



SYSLORE POST

 syslore Customer Newsletter

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Norway Post Selects Syslore mCorrection Address Recognition System



Syslore Ltd. has signed a contract with Norway Post to deliver an address recognition system for mail sorting systems. By using Syslore’s mCorrection address matching and recognition system Norway Post will increase the automation level of its mail sorting process and improve the level and quality of the address and recipient recognition.

mCorrection software significantly streamlines the optical character recognition (OCR) based automated mail sorting process and decreases the proportion of manual work and the amount of mail delivered to incorrect addresses. mCorrection builds on artificial intelligence and fuzzy search algorithms, which are used to match and correct incomplete, inaccurate and incorrect address, name and recipient information more efficiently and accurately than ever before. In addition to increasing the read rates, mCorrection is designed to maximize the sorting depth. Recognition to the deepest delivery point level allows more mail to be sorted to the exact door-to-door sequence.

All of Norway’s postal traffic will run through the system and the system will be used in all of Norway Post’s sorting centres. A new South-Eastern Norway

sorting center for letters opens at Robsrud outside Oslo in 2010. mCorrection system will operate as a centralized system, which will be integrated to both the old and new sorting centres’ address recognition systems. The project will start this year and it is estimated that it will continue up to year 2011.

Syslore’s Quality Tool software is also part of the delivery. Quality Tool is a web based monitoring, measuring and comparison tool for postal address recognition. The tool enables postal operators to monitor and compare address recognition performance and to analyze bottlenecks, development areas and quality problems in their recognition process.

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Itella orders additional software components from Syslore



Syslore has received an order from Itella Mail Communication for a number of additional software components.

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Syslore obtains ISO 9001:2008 quality certification



Syslore achieved an important milestone in March 2009 when our Quality Management System was certified to meet the requirements of ISO 9001:2008 standard.

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“This contract is significant for Syslore”, says Syslore CEO, *Henri Tykkä*. “We are really happy to be able to start long-term collaboration with Norway Post. In the present financial situation, companies only invest in software and systems that return real value added and cost savings. In addition to the general financial situation, the postal field is facing big challenges as letter volumes decrease, electronic communication methods become more widespread and the competition in the postal business tightens up. Thus, this contract manifests the significant cost savings that our software will bring about and the added value created by the innovative solutions that we have developed. We have developed solutions for postal services for several years and now we can also leverage on this experience in our cooperation with Norway Post”.

Norway Post comments: “Our goal is to further automate our mail sorting process and to minimize the amount of letters which must be video coded. Norway Post is happy to choose Syslore for this multiyear project. We look forward to a successful co-operation with Syslore.”

About Norway Post Group

Norway Post’s task is to both provide good, uniform postal services throughout Norway in line with the licence requirements, while simultaneously running on business terms and being competitive in a market that is characterised by continuously increasing competition.

Expansion within new product and market areas means that Norway Post is helping to strengthen the traditional postal service and ensure that Norway Post can maintain a good, countrywide range of high quality postal services.

Bring is a Nordic challenger in the mail and logistics industry. Bring consists of six specialist areas: Express, Citymail, Mail, Logistics, Frigoscandia and Dialogue, each of which are leading players within their areas. Together, they give Bring a broad range of products and services and increase the Group’s competitiveness.

For more information, please visit:

www.posten.no
www.bring.com



One Solution, Multiple Benefits for Address Recognition

A centralized address matching and recognition solution from Syslore delivers utmost read-rates at the finest mail sorting depth as well as an accurate and lightning-fast recipient recognition in hybrid and electronic mail processes.

Irrespective of current economic situation, these are challenging times for postal operators. In addition to decreasing mail volumes due to economic downturn, there are several factors that are inevitably affecting and changing the postal market landscape. These include: electronic substitution, market deregulation and increasing private competition. In such challenging times, costs savings and productivity investments are more critical than ever for postal operators. On the other hand, as message delivery is the core business for postal organizations, new hybrid and electronic mail formats are providing business possibilities for innovative postal operators.

One of the most important sources for easily attainable cost savings is to increase automatic address recognition and mail sorting efficiency. Postal operators can take advantage of their cost savings potential quite straightforwardly: with higher read-rates, and lower error-rates, automation can be increased and less manual sorting and video-coding is needed. In addition to increasing read-rates, it is important to maximize the sorting depth. Recognition to the finest, delivery point level allows more mail to be sorted to the delivery point or exact door-to-door sequence.

Many postal operators are providing electronic services in addition to traditional, letter based message delivery services. These services include, for example, hybrid and electronic mail as well as address quality, cleansing, update etc. data services utilizing postal address files and other data sources. These services represent another area where significant efficiency improvements and more consistent business processes can be achieved. Many postal operators see electronic services as separate processes and therefore invest in parallel, often inefficient recognition systems based on conventional technologies. These technologies do not necessarily offer the best possible performance, and cause additional development work, continuous tailoring and script coding as well as multiple support and hardware costs.

Another way, proposed by Syslore, is to use a centralized, state-of-the-art address and recipient recognition solution to increase and support postal operators’ all address recognition needs, including mail sorting (letters, flats and parcels) and mailings in electronic format. Syslore’s solution, mCorrection provides open interfaces to work flexibly with other solutions. This approach gives postal operators quickly realizing cost savings and also substantial competitive advantage and synergies when managing existing or developing new hybrid and electronic services.



Quality Tool

Syslore has developed an innovative graphical analysis tool for postal address recognition monitoring and performance measuring. This web-based tool, called 'Quality Tool', is targeted at postal engineering and business management personnel striving for continuous automation improvement and recognition transparency.

