

# Strategia Workshop Series

## Best Practice in Building Operational Productivity

Driving productivity through operational design, technology deployment and introduction of more feasible and flexible labour process will be key to creating the cost and service agility to be competitive over the next decade. The Strategia Workshop Series is developed and delivered by **Elmar Toime** and **Adrian King**.

### Introduction

The Postal sector faces another decade of change and re-organisation in response to fundamental shifts in the nature of demand for services and continuing changes to regulatory and competitive environment.

As in the previous decade the Posts which enjoy success will be those who understand and respond to these changes ahead of the curve of change.

Driving productivity through operational design, technology deployment and introduction of more feasible and flexible labour process will be key to creating the cost and service agility to be competitive over the next decade.

Our workshops on Best Practice in Building Operational Productivity and Flexibility are a quick and efficient way of building consensus and understanding of the challenges and leading edge solutions to meet the markets of the next ten years.

However more importantly by leveraging the consulting team years of experience and proven success in leading Postal change we not only define issues and solutions but focus on the intricacies of winning emotional acceptance for change and leading its implementation.

The Best Practice in Building Operational Productivity and Flexibility series comprises:

- Productivity Measurement and Management
- Networks and Mail Centres- Innovation in Technology and Labour Process

- Delivery Operations - Innovation in Technology and Labour Process
- Building Front Line Management
- Creating High Attendance Cultures
- Creating Low Accident Environments
- Future models of Labour Flexibility
- IT Issues Infrastructures Operations Sourcing and Intelligent Mail

### Consulting Team

The seminars are based on the extensive experience in the postal industry of both Elmar Toime and Adrian King:

- **Elmar Toime** was the Chief Executive Officer of New Zealand Post from 1993 to 2003 and the Executive Deputy Chairman and Chairman of the management board of Royal Mail from 2003 to 2004.
- **Adrian King** is a specialist strategy advisor in the postal sector and has worked for over 20 worldwide postal companies, stakeholder groups and related organisations.

### Interested?

Read on; a summary of the Best Practice in Building Operational Productivity Workshop is provided in the following pages.

Alternatively, please contact Adrian King directly by telephone on +44 (0) 7796 30 8618 or send an e-mail to [customerinfo@strategiagroup.net](mailto:customerinfo@strategiagroup.net).

## Introduction

Elmar Toime and Adrian King of the Strategia Group have developed a series of postal leadership and management seminars for executive groups that wish to lift their effectiveness.

The **Best Practice in Building Operational Productivity and Flexibility** seminar covers a wide spectrum of critical operational issues, from high-level policy and design issues to detailed best practice and benchmarking of specific technical and resourcing implementation challenges.

These workshops can be run as an integrated series or independently, focusing on specific issues of immediate concern to the company. They have been tailored so that they can meet the needs of both experienced functional managers and for recently recruited managers

- For experienced teams the workshops enable a review of global best practice and facilitate benchmarking and the development of strategic direction within business units or functional areas
- For recently recruited managers the seminars prove a highly effective orientation programme, introducing participants to global postal best practice. They will receive a solid appreciation of the competing demands of the many stakeholders in the postal sector: government, regulators, community, customers, and employees.

The seminars take a practical overview of the industry. Through the use of worldwide examples they will provide a unique insight into the major strategic and implementation challenges facing Operational Management Teams.

The **Best Practice in Building Operational Productivity and Flexibility** seminars are based on the extensive experience in the postal industry of Elmar Toime, Adrian King and our consulting Partners Message AG.

- Elmar Toime was the Chief Executive Officer of New Zealand Post from 1993 to 2003 and the Executive Deputy Chairman and Chairman of the management board of Royal Mail from 2003 to 2004.
- Adrian King is a specialist strategy advisor and has worked for over 20 worldwide postal companies, stakeholder groups and related organisations.
- Message AG is led by Heimo Thomas, former operations director of Deutsche Post and key manager behind the leading Brief 2000 redesign of network and processes.

In summary, the seminar series represents a cost-effective and practical management development programme for any postal business, regulatory group or potential supplier associated with the industry.

## The Postal Challenge:

### The Postal Operational Productivity and Flexibility Challenge

The postal sector faces continuous and increasing challenges from significant changes to its regulatory and business environment.

The innovations and transformations over the past decade have delivered productivity growth, increased quality and a new competitiveness. However, the link between organic growth in mail and the economy has been broken. There is a new medium term pressure on the Post to continue to increase productivity and business agility.

At the heart of all postal transformations there has been a fundamental change to the operating productivity and efficiency of the core business. Further innovations in the following areas will be critical. Issues trends and best practices are addressed in all the workshops

### Network Design and Pipeline

- Extensive rationalization has been the norm with a trade-off between logistic optimization and economic operational pragmatism. Rationalised networks have been supported by extensive innovation in automated systems. Changes in demand will lead to the need to revisit of many of the network design principles of the last decade if there is to be continued increase in cost efficiencies
- Labour process change and team working has been complex for all Posts to achieve but has been the key factor in realizing the possible efficiency gains created by automation. The requirement to develop more flexible employee – centric labour patterns and contracts resourced by non traditional labour pools will be an even bigger part of the future postal productivity equation.

