
From: Annette Bentley[CN=Annette Bentley/OU=e/O=POSTOFFICE]
Sent: Thur 19/07/2001 12:43:11 PM (UTC)
To: PON_BSM_FOCUS
Subject: E- Focus - BSM

Dear All,

Below is your copy of July BSM E Focus which looks a little different this month. Paul Swanton is trying a different format that he hopes will be more user friendly - you just need to click on each article to access it.

The first seven are the local articles followed by national items. Team leaders will receive the Leaders Brief in the next few minutes.

Best regards

Annette

GRO

Rising To The Challenges

There have been some interesting challenges in the last few weeks. One of the most demanding in terms of time and importance is our relationship with Customer Management and how we can work better together. We have held a couple of sessions with them, one to teamwork the causes of tensions between us and how we can go forward in a positive and professional way, and the other to address how we can better manage the development of the Toolset. Both have been constructive and through the actions developed offer encouragement for the future. There is still the bigger issue of our contractual relationship with Customer Management to be reviewed and this will continue to be a prime focus for me until this is resolved, **hopefully shortly**. The extension to our Toolset, to include configuration and change management as well as some enhancements to existing modules, is being pro-actively managed with directors to ensure that any business case we submit will receive a positive reception. My thanks to Chris Nicholson, Richard Lynds and Richard O'Hara who have all worked hard to develop this case and identify compelling benefits.

Another activity that has occupied significant management time recently is the beginning of the planning round for 2002-3. Whilst it may seem some considerable time away the BSM lead time, like others across the business, have had to develop initial thoughts on the vital few actions. With the help of others from across the various functions in BSM we held a workshop to analyse where we are now and the root causes of any under-performance. Last year was about establishing our function, the current financial year is about building in quality and we see next year as the one in which we will be required to operate more efficiently. Once we have had confirmation that our plans fit with the wider business requirements we will share the detail with you. In the meantime any lead team member will be happy to share our diagnosis and thinking with you.

Work has also continued to raise our profile across the business and the recent high level visit from the National Federation of Subpostmasters was part of our plans to demonstrate to them our readiness to take on the requirements of the retail line review when it is rolled out nationally in September.

Let me conclude by paying tribute to all who did exceptionally well to handle the challenges of postal revaluation in such a professional and sensitive way. The problems we had with loss of power on site did not help but the way people responded was truly magnificent and very much appreciated. If I needed any evidence that we have a superb team this provided it. Well done and keep up the good work.

Changes to the Horizon Evaluation Review Forum

One of the essential disciplines of service management is service review where the performance of our suppliers is regularly reviewed and challenged to ensure the service provided is to the high standards we expect. To facilitate this BSM have a hierarchy of review forums to discuss the service provided by ICL Pathway throughout the automated environment.

Now that the roll out of Horizon to outlets is nearing completion the Horizon Evaluation Review Forum (HERF) has changed its focus and membership to ensure that these service review requirements are met. As a result of this the HERF has now been disbanded and replaced by the Automated Services Forum (ASF).

The purpose of the ASF is: *To sustain the continuity and service levels of the automated operating process by monitoring*

performance, evaluating the impact of changes, resolving issues and assuring supplier service. Membership of the forum is from the following areas of the business:

- Head of BSM
- Supplier and Service Performance BSM
- Service Operations BSM
- Horizon Commercial
- TP
- Agency and Network Deployment
- Internal Accounts
- Operating Process
- Audits
- Automation Programme Delivery

This forum will contribute towards one of the key elements of BSM's work which is to work with our suppliers to improve the quality and value of their performance.

News from the Retail Line Trial

During the last few months I have kept you informed of the Retail Line Trial's progress. By now most of you will be aware that the trial will be rolled out nationally from mid September, and that plans have been put in place to recruit staff for the new Performance team. But what will the new team be responsible for? What will their targets be? How will the changes be communicated to the rest of the business?

Roles within the Performance Team

I have listed below some brief descriptions of the different roles of individuals within the Performance team that might help you understand the workload they will undertake.

Network Performance Support Manager

A senior management position and the person who will lead the Performance team .The Network Performance Support Manager will be responsible for the performance improvement, performance analysis and suspense account functions and will ensure the work is undertaken effectively and efficiently to meet the operational level agreements (OLAs) with key customers, including the retail line.

