

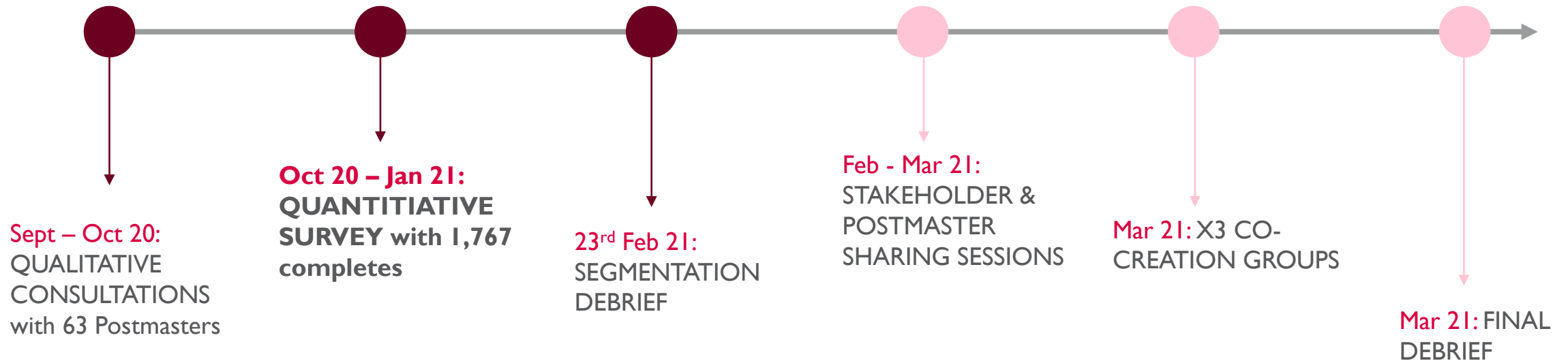


# Postmaster consultation survey: key themes

Final Data

Monday 22<sup>nd</sup> February 2021

# Project progress



*nb profiling the segment is the easy part. Embedding and activating segments within POL is a critical next step*



# Summary

# I. Sentiment

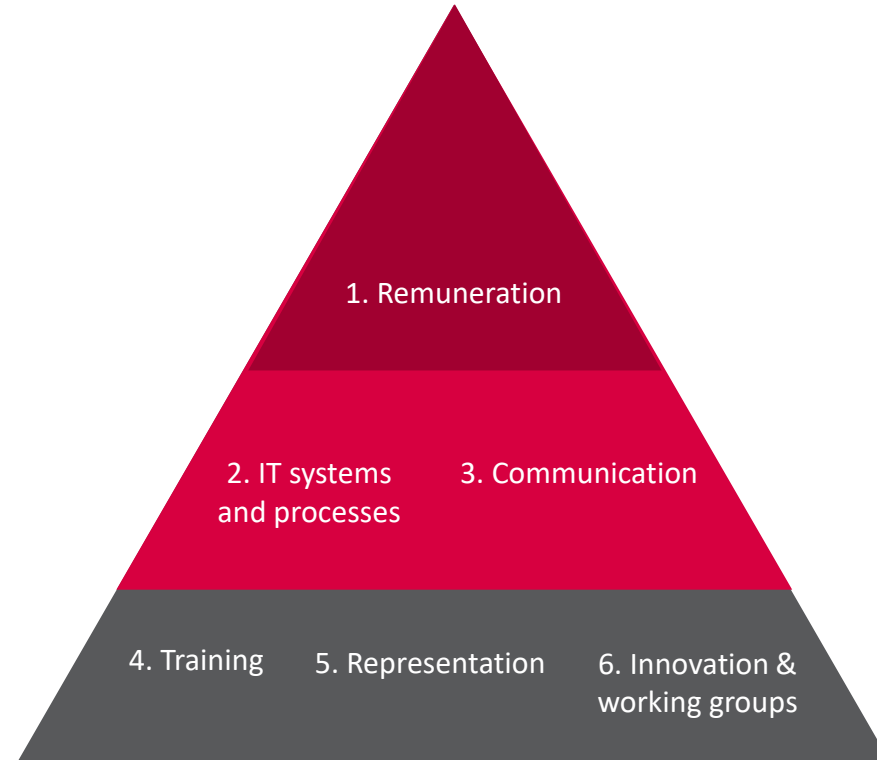
1. Just under half of Postmasters have a *poor* relationship with Post Office (feeling like a subordinate, feeling undervalued, a sense that Post Office does not understand their day-to-day realities)
2. Added to this, about a third feel *lukewarm* – taken together we might say two thirds have a sub-optimal relation with Post Office, which shines a light on the scale of the challenge
3. Their relationship with Post Office aside, the majority say they are confident in their ability to run a post office (although some say they don't get the support they need)
4. While running a successful business is obviously important, serving the local community is the key reason for being, and remaining, a Postmaster. It's quite important to understand the role community plays – for Postmasters it provides a sense of *purpose*.
5. Nearly all Postmaster re deeply concerned about the future. It is not just the situation with COVID-19 that gives cause for concern. Many are extremely worried about increased competition from Royal Mail and the inevitable (further) digitisation of products and services
6. It adds up to a pretty bleak picture. Almost one third say they will cease to be a Postmasters in the next 5 years. It does not mean a third will actually leave the brand, but it is a useful barometer for the scale of negative sentiment that exists today.

## 2. Engagement

1. Three-quarters of Postmasters are satisfied with their Area Manager – as we saw through the consultation interviews, they are often perceived by Postmasters as being “on my side”
2. Area Managers score highly for being supportive, helpful, understanding and logical – but the helpdesk and other central communications perform less well.
3. Most Postmasters prefer online communications (web portal and email) for day-to-day interactions, but half want ‘human’ contact (phone or f2f) when they have an urgent issue
4. Around three-in-five express an interest in being more involved in Post Office decision- making (around one-in-ten indicate no interest)...

# 3. Priorities for improvement

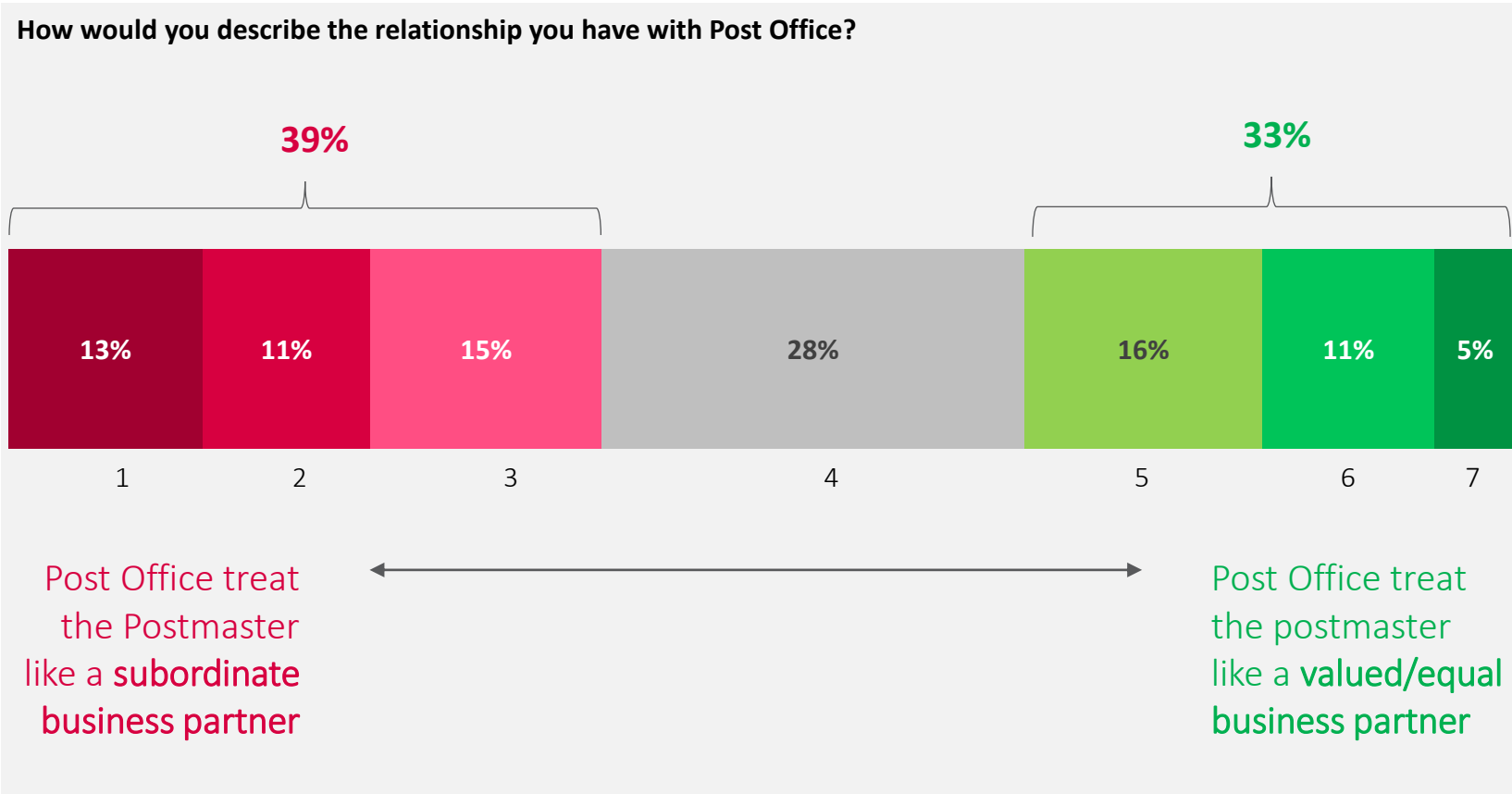
- 1. Remuneration is Postmasters' number 1 priority area for improvement – only 14% feel they receive appropriate remuneration for the products and services they offer
- 2. IT systems and process, and communication are key – between 60% and 70% would like to see improvements in these area
- 3. The two most popular ways in which Postmasters would like to be involved in different types of decision-making (e.g. for marketing, operations, products & services, customer service and significant issues) both involve Area Managers – via one-to-one meetings and working groups





