

# Royal Mail

“Transformation through engagement –  
creating the RM HR Shared Service  
Centre ”

Dermot Toberty



# Agenda

- HR in RMG
- The challenge
- Lessons learned from the past
- Approach
- Key to success
- Results
- Few thoughts

# HR service requirements

- 188,000 people employed & approx. 140k are weekly paid
- 300-400 people per week are recruited
  - Plus 20,000 extra people at Xmas
  - Plus 10 - 12,000 in the summer
- 400 people leave each week
- 140k overtime payments per week
- 1300 grades, 4200 pay points and 3300 allowances
- 170k pension plan members
- 279k pensioners
- 1 million payroll transactions every month
- 10,000 calls to HR Service Centre per week (>90% resolved on 1st call)

# What was wrong with HR services?

## Key Facts

- Costly HR function - £173 m (£753 per FTE)
- 3,200 HR people – HR : people ratio 1 : 65
- We were inflexible/difficult to access/lacking business focus
- Benchmarks suggested we should have 40% less people (1:130) and £50m less cost!

# Our challenge....

- Reduce costs by £50m
- 40% reduction in staff (1,500 people less)
- Maintain customer satisfaction

+

- No New Greenfield 'sites'

+

( And to do this within 2 years without new technology)



# Lessons learned...

- Got to get hold of the budget to gain control
- Never go for big bang – chunk it up
- As is comes first, second and third.
- Simplify, standardise then centralise
- Prove concept with a “qualified” stakeholder group
- Roll in slowly
- Don't be scared to stop the roll in
- Don't do it all at once

# Lessons learned...

- Who is talking to the customer?
- Need a route for rapid resolution of customer issues
- Agreed customer confidence measures have to be in place
- People have to come first - every time
- Technology always comes last
- Prepare to never get fan mail
- Keep your boss on side
- Don't forget the other bits of the process that need changing
- Everyone can do your job better than you!
- Others prefer to discuss history rather than support the future



# Our approach

- Small Project team - concentrating on the enablers
  - Organisation design
  - Resourcing approach and timetable
  - Communication and change planning
  - Process Improvement capability
  - ‘Facilities’
- But....weekly meetings between the project and leadership teams
- User Assurance is pivotal
- Clear Project Plan and accountabilities
- External implant Project Director
- Communication and Change Professionals – part of the project team

# Key to success – our people

- Initial Briefing

- face to face – within a week everyone briefed (3,000 people)
- done and owned by Leadership team
- messages difficult, but they were clear and simple and included the ‘what, why and how’ and the future vision.
- clarity around timetable and dates published

- Appointments

- clear, consistent and quick process
- managers first (involved in selection of their teams)
- NEF – the what’s in it for me’ bit

# Key to success – our people

## Communication

- Kept it simple and had a common language
- Regular Briefing packs (at least every 6 weeks)
  - centrally produced (used comms professionals)
  - messages delivered by line managers
  - Always included what has happened and what is about to happen.
- Messages briefed face to face wherever possible
- Once identified as ‘surplus or leaving’ not involved in ‘events’.
- Always reinforced 2 simple messages – costs down £50million and 40% less of us - and the future vision (fewer of us but better paid, professional and multi-skilled etc)



# Key to success – our people

- Service Continuity

- Equally as important
- Also introduced ‘Service Matters’ – monthly newsletter for all team leaders and above
- Kept communications about changes and business as usual separate

- Timetable

- We stuck with all the key dates that we had published up front!
- We did as we said – built trust

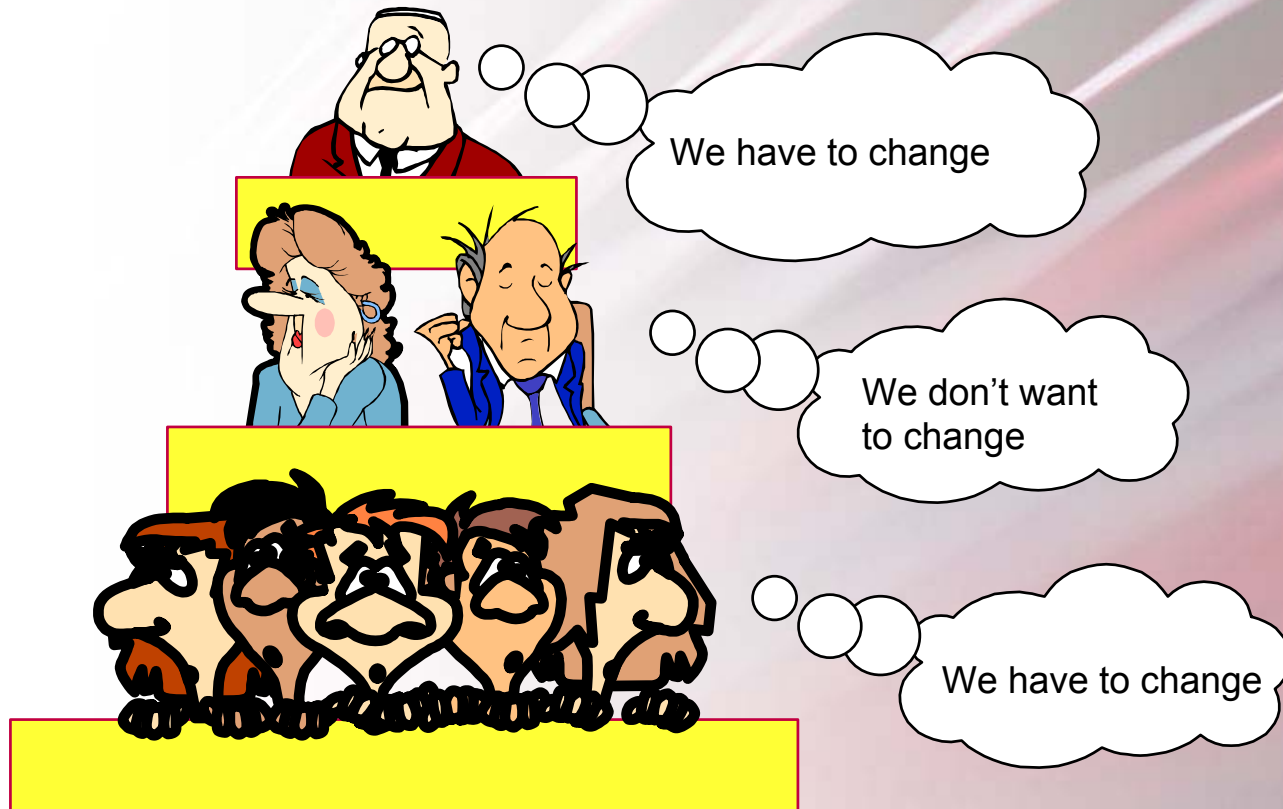
# Key to success – our people

- Leadership Visibility
  - One voice (weekly meeting)
  - All ‘big events’ were led by the Executive team
  - Supported line managers (particularly Regional and Process Heads)
  - Quarterly leadership days & breakfast meetings with advisors for feedback
- Celebrated Success

# Results

Before – 2003		End of 2006/7
£170m	Cost	£110m
1:65	HR:RMG	1:160
£753	Cost per FTE	£450
?	Customer Delight/ Satisfaction	60% 99%
?	Measures	Robust
	ISO	Achieved
30+ grades	Terms & Conditions	4 job families
	Employee Satisfaction	82% satisfied
9 levels	Organisation Structure	6 levels

# Top Tip - 'Beware of the Business Prevention Squads'.



And an even better top tip.....

“Even the most logical of process maps can prove illogical when implemented”

.... So don't be scared to change your mind!

