

# Quality of Service for Postal Services in Guernsey

Public Presentation

23<sup>rd</sup> January 2003

# Objectives

- Describe what will be in Consultation Paper;
- Seek views on overall scope of consultation;
- Call for responses to consultation paper;
- Outline Next Steps.

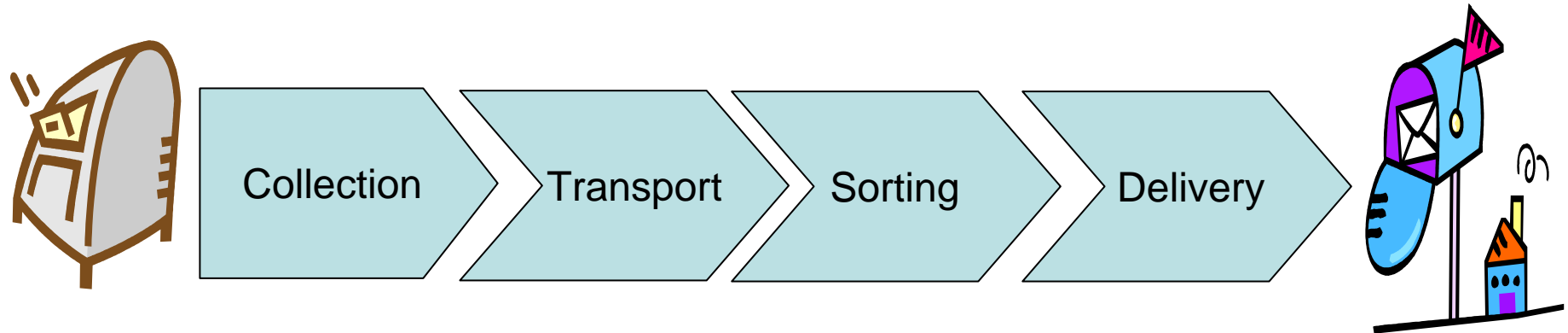
# Agenda

- A. Background
  - Legal Framework
  - Postal Network elements
  - Guernsey's Postal Network
- B. QoS Indicators
- C. QoS Target Levels
- D. Monitoring, Compliance & Compensation
- E. Timetable and Next Steps
- F. Questions

