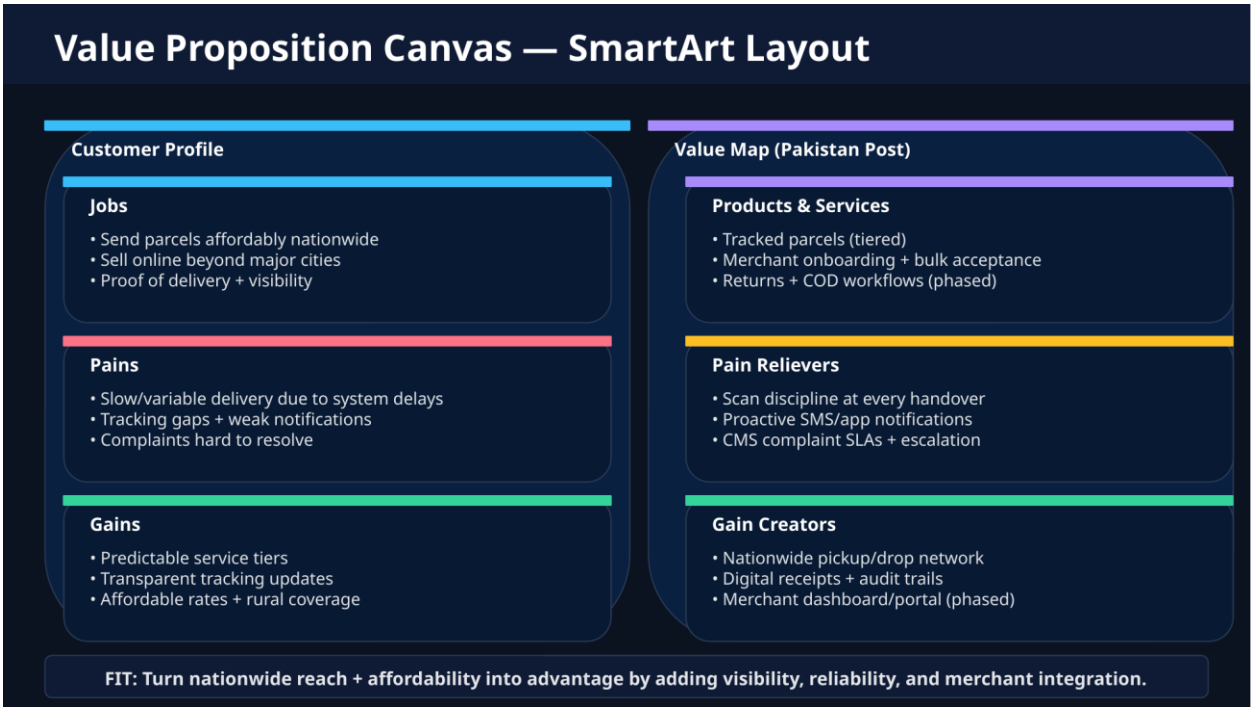


Figure 5.4: Value proposition canvas linking customer pains/gains to Pakistan Post's service design responses. Source: Author's analysis

Customer engagement actions (Chapter 4 aligned):

- Positioning: 'Affordable nationwide delivery with clear tracking and complaints actioned.
- Merchant engagement: choose digitized post offices as merchant nodes (bulk acceptance, cut-offs for daily dispatch, returns handling).
- Customer experience: tracking transparency + proactive notifications + closure SLAs for CMS as key promises.
- Reputation rebuilding: share corridor level performance data on a quarterly basis (on time %, scan completeness, complaint closure time).

5.8 Financial Plan (Revenue Streams, Cost Structure, Profitability)

Chapter 4 is the result of continued financial pressures, modest revenue increases and substantial accumulated losses in recent years, compounded by pension obligations and the lack of funding approvals. The financial plan therefore puts more emphasis on diversifying revenue sources appropriate for the network of Pakistan Post along with reducing the cost to serve by digitizing workflows and reducing service exceptions.

