



Manager's guide to logistics decisions

What is successful logistics
outsourcing built on?



Contents

Logistics outsourcing is cooperation between the management and a competent partner	3
What does outsourcing of logistics operations mean?	6
Outsourcing logistics in whole or in part	9
Operative Manager – All logistics services under one roof	12
Financial decision-maker – Lighten the balance sheet and reduce market risk by turning the fixed costs of logistics into variable costs	14
HR Manager – Efficiency and security with a scalable number of employees	17
Sustainability decision-maker – Sustainability in all stages of logistics	19
Checklist for making the decision to outsource logistics	24
The most comprehensive logistics network in Finland transports parcels and freight	25
Our experts at your service	28





Logistics outsourcing is cooperation between the management and a competent partner

Logistics outsourcing is an effective way to focus on your core business, improve competitiveness and achieve cost savings, flexibility, quality and efficiency. Many companies have little scalability – they have too many employees or logistics facilities when there is a decline in demand, and too few of them during spikes in volume.

The logistics partner's employee pool provides flexibility and helps to balance fluctuations in volume or the seasonal rush. You can best grow your business when you have a reliable logistics partner that listens and develops, carefully maps out needs, offers the necessary logistics solutions and is scalable according to the needs of the company.

At Posti, we offer high-quality logistics outsourcing in Finland as well as the Nordic and Baltic countries. As the largest operator in the market, we have solid experience in various industries, enormous scalability for the entire logistics supply chain and access to all of the Group's services and solutions.

This guide offers ways for companies and the public sector's organizations to improve the efficiency of logistics, competitiveness and customer satisfaction.



The benefits of a logistics partnership

→ Finance

Outsourcing logistics frees up the company's capital when fixed costs become variable costs.

→ Savings

Depending on the starting level, outsourcing warehousing generates cost savings of at least 10 per cent to the company.

→ Efficiency

When the number of employees can be adjusted according to the volume, there is always the right number of employees.

→ Competence

The logistics partner's experts are always available to the company.

→ Job satisfaction

Job satisfaction and motivation also improve when there are enough interesting tasks available. Motivated, competent and appreciated employees always do their best.

→ Delivery accuracy

Better accuracy and quality are also reflected in improved customer satisfaction.

→ Development

The logistics partner's development work improves the efficiency of processes and speeds up operations.

→ Focus

The company can focus on its core business when the partner takes care of logistics and its development.

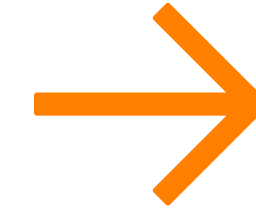
What does outsourcing of logistics operations mean?

Outsourcing logistics means transferring the entire logistics process of a company, i.e. warehouse management and operations or parts thereof, outside the company, usually to a partner specializing in logistics and warehousing services. Outsourcing not only allows the company to focus on its core business, it also changes the cost structure to reflect sales thanks to performance-based pricing.



Logistics outsourcing is based on long-term partnership

The cornerstones of outsourcing are price, quality and speed, but the key to real success is effective and close cooperation. Effective cooperation requires experience, a professional approach and a mutual desire to develop logistics and improve the efficiency of business. When a company outsources its logistics, it can develop its operations in cooperation with a logistics partner and benefit from, for example, the new and modern warehouse facilities of the future, system development, automation and innovative value-added services.



Outsourcing logistics is a business of trust:

Even though the partner takes care of the warehouse and logistics, the products to be stored and transported are still property that the company or organization owns and trusts the partner to take care of. Therefore, the outsourcing of logistics operations is a joint project based on a long-term partnership.

A company can also improve the customer experience and satisfaction of its own customers by offering fast and reliable deliveries and competitive prices and promoting sustainability with the help of a logistics partner.



Outsourcing terminology

→ Outsourced in-house logistics

In-house logistics means the processing of the company's materials and products and the management of information flows that take place on the company's own premises.

The in-house logistics process includes, among other things, employees, equipment, IT systems and facilities. By outsourcing in-house logistics to a logistics partner, a company can achieve even wider benefits when all logistics services are under one roof.