# Legal Framework

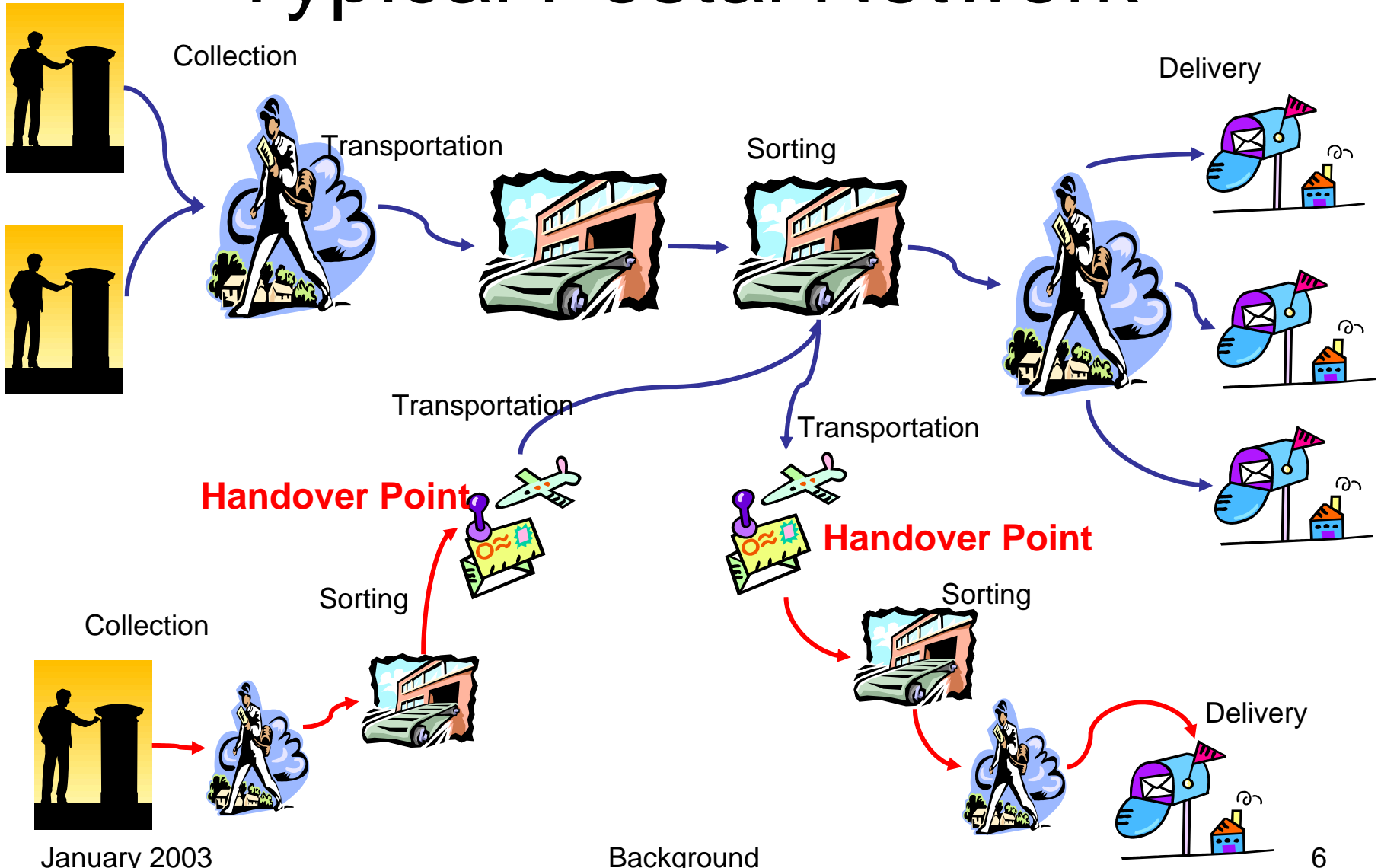
- Post Office (Bailiwick of Guernsey) Law, 2001
- Universal Service Obligation
  - Minimum level of service at affordable pricing
- Reserved Services Order, 2001
  - Exclusive rights to support USO
- Guernsey Post Ltd Quality of Service
  - Public Service Conditions in licence
  - Direct provisions in legislation.

# Postal Operation



But the real network is a bit more complicated.....

