**CASE QUICK INFO**

**NAME OF CASE**

Urban distribution of small parcels using self-service terminals in Lithuanian towns and cities (LP EXPRESS 24)

**Key Words:**
Freight consolidation and transhipment; IT-technologies and solutions (for management and administration); Business to business (B2B) solutions, cooperation; Business to customer (B2C) solutions; Value added services, development (or extension) of services

**Case Logo or Picture:**

![LP EXPRESS Logo](image)

**Description:**

LP EXPRESS, a branch of the state-owned enterprise AB “Lietuvos paštas”, adopted an innovative urban distribution system of self-service terminals. This self-service system, referred to as “LP EXPRESS”, is the latest addition to the company’s service offer, providing terminals that are available 24/7, located in 41 cities and town in Lithuania. The functionality of these terminals has been expanded to include that: users may drop off their parcels, send their parcels abroad, and choose other delivery options (e.g. couriers). Additionally, the unique operating system was developed to support these services.

**Benefits:**

- Extended service variety and tailored solution for the market ensured successful solution adoption / reduced risk of unsuccessful adoption
- Unique additional features of the solution create additional value and opportunities for further spread of the self-service terminal solution
- Integration of self-service terminals with other delivery services creates competitive advantage

**Success Factors:**

- Solution was purchased from a company which had already tested it, however the main success factor is that the original solution was significantly expanded, tailored to needs of local market and is being constantly improved;
- Pick up and delivery system is optimized to ensure parcel delivery within 24 hours – one of the quickest parcel delivery options in the country.

**Supported Strategic Targets:**

- Increased efficiency / productivity of logistics processes;
- Increased company profitability; Increased competitiveness; Increased quality; Image.

**Starting Point/Objectives/Motivation:**

Previous practice of small urban parcel delivery was no longer meeting user needs: delivery of parcels took several days and post office working hours were inconvenient for parcel pick up. Both dropping off and picking up parcels involved visiting post offices; post office provides variety of service, however there is a single queue for all clients, which contributed to even higher user dissatisfaction.

To improve service of small parcel shipment, self service terminals were introduced to the market. Original terminal solution only allowed pick-up of parcels, however local users requested more functionality.

The self-service terminal system was developed and services requested by users were incorporated such as various options of parcel drop-off and pick-up at the terminal, the possibility to send international parcels, send or pick up parcel via courier were also added to the service.

A unique IT system was developed to support all the new functions: the system allows users to send parcels anonymously or to register a user, parcel delivery information may be filled in using website or terminal screen, and the recipient is informed about parcel arrival via SMS or email. Parcel tracking is also available at the service website.

Other success factors of the case include: relatively short delivery distances, since Lithuania is a small country; and B2B collaboration with online shopping businesses.
Originally, a company was founded to implement the self-service terminal solution in Lithuania, however the company was purchased by national, state owned post service company. The terminal system is used both by business and private customers. The terminal system hardware was implemented with few modifications: the terminal boxes are very similar to ones used in other countries; however unique IT solutions were developed to support additional features. LP EXPRESS terminals are emptied every day and parcels are delivered within 24 hours whereas parcels usually take several days to be delivered. This efficiency is achieved through optimized logistics operations and a priority system in the sortation centers.

Both the original terminal system and most of the new features are transferable, however it effectiveness also depends on connected service availability (e.g. courier service, data network availability). The solution is also limited by geographical aspects: in some large countries it may not be possible to ensure delivery within 24 hours.

Legal issues with responsibility for parcels also may be an implementation obstacle: currently, the Lithuanian legal system is missing regulation regarding responsibility for the package and regarding digital authorization in case of registered parcels.

More information:

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Main actors involved:
• state owned company.

Transport mode or supply chain elements:

Supply chain elements:
• Road transport
• Sortation center

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