### Delivery

- Delivery normally accounts for 50% of cost and has normally been addressed as “second wave transition”. In the next decade this will come increasingly to the fore. Key areas for review will be optimization of upstream stability and savings, enhanced productivity based measurement model, coaching based front line leadership models, increased used of automation and mechanisation, new delivery models and /or part time working. The workshops address developments and options in these areas.

### People and Culture

- Front Line and people change are normally are a fundamental platform for any change process. Whilst many Posts have made great strides in this area the challenges of the next decade will mean that more changes in work process and resource model will be at the heart of productivity growth.

The seminars address the key current leading practices in each of these areas, the managerial challenges which are starting to emerge and probable solutions which will need to be implemented.

## Workshop Overview and Goals

The workshop series is designed so that each individual workshop is self-contained and is completed in one day. However, they can equally well be delivered as an integrated series which can be tailored for specific time or other constraints.

Ideally the workshop would have up to 12 participants who would be functional or business unit experts. An ideal combination might mix field operational people and head office experts.

The workshops would be led by Elmar Toime and Adrian King, supported as required by one of our functional experts or recognised industry leader. The workshops will achieve the following objectives:

Build consensus among the management team on the short and medium term issues, risks and opportunities

- Build understanding of how business challenges have been met through case studies on best practice responses from both the postal and related industries
- Provide the basis for developing preferred action and implementation plans
- Help managers audit their current performance in relation to best practice

## Building Operational Productivity and Flexibility Best Practice Workshop Areas

We have over 8 core workshops in this series as described below. These can be customised to the individual needs of any given Post. A brief overview of the issues covered in each seminar is outlined below. In all the seminars there is a discussion of issues, extensive worldwide case studies of best practice and innovation and use of the tailored audit tool. A more detailed description of each programme can be provided on request.

### Networks and Mail Centres- Innovation in Technology and Labour Process

- This seminar reviews best practice in terms of network design, mail centre configuration, induction processes, address management, automation strategies, and labour processes.
- It then looks forward at how change in volume composition, access regimes, IT based sorting capability, green issues and intelligent will mail create new productivity and quality challenges

### Delivery Operations- Innovation in Technology and Labour Process

- Delivery remains the biggest opportunity for productivity gains; however it is dependent on the ability to bring about cultural change in the workforce.
- The seminar reviews best practice in relation to infrastructure, technology, automation, information technology, work processes, resourcing strategies, reward models and alternate delivery models. In addition addresses the emerging challenges of falling drop densities, proliferation of delivery points and changed volume composition

### Building Front Line Management

- This is a crucial priority in ensuring a successful transformation process and enduring cultural change; ensuring that this group is developed into effective leaders is critical to meeting commercial and social objectives. Even in leading Posts there is concern that the sector still does not bench mark favourably with leading developments in the wider economy.
- The seminar reviews the core features of a best practice including business process discipline, job design, selection, empowerment, measurement, skill requirement and support structures. The seminar whilst grounded in the Postal sector also draws on learning from related sectors which have benefited from changing front line a management models

### Creating High Attendance Cultures

- The Postal sector has traditionally had higher levels of absence than those experienced in the wider economy. In a labour intensive sector this is a major problem driving both operating cost and complexities in quality management. Improving attendance is a major opportunity to improve bottom line performance.
- The seminar reviews best practice from the Postal, related sectors and industrial psychology focusing on techniques to measure and management

attendance and focuses on leading practices which have moved companies away from managing absence to creating high attendance

## Creating Low Accident Environments

- High accident rates are unacceptable. The last decade has seen an increased focus on success by the sector in reducing accident rates.
- The seminar focuses on best practices across the sector, it will create common understanding of the issues surrounding accident prevention, summary of accident data in Posts and a builds a conceptual model for understanding the inter-relationship between management environment, organisation and job design, and well-being at work.

## Future models of Labour Flexibility

- Posts have traditionally used a high proportion of full time labour. Work patterns have tended not to be very flexible in relation to business activity. Increasing competitiveness concerns are highlighting the need for productivity gains. In a labour intensive environment, the need for greater labour flexibility through differentiated contracts is becoming more pressing.
- Posts are trying to find the right resource mix to optimise being an attractive employer, maintain quality and drive labour productivity. The use of new labour pools and contractual form fitted to a more diverse labour market are emerging as core issues.
- The seminar reviews the challenges and options and using best practice from a variety of service sectors defines the benefits and options for a labour-centric flexibility model.