# Postmaster sentiment

# About 2 in 5 Postmasters feel they are treated like a subordinate business partner by Post Office

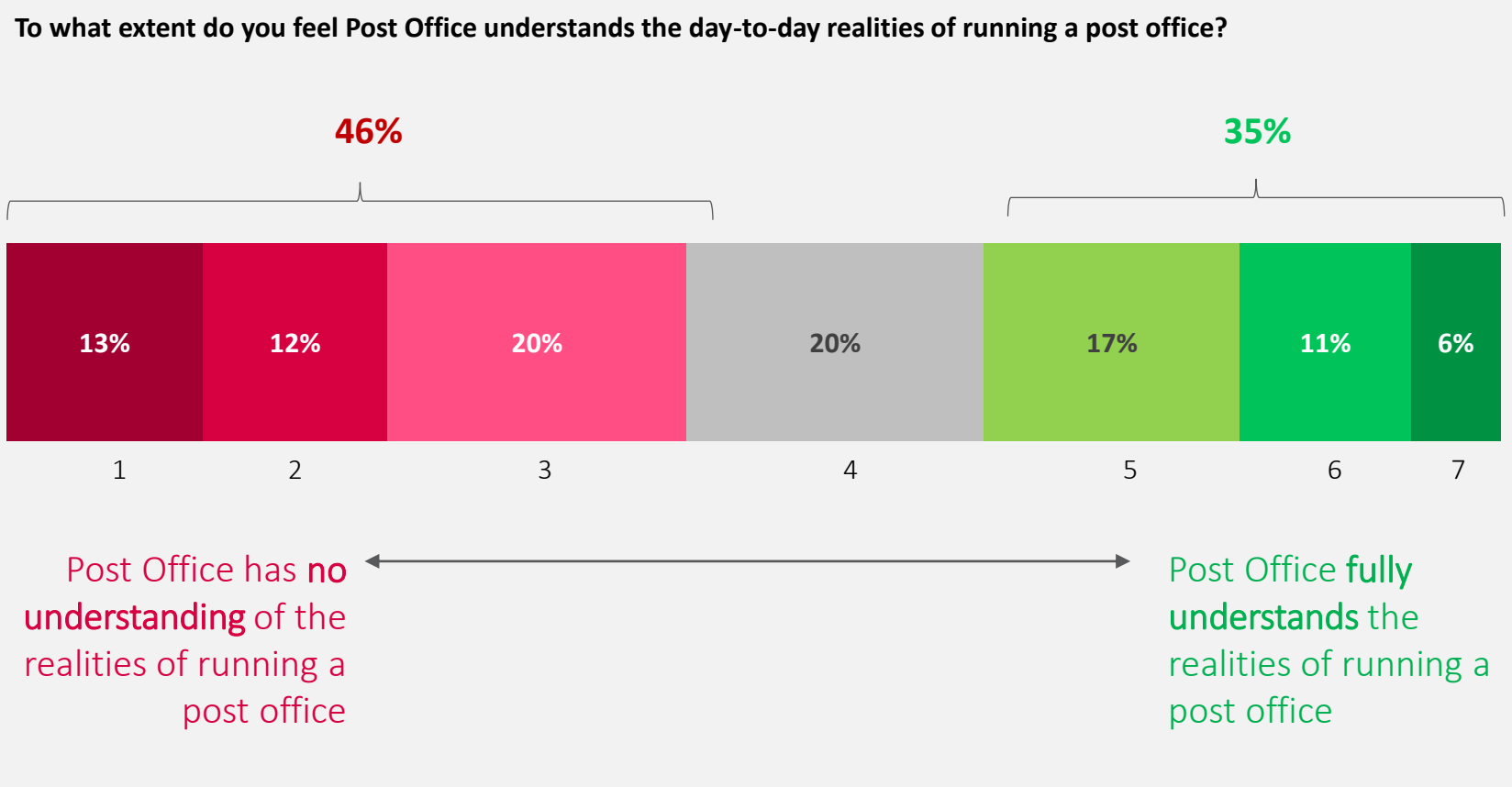


*'Post Office only think about their own profit/loss. They don't support us as a business partner. Post Office pay lots of money to Business managers, Support manager – it doesn't make any sense from a business prospect, because they do not work or support us when we need it.'*

*'I think POL has developed a 'culture' that is very dictatorial towards agency branches over the years, & Postmasters have not been represented properly... There should be a more positive culture of, 'working with' rather than being, 'done to'... There are a few glimmers of light that may come to something. My AM is highly professional, extremely hard working & understanding of my branch needs. [Post Office] has been energetic & personally responsive. I cannot tell you how important that is to me feeling valued as opposed to feeling trapped in a doomed business model with my life savings becoming worthless.'*



# Almost half feel Post Office does not understand the day-to-day realities of running a post office



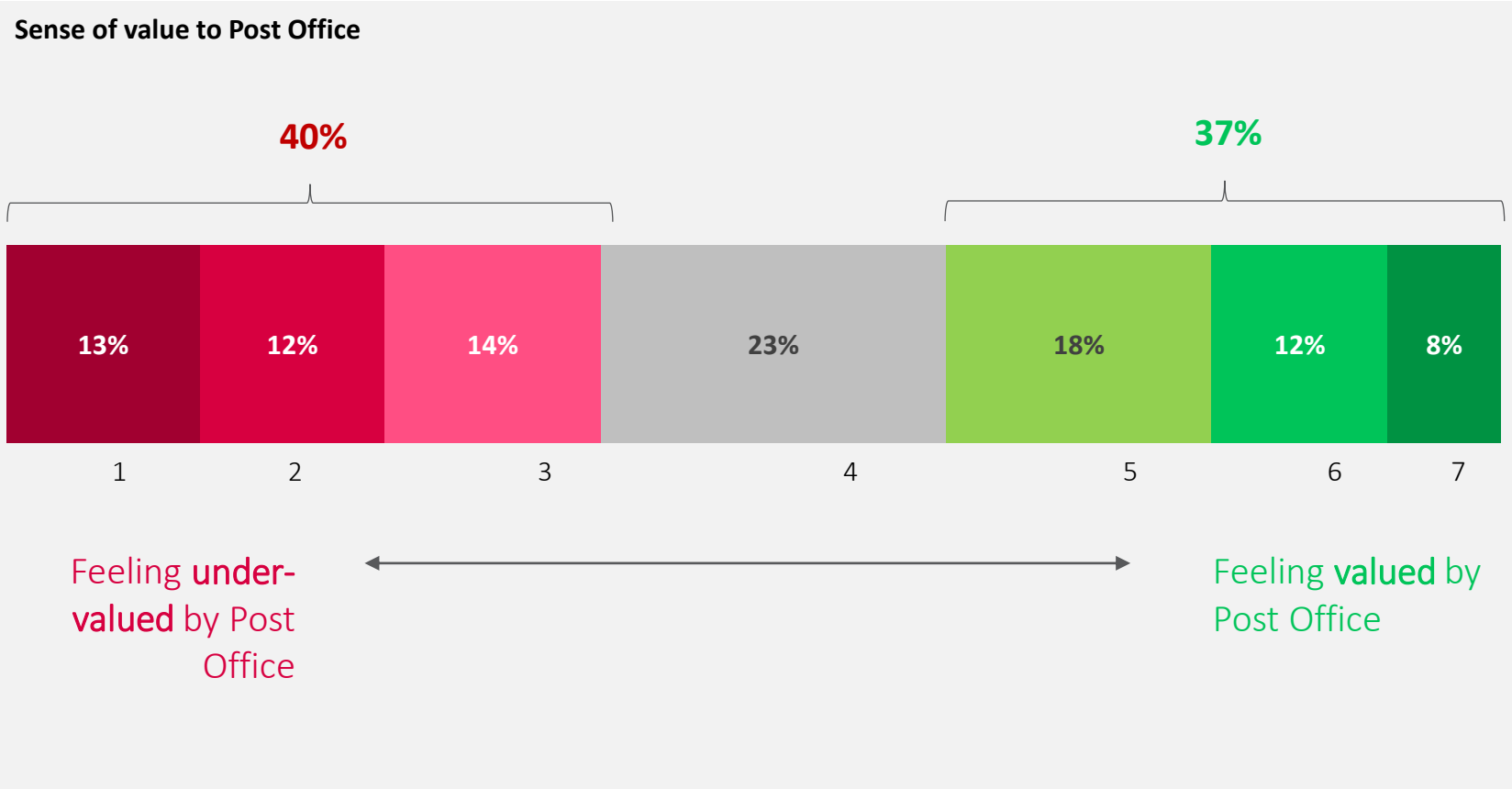
*'I feel that a lot of people above me in management have been recruited from other business and have only ever stepped into the post office branches as customers and don't understand the challenges we face' Scoring 2/7*

*'There is a full understanding of the process of completing transactions by the Post Office however crucially missing is the insight into the daily challenges and difficulties postmasters face.' Scoring 5/7*

*'I feel that a lot of people above me in management have been recruited from other business and have only ever stepped into the post office branches as customers and don't understand the challenges we face' Scoring 2/7*

Question: B4 To what extent do you feel Post Office understands the day-to-day realities of running a Post Office?  
Base (1767)

# And a similar proportion (2 in 5) feel under-valued by Post Office



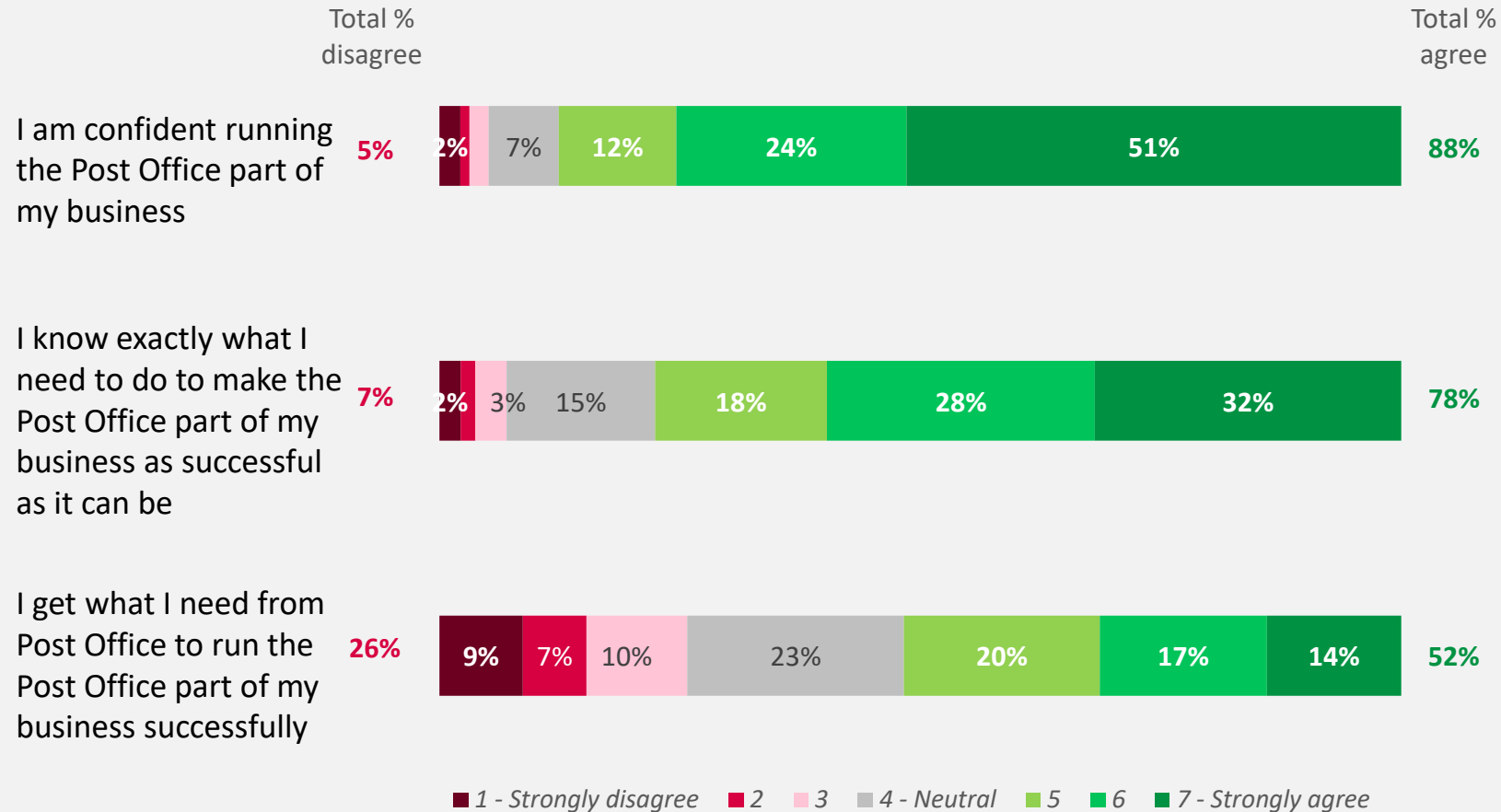
*'Recognition in more real terms the work complexity of each product and its associated payment.... eliminate the " them and us" scenario which did seem to be diminishing.... The tail wags the dog and this going forward needs to be reversed. Communicate honestly to eliminate damage created by "leakes". Ensure they don't happen ....please let me feel confident in knowledge about my future rather than customers /post man /civv drivers updating me first! Make me feel valued and respected and give me tools to do the job I love ...A POST OFFICE ...not a shop that happens to be able to perform a few Post Office services ...I am a Main for a reason!!'*