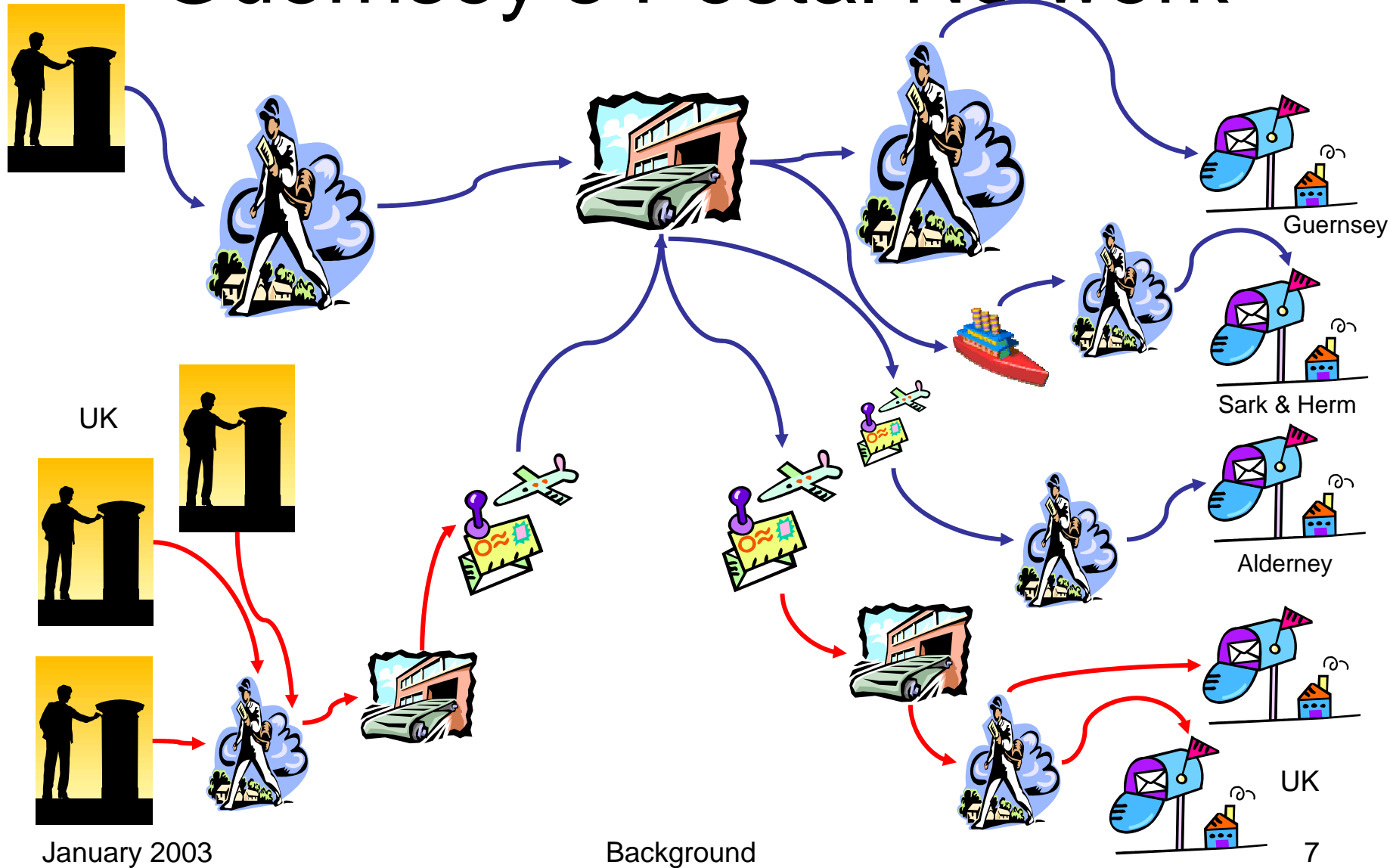
# Typical Postal Network



January 2003

Background

# Guernsey's Postal Network



January 2003

Background

UK  
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# Background: Conclusions

- **Degree of complexity of postal network;**
- **Degree of “openness” GP’s network;**
- **Degree of reliance on Royal Mail.**



# Background: Questions

**Q: What other general background information on Postal Networks would be useful?**

**Q. What other background information on Guernsey and Guernsey Post would be useful?**

# Agenda

- A. Background
- **B. QoS Indicators**
  - What do we mean by QoS?
  - How to measure QoS?
  - Proposed QoS indicators for Guernsey
- C. QoS Target Levels
- D. Monitoring, Compliance & Compensation
- E. Timetable and Next Steps
- F. Questions

