

Royal Mail

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What we do.....

- Through our trusted brands we reach everybody in the UK, every working day, delivering 22 billion mail, parcels, and express products every year
- We provide an ever increasing range of services through the biggest UK retail network
- Our First Class stamp provides unbeatable quality and value, with Quarter 2 results running at 94.2%, our best ever
- All delivered for some of the lowest prices in Europe



We have come a long way....

- Successfully completed 3 year business renewal
 - Biggest turnaround in recent UK corporate history
 - Reduced gross costs by £1.5bn, reduced headcount by 33K people
 - Pay for Postmen and women up almost 25% since March 2002
 - Restored Quality of Service – now best ever
 - Lost mail almost halved.....99.92% arrives safely
- Regaining customer trust
- From loss to profit

The biggest challenge still lies ahead of us....



Quality of Service

- Our dedicated focus on improving quality of service is paying dividends with our best ever performance

Product	Target	Cumulative to date – period 1-6	Product	Target	Cumulative to date – period 1-6
1 st class stamp and meter	93.0	93.9	Mailsort 3	97.5	99.5
2 nd class stamp and meter	98.5	98.7	Presstream 1	91.0	94.0
1c PPI	91.1	92.1	Presstream 2	97.5	98.1
2c PPI	97.4	97.2	Special Delivery	99.0	98.9
1c Response Services	90.8	89.0	Parcels	90.0	92.0
2c Response Services	97.5	94.7	1c Posted Floor	Min of 91.5 in all PCA's except HS, KW, ZE	115/118
Mailsort 1	91.5	94.0	1c Intra Floor	Min of 92.5 in all PCA's	119/121
Mailsort 2	97.5	98.6			



Our Big Challenges - Business

- Pensions Deficit
- Negative Balance Sheet
- £2.2 billion required for modernisation
- Productivity improvements
- Engaging with our people



Our Big Challenges- Market

- Full liberalisation from 1 January 2006
- Our prices remain out of line with our costs
- Our business products have not been changed for 15 years
- For the first time we face declining volumes



Our strategy to compete

- Our vision is to be demonstrably the best and most trusted mail company in the world
- Our mission: to consistently provide highest quality dependable mail services including the universal service
- We'll compete by:
 - Transforming the customer offer
 - Transforming our operations
 - Engaging our people and transforming working practices



Commercially we have 3 priorities

- Fundamentally transforming our product portfolio to better meet customer needs
- Making our prices fairer to reflect costs and providing improved value and choice
- Making it easier to do business with Royal Mail and delivering excellent customer service



Postal Voting The Journey So far

- The Journey So Far Where have we come from since 2002 in Postal Voting
- Working with Local Authorities ,central Govt Depts Electoral Commission
- Developed A bigger understanding of your requirements
- Delivered innovative service offering



General Election 2005

- Review of Feedback from Europeans & Regional Election Nth East
- Developed Royal Mail service offering for National rollout.



Feedback & Changes

- Working with local authority groups to gain feedback for service enhancements.
- Developed a bespoke Modular service offering for May 06



Next Steps For May 06

- Your Individual requirements met locally
- Next Steps



The Way Ahead

- Trialling of new innovative ideas to get to longer term goal
- Engaged with 5 authorities across the country to trial a new idea for May 06



End Goal (Ambitions)

- To develop with you the client a service offering that enables us to track into RM, track out to the electorate, and track back the returned Postal Votes to you the client authority.
- Give you a range of management reports that enables you to manage the whole Postal Voting process with confidence and support.