*'Mainly, we need to be paid more for what we do to make us feel valued. We need to feel as though we are partners, not subservient and irrelevant.'*

Question: B2 How would you describe your sense of value to Post Office? e.g., do you feel valued by Post Office for what you do?  
Base (1767)

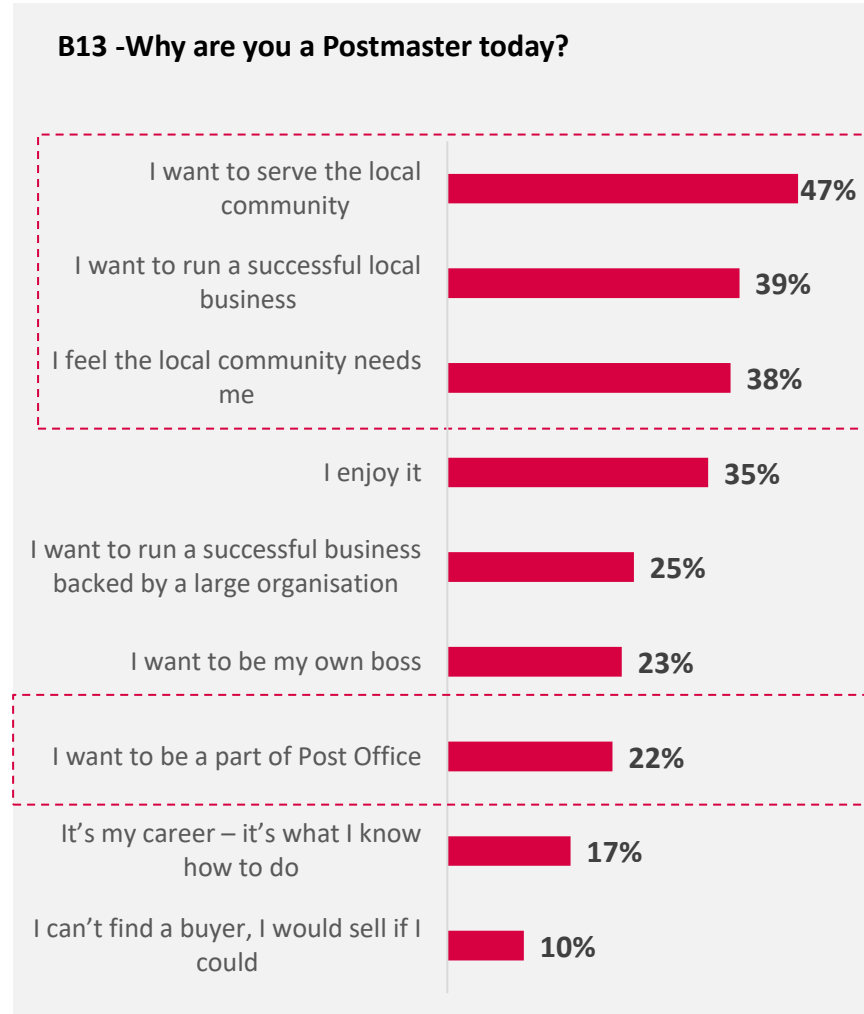
# Most back themselves to run successful businesses – but a quarter say they do not get what they need from Post Office

## Agreement with commercial realities of running a Post Office



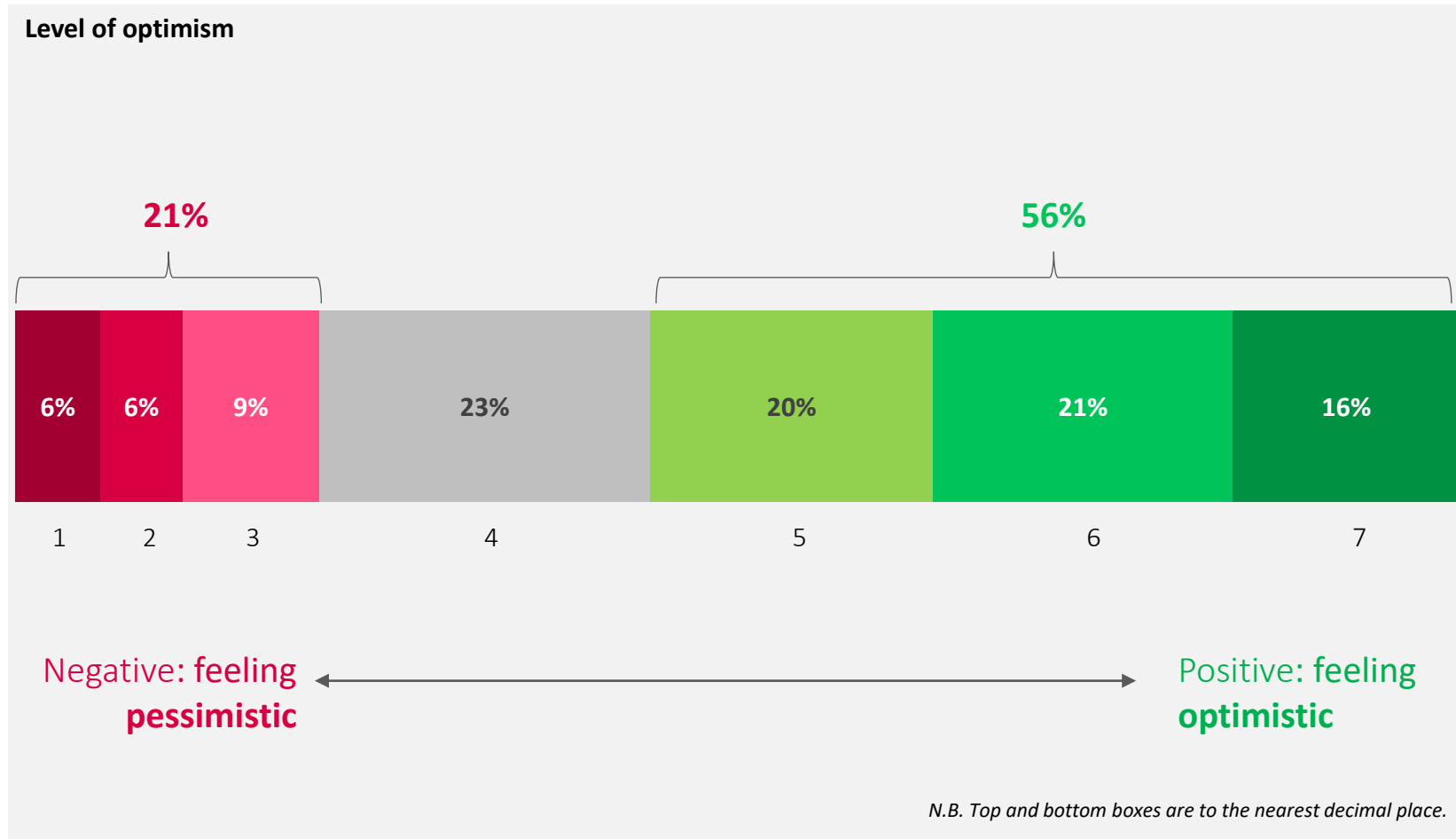
- Postmasters who have a **Local Model branch** are more likely to agree that they get what they need from Post Office to run a successful business. Along with those from an **Asian background**
- Postmasters who are **confident in using all types of technology** are more confident in:
  - Running a Post Office
  - Knowing what to do for a successful business
  - And feeling they get what they need from Post Office to do so

# Community service provides *purpose*. Almost half say they are Postmasters because they want to serve the community/ they feel obligation to the local community



- **Female** Postmasters tend to be a little bit more motivated by serving the community
- Postmasters in **London** are more likely to want to be part of Post Office today, while those in the **South West** are more likely to say they would sell if they could
- **White background** Postmasters are a little more likely to be driven today by serving the community, while **Asian background** Postmasters tend to be a little more motivated by running a successful local business

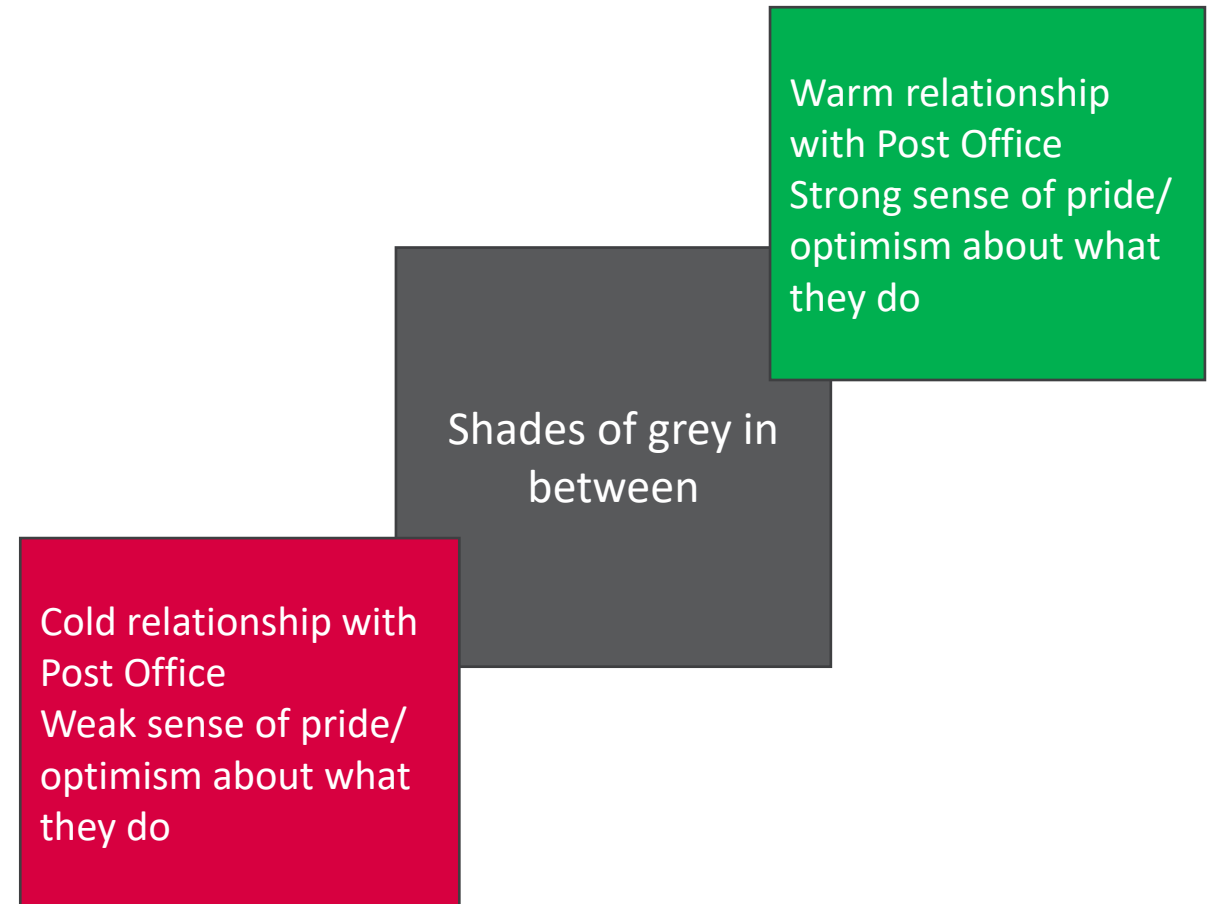
# The majority take deep pride in what they do - 56% tell us they feel optimistic about being a Postmaster