Table 5.3: Financial plan—revenue streams and cost structure levers

Financial lever	Specific revenue/cost mechanism	Operational enabler (Chapter 4 aligned)
Parcels & priority tiers	Higher parcel volumes; tier pricing on priority corridors	Dispatch discipline + scan completeness + corridor planning
E-commerce logistics	Merchant contracts; returns/COD-related fees (phased)	Merchant portal/API + standardized returns routing
Institutional/G2C services	Service contracts; distribution fees	SLA reporting + proof-of-delivery workflows
Partner-enabled transactional services	Commission-based services where approved	Digitized audit trails; compliance-first workflows
Cost-to-serve reduction	Lower rework, fewer lost items and escalations	Integrated Track & Trace + CMS; exception analytics

Profitability is considered a three-stage reduction in loss program: (i) stabilize operations and visibility; (ii) scale merchant and institutional volumes; (iii) deepen diversified income streams after digital operation and compliance are achieved and stable.

5.9 Implementation Timeline and Milestones

Implementation is planned as a milestone gated scaling, as noted in Chapter 4, because of the need to ensure approval dependence and slow reform cycles. The visual roadmap and KPI dashboard is given in Figure 5.5.

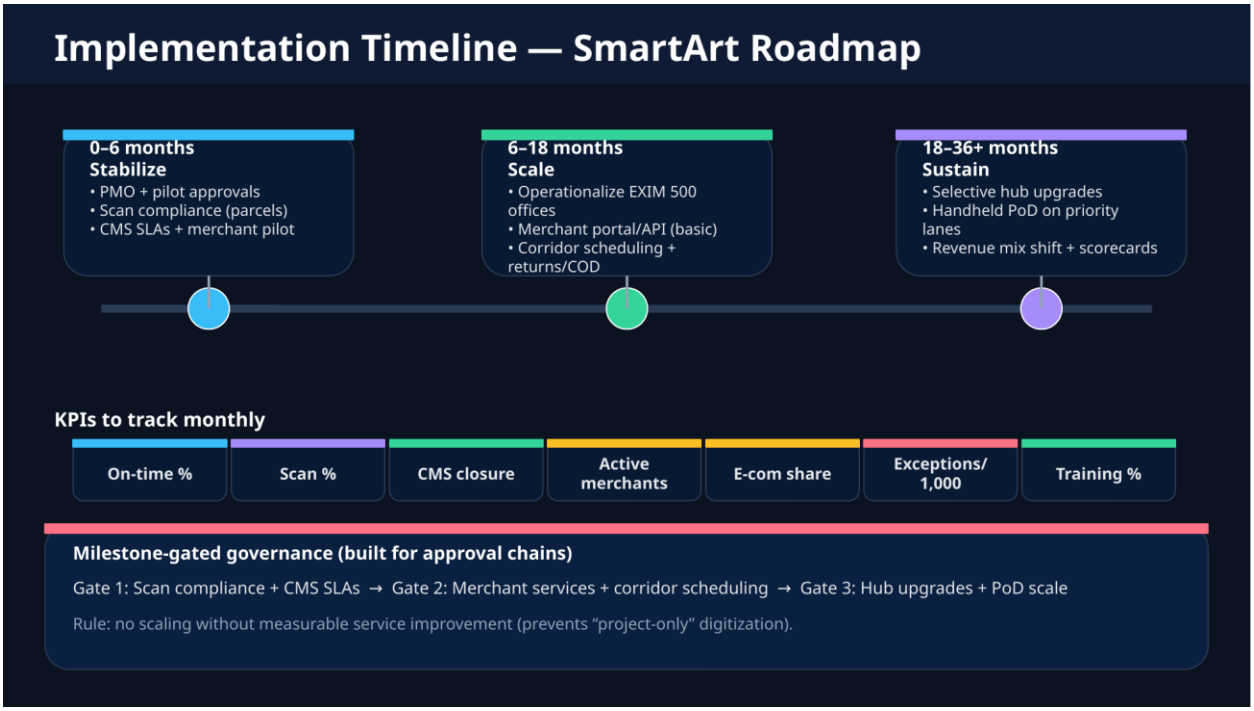


Figure 5.5: A phased implementation roadmap, a monthly KPI dashboard and milestone-gated governance. Source: Author's analysis

Table 5.4: Implementation phases and milestones

Phase	Minimum deliverables (go/no-go gates)
0–6 months (Stabilize)	PMO + pilot approvals; parcel scan compliance at key points; CMS SLAs active; merchant pilot node launched
6–18 months (Scale)	EXIM 500 offices operationalized (workflow adoption); merchant portal/API basic; corridor scheduling + returns/COD SOPs
18–36+ months (Sustain)	Selective hub upgrades; handheld proof-of-delivery on priority lanes; revenue mix shift + institutionalized scorecards

5.10 Risk Analysis and Mitigation Strategies

The risk controls are identified based on Chapter 4's threat environment (private courier competition, digital substitution, financial constraints) and internal constraints (approval chains, manual processing, logistical dependence, HR constraints).