→ 3PL, 3rd party logistics

In third-party logistics, a company usually outsources a specific area of logistics to achieve flexibility or cost-efficiency, for example. In addition to warehousing, 3PL service providers can offer other services such as transportation, inventory control, supply chain planning and handling services.

→ 4PL, 4th party logistics

In fourth-party logistics, the service provider not only provides individual logistics services, but acts as an outsourced logistics organization which is responsible for ensuring that the entire supply chain operates seamlessly.

Outsourcing logistics in whole or in part

When outsourcing warehouse and in-house logistics, you don't have to immediately jump in the deep end. Instead, you can start gradually and try out what kind of solution is right for your company.

- **Temporary utilizing of logistics experts:**

If your company requires help for an immediate need, you can use temporary flexible or part-time personnel from a logistics partner. The company will receive help for the immediate need, as well as the right kind of expertise and competence at the right time. With fewer employees, there is no need to rely on layoffs or dismissals even in a weak market situation. Instead, there is always the right number of available logistics employees.





In performance-based work, invoicing is based on the work performed. This turns personnel costs into variable costs and improves processes, efficiency and quality.

- **Outsourcing in-house logistics:**

In-house logistics can also be outsourced to a logistics partner, in which case the tools and processes usually come from the partner in addition to the employees. In this case, it is the logistics partner's responsibility to take into account the customer's quality and safety requirements, to ensure the competence of the personnel, to track and report, and to develop processes and quality.

- **Outsourcing input logistics:**

An industrial company can also choose a hybrid solution where only part of the

logistics is transferred from the factory to the logistics partner's premises. For example, outsourcing the supply logistics of industrial customers as part of in-house logistics services improves the efficiency of production processes and competitiveness.

- **Outsourcing warehouse services:**

The warehousing services are transferred to the logistics partner's premises, where the partner provides the property, equipment, systems and personnel. Fixed assets tied to the company's warehouse become variable when you pay for storage according to use.

- **Outsourcing all logistics**

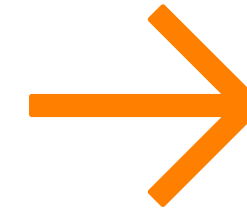
An external logistics partner is responsible for all of the company's logistics needs.

OPERATIVE MANAGER

All logistics services under one roof

Logistics may not be your company's core business, but it is a logistics partner's in-depth expertise. You can focus on your core business while the strategic logistics partner optimizes and improves the efficiency of logistics and improves profitability.

As a large operator, we offer an efficient use of space: our large warehouses in Sipoo and Järvenpää (spring 2025) offer modern and responsible storage along good transport connections. The seamless integration of the warehouses into our transport network and scalable transport capacity enables fast deliveries all the way to the end customer.



We are the largest provider of logistics services in Finland, offering all services flexibly and easily under one roof.

Example:

- **warehousing**
- **transport of parcels and freight, solutions for processing the flow of goods and systems for all needs**
- **controlled and competent logistics personnel in volume fluctuations**
- **seamless cooperation between warehouse and transport services**
- **competence in measuring the entire supply chain and developing transparency**

FINANCIAL DECISION-MAKER

Lighten the balance sheet and reduce market risk by turning the fixed costs of logistics into variable costs

Every CFO thinks about how to adjust costs if sales are falling, or how to react when order volumes suddenly increase and more resources are needed. If the personnel and machinery are not genuinely variable costs, they do not change elastically with the changes in volume. Outsourcing logistics brings many financial benefits.

When you buy logistics services from a partner, fixed costs for premises, machinery and equipment, for example, are turned into variable costs. This releases significant amounts of assets from the balance sheet, reduces the need to make provisions and reduces market risk.



→ **Up to 10–30 percent cost savings from outsourcing logistics**

Logistics is the optimal moving of information and material flows, which also reflects the change in the market situation. When the volume increases, there are not enough employees in production. On the other hand, when sales are falling, there is not enough work for everyone. Every company that has more than five people working in logistics should take a critical look at the costs and at least open up the structure of internal costs. Outsourcing is not something for every company, but evaluating this option is. It's possible to change as much as 40 per cent or more of fixed logistics costs to variable costs, which also reduces the total costs as much as 30 per cent.