Quality Tool is a web-based tool offering key performance indicators for measuring and monitoring mail flows, system performance, address recognition read rates and errors. The tool gives an opportunity to monitor address recognition performance and service level as well as to analyze bottlenecks, development areas and quality problems in the recognition process, thus enabling continuous improvement. Illustrative graphs speed up the analysis and make it easy to locate problematic areas.

Quality Tool offers clear visibility to error rates by showing unequivocally the source for the error and where the error took place. Different OCR and video coding results are comparable and traceable, and Quality Tool can also monitor the Voter system. Quality tool is available as a standalone product or integrated with the mCorrection address recognition system.

Syslore has designed and developed Quality Tool in close co-operation with postal operators. Therefore Quality Tool delivers truly value adding benefits for mail sorting process.

- Monitoring and comparison of address recognition performance for multiple OCRs or enrichment devices give clear visibility to the postal operator's mail sorting and address recognition process.
- Transparency and continuous improvement of the address recognition process help to optimize the address recognition process, improve quality and enable effective quality control.
- An easy-to-use and intuitive graphical user-interface (GUI) shows complex sorting and address recognition data in a simple and understandable form.
- The web-based GUI allows remote access and reduces maintenance, power consumption and hardware requirements.

Itella orders additional software components from Syslore

Syslore has received an order from Itella Mail Communication for a number of additional software components.

Orders being placed now include Automatic Address and Recipient Learning System, Image Repository and Address Truthing tool. These software components will add value to the address recognition system that will be deployed to Itella's all address recognition processes in Finland and abroad during 2009 and 2010.

Automatic Address and Recipient Learning System can create significant improvement on Itella's automatic recognition process and enhance the completeness and value of Itella's Postal Address Databases. The system is based on Syslore's patented technology enabling automatic learning of data from the information flow. The Postal Address Database is enhanced with all possible data appearing on mail piece address fields such as mail recipients' name data, aliases, as well as often used but unofficial addresses, such as house names. Such data, in reliable and accurate form, may be impossible to collect from available data sources. Syslore's self-learning technology makes it automatically requiring no human intervention.

Syslore Image Repository is designed for high performance medium term storage and retrieval of mail piece images. At Itella the system processes on average three million images every day. Image Repository is fully web based and thus easy to integrate to almost any workflow. The system is based on high quality industry-proven open source components.



"We are very pleased that Itella has chosen to further enhance its utilization of mCorrection with these additional orders. Itella has used Syslore's mCorrection technology to boost mail sorting address recognition since 2005, and these additional components enable the best possible mail sorting performance for Itella in the future. During the years, we have learned a lot from Itella, and I believe this is also vice versa; our innovations, technology and co-operation have contributed to Itella's success", says *Henri Tykkä*, CEO, Syslore.

Syslore obtains ISO 9001:2008 quality certification

Syslore achieved an important milestone in March 2009 when our Quality Management System was certified to meet the requirements of ISO 9001:2008 standard.



As our organization and delivery projects are growing, it is our objective to more efficiently manage our project management and software development processes. For many years we have been utilizing an information system that helps us to manage our product development, resource management and customer projects. Recently, we have extended the system so that it is open and accessible to customers and partners also. These improvements made us think that we could start a project to get our development and project management processes audited and eventually certified by an external organization.

So, no sooner said than done, we started a project. After some months of intensive work, further improvements and auditing, Syslore's Quality Management System was certified by SGS Fimko Ltd. Systems & Services Certification. SGS is the world's leading inspection, verification, testing and certification company.

Appointments in Syslore: Syslore appoints new board members and strengthens technology team

Syslore has appointed two new members on its board of directors. Mr. Markku Penttinen and Mr. Per Von Zelowitz were recently invited to join Syslore board of directors.

Per Von Zelowitz is a Partner at Nordic Venture Partners (NVP) and based in NVP's Swedish office in Stockholm. As a Syslore board member, Per is a successor of Mr. Jukka Rauhala, who left Nordic Venture Partners to pursue other career interests. Per received an MBA with a focus on Entrepreneurship and Strategy from the University of Cambridge in the United Kingdom and a double BA from Macalester College in the United States.

Markku Penttinen has more than 20 years experience in international software product and service business. He is a true all-rounder after having had global responsibilities for example in sales and marketing, professional services and customer support as well as product marketing, product management and product development. Markku holds Master of Science degree in Electrical Engineering.

During 2008 and 2009 Syslore has recruited several highly talented software developers to strengthen our development and customer delivery teams.

Mr. Pyry Kuusi, Senior Software Designer, (M.Sc., information technology). Prior to Syslore, Pyry worked as a Software Designer at CRE, a clinical trial company for healthcare and medical industry.

Mr. Juhani "OJ" Simola, Senior Software Designer, (M.Sc., engineering physics) Prior to Syslore, Juhani was a software engineer at Nokia Siemens Networks.

Mr. Marko Saaresto, Software Engineer, (M.Sc., information technology) Prior to Syslore, Marko worked as a Software Designer at Sulake, an online entertainment company focused on virtual worlds and social networking.

Mr. Ville Rantamäula, Software Designer
Ville was previously working at the Software Business and Engineering Institute of Helsinki University of Technology.

Mr. Jukka Laurila, Senior Software Engineer
Jukka is a Syslore returnee. After working at Syslore, Jukka worked at several positions at Nokia, finally as a Chief Software Engineer. He has studied at the Helsinki University of Technology, engineering physics department.

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