

OBJECTIVES 2000/2001**JOHN ROBERTS**
Chief ExecutiveMain Purpose of Role

As a leader of the Executive team, to motivate and enable them to achieve their objectives which are derived from the overall business objectives. To ensure that the culture matches the commercial assumptions of The Post Office, with speed of decision making.

Key Objective

The key objective is to achieve and, if possible, exceed Government's financial target and the key numbers in the budget.

Group Budget	£ millions (FY)
Sales	7959
Operating profit	241
Government profit target (post-tax)	261
Dividend	104

Key Success Criteria

1. Return on shareholders funds 8.6%
2. Mails volume growth 3.4%
3. Package & Express key milestones : revenue £489m prime costs £333m
4. Mails productivity improvement 3.1%
5. Envision Break-even

Strategic Objectives

1. Implement the JV with TPG/Singapore Post by August 2000
2. Secure a controlling interest in General Parcel by January 2001
3. Produce and gain Board agreement to an initial Post Office E-commerce strategy by July 2000.
4. Develop a strategy for a viable Post Office Network in the light of the PIU report.

Transformation / Big Issues

1. Produce high level contingency plans for exit Packages & Express (November 2000)
2. Ensure key IT projects (ESP, WAND, AI, SPICE, PMS, Horizon) meet their 2000-01 milestones as reported to POB quarterly.
3. Develop and have implemented a complete action plan for complaint handling in The Post Office (March 2001 completed)
4. Ensure an acceptable first interim licence is negotiated with the Regulator (March 2001)

Organisation and People

1. Lead a Post Office-wide communications programme designed to prepare for competition, regulation and PLC status.
2. Lead the introduction of a reissued behavioural approach using Effective Leadership Feedback techniques.

Process

1. Ensure development of a major communications campaign, to be agreed by the Board in July, to persuade staff of the need for further change to meeting competition and regulation.
2. Continue to support, in line with PO values, through role modelling and speeches, the anti-harassment and discrimination campaign now being run. (On-going).
3. To produce for Board agreement a balanced scorecard approach to performance review, linked to equivalent scorecards for the rest of the company. (July 2000).

Personal Development

1. Attend internal workshop courses on regulation.
2. Continue benchmarking visits / talks on E-commerce development.

Objectives 1999/2000 - Full Year Performance

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1. Budgets - these are the amended budgets after final changes and changed approach to property charges agreed by the Board. All are pre-Horizon.

Group Budget	£m	FY £m
Sales	7647	7572
Pre-tax profit	525	423
Targets		
RM profit	441	441
POCL profit	22	29
PF loss	(13)	(61)
RM volume	5.2%	4.6%
Productivity improvement	Headline 3.8%	2.5%
Expenditure savings	68	125
POCL Conversions	2 offices	1 office + 4 in pipeline
Client negotiations benefit	2	4.6
Parcelforce revenue	+37m over 1998/99	+22m over 1998/99

Comment:

In a tough year, sales were up 8% year-on-year although short of budget. Profit was down on last year and budget.

In the end, and with the help of changes between RM and PF due to sampling errors on Special Delivery, RM hit its profit target, as did POCL. The big problem area was PF - and to some extent Envision. Both have been discussed by the Board and remedial - or exit - plans agreed.

*Plain
Quality work*

Strategic Objectives

1. To implement the proposals set in the White Paper, especially those relating to investment freedoms, regulations and counters' network.

Comment:

All key aspects are being developed in line with Post Office needs due to good work by our Bill team, with escalation of issues to me and the Chairman as appropriate. Achieved in full. ✓

2. Conclude the first stage of the German/General Parcel strategy with acquisitions at a cost of less than £200m.

Comment:

52% of General Parcel now controlled with all targeted acquisitions to date achieved at or within Board authority levels. Total spend of around £110m. Achieved in full.

3. Develop an international letters' strategy, in light of the Board Awayday discussion, to complement that for road parcels.

Comment:

This slipped 2 months and was taken by the Board, and approved, at its May meeting.

Transforming/Big Issues:

1. Monitor and ensure the completion of the new Parcelforce hubs by September 1999 for International and March 1999 for Domestic.

Comment:

Both hubs were working effectively by these specified timescales but they have not yet achieved full capability due to delays to the PMS/POISE system. Nevertheless, efficiency improvements and cost savings are already being achieved.

2. Ensure the implementation of the RM Productivity Scheme to produce a net benefit of £14m in 1999-2000.

Comment:

Due to the completion of the Way Forward negotiations, implementation is slower than RM hoped with a cost of £1.2m within the Service Delivery Business Plan. Next year will see a net benefit of £35.9m.

Organisation and People Issues

1. Complete and deliver a commercial Strategic Plan by June 1999.

Comment:

Completed to time. Agreed by Government in November.

2. Complete the implementation of SCS by April 2000, ensuring that the Post Office is fully functioning with its new structures.

Comment:

Completed. The last 2 units, Packages & Express and Logistics went live in March.

3. Ensure that a new implementation plan for an agreed Horizon option is set in place or, in the event of Horizon's cancellation, handle this at minimum cost to the Post Office.

Comment:

Agreed plan in place. Contract terms with ICL improved. Over 5000 offices implemented. All revised milestones for 1999-00 achieved.

4. Set the correct commercial behaviours for all managers under SCS, ensure effective development mechanisms are in place and role model the new approaches.

Comment:

On-going. Training and enrolment events completed for all new Groups. Management approaches set out in detail. Changes to Executive Board behaviour being tracked by external consultant (Mark Goodridge).

5. Ensure the continued improvement of the management developments and succession planning process.

Comment:

Being done. Next paper due to the Board in early 2000.

6. Build on the improved relationship with the CWU, particularly in the delivery of a new 'Way of Working' agreement in RM.

Comment:

Relationship continues to improve at National level building on strategic partnership. Way of Working delivered. Regular meetings held with General Secretaries.

Personal Development

1. External discussions to improve understanding of Regulation.

Comment:

Discussions with Rothschilds, Oxera, and in-house regulation team.

2. Short benchmarking trip to selected IT/commercial companies in the US to understand their approach to e-Commerce/Home Shopping and the development.

Comment:

Completed 12-15 December with IBM, Cisco and HP. Aided thinking considerably on approach to big IT projects, SAP and E-Commerce.

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