→ **Ensure delivery accuracy and outsource risks**

Partnership is another way to outsource the risks of business. It is important that the logistics partner is able to distribute the load when the volume suddenly decreases or increases. A logistics partner frees up your company's capital and helps you save in costs because you only pay for the work done. When the size of the logistics partner and its personnel is significant, it can always quickly direct the right amount of fully trained workforce wherever it is needed. This allows you to guarantee delivery accuracy without overtime compensation or harsh financial adaptation measures such as layoffs and dismissals.

→ **Scale operations and improve their efficiency with a logistics partner**

Warehouse turnover, reduced warehouse value and the shorter lead times are reflected on the bottom line of the income statement in manufacturing, wholesales and e-commerce. Continuous improvement is a central part of process development. When you choose Posti as your logistics partner, we bring strong Lean Six Sigma expertise and other efficiency models that we have accumulated through our long experience to your production processes.

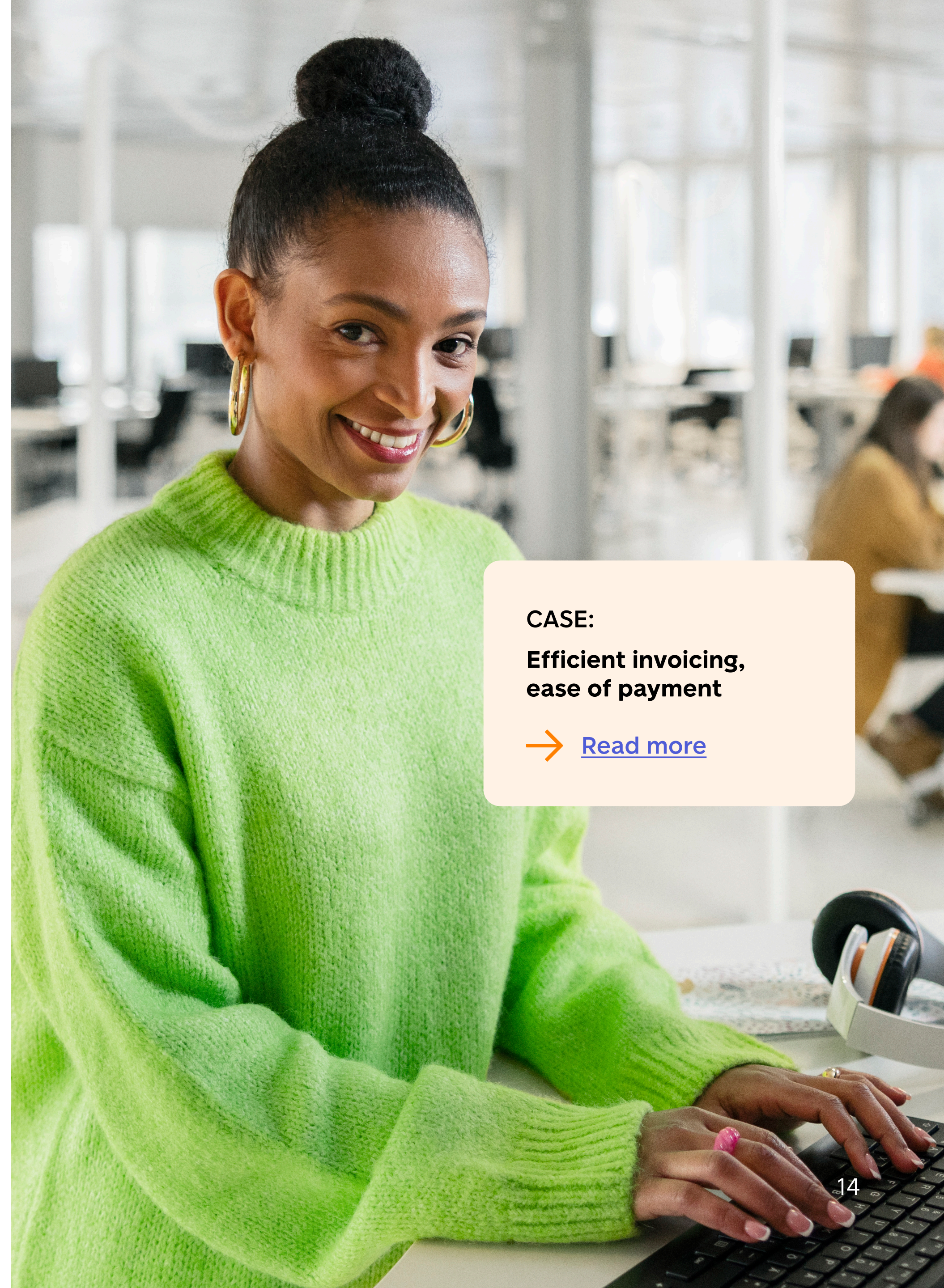
→ **Harness multi-channel invoicing and communication as part of logistics services**