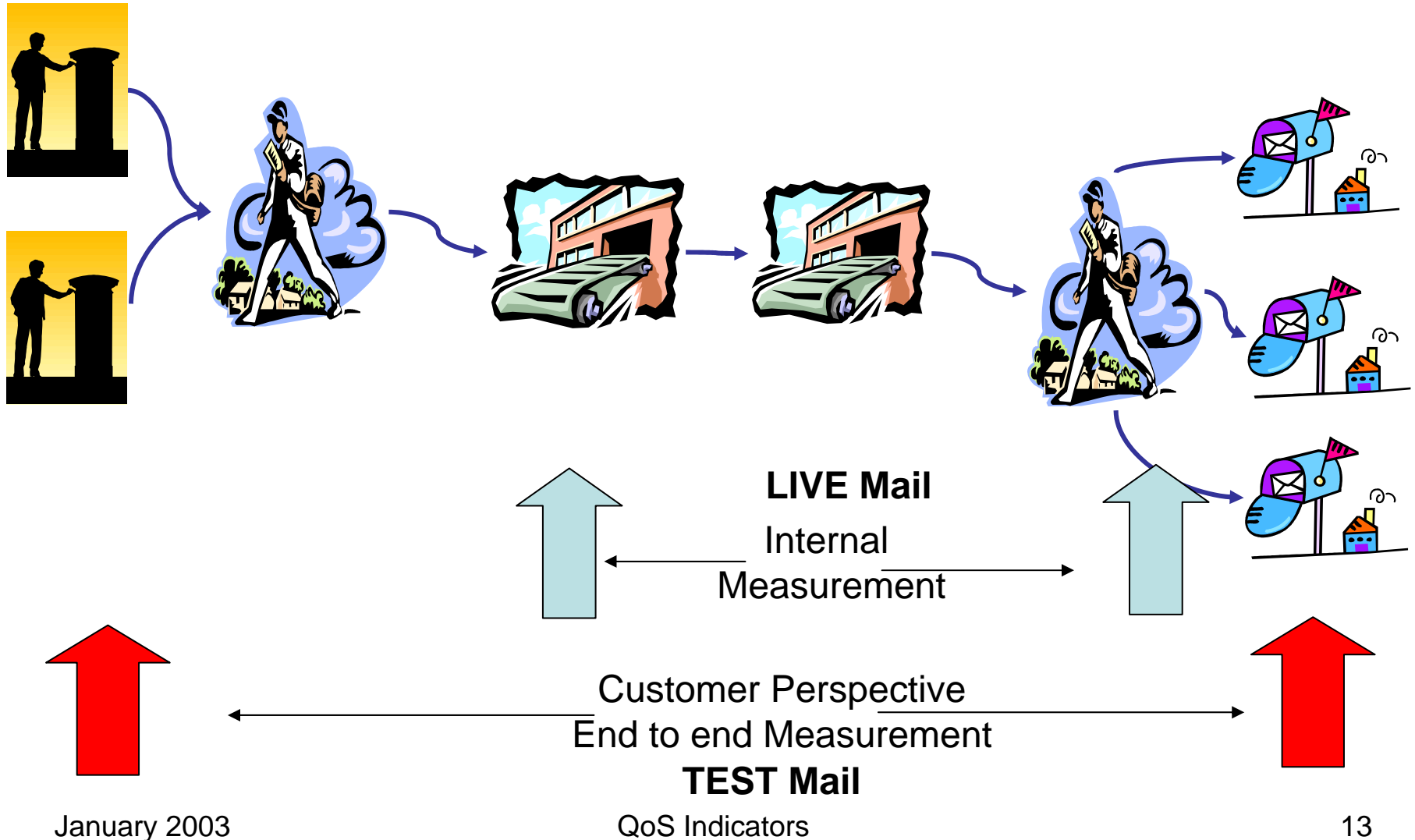
# What do we mean by QoS? (1)

- What the customer perceives in terms of;
  - How long the mail takes to arrive;
  - Reliability of mail.
- For a variety of services; e.g.
  - Standard 1<sup>st</sup> class, 2<sup>nd</sup> class
  - Parcels
  - Mailsort
  - Other

# What do we mean by QoS? (2)

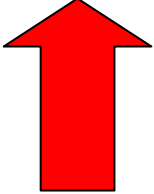
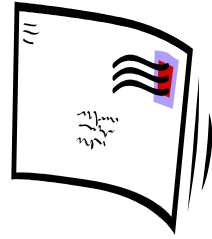
- Other measures of service
  - Accuracy of delivery of correctly addressed mail
  - Internal efficiency/throughput
  - Queuing time at counters
  - Response times to complaints
  - Others