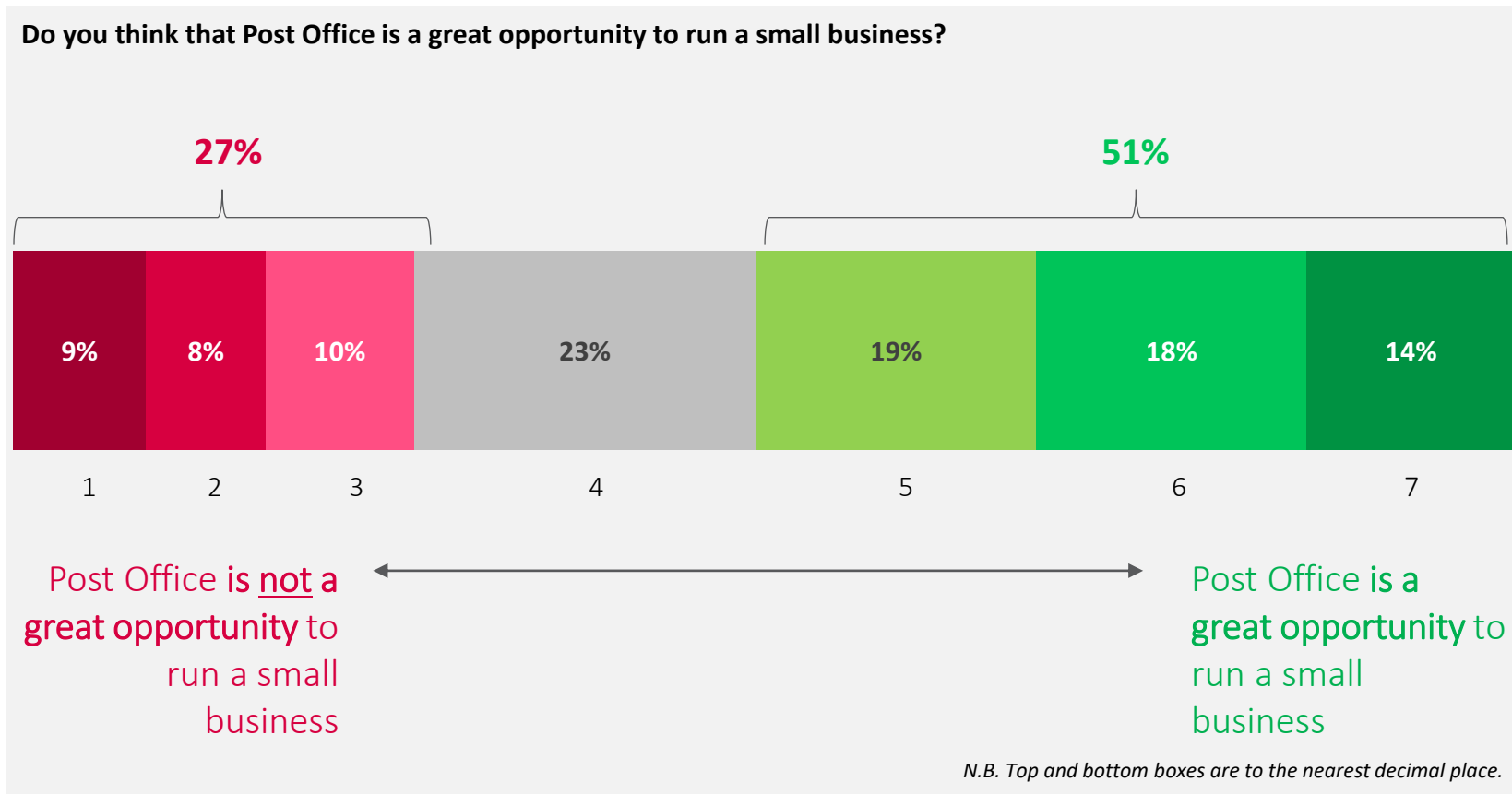
- Postmasters in **London** are more likely to feel valued and optimistic
- **Local Model** branch types are more likely feel optimistic
- Postmasters who have an **older customer base** tend to feel pessimistic about being a Postmaster along with branches in the **South West**
- Postmasters who feel confident using all types of **technology** feel optimistic
- Those who are from an **Asian background** tend to feel more optimistic

# Competing forces are shaping how Postmasters feel, driving them into separate camps and shaping their relationship with Post Office

1. Sentiment towards Post Office - often weak or mixed because their interactions with Head Office, Area Managers, satellite offices etc. are inconsistent
2. Sense of pride/ optimism that comes from doing their job well in local communities – this is often very strong (but actually has little to do with Post Office Ltd, its more to do with personal ego/ job satisfaction/ fulfilment)

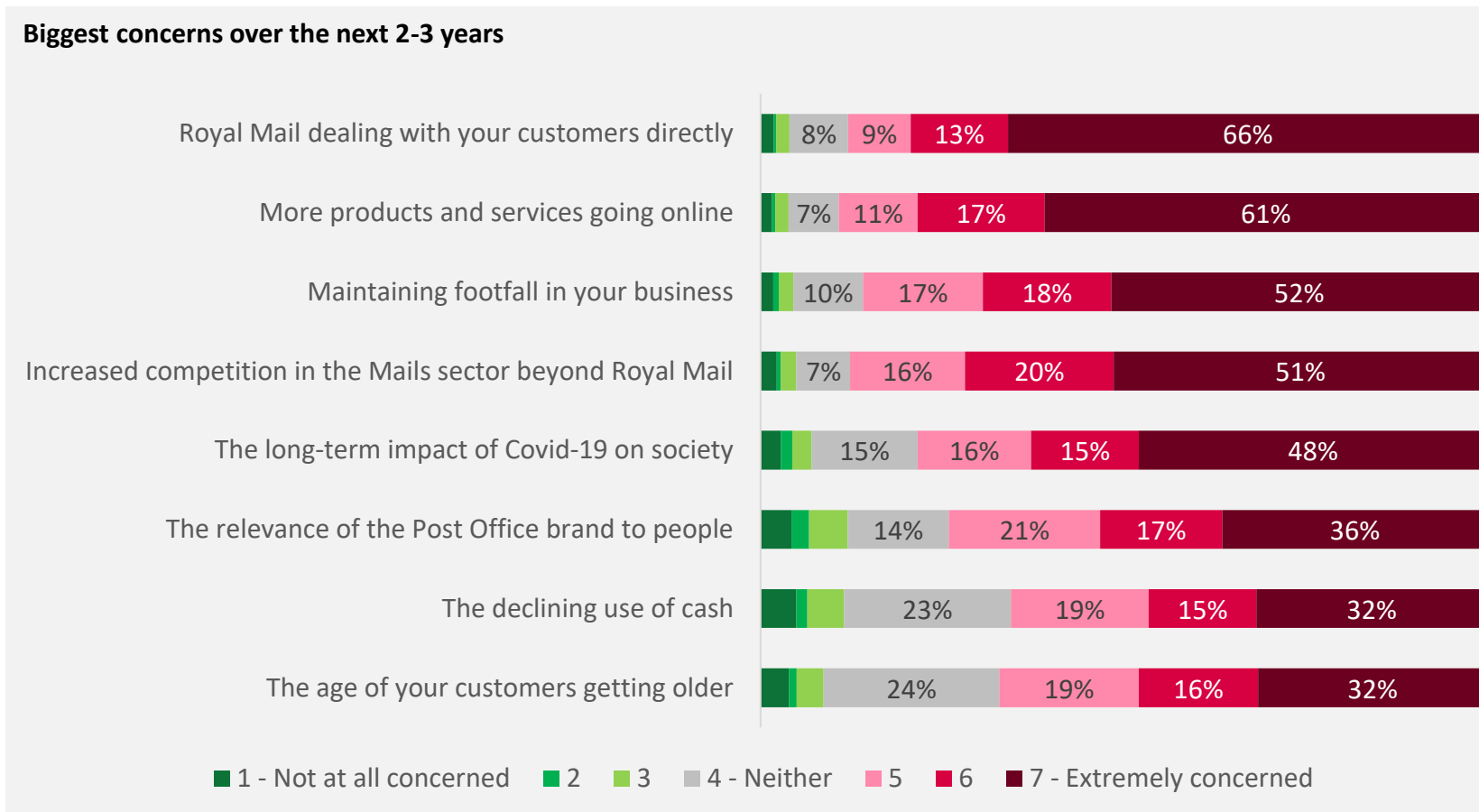


# It means only half feel Post Office is a good opportunity to run a small business



*'I feel proud to be associated with such brand but somewhere I feel, we are not tapping into its full potential. This job isn't like any other shop-assistant job where anyone can stand behind the counter and serve. It requires certain skills-sets above honesty, integrity and reliability. This don't come cheap!! It is not that I don't feel for the brand PO, It is a huge Brand with largest network and solid creditably among the UK-consumers.'*