At the heart of real-time finance is the digitalization of invoices, receipts, payments and financial management, which improves cost efficiency as well as the customer experience. A good invoice delivery partner ensures that invoices are delivered on time, quickly and reliably to the channel chosen by the end customer. When you choose Posti as your invoicing partner, you will achieve savings, make customers' everyday life easier and ensure smooth payments also in the future.

- **The multi-channel invoice delivery service** helps the customer to easily and flexibly switch from one invoicing channel to another; for example,

to more cost-efficient electronic payment.

- **The digitization of receipts** improves the efficiency of financial management and reduces the number of errors. Eliminating manual work speeds up the process and significantly reduces costs.
- **OmaPosti digitalizes communication** between the company and the customer. At its best, an invoice is a way to build and strengthen a customer relationship by significantly improving the customer's purchasing experience, offering customer service and even enabling additional sales.



CASE:
**Efficient invoicing,
ease of payment**

→ [Read more](#)

Efficiency and security with a scalable number of employees

A company turns to a logistics partner when the company's operations grow, or when it becomes apparent that the company's own organization does not have the capacity to manage the logistics. From HR management's perspective, outsourcing logistics personnel brings many benefits.

→ **Logistics professionals
handle everyday life for you**

For many companies, the expertise of the logistics partner is the most important thing: we are professionals in the field and running warehouses is our core business. With the help of logistics professionals, everyday life is more efficient and operations can be developed. The jointly prepared indicators for measuring delivery accuracy, safety at work and other matters important to our customers help in performance management and development.



HR MANAGER

→ **Avoid layoffs or dismissals of personnel**

Logistics outsourcing brings flexibility and scalability to operations, as the partner's employee pool helps to even out weekly volume fluctuations or seasonal rush. When the company's own number of employees is smaller, there is no need to rely on layoffs or dismissals when there is a decline in demand, as there is always the right number of available logistics employees. You can either lease employees or outsource work tasks and operations in whole or in part. The first step can be to lease employees on an hourly basis, and the next step could be to move to even less risky performance-based work.

→ **Satisfied employees achieve consistently better results**

At the heart of everything we do is personnel who enjoy their work. It is therefore important that the logistics partner invests in the satisfaction, competence and tools of the personnel and offers enough interesting tasks. Employee satisfaction is key for us to continuously improve our results together with our customer companies. We invest in the competence and tools of our employees. What matters most is that the employee is motivated, appreciated and enjoys their work. At our own training unit, we make sure that our employees work in an ergonomic and safe way and according to the Lean philosophy which eliminates everything that isn't necessary. This means increased efficiency of work for the customer and meaningful work for the employee.

SUSTAINABILITY DECISION-MAKER

Sustainability in all stages of logistics

Logistics is the third most polluting sector in the world and affects the emissions generated in the value chains of numerous companies. Climate change mitigation is urgent, and companies need to play their part in the e-commerce and logistics sector. More and more companies expect their logistics partner to take responsibility for the environment and employees.

We want to set an example, set the bar high and meet the demands of our customers. The ambitious emission reduction targets will accelerate the green transition not only for us, but also for our customers and Finland as a whole.