Performance Analyst

A manager who will be responsible for the development and maintenance of the telephone intervention processes and procedures. They will be heavily involved in the operational level agreement process alongside the Network Performance Support Manager and will assist with answering queries from the territories. The individual will also analyse the errors being made by outlets to identify the issues that need to be addressed by both the performance and suspense account teams.

Performance Team

A team of 26 advisors lead by two Performance Improvement Managers who, initially, will be located at Dearne House, Barnsley and Future Walk, Chesterfield. The team will be responsible for making first line telephone intervention calls to outlets against agreed criteria. They will also be required to escalate incidents to the retail line if performance reaches a predetermined level . The calls will be made to support performance in the following key areas.

- **Quality of Performance to Agencies (QPA)**
These are errors made by outlets during accounting and documentation.
- **Mystery Shopper Results(Smaller Outlets)**
Non compliance calls to smaller outlets controlled by Area Managers.
- **Sales**
Calls to support increase in sales at smaller outlets controlled by Area Managers.
- **Error Notices**
These calls are made to encourage outlets to bring financial errors to account.

Suspense Account Team

A team of six advisors led by a Suspense Account Manager who will provide authority for outlets to hold amounts in the suspense account. They will also manage the authorisations to resolution and challenge amounts held that are unauthorised. The team will provide support to the retail line in respect of hardship cases, and losses in the first six weeks of account. Information on specific errors and overall area performance will be provided to the retail line periodically, and escalations will be made where outlets do not conform to business policy.

There will be an additional role, that of the ***Service Support Manager***, who will sit within the NBSC Network Business Support Team. Their role will be to manage the relationship with expert domains in respect of OLA reviews, and NBSC process development and maintenance. In addition they will manage a team of incident analysts at NBSC.

Targets

Like all business units the team will have a POMM Scorecard which will include the main Performance Indicators, agreed targets,

and the vital few activities that will support the delivery of the Performance Team's objectives. Currently the targets and the Scorecard are being developed by the team in negotiation with expert domains, which include the retail line. More details will be available in the near future.

Communication

A comprehensive communication plan has been produced which will keep employees, wherever they are located within our business, aware of the national roll out of this project. E-Focus is just one of the many forms of communication that has already been used, or is planned for the future. Others include:

- **Courier**
Used for the initial communication about the trial and its purpose.
- **Counter News**
For concise operational changes such as the introduction of the Suspense Account Team or the phased approach for the introduction of the trial processes that will become generic following national roll out.
- **Presentations**
To Regional Lead Team members for downward communication to regional staff and to Heads of Retail Network and their teams providing information on the progress of the trial.
- **Operational Level Agreements**
With expert domains which will include details of any actions that will be required of their staff to support the roll out of the Retail Line Review and the workload that will be undertaken by staff at NBSC.
- **Monthly Communications Brief**
For downward communications to BSM teams (available to other teams on request).
- **Personalised Letters to Outlets**
Letters to those outlets involved in the trial thanking them for their involvement and making them aware of the decision to roll out the trial nationally. A further letter to outlets outside of the trial to make them aware of the changes and how the changes will affect them.
- **Letters to individual retail line managers**
- Making them aware of the phased approach for the introduction of trial processes with specific detail of how it will impact on their roles.
- **Participation in Training Events**
- Involvement in the training of retail line managers / area managers which may include presentations of the NBSC operation and a video nasty - a simulation of one of the processes followed by the NBSC operators.

If you would like to know more about the Retail line Review why not visit the intranet site (select Post Office Network and click on [Retail Line Review](#) then on What's New which will appear across the bottom of the screen) or contact myself **Mike Denison** on [GRO](#)

Look out for next month's update which will include details and benefits of the new toolset development that will be used when the Retail Line Review rolls out nationally in September.

Team Profile: The Operational Business Change Team

Hello, my name is Dave Ireland and I'd like to introduce my team and tell you a bit about what we do.

We are based in Concept House, Farnborough and we are responsible for the management and delivery of the Operational Business Change process. OBC is a change management process which is contractually agreed between Post Office Network and ICL Pathway. Operational Business Change delivers reference data, which governs how products appear on Horizon, e.g. product names, prices, how the product is transacted and its availability at all or selected outlets. We process around 3000 product changes each year, and are responsible for maintaining over one million outlet/product links.