# Measuring Delivery and Reliability:

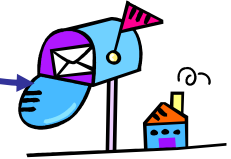
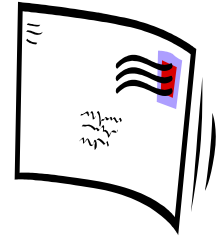


# Test Mail

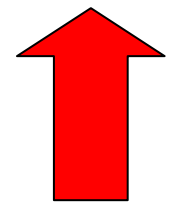
Record:  
 •deposit day;  
 •Access point;



Deposit  
J



Record:  
 •deposit day;  
 •Access point;  
 •Date Delivered;  
 •Delivery point;  
 •Mail item.  
 •Collated & analysed

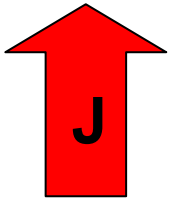
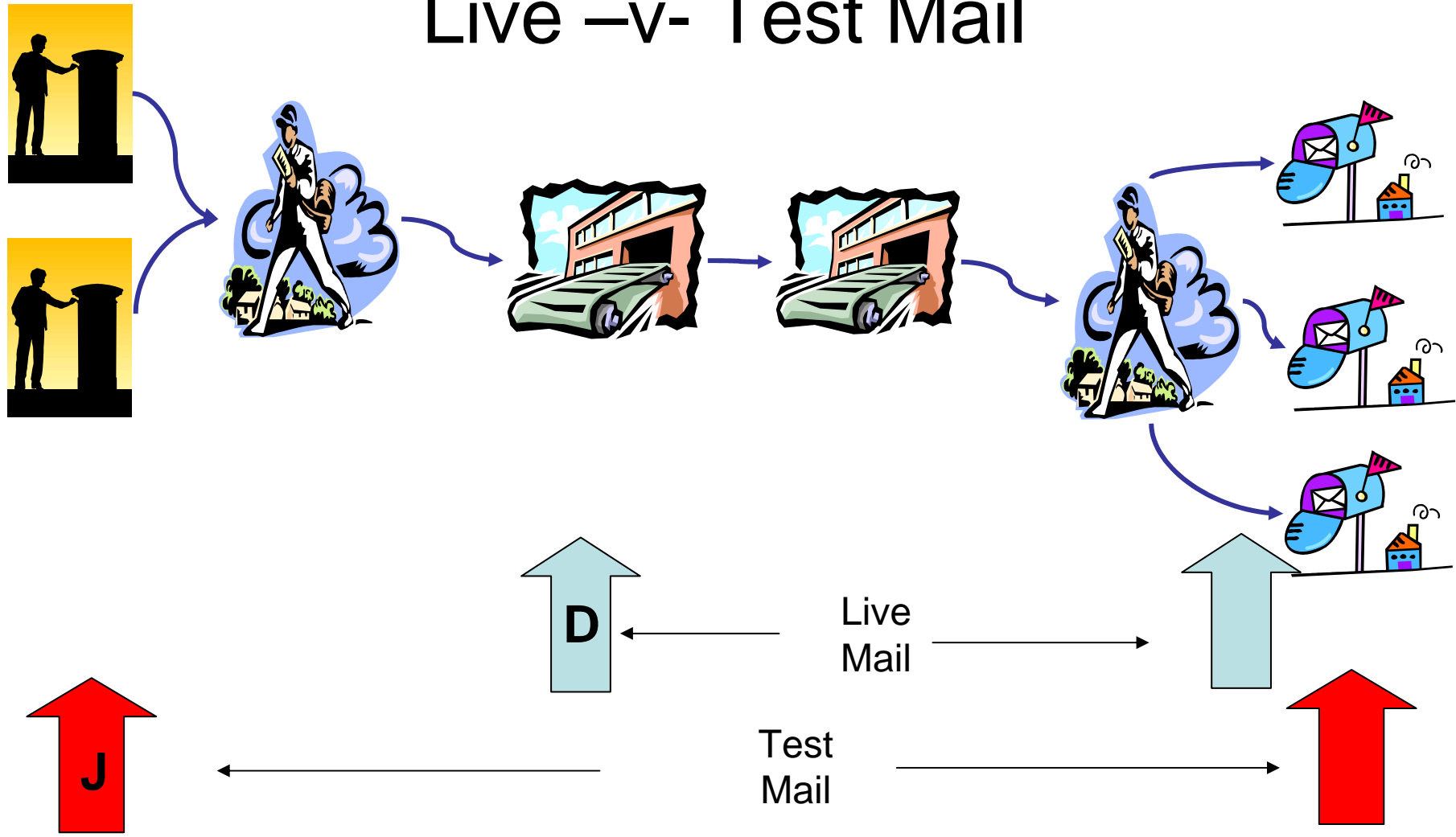


