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TPfocus

Transaction Processing edition – November 2003

New bonus scheme for TP

In this month's edition you'll see the details of how the new TP PO/PA bonus scheme will work.

I'm sure you will welcome the opportunity to actually influence the amount of bonus you receive and be rewarded for the level of work you do on a day to day basis.

Allan Leighton to reschedule visit

Obviously it was a disappointment for both TP and the Leadership Excellence training course (which a number of our people were attending), that at the last minute Allan Leighton had to cancel his visit. After having spoken with Allan's office they confirmed that Allan was also disappointed, but there was an urgent demand for his presence in London, which he could not avoid.

Allan has stated we are top of his list for an open forum the next time he is in the area, but due to a very busy schedule, a date has not yet been confirmed. As soon as we know we will arrange. They have however given us a note of warning, this may be at short notice – so keep watching this space.

In the meantime we are holding an open forum at 2.30pm on 20 November, where our Finance Director Peter Corbett (and the line manager to TP) will give us an update on how the Business is doing, followed by an open question and answer session. Peter's previous forum was extremely well received by those who attended and I'd encourage everyone who can make it to attend.

Update on Industrial Action

As you will recently have heard both in the national press and via our own business communications, the unofficial postal industrial action is now resolved and the backlog of mail has started to be cleared. This is excellent news. The impact upon TP has been relatively minor except for the fact that we have been getting the branch pouches late and cash centre supporting documents have also not been received.

However the Data Preparation teams have managed to continue to meet all their targets by putting in extra effort, so well done and thank you to you all.

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IMPACT

You will see on page 5 a very interesting article by Julie Pope on the IMPACT programme and I recommend that you read this. The changes this will bring to us in TP are radical and therefore we are working very closely with the programme team to ensure we have input at all stages and understand the effect upon us. It is great news for us that both Julie Pope and Ann Clarke will continue to have a role as part of the programme team, in liaising with TP during the development and implementation of the changes.

Finally you will have heard the good news of the permanent appointment of Alison Bolsover to the Operations Manager role and I'm sure you will join me in wishing Alison every success on her promotion.

Vicky Noble – Head of Transaction Processing

A bonus for POs and PAs

In the October edition of TP Focus we promised to communicate the outline of the proposed new TP PO/PA bonus scheme, which we have been developing in liaison with the CWU.

The scheme, which will depend on the unit's performance against target, will be payable for achieving the following:

- Local tier – a possible payment of two x £50 each quarter for achieving the two real unit labour cost (RULC) targets – these relate to how quickly and efficiently we complete our work.

- A locally based possible annual payment of £120 for achievement of the day sales outstanding (DSO) target – this is a measure of how long, on average, it takes a debt to be settled.

- A nationally based possible payment of £150 is attached to the national tier – this reinforces the message that returning Post Office Ltd to profitability is a key requirement

There is also a 'gain share' element of the scheme, which means that if both RULC targets have been met, then POs and PAs will be eligible to receive a share of the savings made over and above targets.

Workshops will be held for team leaders to explain all the details of the scheme to them. They will then communicate this to you via your Work Time Learning and Listening sessions.

Mandy Jepson – TP Planning Manager – GRO

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Christmas arrangements

In order to ensure consistency across Transaction Processing and Post Office Ltd as a whole, the following must be followed over the Christmas and New Year period:

Attendance times

Attendance should be as normal each day with the following exceptions:

Christmas Eve, 24 December - directly managed branches will work until 12.30pm on Christmas Eve, therefore the finishing time for Transaction Processing staff is the same.

Christmas Day and Boxing Day - 25 and 26 December Bank Holidays.

Saturday 27 December - Normal working day for those scheduled to attend.

New Years Eve, 31 December - directly managed branches will work until 4pm on New Years Eve, therefore the finishing time for Transaction Processing staff is the same.

New Years Day, 1 January - Bank Holiday

Annual leave

Members of staff taking Christmas Eve off as annual leave should note that this will be recorded as a full days annual leave. Likewise, annual leave taken on New Years Eve will count as a full day's leave.

Christmas lunches

Normal flexi rules will apply, however operational cover must be maintained so that targets are achieved.

Please note that flexi carry over (credit/debit) will remain at the normal 11 hours.

Dress code

Casual dress code will be permitted on Christmas Eve and New Years Eve. Anyone who has meetings with customers, suppliers and other external contacts on these days should wear business dress.

David Skipworth – Data Preparation Manager – GRO

Christmas Quiz 2003

Fill in the missing word...John, Paul, George and............?

If you've correctly answered 'Ringo' then you're in with an excellent chance of winning the Christmas quiz.