Our aim is to ensure that the right products are available at the right time, to the right specification, at the right outlets. And we have never failed to deliver.

Meet the Team - The Magnificent Seven

Zoë White - our [GRO](#) performs the role of verifying all the changes processed by the team, either by checking reports produced by ICL Pathway, and/or by using a Horizon terminal. Once it's certain that the change has been made as specified by the OBC, she will then authorise Pathway to release the change to live. When not performing this 'vital role', Zoë will either answer to [GRO](#)

Paul Garner - manages the day to day processing of the Operational Business Change forms, ensuring all timescales are met. He also manages our local databases, ensuring that we have all the information we need. He is also responsible for the development of the electronic Operational Business Change forms. Paul deals with ICL Pathway, Internal Account Management Team, Reference Data Operational Team and BSM Change Implementation Team on a daily basis. [GRO](#)

David Anders - our resident diplomat. It's his job to liaise with ICL Pathway and Internal Account Management Team to ensure that both Post Office Network's and ICL Pathway's Operational Business Change contractual roles and responsibilities are defined, and the service delivered. David is involved in reducing reference data errors and in identifying and implementing OBC service improvements. [GRO](#) [GRO](#) [GRO](#)

GRO

Kathy Greaves - provides support to the NBSC regarding any enquiries about OBC, reference data, product/outlet links and changes in progress. Kathy is leaving the business at the end of July,

Sudarshan Agnihotri (aka Sid) - Sid is taking over from Kathy.

Andy Corbett - our technical expert. His role is essentially that of a consultant, providing help and advice on reference data and OBC issues to IAMT and PON projects, e.g. Your Guide.

Dave Ireland - it's my job to hold the whole thing together. My main responsibility is the management and development of the Interface Agreement between PON and ICL Pathway, which documents who does what and when, to ensure the OBC process works. I've got the best team in BSM, so my job is that much easier.

Personal profile - Liz Tuddenham

Hi, my name is Liz Tuddenham and I'm the Head of Supplier & Service Performance within BSM.

We have recently renamed our team (previously Operational Performance) to try to give a clearer picture of what we do; that is monitoring the performance of the automated services and managing supplier performance.

In doing this we manage the performance of ICL Pathway against a myriad of Service Level Agreements covering all aspects of their service to us. A key enabler to this is the Service Review Framework which allows for each main area to be managed at the appropriate level through Operational Review Forums (ORFs), which support the monthly PON senior management forum (the Automated Service Forum - more about this elsewhere in this month's E-Focus) and the joint PON/ICL Pathway Horizon Service Review Forum.(HSRF).. Whilst the focus is on getting the service we want from ICL Pathway, if they do fail certain SLAs we need to manage the remedy process to ensure that the business receives the compensation allowed for in the contract.. My team also manages the joint visit programme which allows our managers and those of ICL Pathway to get direct feedback from outlets about the service they receive. The process has just been reviewed and expanded but we are sure that this will continue to provide us and the managers concerned with a very useful insight into issues at the "front line" which will help us all provide a better service to our customers.

As well as looking backward as part of the Service Review we also like to look forward and identify possible impacts of future changes and releases, not to mention identifying service improvements. Hence the Service Improvement Process is also managed from within my team, which ensures a business wide consistent approach to the processing and evaluation of improvement suggestions received from users. This involves, amongst other things, analysing calls/previous similar suggestions to assess the potential impact the improvement suggestion aims to address, running user evaluation groups as necessary and, most importantly, providing feedback to the person raising the suggestion.

All of the above is underpinned by management information which is pulled together by the team on behalf of the business. These range from standard monthly reports on call volumes/breakdowns etc to ad hoc reports about specific products on specific days.

Finally, another important area of our team is the Order Book Control Service review process which we manage. This builds on our knowledge as a customer of the overall Horizon services from ICL Pathway but turns us about 100% and positions us as supplier to the Department of Work and Pensions (formerly known as the DSS) . This requires an adeptness at switching hats and sometimes makes me feel like I need to be able to face in opposite directions at the same time!

Enough about work and a little bit about me: following on from the tradition set by my lead team colleagues in earlier editions, I note it is customary to start with my age so here goes.....

that I started working in Consignia nearly 14 years ago as a graduate - but that's as much as you are getting!! Whilst working for Consignia, I trained and qualified as a Chartered Management Accountant and hence have spent much of my working life in a finance role (mainly on large projects) until the last few years. I was one of the first people within the business to work on Horizon, starting on the BA/POCL programme in October 1994 as we were preparing the Invitation To Tender and have been involved in one way or another ever since. This history and knowledge of the automation project helps me greatly in my job today.