Delivery  
J + n?

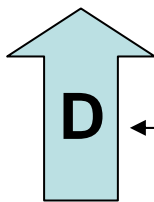
# End to End and Internal Measurement

	<b>What do you measure?</b>	<b>Delivery Time</b>	<b>Reliability</b>
<b>End to End</b>	Test Mail	J+n	%
<b>Internal</b>	Live Mail	D+n	%

# Measuring Delivery and Reliability: Live -v- Test Mail



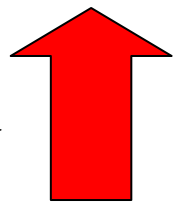
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QoS Indicators

Live Mail

Test Mail



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# QoS indicators for Guernsey

- End to end Mail Reliability and Delivery times (QoS 1);
- Internal Reliability and Process times (QoS 2);
- Key Performance Indicators (QoS 3)
  - Customer facing functions

# QoS Indicators for Guernsey (1)

- End to End Delivery Targets for different types of standard mail;
  - Bailiwick to Bailiwick
  - Bailiwick to UK
  - UK to Bailiwick
  - Bailiwick to Jersey
  - Jersey to Bailiwick
- For each service set percentage targets for:
  - J+1; and
  - J+3.

# QoS Indicators for Guernsey (2)

- Internal Delivery Targets for different types of standard mail;
  - Bailiwick to Bailiwick;
  - “handover point” for mail to UK and Jersey;
  - “handover point” for mail from UK and Jersey.
- For each service set percentage targets for:
  - D+0; and
  - D+1.

# QoS Indicators for Guernsey (3)

- Key Performance Indicators:
  - Misdeliveries by postal delivery round;
  - Completion of delivery rounds by 1pm;
  - Complaint handling response times;
- Enabling Proactive Action to:
  - identify service failure;
  - ensure GP remedies service failures.

# QoS indicators: Conclusions

- End to end Mail Reliability and Delivery times (QoS 1);
- Internal Reliability and Process times (QoS 2);
- Key Performance Indicators (QoS 3).

# QoS Indicators: Questions

**Q: What other background information on QoS Indicators would be useful?**

# Agenda

- A. Background
- B. QoS Indicators
- **C. QoS Target Levels**
  - Benchmarks;
  - Actual Performance;
  - Operating environment.
- D. Monitoring, Compliance & Compensation
- E. Timetable and Next Steps
- F. Questions

# Benchmarks

- Data available for EU and some island jurisdictions;
- Many jurisdictions not comparable to Guernsey for number of reasons;
  - Operating environment;
  - Size and geography;
  - Types of targets.
- Guernsey pioneering end to end QoS targets for small island postal operators



## Comparisons with Royal Mail (RM) J+1

- RM Postcode Area (PCA) to other RM PCA National Target 92.5%;
- RM to other RM PCA Floor 90.0%;

Floor does not apply to distant destinations:

- RM Hebrides to other RM PCA Actual 82.5%;