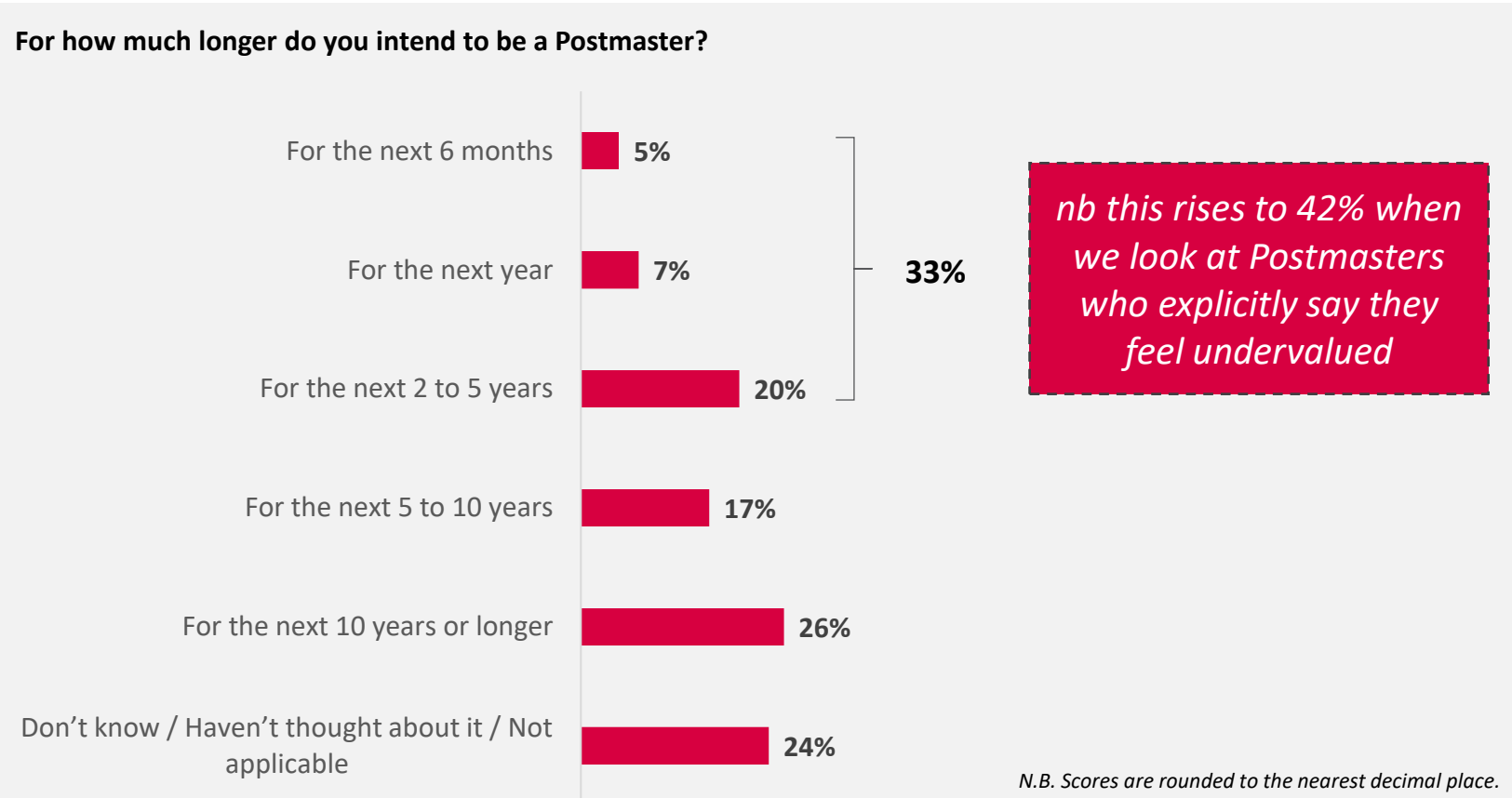
# The majority are deeply concerned about how the next 2-3 years will play out



- 9 in 10 concerned about **Royal Mail dealing with customers direct**
- 9 in 10 concerned about **more products going online**
- 9 in 10 concerned about **increasing competition from Royal Mail**
- 9 in 10 concerned about **maintaining their footfall**
- 8 in 10 concerned about **the long-term impact of Covid 19**



## c. 1 in 3 claim they will cease to be Postmasters in the next 5 years



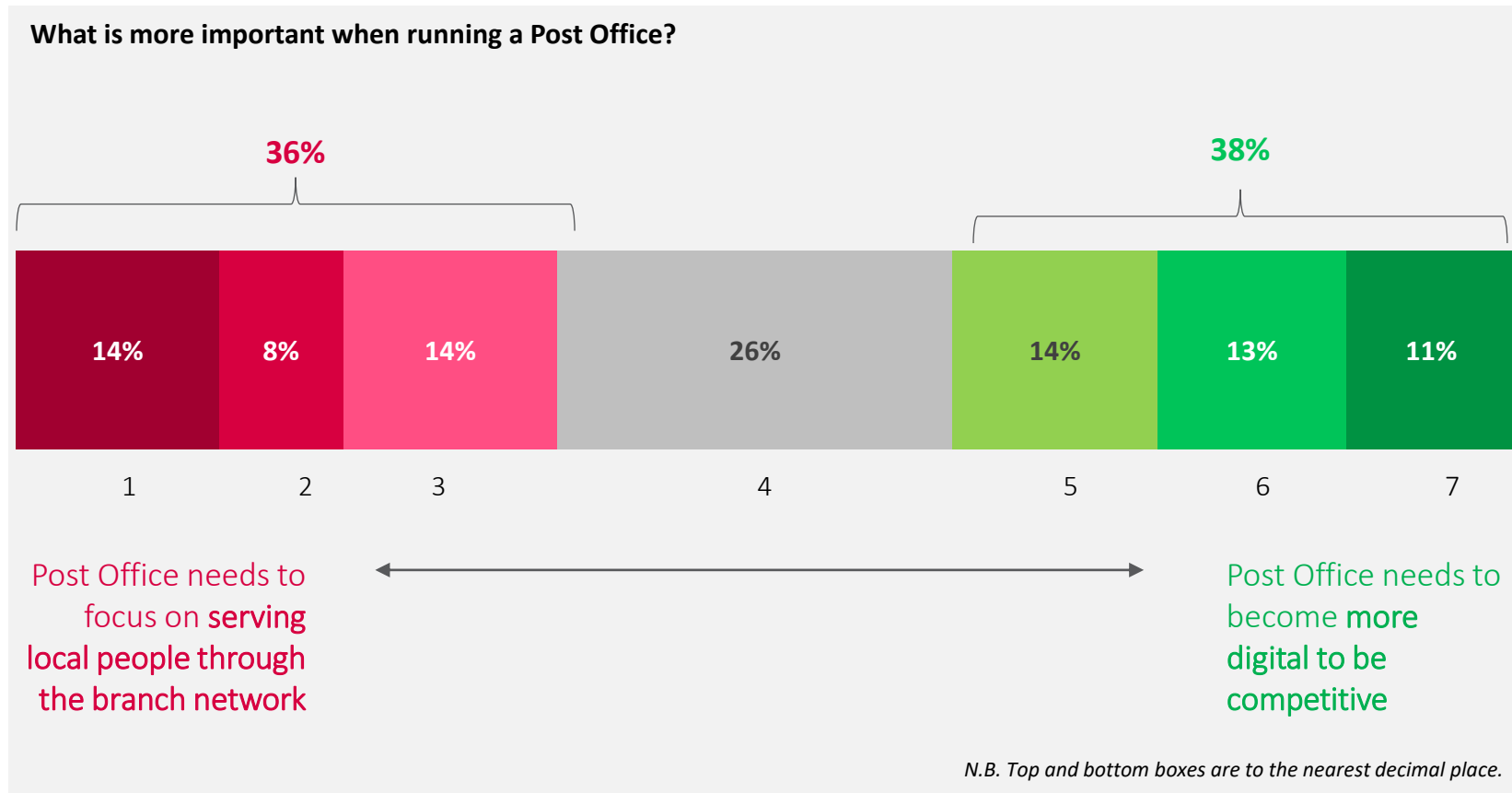
*'I need to find a buyer so I can retire but I feel so connected and part of something when at work'*

*'It would be difficult to sell given uncertainty created by POL & other stakeholders such as HMG & RM'*

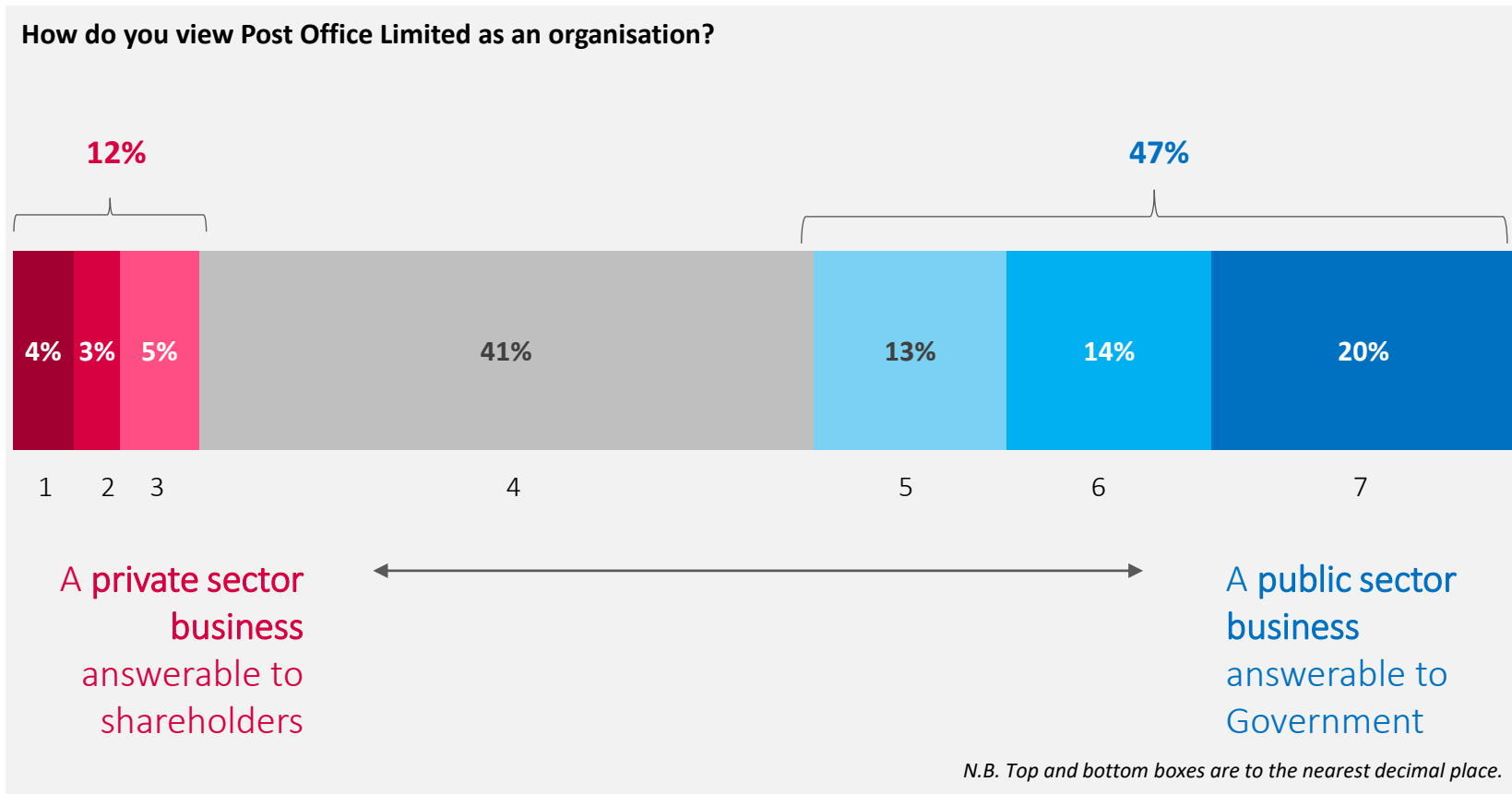
*'Get better remunerations for Postmaster and other benefits like retirement pension scheme'*

*'Would like to retire but find that the Transformation team has not helped and the payout that I get is not set – we get no backing from them'*