GRO

Finally, I just want to say that when I started on the Horizon project all those years ago, when asked whether or not I thought it would ever succeed, I answered "yes - but I don't know when or how!". Well, as a business we can now say the automation project has succeeded through a lot of hard work and dedication of many people - not least those in BSM. Whilst I'm well aware that we are all still striving to embed the service management principles fully within business as usual, we should be proud of what we have achieved in such a short time and I look forward to seeing many of you on August 11th at what promises to be a fun recognition night!

IRRELEVANT

Business Service Management Scorecard Performance June 01 (Period 3)

The tables below show all the performance indicators (PIs) that have been agreed at level 3 for us in BSM, together with the latest performance against formally agreed targets.

Key - click coloured box for explanation



Shareholder Scorecard

Unit of measurement	Latest Measure Period 3	Quarter 1		Full Year Target		Status
		Plan	Actual/Forecast	Plan	Actual/Forecast	
Net Core Expenditure	3873.5k	4186.1k	3873.5k	16525.3k	16189.3k	
Core Staff Costs	1083.0k	1333.1k	1083.0k	5372.1k	5122.0k	
Core Non Staff Costs	467.9k	425.1k	467.9k	1453.2k	1367.3k	
Core Interbusiness Costs	2321.7k	2427.9k	2321.7k	9700.0k	9700.0k	
Development Non Staff Costs	138.1k	90.0k	138.1k	187.0k	187.0k	
Manpower Numbers	187	214	187	214	197	

We have continued in period 3 to under spend against our core budgets, as a result the lead team decided to "hand back" to the rest of the Operations directorate a sum of £336.0k. The majority of this £336.0k hand back has already been re-allocated to both Security and Network Management teams to fund short falls within their budgets.

Now that this hand back has been accepted, BSM's full year target has been adjusted accordingly, bringing the status from Amber back to a Green for period 4 (July) reporting.

Customer Scorecard

Unit of measurement	Latest Measure March 01	Quarter 1		Full Year Target		Status
		Plan	Actual/ Forecast	Plan	Actual/ Forecast	
IAM Satisfaction	81%			80%	81%	
Territorial Satisfaction	71%			80%	77%	
Helpline Customer Satisfaction	75.3%			75.5%	75.3%	
Mystery Shopper	93%			95%	93%	
Helpline Agents Satisfaction	76%			78%	78%	
NBSC users satisfaction	88.7%	82%	88.7%	85%	88.7%	

The top five units of measurement on our Customer Scorecard are all measured on a six monthly basis, the next round of satisfaction questionnaires being completed during the next three months. BSM's lead team is working hard behind the scenes to implement already identified improvement activities. Just a handful include a Service Level Agreement (SLA) with Internal Account Management, NBSC improvement plan and numerous widespread communications across Post Office Network regarding BSM and the way forward.

The user satisfaction with NBSC continues to exceed our planned expectations. The results from the last three months, April to June have been both very encouraging as well as consistent, starting with 88.1% satisfaction in April followed closely with 88.7% for both May and June.

People Scorecard

Unit of measurement	Latest Measure Feb 01	Quarter 1		Full Year Target		Status
		Plan	Actual/ Forecast	Plan	Actual/ Forecast	
EOS Leadership Index	69%		69%	75%	75%	
EOS Capability Index	79%		79%	81%	81%	
EOS Commitment Index	72%		72%	73%	73%	
% PDPs submitted to HRSC	100%	75%	75%	100%	100%	
% PDPs achieved to 75%	10%	0	10%	95%	95%	
Overall % PDPs in progress	54%	37.5%	54%	97.5%		

The next EOS questionnaire is now being distributed. It is vital that each questionnaire issued is completed in full and returned in order that we can start to address some of your major concerns/issues.

We are currently over achieving against some of our % conformance to PDP activities, the main reason for this being that the PDP process for management grades and non management grades is out of sync. The management appraisal period starting in April compared to January for the non management grades. Saying that, the progress on PDP activities for tier 2 Service Support Advisors is very encouraging, with over 79% of all PDP activities either started or have been completed.

