

INDUSTRY INSIGHTS FROM APPU PARTNERS

INTERVIEW WITH **escher** Held during the APPU Postal Business Forum 2024 BREAKING THE PROFITABILITY CODE



Brody Buhler | Chief Executive Officer | Escher Group (Irl) Ltd

APPU:

To begin, could you please introduce yourself and your company?

Brody Buhler:

My name is Brody Buhler, and I'm the CEO at Escher. Escher provides software solutions focused on three key areas: retail, delivery, and automation enhancement. These technologies are used to run post office networks, support delivery operations, and power the automation behind mail and parcel sortation.

APPU:

Escher works with around 45 Posts globally. How would you describe your experience working with the postal sector?

Brody Buhler:

I've been in this industry for 26 years, and I find it incredibly exciting. Postal services are central to the e-commerce revolution, transforming how people buy and receive goods. It's a fast-moving and essential sector.

APPU:

At the APPU Postal Business Forum, you presented on "Breaking the Profitability Code." What are the key takeaways from your study?

Brody Buhler:

First, digital transformation is critical for Posts to stay relevant. With mail volumes declining and parcel competition rising, Posts must rethink how they operate. This includes integrating mail and parcel networks and introducing more digital solutions. Secondly, cost structures must be optimized, especially in the middle and last mile, since Posts often have higher costs than private competitors.

APPU:

From your experience, what is the biggest challenge to implementing postal solutions in the Asia-Pacific region?

Brody Buhler:

Scale is the biggest challenge. This is a very dynamic and competitive region with many startups in the parcel space. The key is to implement solutions at a pace and scale that allow postal operators to stay competitive.

APPU:

What would be your message to postal operators in the region?

Brody Buhler:

We're at a pivotal point in the industry. The next two to three years will define long-term success. It's essential to make the right moves now, especially in network integration and customer service models.

APPU:

In terms of digital transformation, how does Escher support postal clients?

Brody Buhler:

There are three main ways. First, we help digitize the branch network with self-service kiosks, mobile integration, and smart drop-off/pick-up. Second, we provide delivery technology tailored to parcels, making networks more dynamic and cost-effective. Lastly, we improve automation rates, raising sortation efficiency from 82% to as high as 95% in some cases.

APPU:

What specific strengths does Escher offer for postal digital transformation?

Brody Buhler:

We specialize in transforming the retail network of a Post, making it more digital, frictionless, and profitable. We also support delivery operations with solutions that handle the entire journey from induction to the last mile. Our systems are designed specifically for postal organizations and can replace outdated technologies with more efficient, scalable solutions.

APPU:

How quickly can Escher's solutions be implemented by a postal operator?

Brody Buhler:

Our software can be deployed in as little as three months when minimal configuration is needed. For larger, more complex projects, it could take six months to a year. But the process is generally swift and efficient.

APPU:

Artificial Intelligence has become a major industry topic. How is Escher incorporating AI in its solutions?

Brody Buhler:

AI is central to everything we do. In automation, it helps continuously improve sortation. In retail, AI enhances customer service tools. In delivery, we use AI for route optimization. It's foundational across all our platforms.

APPU:

Can you share a real-world use case for AI in the postal sector?

Brody Buhler:

A great example is customer service. Around 70% of calls to postal call centers are about parcel tracking. AI can handle these queries via chatbots trained on large language models, freeing up human agents for more complex tasks. It's a perfect fit for automation.

APPU:

What do you see as the next big shift after e-commerce?

Brody Buhler:

The next transformation is the localization of retail. As retailers move inventory closer to consumers, local delivery networks, like those run by Posts, will become even more essential. Posts need to adapt and enable these retailers to access their networks flexibly and efficiently.

APPU:

If you were to summarize Escher in one sentence, how would you describe it?

Brody Buhler:

Escher powers postal organizations from first to last mile.