

Making the complex simple

Latvia Post invests \$4.75m in new processing software and sorting equipment to handle growing cross border e-commerce packets.

Client profile

Latvia Post

- The largest logistics company in Latvia: strategically located in the central processing complex close to Riga International Airport.
- Providing daily deliveries throughout the country with the most diversified item delivery options and the largest network of branches and offices (600+ postal services locations, 3,000 post offices, postal delivery workforce, express mail service and a parcel locker network including at Circle-K fuel stations).
- Growing net sales performance annually.



Business challenge

In common with posts across the globe, Latvia Post has seen a sharp increase in small, “complex” cross-border mail items from across Asia. These items are referred to as “complex” because address information can be badly printed, barcodes have little or no information behind them, and packages are small and difficult to handle.

Latvia Post is positioning itself to become a market leader through provision of world-class postal services across the Baltic states and Europe. The company seeks to achieve this business growth and tackle these market challenges:

- increasing customer demand for quick and dependable parcel delivery
- faster turnaround
- limited availability of labor resources for processing and sorting
- provision of more accurate data (detailed information on the size and weight of items critical for billing)



“The acquisition of new sorting equipment was one of the crucial steps in our development – and a significant turning point, strengthening our position as a strategic player throughout the region.”

– Mārcis Vilcāns, Chairman of the Board

Solution

With this the company has now implemented their most ambitious modernization project ever. With a backbone of artificial intelligence and data analysis, Latvia Post has installed fully automated parcel weighing, scanning and sorting equipment capable of processing twice as many items in half the time, compared with its previous labor resources.

Latvia Post board chairman Mārcis Vilcāns commented, "Revolutionary change in the sphere of technology has substantially altered the global postal industry. Ten years ago, letters, accounted for the largest share of our services. However, with the rapid growth of e-commerce and online shopping, the function of and demands upon postal companies and the range of services required have changed rapidly.

"Data exchange, speedy processing and efficient delivery, as well as options for delivery locations, are basic consumer demands. To meet such demands, human resources alone are no longer enough – significant adoption of artificial intelligence is required."

According to the head of the company, the artificial intelligence incorporated into the new sorting equipment will facilitate continual learning – the more parcels the equipment sorts, the better it recognizes various labels and their position on the package, as well as the ways in which people project in recent years. Its principal manufacturer is BlueCrest and the total investment in the equipment amounts to US\$4.75m.

Albe Pereira, Business Development Manager at BlueCrest commented, "A growing aspect of Latvia Post's operation is small, hard-to-handle packages from e-commerce activity. The organization recognized the efficiency and integrity with which our TrueSort system handles very small, lightweight packages up to 10kg. We look forward to a very successful, business partnership and supporting Latvia Post to achieve their strategic objectives."

Latvia Post will continue to implement targeted modernization projects including improving the parcel locker network, automating and modernizing customer care and service processes in post offices, as well as providing automated transportation solutions in the processing and sorting center, connecting various processing locations as efficiently as possible.

"Now we provide increasingly fast, high-quality, and flexible services to our customers, both locally and internationally. This is just one of many steps in a far-reaching modernisation and we do not intend stopping now. We will capitalise on what has been achieved so far - to see beyond current trends, confidently manage challenges and embrace future opportunities."

— Mārcis Vilcāns, Chairman of the Board

Technology used

The technology tasked with making a complex process simple is BlueCrest's TrueSort Parcel Sorter. Latvia Post has installed a dual-purpose front end on a single split tray sorter solution with dual bomb-bay processing. A 5-sided camera tunnel for best-in-class imaging and OCR decision-making and auto-induction enable the system to process a wide range of parcels - from 20g weight up to 10kg – at speeds of up to 6,000 per hour.

The TrueSort solution is complemented by BlueCrest's OneSort technology, which delivers dimensioning and data-capture accuracy and provides Latvia Post with real-time intelligence to streamline logistics planning. OneSort workstations enable operators to weigh, dimension and OCR items up to 30kg.

BlueCrest has also custom-built a unique manual sort station for any items that are unable to go on the sorter. Here, bins light up when an operator scans an item, enabling the operator to confidently place the item in the correct destination bin.

The site is running around 30-40,000 parcels per day, predominantly mixed packets and parcels from across Asia plus Latvia Post's express parcel service volumes. Previously, express mail would take an entire nightshift to process but now this work can be completed within an hour!

Latvia Post now has the necessary solution to effortlessly process its growing e-commerce mail volumes and to offer citizens a best-in-class postal service delivering to homes, secure parcel lockers and Pick Up Drop Off (PUDO) centers.

For more information visit us online at bluecrestinc.com