# There is no consensus among Postmasters on the future direction of the business



# There is also confusion about whether post offices can rely on the taxpayer or rely on the paying customer

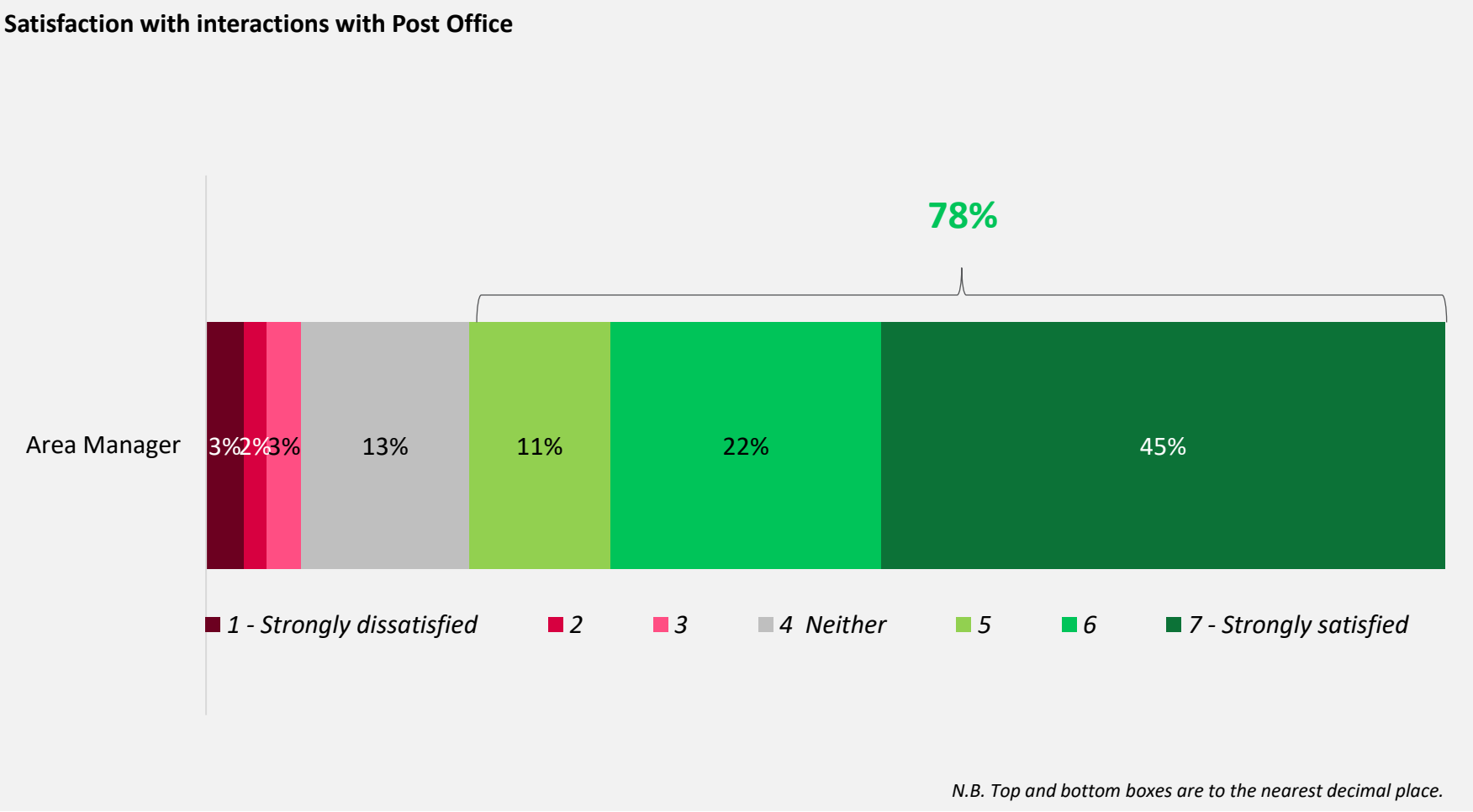


*'We run the Post office on a daily basis. Not closed at all. However, we are exhausted as we have to work nonstop to save on staff fees to break even. No government grant available as within a council building and when spoken to Post Office for help financially, was told we are ok and cannot help. Mentally this is breaking us. Council Post office ltd, no one wants to help. All Post offices close to us are shut received government grants staff furlough all stress free. Not for us, we have to work to support the community to pay the bills otherwise our debts get bigger. Where is that fair and how can you say that we are supported from Post office ltd. All we hear from our area manager is that we are doing well and will get through it and others are just as bad as us!'*



What is working well?

# Area Managers receive strong scores



- c.3 in 4 Postmasters are satisfied with the performance of their Area Manager

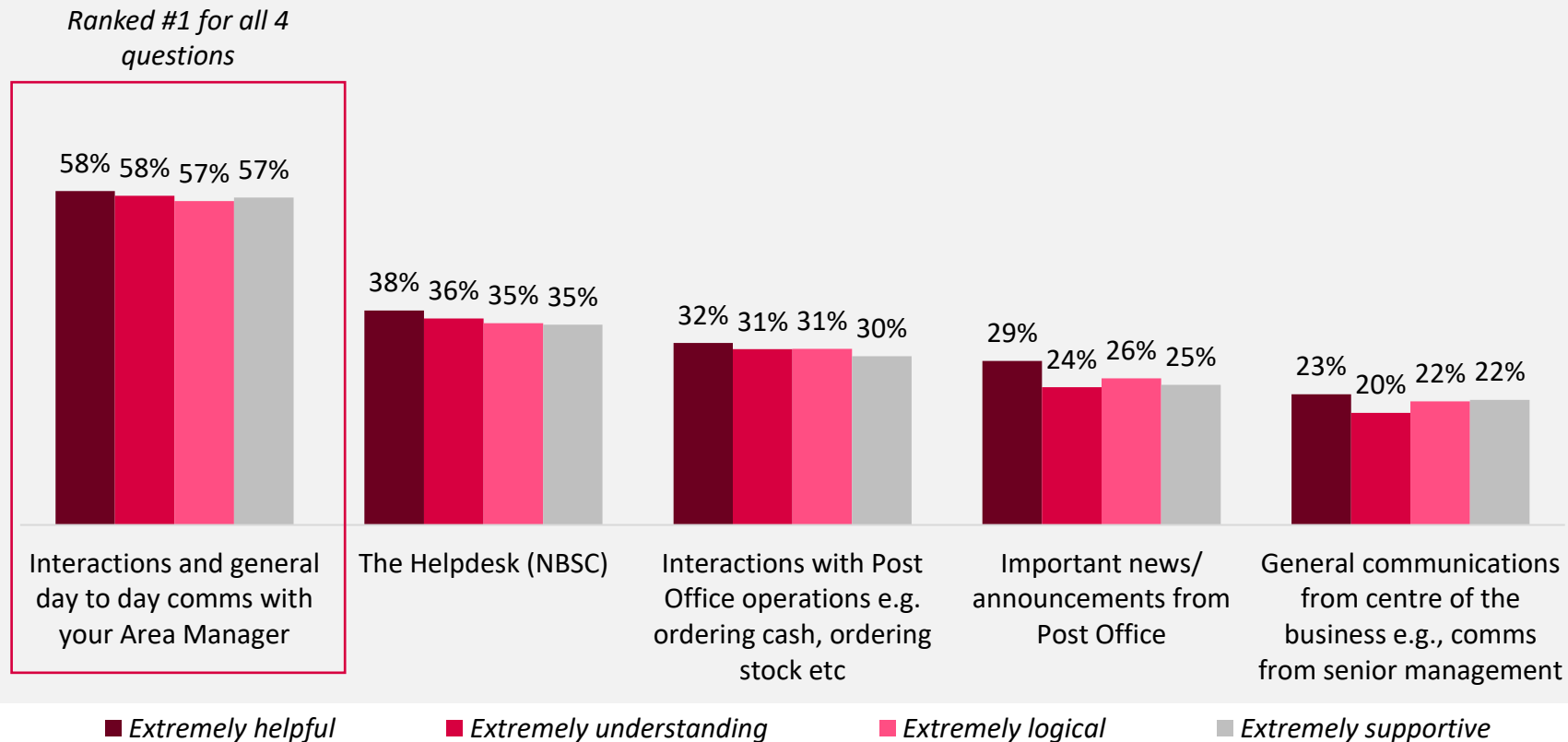
*'We have a superb area manager. She gets to know us personally and is easily available at any time. It's a such beautiful addition to my retail business which gives me a kick to grow all the time.'*

*'Until the appointment of the area managers, which has been one of the better things PO have done recently, communication was very poor. Keep up the improvements in this area.'*

Question: D2 This time thinking about your interactions with Post Office and the systems and processes in place to enable these.  
Base (1767)

# Postmasters feel interactions with their Area Manager are rewarding but the quality of interactions with other staff are concerning

Different types of communications and interaction: Codes 6 & 7

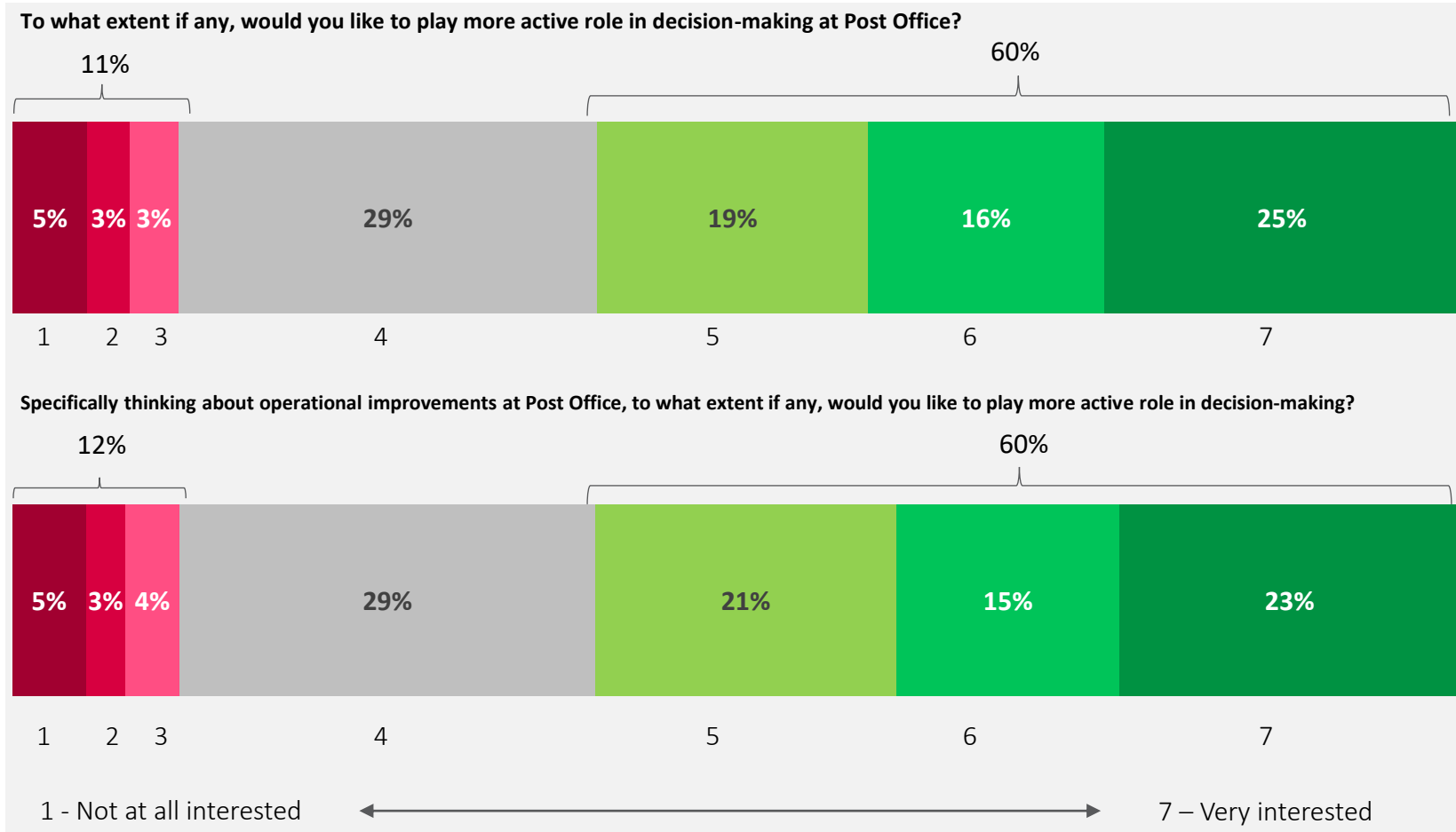


*'Each post office has different and unique dynamics in which they operate. Post office ltd need to focus on individual postmaster's needs by having Area managers devolving that working relationship with post masters in their area. That way a postmaster will feel heard and felt part of this great organisation. Area managers mostly communicate to either give postmaster bad news i.e. withdrawal of a service from their branch or some kind of telling off. POL need to work on developing one to one relationship with postmaster for greater output of their potential. **We feel alone** swimming in the sea and see no one swimming along side us.'*

