



A Guide to Launching a Dark-Store Pilot

A low-risk, evidence-led model for unlocking revenue from your existing network

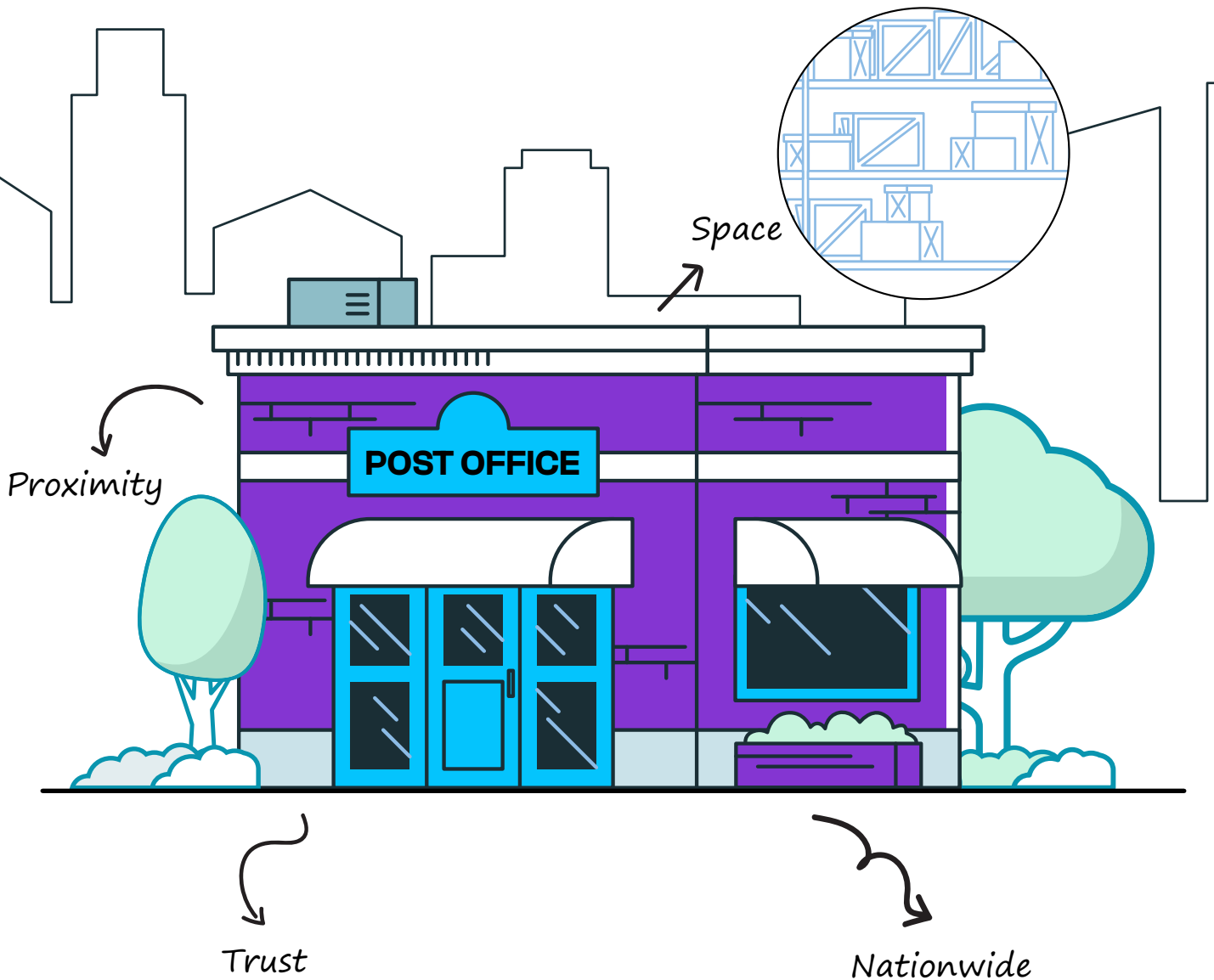
How postal operators can convert underused branch space into commercial micro-fulfilment hubs.