A new unit of measurement will be added to the people scorecard for period 4 reporting. This new activity surrounds Senior Management visits.

Post Office Ltd update

Post Office Ltd will be created on 1st October bringing together Post Office Network, Network Banking, the Government Services team within Customer Management and Cash Handling and Distribution. The high level design consists of seven directorates: Strategy, Strategic Alliances, Customer Service, Change & IS, Channel Operations, Personnel and Finance. Cash Handling and Distribution will be within the Post Office Ltd group but will remain as a separate business. These roles represent level two in the new structure.

The detailed design of the new directorates is now underway. Radical redesign is not expected at all levels of the organisation. We have seen a change in focus and responsibilities for the new Executive Committee and it is expected that some of this will flow through into the roles of their direct reports (new level three). At the new level four some change is expected although it is anticipated that there will also be a significant number of unchanged roles. Some changes below level four are expected prior to 1st October but this is likely to be focused primarily on addressing gaps and overlaps in the new organisation.

As the new structures at each level are finalised the People Strand of the programme will be working with line managers to place people into the new organisation. The selection and appointment to roles in the new organisation will be managed in line with Consignia policies and approaches and be consistent with other change programmes - see below in the Selection and Appointment Process section for more information.

The Post Office Ltd Executive Committee have agreed a broad strategy that outlines where staff will be accommodated from 1 October. The approach that has been agreed balances the imperative to achieve a cost-effective solution whilst seeking to minimise any disruption to the normal pattern of working life for our people. Inevitably, however, there will need to be some changes made to our present sites, in particular to those currently occupied in Central London

The Selection and Appointment process for placing people into the new organisation

The selection and appointments process has four steps:

1. Identifying and classifying roles - Once defined by the Organisational Design strand, roles in Post Office Ltd will be reviewed against current roles, to identify whether they are:

- Flow through - 75% or more of accountabilities and skills remain unchanged against the current role
- Duplicate - 75% or more of accountabilities and skills remain unchanged but the role exists in one or more of the in scope units so selection will be made from a 'pool' of existing incumbents
- Changed - Less than 75% of skills and accountabilities remain unchanged against the current role¹
- New - There is no role like this currently

¹ All changed and new roles will be Hay evaluated and assigned grades accordingly

2. Appointing people to roles, i.e. identifying:

- individuals who are in flow through roles and who will be appointed into Post Office Ltd; and
- 'best fit' appointees into non flow-through roles, via matching meetings with line managers of the new organisation. These matching meetings will take the form of paper selection boards, assessing information on the recent experience of individuals against the skills and experience required for the new roles to identify 'best fit' candidates. A pro forma will be sent out to gather the information required about the experience of individuals (early August for CM grades; mid-September for other personnel if required). Corporate and Business Personal Contracts staff have already received a pro-forma to complete.

3. Managing surplus employees - The Creating Post Office Ltd programme does not have a cost reduction objective. However the organisation design may result in some employees being un-placed. If this is the case they will be managed in line with Consignia's management of surpluses policy. Individuals who are un-placed will be considered within the matching model to identify re-deployment opportunities across the corporation. If there are not such opportunities then individuals may be offered voluntary redundancy. Consignia policies for managing surpluses will apply. It is important to note that the new Consignia Resourcing Framework recently announced has not been introduced as part of the plans to develop Post Office Ltd. The new Resourcing Framework is a Consignia wide-change which will come into effect from 15th October.

4. Managing vacancies - Vacancies will be advertised and resourced through the usual channels. We anticipate that the focus of activity will be on flow through and the matching process. We do not expect to have a large number of surplus employees or vacancies by October

For more information on the selection and appointment process, please see the Selection and Appointment Q&A on the Consignia intranet - [click here](#)

