

**Nigel Introduction – Saf's Draft of Current Issues.**

	Problem	Solution
1.	<b>PM profitability</b> – no pay rise since 2015 – understanding PM profitability and working backwards to ensure the centre is run efficiently.	POL needs to reset and understand PM profitability. We need to start from the front and allow our PM's to survive and grow, then work backwards and use the remaining funds to service our central costs.
2	<b>PM Costs and hardships</b> are not understood within POL.	Not enough effective interaction with PM's.  [GRO] after [GRO]'s death
3.	<b>Size of organisation</b> – Unclear accountability – too many layers and costing needed with a target in mind of the date completion. Eg: Silo Working.  Dual roles and limited responsibility within existing roles. Eg: Digital roles, Western Union product manager.  Eg: Risk understanding from Investment committee.	POL restructure starting from the top with redefined roles and clear accountability.
4.	<b>Bonus Culture</b> - LTIP and STIP should be abolished – skin in the game – GE requested for PM reviews to be there LTIP – this is madness and show the lack of integrity in the process.	PDR and ratings for staff need to be revised and rescored based on outcomes. We need to be more commercial.
5	<b>We deal by exceptions</b> – PM horror stories brought to the board by the retail team.	Give examples of expectations. We should start from a position of trust with all, this is the only way will regain trust and start implementing a change in culture.
6	<b>Overall Toxic Culture</b> –new individuals can't thrive, innovate or contribute in the rotten entitled culture.  <b>No pace</b> – WU product manager wanting to respond in a few months.  <b>Silos</b> – DC rollout and lack of engagement with any other parts of the business.  <b>Lack of engagement with PM's (retail team)</b> – not engaging with PM NED's and not inviting us to events and <b>keep us</b> on a need-to-know basis.  Project Pineapple – an insight into this business from a NED's perspective.  <b>Lack of decision making</b> , - too many layers	Urgent Cultural Reset needed. PM's involved within the business to ensure the tone and language is right.  POL must give examples of expectations. Ensure senior leadership team and all POL staff are involved and supportive and know what good looks like.  Serious consequences to poor culture.  Past Roles and Phoenix must be addressed ASAP with outcomes PM's accept and understand.  PM's concerns and poor working ethos must be taken seriously.

	<p><b>Untouchables</b> – this is common knowledge in relation to certain individuals within the business.</p> <p>PM NED's excluded from certain board meetings internally.</p> <p>Budgets – very soft so they can be exceeded and this allows the bonus to be achieved.</p> <p>Senior Exec's – economical with the truth</p>	<p>Back to working in the office.</p> <p>Reduce central costs.</p> <p>Yearly planner with significant events (this has been requested several times at board)</p>
7	<p><b>Communications poor</b> – throughout the business and with Postmasters, PMs don't know where this business will be 3 years, no comms for PM Ned's</p>	<p>A clear comms plan. All comm's must go through the comm's team and they must have a data set which consists off all PM's background and best form on contact.</p> <p>PM's NED's need to be made more visible within the business and their successes shared.</p>
8	<p><b>Lack of Trust of PMs by POL</b></p> <p>– PM's don't trust POL, and POL doesn't trust them either, we have done little to regain and restart the relationship, all lip service.</p> <p><b>"All PM's on the Take"</b> – this is common knowledge and the thoughts within POL internally.</p> <p>Investigations – current tone is unacceptable.</p> <p>Stamps on PM's system</p> <p>PM Survey – Going down considerably and</p>	<p>Have rebuild trust programme by bringing in more PM's within the business.</p> <p>Learn from the PI and not see that as a hinderance. Be proactive and make a plan with clear target of where trust should be and if this not achieved then re-evalute and change our approach to make it happen.</p>
9.	<p><b>Redeployment</b> – RU unit, payoffs and rehire, Brian Trotter</p> <p>The business wasn't even aware this was happening until the PM NED's went to PI.</p>	<p>Rehire and Redeploy policy must end.</p>
9.	<p><b>Marking own homework</b> – targets and PDR scoring</p> <p>Grading can go down too if performance and trust is poor.</p>	<p>All metrics and grading must be done holistically with PM's involved.</p>
10.	<p><b>Materiality</b> - £1 for PM's and £1M for PO – imbalance in creating power issues.</p>	<p>Recalibrating materiality, it should be the same for both.</p>
11.	<p><b>Future business</b> - What are we doing a business to actively drive footfall as a business? Why are PM's busier but making less money?</p> <p>Commercial Deals</p> <p>Digital strategy.</p>	<p>Clear defined profitability targets for all areas of the business.</p> <p>Quarterly update on future strategies.</p> <p>Yearly planner of key dates and contract renewals.</p>

	Strategy days are poor.	
12.	<p><b>Cumbersome Board</b> – 3 tiers, disconnect with the SEG and board, limited meetings. The board is reliant on the CEO and his account and understanding of what going in the business. The board is a cash machine who is sent info on a need-to-know basis. Liam from procurement telling the finance team the board is risk averse!!</p> <p>No CEO F2F or 1T1.</p> <p>No SLG and board joint discussion</p> <p>Board seen as the other and blamed by the SLG not seen as a collaborative.</p> <p>Current board Decks far too long.</p>	<p>UKGI Rep must treat all members of the board as equal and provide the same information to all.</p> <p>More involvement from other parts of the SLG to ensure information provided by the CEO is accurate and can be challenged.</p> <p>The board and SLG should have more joint events and better communication internally.</p>
13.	<p><b>Oversight committee</b> – S&amp;E heading it – producing a report to board to ensure the common threads running through the business and there is check and balances to avoid to catastrophic governance failures we have had. Give PM's a voice in the business.</p>	<p>PM NED's chair this committee, it must have "teeth" and proper terms of reference. The OC must have delegates from all bodies that represent PM's.</p> <p>This OC will provide some long over due checks and balances.</p>
14.	<p><b>Lack of Accountability</b> - Circular Hiding: Executive directors hide behind board members; board members hide behind executive directors.</p>	<p>Clear line of decision making and restarting will help.</p> <p>DMB example 16 years to complete but nobody wants to take the lead.</p>
15.	<p><b>Legal judgements</b> - Board does not have a culture or the skills to appraise and make judgements on legal advice.</p>	<p>The PI has proved how must produce legal notes that the board can understand and appraise.</p>
16	<p><b>Defensive culture</b> – PM Survey results, lack of cultural change since 2012 (PV tried)</p>	<p>Positive duty of candour should be promoted within the business.</p>
17	<p><b>Mutualisation</b> - Moving to a mutual business model with the social arm funded by government should be considered. Commercial arm is sustainable</p>	<p>How are mutuals eg. Building Societies with a large number of branches run compared to the POL. They have counters, account for cash on a daily basis, and pre-empt possible risks.</p>