## Productivity Measurement and Management

- The driving of productivity is crucial to future viability of Posts. Measurement and management of productivity will be critical in meeting this goal.
- The seminar reviews the language of productivity, the issues surrounding productivity measurement, and the creation of productivity cultures. As in other seminars the issues are illustrated by extensive examples of leading practice from within and outside the sector.

## IT Issues Infrastructures Operations Sourcing and Intelligent Mail

- All Posts are increasingly dependent on the IT infrastructures as the management of logistics and delivery functions become increasingly dependent on information technology .Their cost is a major capital and ongoing commitment. The relationships between the CIO and Operational team are critical.
- This seminar reviews a number of core IT areas and best practice trends and issues which are emerging.
- These include how should infrastructures should be sourced and managed, how should application environment s be developed, how should automation intelligence environments should be managed, how can mobility solutions can be integrated into the environment and what are the real benefits with intelligent mail.

## Workshop Format

The workshops are structured to reach outline conclusions in one day. The format has had proven success in aligning management teams and in transferring best practice knowledge and fresh business developments from around the globe.

The workshops are most effective if they cover a single issue in depth however we can combine topics within a subject area if the client feels this would better meet its needs.

The format of the workshops has two distinct phases. In the first period, the consulting team use highly structured and well-detailed documentation to lead information sharing and discussions outlining both core issues and key responses. In the second session, we use our interactive audit tool to create a self-diagnosis of the organisation's current status, which then leads to the action brainstorming session. The two sessions can be either run as one full day or an afternoon and morning, with an evening team dinner.

### Session 1:

- Outline the core issues and trends within the business area
- Outline the core proven best practice response
- Illustrated by case studies
- Outline the emerging issues and responses

### Session 2:

- Audit against best practice
- Present the best practice audit tool
- Lead the team through a use of the audit tool
- Discussion of the outcomes
- Brainstorm Actions
- Lead Discussion to brainstorm the future, realistic wanted position in the area and define the action timetable to achieve this
- Document the resulting ideas

### Plenary Report:

- Following the workshop the consulting team would document and codify the outputs and send these as a complete document package to the lead manager
- All documentation would be written in English however depending on the lead consultants some of the discussion could be taken in other languages

## Next Steps

If you are interested, please contact Elmar Toime, Adrian King or Kjetill Howard. We would be happy to discuss your workshop requirements and to send you a more detailed content description of the individual workshop that you require.

If you find the process we have described as interesting but your preferred key topic areas are not listed, please contact us as our extensive databases would probably allow us to customise a programme for your circumstances.

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## Consulting Team

**Elmar Toime** was chief executive of New Zealand Post Limited from 1993 to 2003. The company enjoyed consistent, profitable growth and saw its mail markets opened fully to competition. It had competitive success with stable postage prices, excellent quality of service and maintained industrial harmony. Its business base diversified considerably into new areas of activity and in 2002 he supervised the establishment of a new, retail bank, Kiwibank Ltd, as a full subsidiary of New Zealand Post.

In 2003 Elmar became the Chairman of the Royal Mail Management Board and its Executive Deputy Chairman, with group-wide responsibilities. He left Royal Mail at the end of November 2004 and formed his own consultancy business. In 2004 Elmar was awarded a life-time achievement award for leadership in the postal industry. He is chairman of Postea Inc, a technology and services company, member of the supervisory board of Deutsche Post DHL, the world's leading logistics company, non-executive director of Blackbay Limited, a market-leading mobile solutions service company, and member of the advisory board of Earth Class Mail.

Born in Italy, Elmar grew up and was educated in Melbourne, Australia and has qualifications in Science and in Economics from the University of Melbourne. He lives in London.

**Adrian King** co-founded the Strategia Group in 2000 with Bengt Norin as a consultancy focused on business development and implementation in sectors facing significant technological, regulatory and market change. Adrian has worked in the Postal Sector since 1989 and has led over 150 projects in for many postal operators, regulators and suppliers. He has worked for the Postal Companies in Europe, North America, the Caribbean and Africa.

In addition he has worked for most of the international postal organisations (UPU, IPC and PostEurop), regulatory and consumer bodies, and major suppliers to the sectors. This range of experience gives a rounded and multifaceted perspective of the industry,

Adrian is based in London. He holds a first class honours degree and a Masters from Sussex University and was also educated at the London School of Economics and The London Business School.

**Message AG /Heimo Thomas** - In operational areas we work with our consulting colleagues Message AG. Heimo Thomas was Operational Director of Deutsche Post and led the radical changes to the network that was implemented in the widely recognised Brief 2000 project.

Since moving into consulting he has led operational redesign projects in Austria, Switzerland and Canada and is recognised as an expert in the field, not only for his design skill, but also for his implementation project management expertise.

## Strategia Workshop Series

Leading the Postal Sector: Another Decade of Change

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