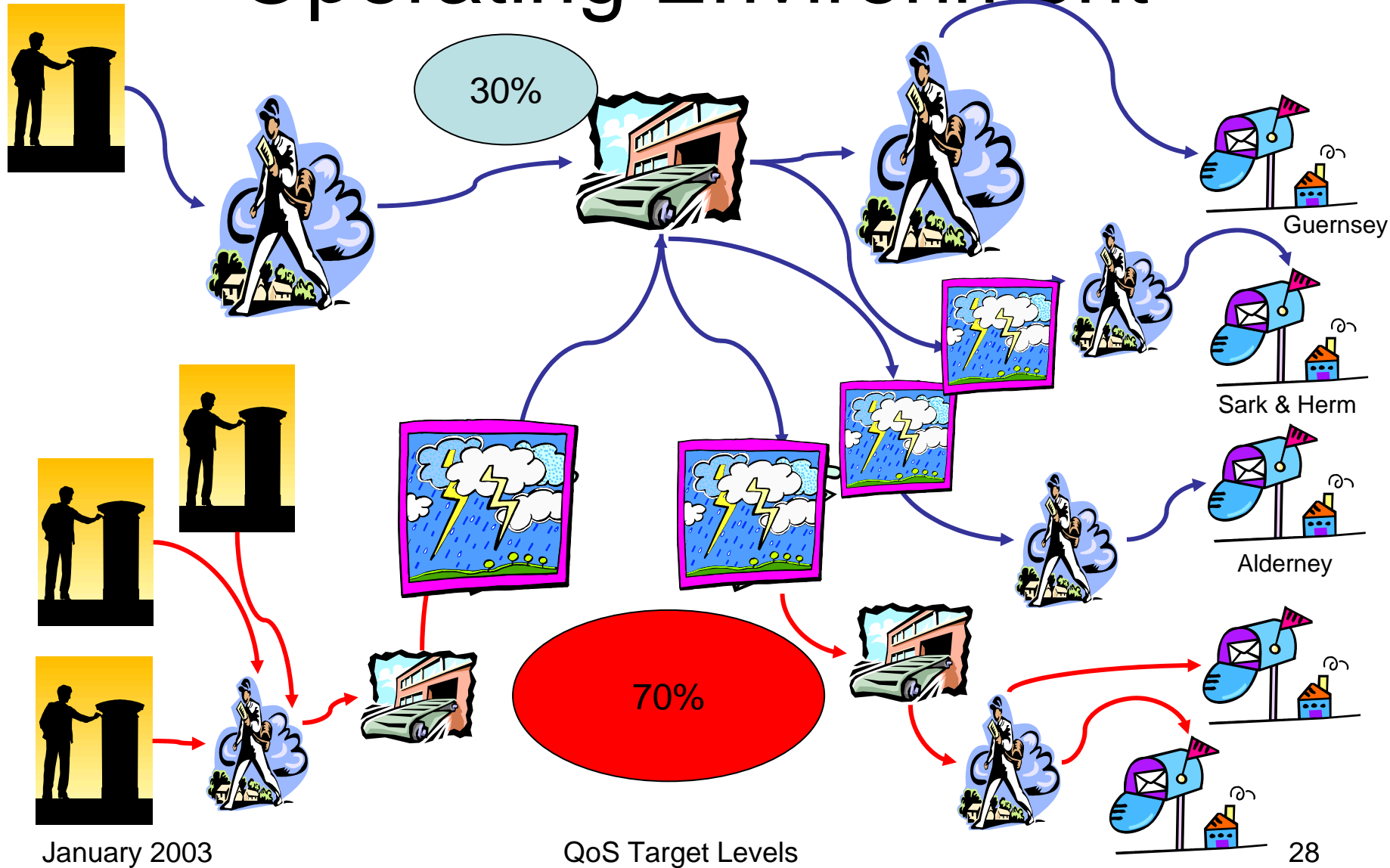
# Actual Performance in Guernsey

- Historically only internal measurements
  - Mail within control of Guernsey Post
- Over past 12 months
  - End to end performance has been measured
  - Using test mail and panellists
- Guernsey Post to provide input on actual performance