EXECUTIVE SUMMARY

Postal operators hold three underused advantages: proximity, trust, and a nationwide footprint that private carriers cannot replicate. At the same time, rising last-mile costs, declining parcel margins, and tightening customer expectations are eroding traditional operating models.

A dark-store pilot, using a small portion of branch backroom capacity for local fulfilment, provides a controlled, evidence-driven way to test hyper-local fulfilment using space and staff the organisation already has.

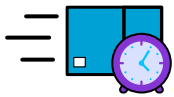


By converting a small portion of branch capacity (typically 10% of total floor space¹) into micro-fulfilment operations, postal operators can unlock material gains:



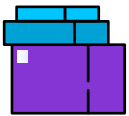
20–30%
Lower last-mile cost

Achieved through shorter delivery routes, reduced mileage, and fewer failed attempts.



2–3×
Faster fulfilment speed²

Enabled by localised picking rather than depot-based processing, cutting out upstream handling stages.



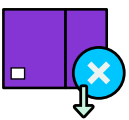
15–25%
Increase in parcel volume

Driven by SME merchants adopting nearby fulfilment capacity that improves delivery reliability



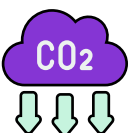
30–50%
Higher revenue per m²

Resulting from repurposing underused backroom space into commercial fulfilment that yields higher throughput than counter services.



Up to 40%
Reduction in failed deliveries

Due to tighter geographic proximity and predictable short-route patterns.



Double-digit
carbon reduction

Achieved through shorter routes, consolidated drops, and removal of unnecessary depot injections.

These gains assume standard branch backroom capacity and predictable SME demand; sensitivities and variability ranges are addressed later in this guide.

This guide provides a framework to launch a low exposure pilot that generates board-grade evidence before any wider network changes are proposed.