SUSTAINABILITY DECISION-MAKER

We will achieve fossil-free transport by 2030

We talk about our emissions transparently, and we are committed to reducing our own emissions to zero and achieving fossil-free transport by 2030. We are also committed to achieving net zero greenhouse gas emissions by 2040. The **Science Based Targets** climate initiative has approved the targets.

Our sustainability efforts have been recognized

EcoVadis, the world's leading provider of business sustainability ratings, has awarded a Platinum medal to Posti over several years. Platinum is the highest possible rating in the EcoVadis framework. We were ranked among the top one percent of companies worldwide.

Green Freight provides fossil-free transport

We are on the way to zero emissions, but many of our customers have requested even faster solutions. We are responding to this with the Green Freight additional service. A share of Posti's fossil-free transports is earmarked for companies that have purchased the service.

We promote the circular economy

By passing on used goods sustainably from one person to another, we promote the circular economy of everyday life. We also develop circular economy solutions, such as a circular economy service that offers a practical circular economy logistics platform. In this way, we help our customer companies transition to the circular economy and enable them to grow their business in the second-hand market. In addition to core services, the circular economy service includes, for example, the condition inspection, repair and refurbishment of products, as well as data collection for the used product, which facilitates multi-channel sales of the product.





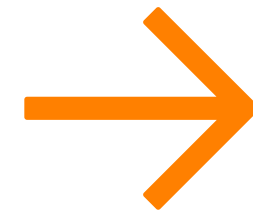
Tips for choosing a sustainable logistics partner

Are you looking for an truly sustainable logistics partner? Read the checklist which will help you choose a sustainable partner.

A sustainable logistics partner:

- | | | |
|--|---|---|
| <p>→ Publishes and regularly monitors its emissions data. It is essential that the company reports the emissions of its entire value chain, such as its subcontractors. Posti publishes its greenhouse gas emissions annually.</p> | <p>→ Is committed to the Science Based Targets initiative. The initiative accepts companies that commit to reducing their emissions so that global warming does not exceed 1.5 degrees Celsius. The targets are based on climate science and their progress is reported regularly. Posti was the first logistics company in the world whose net zero target was approved by the initiative.</p> | <p>→ Has received a sustainability rating from EcoVadis or other operator. The leading global sustainability rating provider for companies, EcoVadis, bases its assessments on international corporate social responsibility criteria. An international scientific committee oversees the assessment. Posti has achieved a platinum rating from EcoVadis, which places Posti among the top 1% of companies worldwide.</p> |
| <p>→ Has an external, independent party verify its emission calculations. An external expert checks that the data reported by the company and its sources exist and are correct.</p> | <p>→ Has set reduction targets and actions for the entire value chain. There are many subcontracting chains in the logistics sector. The company must include the entire value chain in emission reduction targets. At Posti, the entire value chain is included in emission reduction targets.</p> | <p>→ Is committed to the goals of sustainable development and explains how. The UN's Sustainable Development Goals aim to, for example, end poverty, reduce inequality and ensure sustainable consumption and production patterns by 2030. They allow companies to set their own goals in line with internationally agreed objectives.</p> |
| <p>→ Reports transport emissions to their customers in accordance with the international standard EN ISO 14083.</p> | <p>→ Uses fossil-free energy. All electricity used by Posti in Finland and Sweden is completely fossil-free.</p> | <p>→ Demonstrates commitment to limit environmental impacts through ISO 14001 certification. The certification supports the company in managing its environmental impacts and shows that it anticipates them and integrates environmental aspects into its business strategy. Posti's management system is ISO 14001 certified.</p> |

Checklist for making the decision to outsource logistics



- Make the decision on the change sufficiently quickly, trusting actual figures.
- Focus time and resources on your core business.
- Choose a reliable and competent logistics partner.
- Ensure that the partner has the competence to continuously develop the operations.
- Create and test the logistics cost structure and operating model together with the partner.
- Choose the most suitable degree of logistics outsourcing for your company.
- Purchase logistics services from the partner to reduce the costs of premises and remove machinery and equipment from your balance sheet.
- Outsource logistics work in part or in whole and continue cooperation with the partner on your premises.
- Outsource your own logistics employees to the partner. No need for dismissals and always ensure the right number of skilled employees and amount of competence for any situation.
- Choose a partner that grows with you. Even if there is no need for it right now, you will be able to outsource the growing logistics needs of your growing company to a familiar partner in the future.



