

Paula Vennells: review of achievements against 2013/14 personal objectives

1) Talent

Key achievements:

- Clear progress in **strengthening the ExCo, both in terms of its composition and ways of working:**
 - Developed (and now executing) a **clear plan for reshaping the ExCo in order to strengthen senior talent and underpin the delivery of our 2020 strategy.**
 - In particular, **recruited Neil H and Martin G** – injecting greater professionalism and a sharper customer/commercial focus into the leadership team. Both have made a very strong start and are already adding substantial value to the business. Also completed (at pace) the activity to recruit David Ryan, ensuring we have the external expertise to lead the Business Transformation Programme.
 - **Managed the departure of Susan C effectively**, both in terms of handling the comms/transitional arrangements carefully and quickly identifying a strong interim GC (Chris A), who was able to integrate into the business rapidly, help stabilise some difficult issues (Sparrow) and add value on broader areas (governance, risk management and a more commercial focus to legal issues).
 - It should be noted that, alongside the recruitment process, **managing the replacement of a quarter of the ExCo team within less than a year (and the departure of Sue B) has in itself represented a significant people management challenge**, requiring substantial additional time and focus from the CEO to help integrate the individuals into the senior team and broader business. As a result, all of the individuals have been able to ‘hit the ground running’ and the collective performance of the ExCo has been raised.
 - **Supported the specific development needs of each of the existing directors**, including agreeing priorities with coaches, with clear progress being made in every case. In particular:
 - Kevin has continued to grow, increasing the strategic value he adds across the business and delivering excellent progress with his senior team (e.g. Nick B before the move to NH). Clearly there’s been a challenge around his bandwidth since November because of the CWU talks, although this has enabled his senior team (especially Harry, Michael L & Roger) to step up.
 - Nick: his relentless focus on delivery and results within his own area has always been a strength, but have focussed this year on

coaching him to become less defensive, more aware of the wider business agenda and less FS centric. Good progress, but needs ongoing attention.

- Chris: despite the ongoing concerns, his confidence & capability have improved, particularly in Board discussions, and he performed the CEO caretaker role effectively during summer holidays.
- 360 feedback confirms that I'm supportive of my team but always challenging
- **Successful ExCo development day in September**, with good engagement from the whole team (overcoming some initial reluctance/scepticism), culminating in a clear and powerful 'ExCo job description' to define leadership behaviours and capabilities, supported by individual 'stop, start, continue' commitments. Have continued to hold the ExCo to account against the job description and commitments since then (through ExCo meetings, 1:1s and performance process).
- **Board papers have improved overall**, because of better ExCo filtering/debate and joint working in advance.
- **Championed the development and embedding of the new Post Office behaviours**, which have helped shine a light on the behaviours needed to deliver the transformation of the business (and have been praised by external observers for their clarity).
- **Supported the development of the new SLT leadership training programme** (which will be a major area of focus in 2014/15).
- Personally **championed the diversity agenda**, arguing for inclusion in business scorecard, holding directors to account and speaking at events like the Women in Leadership evenings (with unprompted positive feedback from a number of attendees) and several external events (e.g. Accenture event).

What could have been better?

- Ideally recruitment of some of the ExCo positions would have progressed more rapidly – but these are challenging roles to fill with the timetable largely constrained by external factors (not due to any lack of personal commitment to progressing the process as quickly as possible). *[NB do you need more from Neil/Fay on this to help prepare lines of defence?]*
- Pace on delivery of cost programme – has taken time to get the right management structures in place

2) Culture

Key achievements:

- Personally championed/supported the **development of a new relationship with the NFSP**, ('modelling the change we want to see'), which is now radically improved compared with the situation a year ago when we were approaching the May 2013 conference:
 - Delivered a **robust but empathetic speech to a hostile Fed conference**. Informal feedback from individual spmrs was very positive.
 - Re-established **strong relationship with GT** [following robust exchange of view last spring when he took offence] – evidenced by positive phone calls/meetings and invitations to NC/EC
 - Encouraged our team to **collaborate with NFSP on the 2020 strategy** to secure their buy-in (including sharing documents under cover of an NDA). This process was absolutely crucial in landing the funding deal with government and in the strong progress we have made on the NT programme since then.
 - But also **clear with the NFSP on the changes they need to make** to reflect the modern network we need to establish.
- Likewise, have continued to champion **dialogue/engagement with CWU and CMA**, while being robust in communicating our commercial imperatives. Personally initiated the current 'vision' talks, which appear to be heading towards a satisfactory conclusion. Irrespective of the outcome, they have broken the impasse, generated new ideas and facilitated a clearer understanding of our respective positions. But also robust when we've needed to be – e.g. supporting the team's recommendation last autumn to pursue an injunction against broad-based action short of a strike.
- Supported Chris and Kevin in **securing the pensions deal** (in particular liaising with Chair of Trustees behind the scenes).
- **Promoted the listening/engagement agenda more generally (aka 'mutual ways of working')**, to the extent that this is now widely recognised both in 148 and beyond as a key business priority, with tangible progress such as the launch of the POAC and establishing the branch user forum. In particular, there's now a much sharper focus within the business on the need to understand the perspective of sub-postmasters and other frontline staff.
- Despite all the other demands, have invested significant time in agency and Crown **branch visits and NFSP branch/EC meetings across the country**. E.g. Edinburgh NFSP event, where there was a clear change in tone; Peterborough round table, which resulted in very positive feedback (and also

the business actually responding to insights, e.g. dangerous goods approach at Christmas).

- Chaired the **Stakeholder Forum** to the point where we could proceed with the public engagement exercise last summer on our public purpose definition, despite some significant challenges/opposition along the way. Process has now culminated in a well-evidenced purpose statement with broad stakeholder support.
- Consistently challenged directors and ExCo to **operate with greater pace and a sharper commercial focus (thinking like a retailer)** – challenging individuals and teams to know their numbers and include them in papers and briefs etc. Challenged Kevin and Martin to review Trading Board and set up new Commercial Committee to provide stronger strategic direction. Also challenged the teams to reflect this focus in their engagement with partners, e.g. RM and Fujitsu – so we act as a grown-up, commercial partner who won't be pushed around.

What could have been better?

- Internal comms – now improving, but colleague engagement should have happened sooner and should have been planned more effectively ahead of key events like team talk live.
- Building a culture of horizon scanning/proactive risk management – getting better (e.g. 'pre-mortems' are now common currency, but still some gaps)
- Parts of the business still think/act like a passive channel rather than the commercially-focused retailer we need to be – but making progress.

3) External relationships

Key achievements:

- Have continued to be the **front face of PO** – with consistently positive feedback from external events and media engagements (e.g. feedback from Today programme editor).
- Good progress in drive to **strengthen our strategic relationship with commercial partners** in a way which actively creates value for the Post Office:
 - **RM:** challenged the team to be vigorous in pursuing our interests and acting as confident (and equal) partner. Paradoxically given the financial results, arguably we've made more strategic progress on mails this year than we did last year (when the numbers looked much better). Examples of key outcomes:

- we introduced the first ever price discount for a regulated mails products, overcoming initial RM intransigence to drive significant D&G growth;
 - we didn't roll over on Romec negotiations;
 - we persuaded RM to introduce the new shoebox format, again overcoming their reluctance to concede a mistake on pricing – which followed a personal intervention with Jon Millidge;
 - also intervened personally with JM to change prospectus wording (in relation to Horizon investigation), with Shex having failed to persuade them to make the change.
- **Government (both as shareholder and a commercial partner):** slowly but surely, perceptions about our role as a service provider are starting to change – a credit to the persistence of the team, but also personal role in leading engagement with Ministers and senior officials. Examples:
 - Invitation to No.10 international IDA event (one of the few domestic suppliers representing the UK)
 - Engagement with Ed Davey (both around energy and broader FooG opportunities)
 - Linked to this, positive feedback from Maude at Cabinet
 - Positive meetings with Shex Ministers (Vince & Jenny in March; Jo & Jenny in December), where we were able to set out a positive and reassuring account of the progress we're making
 - Continued positive engagement with CST (both on funding & FooG) – both in his HMT office and in his constituency
 - Intervened with Robert Devereux on POCA extension sensitivities, helping to establish the basis for subsequent engagement between the teams
 - CEO meetings with DVLA, GDS, HMPO, UKVI
 - Spoken at two Civil Service Director General Development events – positive feedback and opportunity to raise profile of PO with senior officials
 - Positive meeting with Vince
 - **Bol:** attended Board in October where we communicated our points clearly (in particular the need for them to support asset side growth), expanded their understanding of the PO and challenged them to think differently about us. Positive feedback from Des. Have also continued to manage the relationship with Des with regular engagement (but finding the right balance with Nick's role). Supported joint team building between PO/Bol – 'mutual ways of working' with a clear commercial purpose.

- **Fujitsu:** challenged the team to take a robust approach and invested significant personal time to ensure Duncan Tait and his senior leadership team are taking our issues very seriously (particularly on HPBB, but also IPR and Horizon changes).
- Constructive meetings/engagement with a number of other CEOs to pursue both our commercial interests and discuss wider leadership issues, e.g. Harriet Green, Meg Whitman, Steve Clarke, Dido Harding, Dianne Thompson, Tony Cocker. And continuing to represent and promote the Post Office's interest as a member of the Go On UK Board and other forums.
- **Sparrow - intervened directly with key stakeholders (Tony Hooper, Alan Bates, Second Sight, James Arbuthnot) during difficult points in the process.** Has required extremely delicate and skilful relationship management.

What could have been better?

- Account management disciplines and capabilities need to be embedded more rapidly across the business, which would provide a clearer and more disciplined framework for all our interactions including at CEO level.
- RM is a good example – we should have been aware of the fact that some senior people in the business were unsighted on the good progress we're making on NT etc, and had a proactive plan in place to address this. Equally the process of engagement with RM and retailers on Collections & Returns has been frustratingly slow – there are good reasons for this, but better account management disciplines would help mitigate the challenges.
- Likewise with the multiples in relation to both NT and C&R – need more integrated and disciplined account management framework which would provide greater clarity around when to intervene at CEO (or Board) level.

4) Overall business achievements ('delivering the numbers in the right way')

Key achievements:

- We hit our profit target for 2013/14, despite the substantial revenue headwinds. This achievement shouldn't be overlooked (would certainly be seen as a virtue in PLCs). Personally played a role by keeping the team clearly focussed on profit protection and sales recovery, providing robust challenge on commercial performance at 1:1s, QPRs and ExCo performance meetings.
- FS: implementation of new sales structure (personal role in championing/challenging Nick and Kevin to pursue. Roger and Jeremy's teams now working very effectively together and at pace). Launch of current

account and steady mortgage growth, which has accelerated in Q4. Overall targets hit for 2013/14, providing confidence to meet greater challenges next year and beyond.

- Business transformation/cost programme underway – intervened directly to ensure there was a clear plan in place for bringing in the external expertise needed to drive results and get to the right solutions (including appointment of David Ryan and Design Partner).
- Publication of our first, award winning ARA!
- NT programme ended the year ahead of schedule on both contracts signed and branch openings, enabling us to revise upwards the targets for 2014/15. Tight management of the conversions pipeline is now embedded in the business – a vast improvement compared with 12-18 months ago.
- CTP target remains achievable (but challenging) – have made particularly good progress on the levers within our direct control (especially cost and headcount), although inevitably impacted by RM and FooG sales shortfalls.
- Remained calm throughout all the challenges, making good calls on difficult things.

What could have been better?

- Creating time and structure to enable more horizon scanning of opportunities and risks in both the near and long term.
- Better quality discussions on some of the key commercial issues at ExCo, e.g. Titan?