*'The shift in relationship between Postmaster and Post Office is encouraging, helped by the reintroduction of Area Managers, with what appears to be a shift towards how they can help the Postmaster run and operate the business.'*

Question: D3a to d. Please think about the different types of communications/ interaction Postmasters have with Post Office, please rate each on the following:  
Base (1767)

# There is significant interest in getting involved and playing a more active role in Post Office



Question: F3a To what extent if any, would you like to play more active role in decision-making at Post Office? Base (1767)

N.B. Top and bottom boxes are to the nearest decimal place.

- Very interested group:
  - 35-44s
  - Male
  - Those confident in technology
  - Main branch
  - Indian background
- Not at all interested group:
  - Female
  - Older customer base (under 55)
  - Not confident in technology East of England
  - White background
- Neutral group
  - Over 55s
  - Female
  - Sub Payments Sub Office



# Priorities for improvement



# For ease we have grouped the priority items into themes

<b>1. Remuneration &amp; profit</b> <ul style="list-style-type: none"><li>• Changes to remuneration</li><li>• Creation of forums/ working groups to focus on remuneration</li></ul>	<b>2. IT systems and processes</b> <ul style="list-style-type: none"><li>• Simplify Horizon</li><li>• More efficient day-to-day systems e.g. cash and stock ordering</li><li>• Simplify Branch Hub</li><li>• More/ better management information made available</li></ul>	<b>3. Communication</b> <ul style="list-style-type: none"><li>• Better communication in general between PMRs and PO</li><li>• More transparency around questions/complaints/ queries</li><li>• Simpler communications</li></ul>
<b>4. Training</b> <ul style="list-style-type: none"><li>• More/ better training available to Postmasters</li><li>• Creation of initiatives to help Postmasters come up to speed</li><li>• Upskilling of PO staff at Helpdesk, Cash centre etc.</li><li>• Better training/ support for Area Managers</li></ul>	<b>5. Representation</b> <ul style="list-style-type: none"><li>• Improvements to representation</li><li>• Creation of a Non- Exec PMR</li><li>• Greater access to senior management at Post Office</li><li>• Greater Access to Area Manager</li></ul>	<b>6. Innovation &amp; working groups</b> <ul style="list-style-type: none"><li>• More products to sell</li><li>• Creation of forums/ working groups to focus on innovation</li><li>• Creation of forums/ working groups to focus on Operational matters</li><li>• Creation of forums/ working groups to focus on CX matters</li></ul>

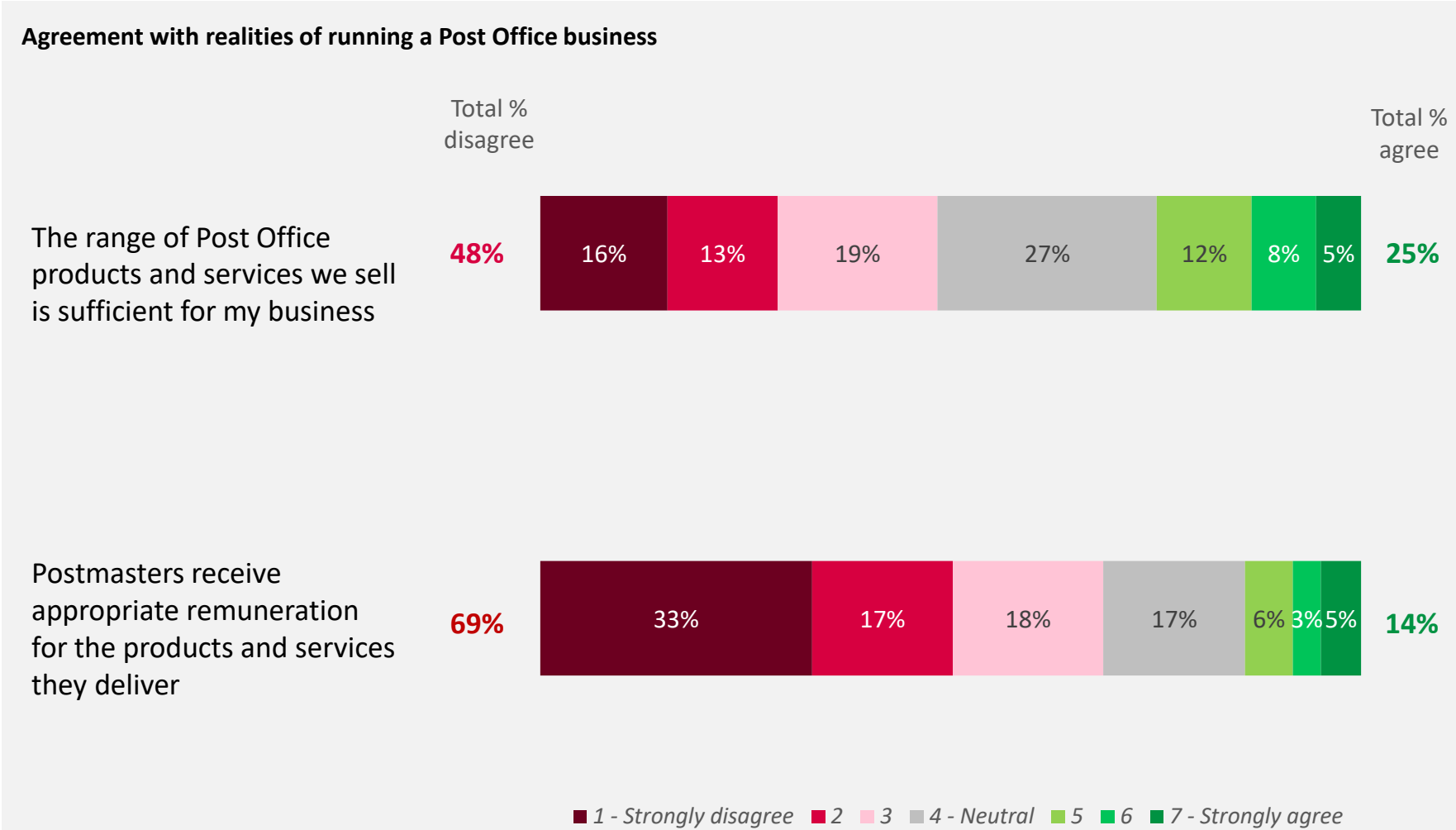
## 1<sup>st</sup> priority

At least c.60% say these areas require improvement

## 2<sup>nd</sup> priority

Still important, but not as critical as first priority

# I. Remuneration & profit – half are dissatisfied with product range, c. 7 in 10 are dissatisfied with remuneration

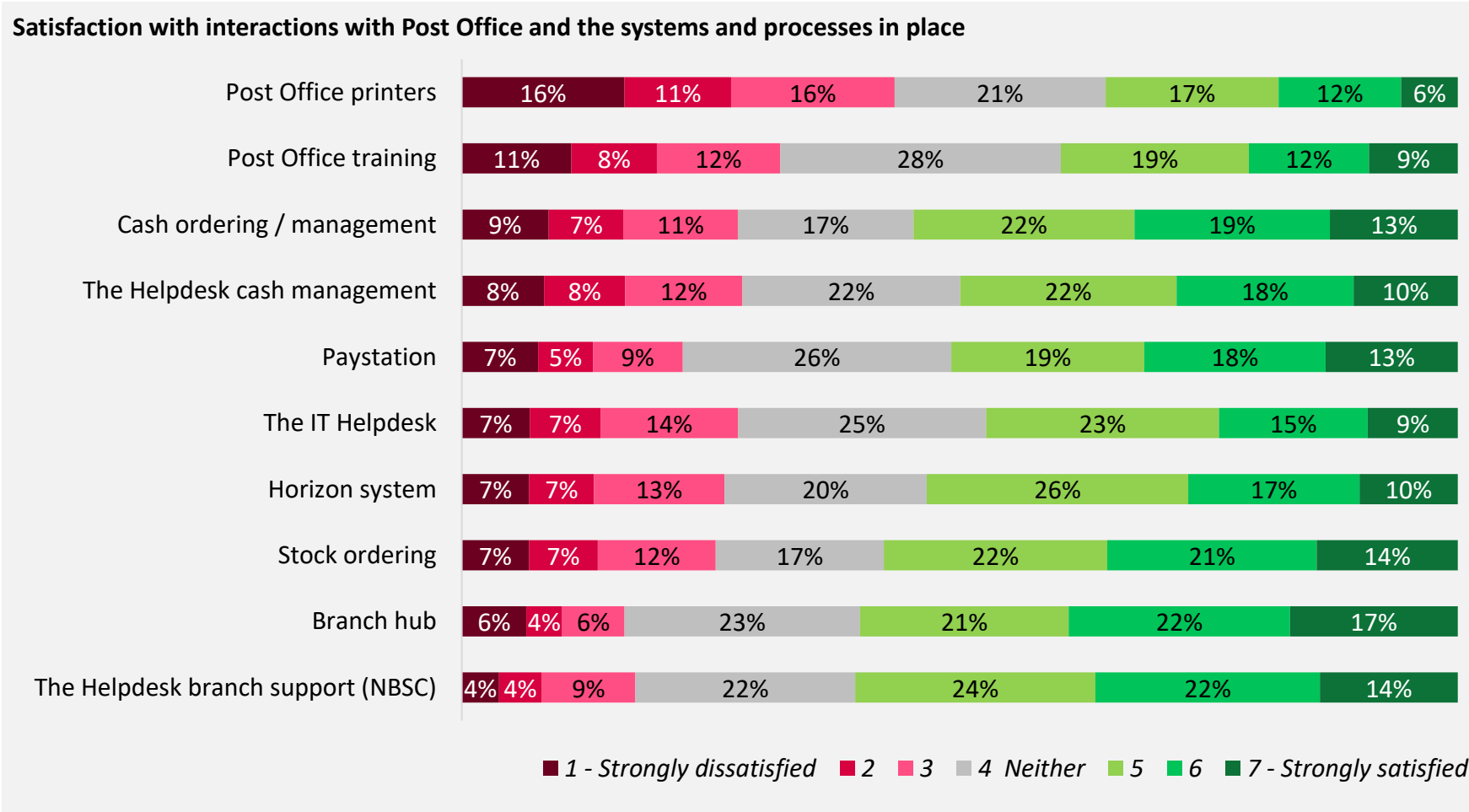


*'The remuneration is a joke. We can't afford to keep enough staff on the counter because of the remuneration we receive compared to national minimum wage. Due to which we lose customers who aren't willing to wait longer time scales. Postmasters all over have prioritised other businesses due to this, as they need better income to help support them. This is why the post office is losing most it's customers to online or other revenues.'*

Question: D1 Thinking firstly about the commercial realities of running your business.  
Base (1767)

N.B. Top and bottom boxes are to the nearest decimal place.