Retail Line Review - update

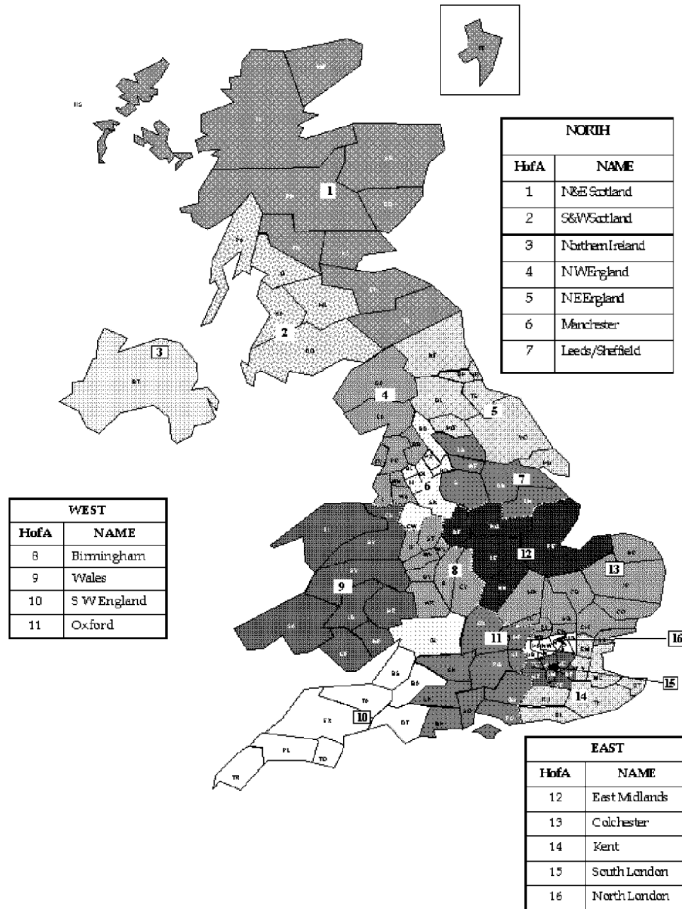
The map below shows the new territorial area boundaries under the Retail Line Review rollout which will be implemented in mid September 2001. Listed below are the heads of area that, to date, have been appointed to each area. Confirmation of the remaining heads of area will be announced as soon as appointments have been made.

Confirmed Heads of Areas for each boundary

No	Area	Head of Area
1	North and East Scotland	Jim King
2	South and West Scotland	Sandy Stephen
3	Northern Ireland	Ray Crea
4	North West England	To be appointed
5	North East England	Lynn Hobbs
6	Manchester	Carole Prysziak
7	Leeds / Sheffield	Eddie Herbert
8	Birmingham	To be appointed
9	Wales	Dave Barrett
10	South West England	To be appointed
11	Oxford	Dick Whittington
12	East Midlands	To be appointed
13	Colchester	To be appointed

14	Kent	Kevin Ray
15	South London	Alwen Lyons
16	North London	Jackie Ilesley

Confirmed areas



Post Office Ltd - Stationery orders

IRRELEVANT

A chance to have your say

The next batch of opinion survey questionnaires were sent out on 20 July, and we hope as many of you as possible will take the opportunity to have your say.

The quarterly forms will be sent to all administration staff. The deadline for completing them and posting them back is August 2.

Your opinion is important to us, so please tell us what you think. We try to make our analysis of the forms as local and specific as possible, which makes it particularly important that the majority of forms are returned.

Important news about travel expenses

As you may be aware Consignia is investing in a new single system called Enterprise System - Finance System (ES - FS) to manage all financial operations across the organisation.

Whilst the new system is 'installed' some operations need to be suspended. This will allow current records to be migrated to the new system and for items that are partly processed to be completed on the old system before the new one is put in place.

The processing of travel claims will be suspended on 23 July and recommence on 1 August using the new system. Please advise staff that claims received during this time will not be processed until 1 August. Following the suspension, extra work will be carried out to ensure any outstanding claims are dealt with as quickly as possible. However, some short term delays may occur whilst these are cleared.

All other documents that can impact on an individuals pay e.g. joiners, leavers, promotions, reversions, status changes, sick notifications, etc, should also be despatched as early as possible to avoid incorrect payments being made.

If you have any enquiries, please contact the HR service centre on GRO

Cost Centre code changes

As part of the move to the new ES - FS finance system all cost centres within Post Office Network are changing. From 30th July the new numbers will be required and should be used on all financial forms, documents, T&S claims etc.

Spreadsheets containing the old and new cost centre codes are located on the Business performance section of the Post Office Network Intranet site. To find your new cost centre [click here](#).