The most comprehensive logistics network in Finland transports parcels and freight

We offer a unique opportunity in the Finnish market – a single service provider taking care of the entire supply chain. We offer the most diverse range of transport services, as well as an efficient delivery network that is the most comprehensive one in Finland, covers the whole country and reaches all households.

With the **Green Freight** additional services, you can send products to your customers fossil-free anywhere in Finland. By 2030, all of Posti's and our partners' transport vehicles will be fossil-free.

Whether you're sending a large or a small item to the next town over or to the other side of the world, we have the solution for you:

→ **Send items to consumers**

Treat your customers to the best possible service and fast deliveries. We offer you the most comprehensive network of pickup points in Finland, extensive opening hours and a diverse range of services.

→ **Send items to companies**

We offer comprehensive, flexible parcel and freight services in Finland and abroad. Our wide range of additional services make life easier for you and your customers: you can request faster deliveries, shelving, ready-for-use installation, etc.

→ **Send items abroad**

Versatile and optimal connections to the whole world with the support of our international transport networks.





CASE:

Green Freight serves a sustainable supply chain

→ [Read more](#)

We also offer practical tools for everyday life, such as:

→ **OmaPosti Pro**

Post, track and report easily, and keep everything that is important to your business under one service. OmaPosti Pro gives you access to everything you need as our business customer.

→ **Easy integration**

We provide you with ready-made integration modules for most online stores, as well as information and instructions for implementing logistics system integrations.

Our experts at your service

The significant added value of logistics outsourcing is that you also benefit from the expertise, specialized competence and technology of our entire Group, as well as the best practices accumulated through numerous outsourcings from both the private and public sector. We continuously train our professional logistics personnel to become even better experts in their field.

Continuous development

We carry out continuous development work in accordance with the customer-specific goals and development model to, for example, streamline the flow of goods and information, increase automation and make the use of storage facilities more efficient. Together, we review the customer's demand forecasts to ensure we have the right amount of resources in the right place and at the right time. We aim to scale the results of our development work to other customers as well.





New technologies and solid lean expertise support the development work. This allows us, as pioneers in the sector, to offer our customers the latest know-how for the development of logistics and introduce new groundbreaking operating models into the entire industry in the future.

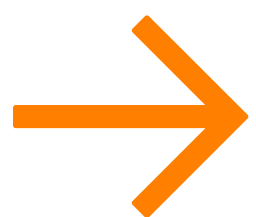
Knowledge of system innovations

We know the IT systems of warehouses and the new system innovations in different operating environments. We are also able support our customers in the development of WMS systems. To achieve a digitally controlled supply chain in Finland as well as the Nordic and Baltic countries, we invest in the architecture of the entire supply chain,

data processing and the tools of production and customers. This enables the use of the same systems in warehouse logistics internationally.

We operate as a partner of the public administration

We also offer the public sector a wide range of services, from transport and logistics to sending and receiving customer messages, document management and invoice processing. Comprehensive and flexible supply chain solutions make everyday life in the public sector easier and more efficient. Centralizing transport services saves money and reduces carbon dioxide emissions. They enable you to offer even higher quality, transparent tracking and sustainability.



Logistics solutions used by our customers in the public

- Outsourced logistics, warehouse and terminal deliveries, direct deliveries to different locations
- Partial outsourcing solution: for example, terminal transport
- Centralized delivery of care supplies to households and parcel lockers
- Local and home library transport, long-distance loan deliveries and regional library transport between libraries
- End-to-end transport solution: samples, medicines, instruments
- Meal deliveries
- Blood Service items
- Shelving services



**Would you like to hear
how you can develop
your company's operations
with a competent logistics
partner?**

→ [Read more about our logistics
services and contact us](#)

posti