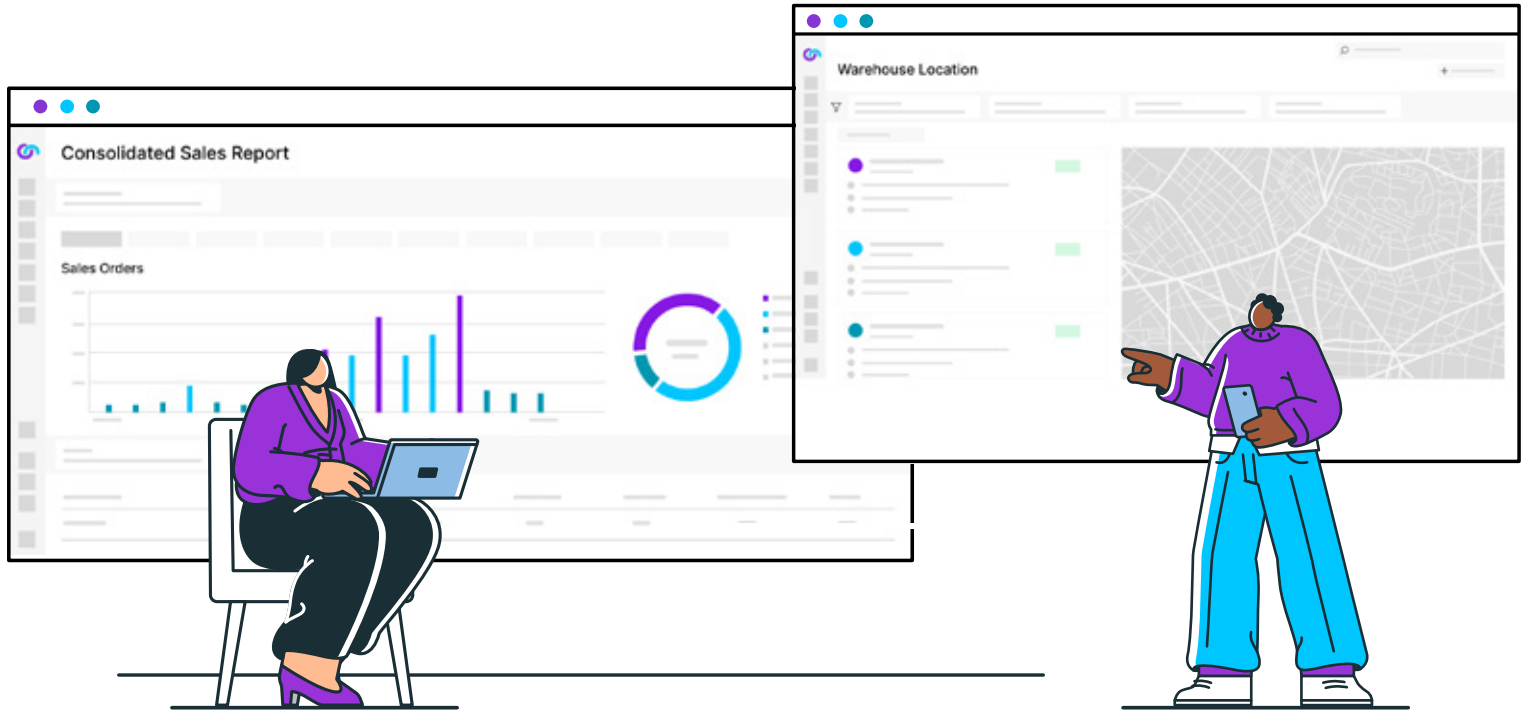


1: Fulfill Blog



2: LinkedIn Article





WHY THIS MATTERS NOW

Postal operators face pressure on four fronts:

01. Unit economics are deteriorating

Operating costs continue to rise while revenue per parcel falls. The gap between cost to serve and yield is widening across most markets.

02. Customer expectations have shifted permanently

SMEs and consumers expect fast, predictable fulfilment, often same day in urban areas. Private carriers are setting the pace.

03. Branch networks are under monetised

Many branches have surplus space and declining counter transactions. These sunk costs remain underutilised.

04. Last mile is now the competitive battleground

Hyper local fulfilment consistently outperforms centralised depot models on speed, cost, emissions, and reliability.

Dark stores turn long seen disadvantages; unused branch space and distributed networks, into commercial strengths.

Case Study : How Saudi Post Logistics Reset Its Operating Model

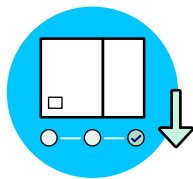
Saudi Post Logistics (SPL) faced the same pressures many national operators now feel: fragmented systems, slow onboarding, and rising demands from SMEs and retailers. By consolidating stock, product data, and order flows into a single operational backbone, SPL removed manual bottlenecks and accelerated merchant onboarding.



What changed:

Onboarding that took days could be done in hours, and new merchant types could be added without extra staff or new systems.

Outcomes



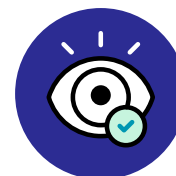
140% increase in processed orders (H1 2025 vs H1 2024)



17% growth in dark store volumes



No additional headcount to support expansion



Real-time visibility across stock, pricing, and fulfilment

STEP 1: BUILD THE COMMERCIAL CASE

Boards need quantification before concept. The commercial case must show demand, cost impact, and breakeven clarity.

Action Steps

- Identify 10–20 candidate branches using defined criteria:
- Minimum 25–30 m² contiguous backroom space
- High parcel or e-commerce density (> defined threshold per postcode)
- Dense SME clusters within 2 km
- Poor local parcel performance suitable for optimisation



Model three core levers:

- Revenue per m² uplift vs current usage
- Cost per order reduction vs depot fulfilment
- Breakeven timeline (typically under 12 months)

Use benchmarks with mechanism explanations:

- Route shortening, lower fuel + labour cost
- Local pick/pack faster fulfilment

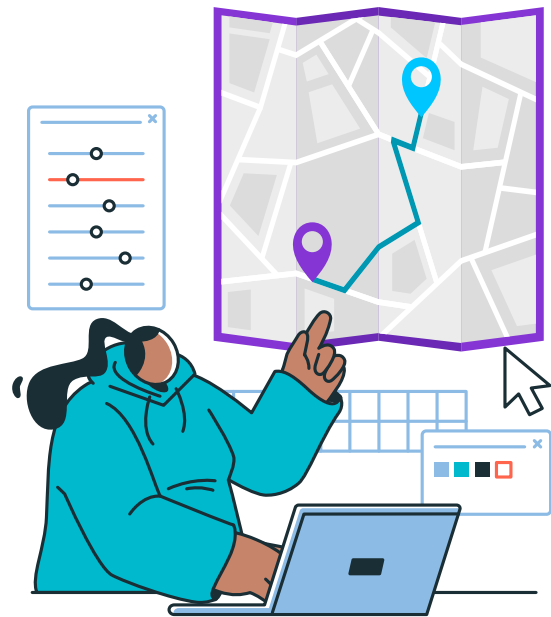
Outcome: A quantified commercial case backed by proven mechanisms, not assumptions.

STEP 2: DE-RISK THE PILOT

Executives support pilots when operational exposure is limited and reversibility is clear.

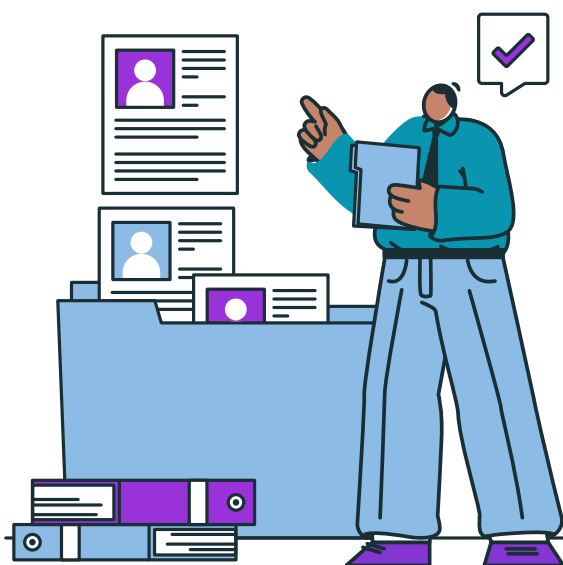
Action Steps

- Restrict pilot to 1-2 branches
- Use existing staff: no permanent headcount change
- Keep fit out minimal: modular shelving, handhelds, signage
- Maintain compliance with security zones, H&S, and insurance
- Define pilot duration, measurement points, and explicit exit rules



Outcome: A controlled test environment with no long term commitment.

STEP 3: MODERNISE ROLES WITHOUT WORKFORCE CONFLICT



Executives support pilots when operational exposure is limited and reversibility is clear.

Action Steps

- Position staff as "digital pickers" - not a new job grade or pay band
- Provide targeted training (3 modules, 2 hours each)
- Define workload impact: typically 1-2 hours/day during peaks
- Emphasise no restructuring, no rebanding, no redundancies

Outcome: Confirms no union exposure and no HR liability.

STEP 4: REDUCE TECHNICAL RISK WITH PROVEN PARTNERS



Boards are wary of tech debt. Keep integration tight and minimal.

Action Steps

- Use a partner platform integrating in 4-6 weeks with existing APIs
- Require unified: inventory, routing, order orchestration, branch dashboard
- Reference proven outcomes (e.g., SPL's volume growth and onboarding acceleration)

Outcome: Predictable integration timelines and technical stability.

STEP 5 ALIGN WITH POSTAL IDENTITY

Dark stores support the postal mission rather than distract from it.

How They Fit Postal Strategy

- Reinforce universal service obligations with improved local availability
- Increase network efficiency and reduce cost to serve
- Strengthen branch relevance in a declining letters environment
- Provide reliable, affordable fulfilment for SMEs



Outcome: A modern extension of the postal mandate, not a departure from it.