## 2. IT systems and processes – considerable dissatisfaction c. half are less than satisfied on every measure

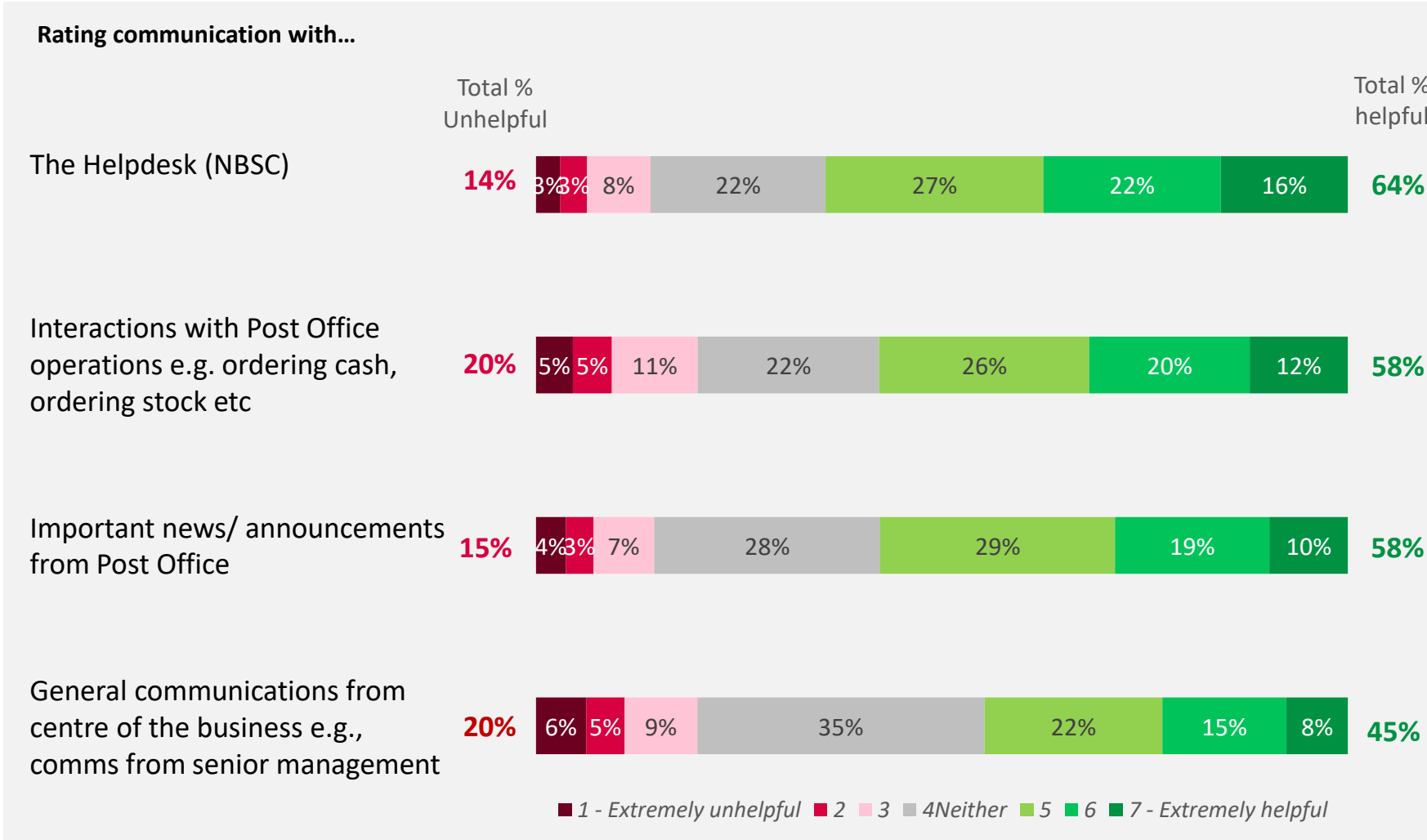


*'Improving Horizon/ PayStation , Currently very outdated, Needs a full upgrade, no point just a few colour changes , also again why can't there be a till button so I can serve my retail customers? The amount of customers I have to turn to the other counter is frustrating. PayStation is not viable as it takes far too long processing , can't this be Linked to the Computer?'*

*'I believe that horizon could be a lot simpler especially for mails and there are easy quick wins.'*

Question: D2 This time thinking about your interactions with Post Office and the systems and processes in place to enable these.  
Base (1767)

### 3. Communication. Plenty of opportunity to improve quality of interactions



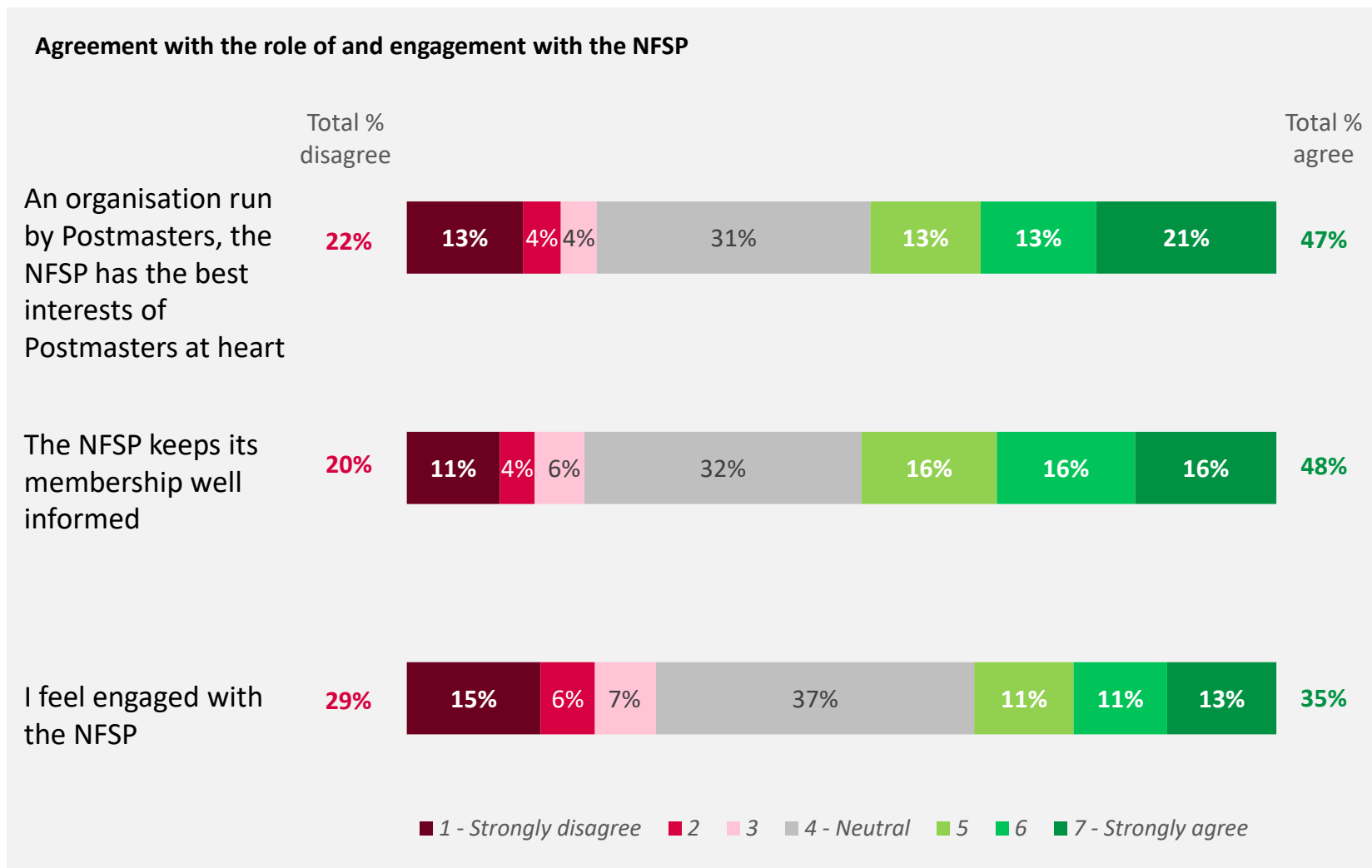
*'I just feel in the last 12 years I've been a Postmaster, I've never felt important. You ring helpdesk they've previously not been helpful and cash management are very rude.'*

*'I took over my Post Office 6 years ago..., I could not speak to anyone at Post Office about this as there are no published numbers. I contacted the help desk many times and all they could do was send an email on my behalf.... This should never happen in this day and age. I now have an Area Manager, but I feel she comes up against the same issues... Again, we are unable to speak with people. Communication is key and fast responses in a world of instant service - my relationship with Post Office is fine until I need help!'*

Question: D3a to d. Please think about the different types of communications/ interaction Postmasters have with Post Office, please rate each on the following:  
Base (1767)

N.B. Top and bottom boxes are to the nearest decimal place.

# NFSP representation is seen as more positive than negative but with quite a sizeable 'neutral' proportion





Next steps

# Socialising the insights and enlisting the help of PMRs

1.

**X5 group sharing sessions with PMRs x6 group sessions with key stakeholders**

- Quadrangle to present key findings to PMRs and stakeholders and priorities (c.15 mins)
- Then host a group discussion on how we might begin to address the issues

**Delivers...**

- Rapid sharing of survey findings to PMRs
- Sense checks the key areas for improvement
- Enlists PMRs help in beginning to tackle key challenges



2.

**Prioritise working session**

- Quadrangle and PO team sift PMR suggestions
- Come to an understanding of what is and isn't possible e.g. weed out suggestions that are inoperable/ commercially inviable
- Feed in our own ideas for improvement
- Identify 5-6 priority initiatives we want to take into #3



3.

**x3 co-creation workshops**

- Sessions organised around top 3 priority areas (remuneration, IT/systems and communications)
- Each session driven by top 2 emerging ideas/ solutions
- Attendees to include PMRs, key people from Post Office and wider stakeholders

**Delivers...**

- Execution plan to address top priority areas
- Commitments to change (PMRs and Post Office)
- Finally, keeping us honest – a plan for monitoring progress

**In train: first sharing sessions happening w/c 15th Feb**

**Scheduled for w/c 1<sup>st</sup> March**

**Segmentation delivered in tandem**



End of presentation