

## ➤ Deliverable Strategies

# Tough destinations need the right journey

**Berkeley helped develop the turnaround strategy for the Post Office's largest 300 branches, and then led a £130m change programme to transform them. By 2017, the Crown Network had moved from £46m p.a. losses into sustainable profits. Partner Tom Parkin explains that a little bit of empathy goes a long way.**

The Crown Network is made up of over 300 flagship Post Office branches, based in the UK's busiest town and city centres. But the network was jaded. The branches, often with inadequate lighting and worn carpets, had suffered years without investment. The retail experience was poor. Customers would regularly queue at length, whether they wanted to buy a second-class stamp or apply for a mortgage. Staff served them from behind fortress glass screens, creating a closed, oppressive atmosphere. This felt like 1974, not 2014.

Having helped to devise the transformation strategy, Berkeley were subsequently brought in to make the change happen. One of our consultants took on the role of programme manager, working closely with Post Office executives throughout. Inevitably, a lot of the £130m budget was apportioned to capital expenditure. With two-thirds of square-footage previously dedicated to back-of-house, many branches were gutted, redesigned and refitted to make them more open plan and welcoming. There is now more space for customers, clear desk space, and well-lit zones for the many different services that customers require. The refit stage included the roll out of self-service kiosk devices. Their arrival allowed branches to remove counter positions and reduce staffing costs, with 20% of employees taking up voluntary redundancy.

The 3,200 remaining staff were each taken out of frontline duty for two days. For many, this was their first training in over a decade. Their job description changed profoundly. For example the trainers said to them: if you are talking about passport checking services, and you build up the right rapport with the customer, you've now got permission to ask if they need travel insurance. By removing the glass screens, customer conversations evolved. Staff were empowered to open up new sales avenues.

## A matter of context

The biggest challenge as change managers was to make staff feel excited about the transformation. For the programme leadership team, this meant putting ourselves in the shoes of frontline staff. The Crown Network is a big family, where many good people have fulfilled the same roles alongside the same people for many years. Now, management was forcing them out of their comfort zone.

Staff naturally felt extremely unsettled. In the next town along, their friends in that branch might be transitioning to high street franchises. Long-standing colleagues were taking voluntary redundancy. Machines were replacing many of the day-to-day transactions. Would they replace me too? There were builders busy dismantling and rebuilding their branch. The place was full of noise and dust - yet, they still had to service customers, who were themselves worried for the future of their Post Office. All of this played out in a highly charged political environment, with media interest, industrial action in opposition to some of the changes, and parliamentary scrutiny of the wider change programme.



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I am fantastically proud of what we have achieved and it is no exaggeration to say that we would not have delivered it without Berkeley. I would wholeheartedly recommend working with them.

**Roger Gale**  
Network General Manager  
Post Office

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## The Berkeley Partnership

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Only by keeping staff motivated could the network come out the other side as a profitable, sustainable business. The stakes were that high. From the start, we ensured that staff were 'in the know'. The team developed a compelling vision of what the future would look like – and how we were going to make it happen. The Crown Network couldn't continue to function at the taxpayers' expense. We made it very clear this was non-negotiable. How can you, as employees, help get the network to that better place?

In the first year, the programme established five fantastic pilot branches and got the new branch model working. We found staff who were happy to be advocates and help spread the good news. The vision was now a real, tangible thing. Staff nationwide were invited to help design their local branch, as the rollout schedule incorporated time to take in their views.

The programme held big conventions called Vision Events where branch staff stood up with microphones to share their experiences. They were empowered to speak out as ambassadors and did a great job at explaining how their fellow colleagues' roles would change. They enthused about the removal of mundane transactional duties to technology. With real counterparts describing their experiences – the good and the bad – it came across in a more authentic and honest way than it ever could from management.

### Read all about it

A publishing agency was commissioned to launch a new monthly staff magazine. Previously there had been a corporate newsletter, which people didn't readily engage with. If we'd done more of the same, we'd have been laughed out the door. So, we looked in the staff tearooms. What were staff actually reading with their mid-morning cuppa? It was the newsstand weeklies like Now, Closer, Chat, Take-a-Break with their celeb gossip and real life stories. The network's new magazine – called Wow – was sent out to every branch. And the staff loved it. The pages were filled with interviews with colleagues and customers, showcasing personal stories, fears, hopes, successes, failures. People got really engaged. For example, the wordsearch puzzle (with lots of words about the transformation programme) became surprisingly popular. People would devise their own puzzles and send them in. The magazine really helped to engage the staff.

The self-service machines were another big part of the transformation. Putting the right people front of house was critical for reaching our targets of 80% customer migration on basic transactions such as stamps and parcels. If you have someone who is engaged – and who likes showing people which buttons to press – then guess what, people are prepared to give it a go. If you have someone who is grumpy, who'd rather be sat behind a counter like before – then guess what, you get just 20% migration. With fewer staff on the counters, you would then have queues out the door.

So, we asked area managers and branch managers to talent spot those who did it best. That person would then have a remit to go and work one day a week with other branches, which were newer on the journey. These ambassadors relished the opportunity and took real ownership of this role. We also relied on managers to articulate the vision along the journey to maintain good business-as-usual operations. Without their engagement, any momentum would be lost, but we still needed to serve 1m customers a week. So, a new leadership structure was introduced to create a clearer hierarchy and career progression to reward exceptional managers. A new Leadership Excellence Programme has enhanced the management training curriculum.

### Less is more

Having been involved in both the strategy and delivery, it was very satisfying for Berkeley to see the changes land. The primary objective was to eliminate the losses and put the network on a sustainable footing, and this was achieved. The other metrics such as better employee engagement scores, higher customer satisfaction, reduced queue time, 80% migration to the automated service – these were the icing on the cake.

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The best bit for me personally is that we ended up with a more engaged and motivated workforce – despite the massive upheaval. I think that's where our consultancy approach at Berkeley brings an advantage. We work very closely with leadership teams to use and bring out the best of their capabilities. We don't assemble a giant team of consultants, creating an *us-and-them* mentality.

There were never more than two of us from Berkeley working as part of this programme. For big transformation pieces, you only need a couple of experienced people to start, set up and mobilise it properly. After all, the people at the Post Office knew their business. They were the ones who could solve the problems. When we left, they took the business forward.

What would have been the wrong course of action? Not taking staff on a journey. If we had chosen to invest less time and effort in retraining staff; put less stock on people development and internal communications; if we had not set a clear vision and then stuck to it with clear, consistent messaging; then I don't think we would have made the progress we did in that three-year window.

These 'people bits' weren't the ones that cost the most money. They were petty cash compared with the branch refits and self-service machines. Indeed, we would have saved a lot of management time and complexity if we had cut those bits out. But then we would have found that the main voices the staff heard were those who were less positive about our vision of the future. We would have nurtured a frosty atmosphere, in which any change is a bad thing and a threat to job security.

The capital investment required good people to make it worthwhile and effective – and there are many great people across the network. We set out to deliver a proper transformation, and that's what it feels like. In fact, it's now hard to remember what the old Crown post offices felt like.

### The project in numbers:

- Over 300 Crown branches redesigned, and refitted with self-service technology
- Over 3,200 members of staff retrained
- 50 branches transitioned into 3rd party ownership
- 10 branches relocated to rationalise property costs
- £46m p.a. of P&L improvements, on time and within budget

### The Post Office in numbers:

- Over 11m customers every week
- 11.5k branches across the UK
- Largest retail network in Europe
- Largest bureau de change in the UK
- 5th Largest retail bank in the UK