STEP 6. DEFINE KPIs THAT BOARDS ACTUALLY USE

KPIs must link directly to financial and strategic outcomes.

Track From Day One

- Revenue per m² — target uplift: 20–40%
- Cost-per-order — measure vs depot baseline
- Delivery speed — same day or next day coverage
- Failed delivery reduction — target 20–40%
- SME onboarding — volume + retention
- Branch utilisation — sqm productivity
- Carbon impact — emissions reduction



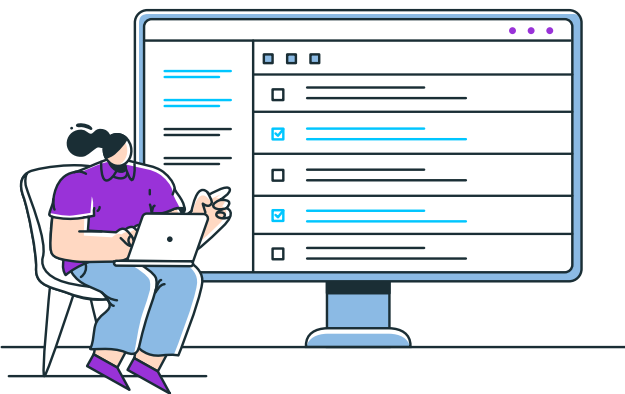
Outcome: Each KPI supports margin, performance, or public value.

STEP 7. SCALES BASED ON EVIDENCE, NOT VISION

Expansion must be justified by measured performance.

Action Steps

- Present cost-to-serve reduction with actual volume data
- Show revenue and utilisation impact
- Demonstrate SME adoption and retention
- Present improvements in delivery reliability
- Scale only if: volumes exceed threshold, SME retention is strong, and operational stability is proven over at least three months



PRACTICAL TOOLKIT & FINAL CHECKLIST

Dark-Store Pilot Deployment Checklist

Commercial Readiness

- Sites shortlisted
- Revenue per m² model complete
- Cost-benefit analysis approved
- KPIs agreed

Operational Setup

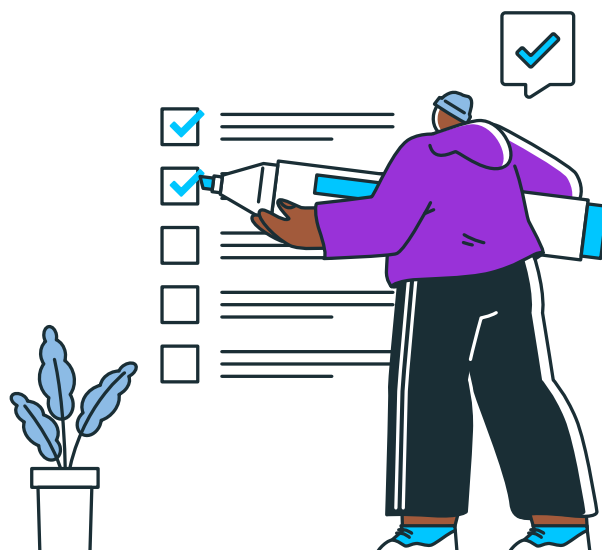
- Staff assigned
- Training completed
- Pick/pack workflow mapped
- Inventory logic defined

Technology

- Integration layer selected
- Inventory + routing connected
- Branch dashboard configured
- Reporting suite live

Governance & Scaling

- Success criteria
- Exit conditions
- Executive reporting cadence
- Scale roadmap outline





Ready to Launch Your Dark-Store Pilot?

Turn unused space into a profitable, hyper-local fulfilment asset. If you want to validate the model, quantify the gains, and move fast with minimal risk, we can help.

Start your pilot discussion at
www.gnteq.com

About GN TEQ

GN TEQ builds scalable, data-driven logistics software to streamline e-commerce and postal operations. Our modular platform automates fulfilment, billing, tracking and cross-border shipping, giving operators real-time control, lower costs and fast, reliable delivery. We help businesses adapt — efficiently, globally and at scale.