Table 5.5: Risk register and mitigation indicators

Risk	Why it matters (Chapter 4)	Mitigation	Indicator to watch
Approval delays	Multi-layer approval chain slows reforms	Milestone-gated pilots; PMO reporting; delegated thresholds	Project milestone slippage
Funding shortfalls	Chronic fiscal stress; delayed approvals	Partner-led scaling; prioritize high-volume nodes; ring-fence incremental revenue where feasible	Digitization coverage vs plan
Low adoption of tech	Manual culture; weak training/incentives	Mandatory SOP training + certification; office scorecards	Scan completeness %
Logistics disruption	Rail dependence; limited alternatives	Corridor transport mix pilots; hub dispatch windows	On-time dispatch %

Customer trust erosion	Perception favors private couriers	Publish service tiers; proactive notifications; CMS SLAs	Repeat complaints rate
Compliance exposure	Manual transactions raise compliance concerns	Digitized audit trails; reconciliation controls; staged transactional expansion	Audit exceptions

5.11 Conclusion

In this chapter the empirical diagnosis of Chapter 4 was transformed into a short, measurable and institutionally feasible business plan. Instead of a SWOT, the plan prioritizes the five pillars of service diversification, technology adoption, HR & training, partnership strategy and financial sustainability, all provided through milestone gated implementation appropriate for a context that is subject to approvals. Incorporating modernization into the EXIM digitization program, operational discipline (scans, dispatch windows, corridor control), and introducing merchant and institutional services can not only help to eliminate service variability but also help to restore customer trust and confidence through transparent tracking and complaint closure performance, which will also help Pakistan Post to diversify its revenue mix toward sustainable logistics-led growth.

CHAPTER 6

Conclusion and Recommendations

The main objective of this final chapter is to synthesize evidence provided in Chapter 4 (Analysis and Findings) and action-oriented business plan proposed in Chapter 5. It (i) highlights key findings on the limitations and strategic strengths of Pakistan Post, (ii) offers policy and management-oriented recommendations for future and short-term Pakistan Post development and (iii) outlines opportunities for future research and institutional development.

6.1 Summary of findings

The analysis shows that Pakistan Post is facing challenges which are more system and structural than frontline or demand related. Seven themes consistently account for the organization's service and financial outcomes in the interviews and comparative benchmarking.

- Governance rigidity is a binding constraint: multi-layer approvals and limited autonomy slow reforms and reduce operational responsiveness.
- Financial fragility persists: chronic fund shortages, large pension liabilities, and delayed releases constrain modernization and weaken staff motivation.
- Digital maturity remains low: core processes remain manual, customer notifications are weak, and e-commerce integration is underdeveloped.
- Workforce capability gaps are systemic: limited training, shrinking delivery staff in key areas, and constrained accountability mechanisms reduce service quality.
- Operational delays are system-driven: transport dependence (especially rail for long routes) and inter-agency misalignment create delivery variability.
- Reforms exist but are project-based: digitization initiatives require adoption discipline, integration, and scaling to produce network-wide impact.
- Benchmarking confirms the direction of effective reform: integrated digitization, service diversification (parcels/e-commerce), and partnership-led delivery models.

The key takeaway from chapters 4 and 5 is that Pakistan Post can become competitive by transforming its nationwide presence and institutional credibility into measurable service outcomes (reliability, visibility, and quick complaint handling), and by transitioning its revenue mix from traditional postal services to parcels and e-commerce logistics, along with compliant partner supported services.

