

Delivering Change

How SAP Education is supporting the Post Office's business transformation programme as it strives to secure a profitable future.

The Post Office is facing some tough challenges. Every week it serves 28 million customers through a network of over 14,500 branches across the country, providing the public with a familiar range of services from driving and TV licences to car tax discs and passport application forms. Yet its biggest traditional source of income - handling the payment of pensions and child benefit by order books - has come to an end as these benefits are now paid direct into the recipients' bank accounts.

The loss of around 40% of the Post Office's revenue has been partly offset by the success of a growing range of financial services such as banking, insurance and savings products. Partnerships with several leading financial institutions mean that the local Post Office branch fills a void by providing customers with convenient banking services, particularly in rural areas. Nevertheless, a shortfall remains, and achieving dramatic improvements in business efficiency has assumed even greater significance as the organisation strives to create a viable and sustainable network for the future. The Post Office has therefore embarked on a massive business transformation programme - part of which is within the Finance Directorate - with SAP at its heart.

Transforming the business

The Post Office is part of Royal Mail Group, an existing SAP customer, and the implementation of SAP Financials successfully went live on 24th August 2005. "Like every business, we have to utilise technology effectively to reduce costs," says Sue Reed, People Change Manager, Post Office Limited. "The SAP implementation was at the core of our 'IMPACT' (Improved Accounting) programme, which represents a huge cultural change for people used to working in traditional ways." One of the branch manager's main tasks, for example, was to balance the books every Wednesday with a 'Cash Account' - a weekly ritual that dates back to 1868! Now called 'Branch Trading', branch transaction data is collected every night in the SAP system via the existing front office system and the books are balanced once a month - leaving managers to focus on sales growth rather than basic book-keeping.



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With a largely paper form-based business, working practices have had little opportunity to change. The Post Office's strength is a history of long service from loyal employees, but prior to the business transformation programme there was a myriad of systems, poor integration and people working in silos with limited awareness of their role within an overall business process. This represented a major people change challenge that needed urgent attention prior to go-live. "First we had to assess the capabilities we needed and decide which people were going to use the system," says Sue, "then we had to identify the gaps in their skills and come up with a plan to bridge those gaps."

The first step on the training journey was a series of eight workshops called 'Accounting for Money', which provided 300 finance department staff with an overview of basic accounting techniques. "The workshops helped everyone become more familiar with the terminology and language they would encounter with SAP," says Sue, "as well as giving them an insight into their role in the overall financial management processes. It even identified the need for basic computer skills among some employees whose jobs had previously been entirely paper-based."

Making the most of SAP Tutor

Confident that prospective users now had a firm grounding in financial systems and processes, the next stage was the delivery of training in the actual SAP system. "We had no in-house SAP Finance capability within the business and little SAP knowledge so we needed outside help," explains Sue. "As well as SAP expertise we were looking for experience of implementing major change initiatives and an ability to deliver on their own as we had no internal resources." Following initial discussions of the Post Office's requirements with Business Development Manager Giles Reid and Education Account Manager Georgina Ellwood, SAP Education was engaged in May 2005 to provide a Training Strategy and Training Needs Analysis. "The earliest added value we got was around SAP Tutor, which we had but weren't aware of," says Sue. "We already had concerns about maintaining a training system, so the flexibility and safety that SAP Tutor gave us was a godsend!"

In fact, the Post Office took the decision to only use SAP Tutor simulations and dispense with the idea of a training client completely, due partly to the fact that the Post Office system was outsourced and there was an issue in maintaining and refreshing a training client, and partly to development time constraints. "It depends on what's best for the particular customer, of course," says SAP Education Project Manager John McGann, "but the Post Office is certainly one of the first customers to go the SAP Tutor-only route." The intensive training programme began in mid-July and the benefits of SAP Tutor soon became apparent as the entire Post Office IT network was put out of action for two days by a virus. "We simply loaded SAP Tutor onto the PC 'C' drives and carried on with the schedule," says Sue, "which we wouldn't have been able to do with a training client!"



John McGann,
Education Project Manager

Achieving self-sufficiency

Over 220 Post Office staff received job-specific training that was deliberately process-based to ensure that each individual understood what came before and after them in the particular process. The financial department also had to undergo significant organisational change to reflect the new SAP processes, with an inevitable reduction in headcount. "There was a lot of apprehension at first," says Sue. "This wasn't just a case of giving them a new computer to do the same job - we were fundamentally altering the workflow and they had to change their role to help get the best out of the new system. The 'Accounting for Money' workshops began to create positive feelings, however, and after the SAP training they were really enthusiastic."

A major factor in the success of the training programme was the level of preparation undertaken by the Post Office prior to the SAP Education team's arrival on site. "The Post Office were very well prepared for us," says John. "As well as having desk space and laptops organised for us, the relevant documentation was immediately available to enable us to get up to speed very quickly on the processes and background to the project. We worked closely with two Post Office business analysts who had undertaken initial knowledge transfer sessions which we used as the basis to get up and running with the curriculum and material preparation."

Throughout the customer engagement, SAP Education worked as an integral part of the project team and according to John, "were made to feel part of the Post Office rather than external consultants." With the training programme now complete, Sue Reed is delighted with the results: "There's been no need for any remedial training, but it doesn't stop there. As with any new system, the training we give initially is just the start. More training requirements are being identified now the system is live and SAP Tutor is the platform we will build on." One of the major areas of added value was the Education team's SAP best practice expertise which enabled them to spot where transactions were missing or could be done differently. She is already working with SAP Education on the way forward, which in the short-term will involve the introduction of SAP Enterprise Portal. "We now need to add in-house SAP capabilities as self-sufficiency is a major corporate goal," she says. "We'll be bringing John in on key checkpoints to support the business in implementing the knowledge management and best practices that SAP Education has left us with."

