

# I. Preface



Chairperson *O. J. L. Yu*

Chunghwa Post is the only service provider combining postal services, savings and remittance and insurance. In the face of economic and social changes, the company was corporatized on Jan. 1st, 2003 and has since then provided popular, fair and reasonable postal services to the general public and established various new financial services as permitted by laws and regulations for effective use of the funds with the satisfaction in mind, achieving annual goals every year; particularly in 2009, as the global economy generally remained in recession as impacted by the financial tsunami, Chunghwa Post still achieved the annual profit goal, an evidence of correct system reform and strategy planning.

As the company was faced with challenges such as high personnel costs, high business homogeneity with other industries and high replaceability, adaptability to external changes and improvement of corporate competitiveness had become the top issues. The Postal Service Operation Strategy Seminar was convened on July 3-4, 2009 to redefine the vision of "A postal service company with excellent service and trusted by all the people" and establish the core value of "customers first and providing honest and efficient services."

During the past year, all the staff of Chunghwa Post has been able to respond to the conclusions of the seminar by maximizing the business profits, promoting operational strategies and action guidelines. As future operation remains challenging and competitions from private operators will be as intense as ever, the following directions are put forth that will require joint efforts of all the staff:

## I. To realize the idea of customers first and provide honest and efficient services

We are in the service industry and the customers are our bread and butter, so everything we do must be put in the perspectives of the customers and with their needs in mind. This is particularly important as the government policies today stress the plebeian viewpoints. Issues concerning the general public require more comprehensive considerations and prudent actions.

Honesty has been valued in the tradition of postal service. In addition to realization of customers first when dealing with people, operation efficiency, cost control and quality assurance along with clear standards of operation are especially important when handling things. These principles form the basis of our operation. It is required that each unit makes improvements based on operation needs all the time to realize the core value of "customers first".

## II. To develop and strengthen the foundation

Postal service is a traditional business with intensive labor and only partial automation. The promotion of productivity and competitiveness truly relies on our professionalism and work discipline. The following basic operations need continuous furtherance:

## (I) Continuance with the development of postal passbook savings business

This is one of the core businesses of the company. The derived Visa card business and expansion of other business opportunities are the current important issues.

## (II) Integration of operation platforms

The combination of logistics, funds and information, development of on-line shopping and mail order business, reinforced efforts in the home economy market, provision of value-added information service and application of diversified marketing channels to enlarge the scale of Postal Mall are the directions we have to work on.

## (III) Reinforcement of IT systems

Build all kinds of operation management systems to reduce manual labor costs, increase operation efficiency and expand operation capability and scope; continue to implement information security policies and strengthen the development of human resources system ( including E-Postal Academy for provision of a complete e-learning system).

## (IV) Improve operation risk control and response capabilities

It is our goal to achieve low risk investments for stable returns by continuing to strengthen application of market risk management systems.

## III. Expansion into new businesses

Chunghwa Post is the only company combining postal services, savings and remittances and insurance. In response to the challenges of market deregulation and globalization, the future operation of the company must take advantage of the opportunities.

### (I) Develop logistics business

Integrate the current postal service operation with the service structure of the suppliers for fast cargo processing. The operation strategies such as the establishment of the cargo tracking system need continuous reviews for improvement so as to expand the customer base and develop new markets.

### (II) Develop cross-strait business services

In view of the newly added flights and routes, between Taiwan and mainland China, it is an urgent imperative to expand the scope of business services across the Taiwan Strait to answer the business development needs and the operation demands of the customers. And only by doing so, can we create a win-win situation.

### (III) Develop on-line shopping, mail order and consignment businesses

Developing on-line shopping and mail order businesses, strengthening efforts in the stay-at-home market, providing value-added information services and bringing new opportunities for logistics and cash flow must become our imperatives, otherwise the diversification of our operation is just empty words.

### (IV) Operation strategy management

Only by developing a competitive postal service transformation strategy, vitalizing the assets, expanding the scope of use of the capitals, can the corporate values of Chunghwa Post be maximized.

### (V) Launch new types of savings and remittance and insurance services

In addition to speeding up the development of new services for more business opportunities, review and revision of “Postal Remittances and Savings Law” and “Postal Simple Life Insurance Law” should be carried out as soon as possible.

Unity is called for all the more in an economic condition full of uncertainties and in the face of all challenges so the new postal service business can be launched to ensure sustainable operation of Chunghwa Post. With the core values of “customers first and providing honest and efficient services” , let us work hand in hand to improve efficiency, develop new sources of revenues and save expenditures, continue to reform and expand into new businesses to march to a new horizon.