Over the last two years myself and Paul Uden from Cash Management have set a Christmas quiz across Transaction Processing and Cash Management which has raised some £350 for charity. This year in a 'Eurovision' style approach, we shall broadcast the quiz simultaneously across Transaction Processing, Cash Management and Network Support. The format is simple:

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- Get your team together (max six players) and give it a name. Preferably one which doesn't easily identify the team members - you just might come last!

- Nominate one person in your team who has access to e mail.

- Pay at least a pound per person to Julie Boler for people in Chesterfield, Nicola Watson for Dearne and Dave Ireland for people in London, by 3 December.

- Each day (for the next 10 working days) starting Monday 8 December you should send a team rep to pick up a quiz sheet.

Rules

On the first day (Monday 8 December) the nominated team rep. will receive a copy of the quiz rules via e mail - these rules serve two purposes, firstly to tell you how the quiz works and secondly to enable you to argue with the judges on ridiculous points of detail. The nominated team reps will also receive the first day's quiz via e mail.

The following day the answers and a league table of who is winning will be e mailed to the team rep.

The highest scoring team in each location on Friday 19 December gets to keep a third of all the money, well for a short while anyway, until it goes off to their nominated charity.

Copies of the quiz are then sold so you can impress the relatives on Boxing Day - proceeds from this will go to the rock bottom team to give to their favourite charity.

Good Luck.

Steve Jakeman and Paul Uden

NB If you answered Bingo, Bongo or Bengo to the first question you might be better spending your pound on satsumas.

How is the new structure bedding in.......?

In Debt Recovery we are, even at this early stage, conducting a review of the first reminder phone call and disputes process.

The effectiveness of the disputes process is particularly crucial to reducing the age of debt. This is because once a postmaster has raised an issue or a dispute with us –the ball is in our court (or to use another analogy –the monkey is on our back) to reply to his query. We have identified some gaps already, particularly the lack of training available and deployed for the disputes duties. Dave Hardie and I are working on this with all concerned.

A full action plan will be developed once the review is completed.

You will have read in other communications about the merger of the Agents Debt Teams 3 and 4. This is going well thanks to the hard work of Dave Hardie, Carol King, Joanne Jackson and the team members in AD3 and 4.

Debt recovery focus

Currently our overall focus in debt recovery is on:

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- Introducing a revised process for how we manage error notices for the multiple partners (the Co-op, etc who own many branches) to ensure our chase up is more effective. Shirley Foster and members of her team have put in a lot of detailed work in a short space of time for this, which is greatly appreciated by our retail line colleagues and myself.

- Our initiative on taking amounts owed from remuneration – as a last resort only.

I will be able to give more information on both of the above in next month's Focus.

In general, not only are we 'bedding in' the new teams but introducing new initiatives as well.

And finally, we have positive results in Agents Debt Team 1, Bev McNeil's team, from the deployment of the OPTIP extract and also improved links with Security and Investigations.

Overall then some areas of improvement that we are working on and some exciting challenges with the new initiatives, all of which is aimed at one thing – reducing the age of debt.

Jennifer Robson – Debt Recovery Manager – GRO

Simpler systems in the pipeline

"Changing the way our systems help us do business, to dramatically simplify the job at the counter and in the back office" – this is one of the promises our IT Director Alan Barrie has made which will impact on branches and all of us in TP.

Branches can expect a rationalisation of accounting systems, including the ultimate removal of the cash account in a programme of changes called IMPACT (IMProved ACcounTing). You may have heard this referred to as the 'End to End Simplification of Accounts' programme.

So what is the IMPACT programme?

The Business has had a long-standing desire to improve the end-to-end branch accounting processes and it is also recognised there is a need to align to industry standards of accounting.

The scope of the programme includes:

1. Implementing new business processes in the areas of cash and funds management, branch control, accounting, settlement, reconciliation and debt recovery.
2. Improving reference data systems and processes.
3. Improving speed and accessibility of management information.
4. Changing our systems, both at the counter (Horizon) and in our support functions (Transaction Processing and Finance).

The programme is planned to be delivered in three phases:

- Cash and Funds Management – September 2004
- Reference Data and Management Information – December 2004
- Accounting – March 2005

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What does this mean for TP?

The main areas of impact are:

- Removal of the cash account
- Introduction of a new 'SAP' accounting system – called POL FS (Post Office Ltd Financial System)
- Introduction of new verification processes
- Introduction of debt recovery case management
- De-commissioning of OPTIP, CBDB and some other smaller systems currently used by TP

To enable all this to happen by March 2005 there will obviously be a need for awareness, training and changes to existing processes to enable us to deal with these major challenges.

Watch this space

So far, numerous awareness sessions have been held for managers within TP and Cash Management and several managers have already been involved in inputting to business requirements. Over the next few months more involvement will be required from the affected teams.