Budget managers should have received copies of the spreadsheet directly. Branch Offices have received details of their new cost centre codes directly

Senior manager visits highlight sales improvements

The latest quarterly results from the Senior Manager Visits programme has shown a substantial increase in the number of frontline staff up selling and cross selling. In the period from April to June, the number of outlets carrying out cross-selling or up selling rose to 67 per cent - an 8 per cent improvement on last year. There was also a small improvement in the standard of exterior cleanliness of outlets, rising to 91 per cent.

Performance against the other standards remained about the same compared to last year. The Service Provision standards (e.g. friendly greeting, closing statement and full attention) scored an average of 96 per cent and the score for staff appearance was 95 per cent. The standard of interior cleanliness and decor of outlets also remained the same, at 92 per cent.

This programme involves senior managers visiting any of the top 3,000 outlets. The aim is to make sure they understand the issues facing outlets, and to discuss sales and service issues with the branch manager or subpostmaster. During the latest quarter, 357 visits were completed, with 108 senior managers participating.

As part of the visit, senior managers ask customers what they think of the outlet. In the April to June period, customers said the issues most important to them included being served by friendly and helpful staff, not having to queue for too long in peak periods and being kept informed of services.

Employee Opinion Survey results

The survey, which was sent to 33 per cent of the retail line, found no significant increases in satisfaction compared to the previous survey, which was carried out in February.

However, there were a number of areas where satisfaction levels had significantly decreased. These included the performance of line managers in areas such as matching recognition to achievements, putting problems into perspective, basing decisions on fact and making improvements.

Staff were less satisfied with their jobs because of a lack of teamwork, the workload and career opportunities. They were also less satisfied with communication issues such as management providing a clear sense of direction, the relevance of the communications they received and being kept informed about Post Office Network's progress.

Unfortunately, the opinion survey was completed prior to the staff conferences on the Business Plan in May. The cascades should have addressed some of the communication issues mentioned.

We've recently re-launched our recognition policy, which should help line managers to match recognition to achievements. Managers are also being reminded to ensure staff have personal development plans, and that these are discussed and reviewed at regular one-to-ones.

Each territory has been provided with a detailed analysis of the results down to individual head of area and head of retail network areas. Managers across Post Office Network will now be using the results in their decision-making.

Head office teams are monitoring questions in the areas that their work has an impact on and we intend to update you on individual team progress throughout the year.

New strategies to support PostShops

Post Office Network is conducting a trial in which six Postshops have been closed and replaced by a Birthdays outlet. Further

trials will be taking place with other retail partners.

The business aim is to maximise the earning potential of the sites we own, in preparation for our planned exit from PostShop operations.

Retail concessions manager Rob Tilley says: 'The trial is proving successful so far. The Birthdays' offer includes its own products, but it continues to sell our own brand packaging materials and the other popular products our customers are used to.'

Meanwhile, the Network Equipment Team is continuing to help PostShops maximise sales by focusing on providing a good service in a clean, efficient environment.

'We have purchased and installed more modern tills in 26 outlets and more modern printers in 170 outlets, and are providing fittings we can buy or recycle from closing PostShops. We co-operate with the territories to make best use of the money available,' says Operational Systems Manager Dave Thorne.

'We have reintroduced automatic stock replenishment, to simplify ordering and booking-in stock. We can adjust stock levels to actual usage and prevent excessive holdings, freeing up valuable storage space.'

'We are working with other retail teams to simplify working and improve accuracy in stocktakes, and we will continue to support PostShops in every way we can.'

Non Managers Interim Appraisals

Please remember that the deadline for the return of non-managers interim appraisal forms is 31 August.

All completed appraisal forms and updated Personal Development Plans should be returned to the Training & Development Admin Team, Transaction Services, Human Resource Service Centre, Freepost NWW1675A, Salford, M5 9JB.

Launch of FAST calls

Our new FAST calls scheme should help to keep staff informed of latest developments in promotions and sales. FAST calls - which stands for Feedback About Sales Techniques - replaces the previous flash calls programme, which ended a few months ago. The purpose of FAST calls is to gather information on sales initiatives and track the sales of particular products.

Each of the 900 outlets chosen to take part in the scheme will be called once every three months by the Sales and Service Specification Team, one of the three sales support teams in the territories, or a product manager from Internal Account Management.

Outlets will be asked for their views on the product of the month campaign and any other current sales and marketing techniques. They will also be asked if they have any example of good practice - such as an unusual promotions idea - that could be passed on to other outlets.