Table 6.1: Evidence-to-action synthesis (Chapter 4 → Chapter 5 → Chapter 6)

Evidence from Chapter 4 (observed)	Business plan response in Chapter 5 (designed)	Chapter 6 decision implication (authorize/enable)
Multi-layer approvals; limited autonomy	Milestone-gated governance and phased roll-out	Create delegated authority and KPI-linked performance contract
Fiscal stress and legacy liabilities	Diversify revenues; reduce cost-to-serve through digitization	Enable multi-year budgeting and ring-fenced reinvestment where feasible
Manual workflows; weak e-commerce integration	Digitized counters; merchant portal/API; scan discipline	Prioritize connectivity, integration standards, and adoption KPIs (not only hardware)
HR shortages; limited training/incentives	Certification training; role clarity; performance scorecards	Approve feasible performance mechanisms compatible with civil-service rules
Transport dependence; system-driven delays	Corridor scheduling; transport mix for priority lanes; hub discipline	Formalize SLAs with Pakistan Railways and contingency line-haul options
Perception gap vs private couriers	Service tiers + transparency + complaint-to-closure discipline	Publish service standards and monitor KPIs publicly to rebuild trust

6.2 Recommendations

The recommendations below emerge directly from the situational analysis, benchmarking, and business-planning evidence presented in Chapters 4 and 5. Consistent with the exploratory, case-study nature of this thesis, they are deliberately limited to a small number of well-evidenced priorities rather than an exhaustive implementation checklist, and are framed as conclusions this research supports rather than as directives to named government bodies.

First, the recurring finding that Pakistan Post's decision-making is constrained by multi-layered approval requirements (Section 4.1, Theme 1) suggests that measured governance reform — short of full corporatization — would materially improve the department's ability to execute the kind of reforms proposed in Chapter 5. The comparative evidence from India Post's phased corporatization (Section 2.3.1) indicates that even incremental delegation of operational and financial authority, for example through a performance-contract arrangement between Pakistan Post and its parent ministry, can improve responsiveness without requiring the full institutional restructuring that a fiscally constrained government is unlikely to prioritize in the near term.

Second, the fiscal analysis in Section 4.2 shows that Pakistan Post's relationship with the federal budget is reactive — covering recurring deficits — rather than a source of development financing, and that PSDP allocations to the sector have in fact declined. This suggests that the digitization strategy proposed in Chapter 5 should continue to prioritize partnership-led and externally financed investment (as in the EXIM Bank of Korea-financed digitization project referenced in Section 4.2.1) over dependence on domestic capital budgets, since the evidence does not support an assumption of increased fiscal space in the short to medium term.

Third, the benchmarking findings in Section 4.3 indicate that Pakistan Post's principal competitive disadvantage relative to private couriers is not physical reach but perceived reliability and service transparency — particularly around tracking, cash-on-delivery turnaround, and complaint resolution. This points to revenue diversification being most viable where it builds on services the department can deliver reliably: the digital financial and agency services examined in Section 5.5, modelled on India Post Payments Bank's experience (Section 2.3.1), are better supported by the evidence than a general push into speed-competitive parcel delivery, where the cost and process gap with private couriers identified in Section 4.3 is unlikely to close quickly.

Finally, because each of the above priorities depends on staff executing new digital and customer-facing processes, the workforce capacity constraints raised throughout the interview evidence (Section 4.1) should be treated as a precondition for, rather than a parallel track to, the technology and service reforms proposed in Chapter 5. Sequencing basic digital-process training ahead of, or alongside, system rollout is therefore a modest but evidence-based recommendation that follows directly from the situational analysis rather than from generic capacity-building principles.

6.3 Future Research Direction

Future studies on Pakistan Post can build upon this thesis by overcoming the major scope limitations—the primary empirical evidence was collected in the **Sukkur and Islamabad regions** only, and the comparative benchmarking analysis was conducted only on **10 performance indicators** of **USPS, India Post, Japan Post, TCS and Leopards** in Pakistan. Future research needs to build on the same situational analysis based on interviews, and the literature review based on different country reports; further research should include a wider range of provincial circles and operational levels (postmaster, rider/postman, hub staff, regional management); it should also include a **customer and merchants survey,** and triangulate perceptions with administrative data (Track & Trace scan completeness, CMS complaint categories/closure time, dispatch time stamps, route productivity and service-cost profiles). The scope for researchers can also be expanded to include a wider range of postal operators and emerging-market peers, while also providing opportunities for more granular data on the effects of digitization and operational changes on delivery variability, customer experience, and revenue mix, and therefore, more region-specific data for policy and management decisions.

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