We are also in the process of planning further communication and awareness activities, so watch this space.

Julie Pope – Business Analyst – GRO

Win yourself £100?

Don't forget you or your team have the opportunity to win £100 in vouchers simply by telling us how you are demonstrating our business values.

You'll see on page five of People Focus examples of how three branches are living the values and winning themselves £100.

Now it is your turn to show what you are doing – look through the list of values and tell us which ones you put into practice, and how.

Send your entries via e mail to Fay Healey.

Post Office®® business values

- **Customers matter most**
- **Treat people with respect**
- **Act with honesty**
- **Expect more and get more**
- **Simple and straight forward**
- **Commercial and profitable**

How do you put them into practice?

Kevin Cooper – Internal Communications Team – GRO

Steve's location

As from this month I'm changing the balance of my working week to:

- Two days in Dearne/Hemel Hempstead (provisionally Wed/Thurs)
- Three days in Transaction Processing Chesterfield.

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This is a temporary measure probably until the end of January, as the current focus needs to be on achieving headcount reductions within Transaction Processing and Hemel. There are no changes in my reporting line which is still to Ruth Holleran.

Steve Jakeman – HR Efficiency/Project Manager – GRO

Special agents?

I had, in a previous article, said that I would provide practical information of how agency staff are used to the advantage of the Business and our own staff.

Having gone through significant changes in the past six months and as a consequence having dramatically reduced the level of agency staff being employed on a day to day basis with the Data Processing area, we now are finding that we are being asked by exception teams to provide staff in order to cover long term sick absence, or support in the eradication of any backlogs of work.

If we cannot provide the staff the impact would be that the exception teams would increasingly have to rely on overtime as the only means of achieving its work, or Data Preparation would fail to process documents in time, thereby creating more exceptions than necessary.

Real example

In week 29 within Data Preparation we had:

Two staff loaned to other teams, two staff away on courses, three staff on long term sick and nine staff on annual leave.

We also have to deal with the backlog of paper at Hipper Street, built up over time, which now requires destroying.

No doubt on your own teams you know where there are either gaps or other means of covering work.

The net result is that within Data Preparation we have to employ 16 agency staff to maintain our work processing and avoid creating exceptions.

Flexibility

So you can see that without the flexibility of agency staff we would potentially have a serious problem in meeting the work targets and would be unable to provide accurate settlements and management information to our clients.

The use of agency staff though is under constant review and Data Preparation team leaders are looking at their requirements weekly, in order to make sure that we only use agency staff where it is demonstrated they add real value to our processes.

David Skipworth –Data Preparation Manager – GRO

What a release

The latest enhancement to Horizon (known as 'S50') is about to go live. Starting with the addition of E-Top Up functionality on 13 November. This release will also include an enhancement of the current DVLA V11 transaction with the addition of bar-coded tax discs on 20 November.

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These changes will be followed over the next couple of months by the introduction of a new National Savings Bank Account and topping off all this, the migration of the bureau de change product from the current standalone equipment to being completely integrated on the Horizon platform. Finally the opportunity will also be taken to put in place a number of fixes to increase user friendliness and the robustness of the system.

Testing, testing….

Before such significant software changes can be released to the network the enhancements must be rigorously tested. As you can imagine the existing Horizon platform is already immensely complex and these enhancements are themselves far from simple – added to this, S50 represents the first time that so many significant changes have been made at the same time, which is an indication of just how quickly the rate of business change is accelerating.

However 'S50' testing has run smoothly and as we enter the implementation stage things continue to look good. Already 70 pre go live E Top Up pilot branches have had hundreds of sales worth thousands of pounds without a hitch. Comments from customers include:

"It is much quicker at the Post Office®®, sometimes it takes as long as two minutes for transactions to go through my local newsagents"

"I usually have to buy £10 Virgin top ups as some shops don't sell £5 top ups, but I can now get these at the Post Office®® "

The DVLA enhancements also appear set fair for smooth implementation with 75% of motor vehicle licensing branches having already received the software ready for go live on 20 November, with the remaining 25% on schedule.

It's worth mentioning that this DVLA enhancement is the first major change for re taxing vehicles in over 30 years and delivers much more simple handling for both branches, DVLA and TP.

With no manual summarisation required for V11 transactions the process becomes quicker, cheaper and far more accurate This saves money at the back end and frees up time on the frontline for staff to concentrate on customer service. After all they'll need to remember to ask customers paying by cheque or debit card whether they would like any cash back too, if they bank with one of our partner banks!

Watch this space for updates on how the rest of the release goes.

Tony Baines – Finance Change Team – GRO

Half year performance

You will have seen from a recent Focus newsbrief that Royal Mail Group made a profit for the half year – for the first time in five years.