Information from FAST calls will be given to the national sales forum, which is made up of sales and service general managers, the director of sales and service and the director of marketing and channels.

The forum, which meets monthly, will ensure that action is taken to enhance good performance or to tackle any problem areas. Information from outlets will also help the business to plan future initiatives and promotions.

Outlets chosen to receive FAST calls should have been sent a letter at the end of July given them more information about how the scheme will work.

New partnership with First Direct in Scotland

We're delighted to announce that First Direct in Scotland has become the latest financial institution to team up with Post Office Network. Customers of First Direct will be able to carry out banking transactions in all cash account offices in Scotland from September.

First Direct plans to carry out a recruitment drive in Scotland, emphasising that its customers will be able to use our network for withdrawals and, particularly, paying in. First Direct customers are also able to use HSBC outlets, but there are only three HSBC branches in Scotland - compared to 1,900 Post Office outlets.

The business will be small to begin with - First Direct has 18,000 active accounts in Scotland, which is about 0.5% of the current account market - but this is an important foot in the door for us.

The agreement will boost staff and agent morale, and will be good publicity for The Post Office at a crucial time in its discussions on Universal Banking Services (UBS) with many members of the banking industry.

Everyone should be aware that, although there are hopes to extend the service in the future, at the moment the agreement only applies to Scotland. First Direct customers in England and Wales will not be able to use Post Office outlets.

Lottery terminal installation programme begins

The National Lottery on-line terminal installation programme runs from August to the end of November, and it's important that

retail network managers are aware of the need to keep to the agreed timetable.

Camelot engineers will phone subpostmasters and branch managers 72 hours before the planned installation to settle on an exact time and date. If a terminal can't be installed at the agreed time, it may not be installed to January. Even that date is in doubt, because the National Lotteries Commission will impose severe penalties on Camelot if all the terminals are not replaced when expected, so Camelot may switch off some terminals rather than jeopardise the completion date of the installation programme.

The engineers will complete their visit within 45 minutes, which includes a 10-minute training session on how to use the new terminal. It's up to subpostmasters and branch managers to make sure all the relevant staff are able to attend the training session.

To minimise disruption to the sale of lottery tickets, no installations will be made after 11am on draw days (Wednesdays and Saturdays).

Post Office Network performance - how are we doing?

Key - click coloured box for explanation



Customer Goal - to be customers' leading choice supplier in our chosen markets

Unit of measurement	Latest	Quarter 1		Full Year Target		Status
		Plan	Actual	Plan	Forecast	
Customer Satisfaction tracking		75.5	75.5	75.5	75.5	
Mystery Shopper Quality of Service	92.3	94.1	92.8	94.0	94.0	
MFU satisfaction	60.0	61.0	61.0	65.0	65.0	
Elastic Products Sales - value	2/8	8/8	6/8	8/8	8/8	
Conformance to Rural Change Process	100%	100%	N/A	100%	N/A	

People Goal - everyone committed to maximise their contribution to a successful business

Unit of measurement	Latest	Quarter 1		Full Year Target		Status
		Plan	Actual	Plan	Forecast	
Leadership Index - staff	71.0	62.0	71.0	62.0	62.0	
Leadership Index - agents	48.0	48.5	48.0	49.7	49.7	
Leadership Index - assistants				72.0	72.0	
Capability index - staff	63.0	60.0	63.0	60.0	60.0	
Capability index - PDPs in progress	37.5	37.5	37.5	97.5	97.5	
Capability index - agents	56.0	53.0	56.0	54.0	54.0	
Capability index - assistants				81.0	81.0	
Commitment Index - staff	68.0	57.0	68.0	57.0	57.0	
Commitment Index - agents	43.0	43.2	43.0	44.0	44.0	
Commitment Index - assistants				87.0	87.0	
Health and Safety - long term sick	6368	TBD	27060	TBD	49222	
Health and Safety - no. of accidents	48	77	106	304	304	

Shareholder Goal - to create the increase in value expected of a long term successful business through the achievement of required financial performance

Unit of measurement	Latest	Quarter 1		Full Year Target		Status
		Plan	Actual	Plan	Forecast	
Business unit contribution - £m [profit/(loss) after interest and before cost of capital]	(21.3)	(33.3)	(32.9)	(145.1)	(144.4)	
Manpower headcount	11957	12108	11957	11819	11819	
Unit cost ratio (no target this year)						