



## **Interview with Adriano Nicoliello Head of Global Sales Management**

Berne, March 2012.

Adriano Nicoliello has been on the Board at Swiss Post International since 1996. Today he manages the Global Sales Management division. The qualified salesman learned his trade on the frontline and is responsible for the development and maintenance of international client relationships at Swiss Post International.

### **“Our job is to make our clients successful”**

**Mr Nicoliello, you have spent 16 years at Swiss Post International. What brought you there in the first place?**

Two years after my formal training with Dutch electronics group Philips, I joined TNT Express at the end of the 1980s. At that time the company had just set up its Mailfast division and wanted to attract clients to its international dispatch services for printed items. It was in direct competition with Swiss Post. I joined the telesales team selling postal services. This provided rigorous training and taught me at the highest level what it means to sell these services on the frontline.

**How long did you do that?**

In total I spent seven years at TNT, with my last role as a Major Account Manager responsible for the largest Swiss clients and some European ones. I was then contacted by the former head of TNT Express in Switzerland and asked if I wanted to move to Swiss Post, where he had been given the role of

developing a Business Unit. This new Business Unit was the idea of the General Director at that time, Jean-Noël Rey, who wanted Swiss Post to focus more strongly on the market needs of clients requiring international services. In 1996 I was appointed Head of International Sales, known at that time as "Post International". The team consisted of managers from the former International department of Swiss Post and externally appointed people, including myself.

### **Did you also look after international clients there?**

Not at the beginning. We didn't yet have any overseas activity. Our mission was to identify clients in the Swiss market who would benefit from our international products. But soon after we had developed the sales and customer services organisation in Switzerland, we began cautiously to develop our international activity. We established a branch in Italy and another in the UK. The decision to make a real stamp on the overseas markets matured over time and at the start of 2002, we developed the progressive partnership model.

### **What is the partnership model?**

The idea behind it is not simply to buy companies, but to start by entering into partnerships with them. The companies retain their independence and initially, the only change is that they operate under the Swiss Post brand. They continue to sell their own products but they also offer those of Swiss Post International. If both sides are happy, this cooperation can be tightened after a while and if things go really well, there is the possibility that a partner may wish to give up its independent status and become a fully fledged Swiss Post Group company.

### **What steps does the partnership model consist of?**

The first step involves the company becoming a Reseller or Sales Agent for Swiss Post. The next step offers the option of becoming a franchise partner. The final step involves a discussion on whether the company should be acquired by Swiss Post.

**What is involved in the finding process for new partners? How do you approach the search?**

Firstly, we examine a market in terms of its potential for our services. We only want to operate in markets in which we can provide something and expect something. The regulatory requirements must fit and there needs to be good revenue potential, i.e. export volume. We look at the postal statistics and draw on our own experiences. If we decide to enter a country's market, we use our contact network to find a suitable company. Here we approach possible transport and logistics providers directly and present them with the possibility of operating under the Swiss Post brand.

**Is it possible for an interested company to approach you?**

Of course. Nowadays, the majority of partnerships come to us through applications. Our website contains detailed information on the franchising opportunities available within our company.

**How is your Global Sales Management division structured?**

There are two departments: Industry Sales looks after the internationally active clients of Swiss Post International and is divided into sectors. Across several international locations, 30 people share the sales responsibility for these companies. We really want to engage in our clients' supply chain and we develop the conceptual competencies for this in each industry team. Our product management is well integrated in this process. The second department is Sales Channel Management, which is responsible for developing partnership programmes like franchising, integrating new partners into our organisation and managing other sales-channel concepts to drive forward our sales division efficiently and targeted. We aim to gain coverage of the larger geographical areas to exploit the business potential on a larger scale. Having more sales channels increases our appeal and strengthens our presence in the larger commercial centres.

**Is the business in the larger commercial centres lucrative enough?**

In the centres we compete strongly on price, which we avoid doing in the peripheral regions.