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In the six months to September 28 2003, Royal Mail Group made £3 million profit, before tax and after exceptional items. But what about Post Office Ltd. And TP? Here are the headline results for our own targets:

Post Office Ltd.

Number of card accounts reach ½ million mark		**Cash inflow YTD of £108m much better than planned**	☺
Network Reinvention	☺	**Underlying income £6m**	☺
Headcount reduction of	☺	**YTD Loss £6m better than**	☺
Sick absence better than	☺	**"I enjoy working here" 5%**	

Transaction Processing

Expenditure – **Staff Costs 0.1m better than budget. (No + budget received for Pay Award)**	☺	**Debt Recovery Measures –**	😐😐
Manpower – **+ 6 on Headcount due to double ups.**	☺	**Exceptions and Enquiries –**	😐😐
Headcount Reduction of 58			
Labour unit costs – **Target Setting in Progress**	😐😐	**Sick Absence –**	

TP Explanations:

Headcount reduction – this equates to a financial saving for this unit of 190k.

Labour unit costs - this is a new measure for the unit which specifically supports the CWU bonus scheme for POs and PAs.

Debt Recovery measures - this is a new high level measure monitoring the unit's ability to recover debt.

Exceptions and enquiries - this is a new entry to the performance targets and objectives that measures volume and value of exceptions, in other words 'work in progress'.

Data Prep exceptions is monitoring the management and delivery of a week's work within a week.

Sick absence – this measures the performance of TP against a target of 4% and shows we are currently running at a level of 5.4%, which equates to approximately 3,400 man hours or 16.5 people being absent for a full month.

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Mandy Jepson – TP Planning Manager – GRO

The grand tour

Ever noticed that we sometimes have groups of people being escorted around TP and wonder why they are here?

Well quite often they are senior managers new to the Business, or senior managers who have never had much to do with us before, who want to understand what we do.

The best way to show them is to give them a tour of our process, from Opening right through to Debt Recovery and this is what is happening when you see or meet them.

An opportunity to influence our visitors

These visits provide us with an opportunity to influence key people in the Business (including our Chairman, Sir Mike Hodgkinson and Post Office Ltd's Chief Executive David Mills, who have both 'done the tour') and to gain their support for our future plans. In fact the tour of TP is a standard part of the induction process for senior managers who are new to Post Office Ltd.

They reinforce the links we have with other directorates and increase understanding of how we support the retail line and Sales and Marketing. They also give us the opportunity to raise any issues we may have about products and their processes and with other business policies. This has been successful in that we are consulted much more widely than we used to be about things that impact us.

We have one such visit later this month when Kevin Wheeler, Sales Planning and Analysis Manager and Jonathan Hewett, Head of Sales are coming to TP.

Annette Bentley, Communication/Training Manager GRO

Efficiency surgeries

Senior staff and Operational CM1s working on the Efficiency Project are continuing to hold surgeries so that any of our people who wish to talk to them in confidence can do so.

Appointments can be made by telephoning Annette Bentley on ext GRO

The timetable up to the end of November 2003 is shown below:

Week commencing	Monday	Tuesday	Wednesday	Thursday	Friday
10 Nov 03	Steve Jakeman David Skipworth	Vicky Noble Carole Cross	Dave Hardie Chris Clarke	Jennifer Robson Julie Dart	Alison Bolsover Ann Clarke
17 Nov 03	Carole Cross Dave Hardie	Ann Clarke Chris Clarke	David Skipworth Julie Dart	Jennifer Robson Alison Bolsover	Vicky Noble Steve Jakeman
24 Nov 03	Steve Jakeman Jennifer Robson	Dave Hardie Julie Dart	Vicky Noble Jennifer Robson	Alison Bolsover David Skipworth	Ann Clarke Carole Cross

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Bouquet

Letter received from Ron Greenfield, Post Office Ltd. Business Reporting and Performance Manager:

Each month I meet with Alison Bolsover and various other members of the TP team to review where we are on losses provisions and postings.

Last year Post Office Ltd losses and errors in the final profit and loss account were £33m. We set a plan for this year of £27m. Since then:

- **We have created several new loss codes**
- **Started posting losses out to Operations and Sales and Marketing**
- **TP implemented their new process of retail line write offs**

And, no doubt, many other associated activities in TP and other parts of Post Office Ltd.

At the half year stage the actual losses are c£12m and the latest forecast for this year from directorates are £24m!!

The increased focus and activity that losses are getting is clearly having an impact on Post Office Ltd's bottom line and I would like to pass my thanks to all those in TP who have played their part, however big or small in this.

Regards

Ron

Post Office Ltd.
Finance