# Operating Environment

- Weather
  - Reliance on airport and impact of weather;
- Scale
  - Guernsey: 50 million mail items per annum
  - Royal Mail: 29,000 million mail items per annum
- Reliance on other operators;
  - 35% of all mail items leave the Bailiwick
  - 35% of all mail items enter the Bailiwick
  - 30% of all mail items remain within the Bailiwick

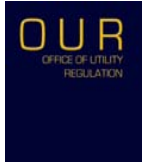
# Operating Environment



January 2003

QoS Target Levels

# End to end QoS Targets for Guernsey Post



- For Standard Mail Items
  - J+1 for [XX%] of mail items
  - J+3 for remaining mail items
- Based on benchmarks adjusted for
  - Weather
  - Volume (scale)
  - Degree of service within Guernsey Post's control;
  - Current performance.

# Other QoS Targets

- Internal measures:
  - Bailiwick to Bailiwick: x% D+1;
  - “handover point” for mail to UK and Jersey: x% D+0;
  - “handover point” for mail from UK and Jersey: x% D+0;
- Customer facing measures
  - Misdeliveries of correctly addressed mail;
  - Response time to complaints – customer charter;
  - 1pm delivery time.

# QoS Targets for Guernsey: Questions

**Q: Are there other factors that should be taken into account?**

**Q: Are there any factors that should be excluded?**

# Agenda

- A. Background
- B. QoS Indicators
- C. QoS Target Levels
- **D. Monitoring, Compliance & Compensation**
  - Who measures performance?
  - What happens if GP fails to achieve targets?
- E. Timetable and Next Steps
- F. Questions



# Measuring Performance

- Monitoring end-to-end performance (test mail)
  - Directly by OUR;
  - Outsourced to Independent monitoring company;
  - Self monitoring by Guernsey Post
- Monitoring internal performance (live mail)
  - Self monitored by Guernsey Post with independent audit by OUR
- Monitoring other KPIs;
  - Self monitored by Guernsey Post
  - Independently audited/reviewed by OUR
- Regular publication of results and assessment against target or historical data for KPIs;

# Compensation Arrangements

- Postal (Bailiwick of Guernsey) Law 2001;
  - Limitation of liability for consequential loss;
  - Voluntary compensation schemes;
- Guernsey Post Licence
  - Scope for Directions from OUR.

# GP's existing compensation scheme standard mail

- Loss: Maximum payable £27;
- Damage: Maximum payable £27;
- Delay: No compensation payable.
- Identical to existing Royal Mail compensation Scheme.

# Summary of Compensation Arrangements Standard Mail

	<b>Loss / Damage</b>	<b>Delay</b>	<b>Claim</b>
<b>Intra Bailiwick</b>	Up to £27	None	GP
<b>Bailiwick to UK</b>	Up to £27	None	GP
<b>UK to Bailiwick</b>	Up to £27	None	Royal Mail

# Monitoring, Compliance and Compensation: Questions



**Q: What other additional information would respondents find useful to inform their responses?**

# Agenda

- A. Background
- B. QoS Indicators
- C. D. QoS Target Levels
- D. Monitoring, Compliance & Compensation
- **E. Timetable and Next Steps**
- F. Questions

# Timetable

- Publish Consultation Paper: end Jan 2003
- Consultation period: 4 weeks
- Report on Consultation: end March 2003
- Report on Consultation to set timetable for
  - Developing procedures
  - Establishing monitoring and measurement
  - Date of application of priority QoS targets
  - Next steps on other aspects of QoS;
- Monitoring and Publication: ongoing

# Agenda

- A. Background
- B. QoS Indicators
- C. D. QoS Target Levels
- D. Monitoring, Compliance & Compensation
- E. Timetable and Next Steps
- **F. Questions**



# Questions

- Q: Any other background information**  
**on postal networks**  
**on Guernsey Post**  
**on Indicators or targets**  
**on compensation**  
**on monitoring and measurement**
- Q: Are there additional Indicators or targets that should be included?**

End

Office of Utility Regulation  
[www.regutil.gg](http://www.regutil.gg)