**At Swiss Post International, one (Global) Account Manager has primary responsibility for one internationally active client. Is this industry standard?**

Essentially, most operate in this way. What is special about us is that we are better at dealing with the differences in interests of the individual locations. Naturally, there are sometimes opposing interests between a local branch and the headquarters in Berne. To defuse such conflicts from the outset, our Sales Managers act with cooperation and caution. We try to strike a balance here and find the optimal solution to satisfy the interests of the Group as a whole and of the local organisations.

**Is this simply to reflect the unique Swiss business culture or is it also strategically sensible?**

In my experience, it is better to focus energy on working with clients rather than internal struggles. Acting cooperatively is our only option: with our global clients we achieve the level of revenue which would be impossible to achieve and manage with only our industry teams. We therefore rely on the country organisations to make a committed contribution to the operating business in their client relationships, so that we can drive forward our strategic sales activity. Our balancing model is certainly a reflection of the unique Swiss business culture but it is based on experience and makes sense from a commercial perspective.

**What is the greatest challenge in your business division?**

For the international market, I believe that we need to work even harder on our business attitude. The mentality required to survive in the global market is not one hundred percent there for us. Whether you are talking about availability, reaction speed or power of innovation, in the international market, customer expectations and competitor competency are on a completely different level to the Swiss market. Although in terms of growth figures, the competition is clearly not far ahead of us, this is no reason to put our feet up.

**What are the actual implications of this?**

From early on, we were recognised as the international postal provider with the best sales network in the market. This unique reputation has stayed with us. However, we cannot rely on this it to take us forward and we must focus internationally on having the best possible practices, rather than on where we have fewer shortcomings than our competitors. We have to put ourselves under pressure to become even more efficient and productive. I am also using the Corporate Culture project to promote the move towards a mentality which takes into account the requirements on the international market.

**What are the greatest challenges in international business with large clients?**

Challenge number 1 is to justify our image as a quality provider. In the last two or three years, other providers have caught up with us here. Our quality is still very good but no longer much better than that of our competitors. After all, quality is a transparent factor in the postal market, and evident in the evaluations of export times by the International Postal Corporation, where we no longer have such a secure place at the top as we once had. We therefore really need to focus, aside from pure performance values, on things like good client relationship management and simplicity of processes.

**What role does your division have in this?**

Our task is to transmit the client feedback to the company and act as a representative of our clients. We also provide Swiss Post with a basis for decisions on whether we should aim for growth in the market, i.e. compete more on price, or aim for a higher level of added value, i.e. increase the quality.

**What can Swiss Post do that its competitors can't?**

Our international network of branches is a decisive plus point for international clients in terms of accessibility and cross-border mail competency. Secondly, we have a strong brand which doesn't just act as a door opener in Singapore, Hong Kong or Mumbai. Thirdly, we have an excellently positioned logistics network.

**What are the main client needs that a cross-border mail provider needs to take into account?**

Companies expect a good price – i.e. lower than they are currently paying – and then a significant optimisation of their process.

**Are their differences in the ways you deal with individual clients?**

We focus more heavily on the standard when dealing with small and medium sized clients. With the larger clients we are more flexible. But the philosophy of “we come to you, not you to us” applies to all categories of client. As we are working in a saturated market, clients will not wait for us. Also, business mail is dwindling in volume and being replaced by electronic channels. In response to this, the mass mailing segment or also distance selling, pushed by e-commerce, are growing and this offers opportunities to differentiate from the competition by offering tailored added services.

**What are your most important projects for the near future?**

We are implementing the Global Sales Strategy to tighten the sales networks in the various international locations and exploit more cross- and up-selling potential that we have not yet covered. We want to make successful models or services that have been started in individual branches to cater to the relevant market available for other markets, and we intend to promote further growth in the countries in which we are already operating.

**What do you like most about your job?**

I love the contact with different cultures. I learned empathy for different cultures from home. I like the fact that my current position is a dream job: developing, testing and implementing business models on different continents, bringing together the strengths of Swiss culture and the culture of the relevant location. This promotes our reliability and credibility across the globe, which is the basis of our clients’ trust in us.

**Mr Nicolliello, thank you for your time.**

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