

POST

# Impressions

AUTUMN NEWSLETTER 2005

Issue No.2



## CUSTOMER STORY

### Three is the **magic number** for Learning Tree

Learning Tree International has been delivering effective, high quality education in IT and Management for over 30 years. It has grown to be one of the world's largest professional training companies, boasting top standards of course development and instructor training, combined with state-of-the-art facilities.

As Learning Tree has flourished, so has the demand for its catalogues, which provide the latest course information. Over one million catalogues need to be delivered efficiently, reliably and cost effectively every year.

Initially called in to advise on the most commercially viable way of using Royal Mail products for delivery of the catalogues, the ONEPOST team was able to quickly identify a much more cost-effective solution for Learning Tree. Based on an analysis of mailing data, ONEPOST's recommendation was instead to divide the mailing between three main carriers.

An initial test phase proved the viability of the solution, and reassured the client on the quality and reliability of this delivery option. Learning Tree then quickly moved their total catalogue distribution over to the ONEPOST solution, making estimated cost savings of £75,000 a year.

The ONEPOST service included briefing and training the mailing house staff, to ensure that all documentation and output met the requirements of the different carriers.

Learning Tree commented:

*"We are delighted with the experience of working with ONEPOST. As well as making savings, they have arranged everything for us and just supply one invoice after each campaign."*



### **And finally... did you know that**

Postcomm's principle duties are to:

- **Ensure Universal Service Provision**
- **Promote the interests of customers (including vulnerable groups) wherever appropriate by promoting effective competition between postal operators**
- **Promote efficiency on the part of postal operators, and have regard to the need to ensure that licensed operators are able to finance their activities**

Postcomm has now awarded long-term licences to 13 operators. Royal Mail was granted its licence in March 2001 and it runs for 15 years. All other operators have been issued with 7-year licences (minimum).

Revenue & Customs has become the first key government body to drop Royal Mail for part of its work.

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*The future for  
postage prices  
is altogether  
brighter*

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*Welcome to the second edition of Post Impressions from ONEPOST - your guide to making the most of the choices on offer in a fully deregulated postal market*



## A WORLD OF OPPORTUNITY

As from January 2006, volume mailers and direct marketers in the UK will be able to capitalise on an array of new opportunities offered by the 13 carriers who have been granted licences by Postcomm in addition to the Royal Mail.

For the first time in 300 years, customers of the postal industry will be able to choose from more than one way of doing things.

For example, a competitive environment will hopefully give birth to new technology and innovation in areas such as 'track and trace', offering clients greater certainty and security for their consignments.

At the same time, marketers and designers will undoubtedly be keen to exploit the increased creativity that will be made possible thanks to fewer restrictions on envelope size, fonts and inclusion of barcodes.

### MORE QUESTIONS THAN ANSWERS

With opportunity and choice, however, can often come confusion and doubt. Commonly asked questions include:

Am I getting the best possible deal out there?

Are these new services and solutions really right for my business needs?

How can I be sure I've chosen the most effective option?

That's why we've established ONEPOST as an independent source of advice for companies looking to maximise the value they get for their postal budget in an open market.

At ONEPOST, we have developed a unique software system which automatically identifies delivery options and compares costs across all carriers in order to broker the best deal for a specific job.

That deal might involve one carrier undertaking the complete job at a particularly competitive price; or could mean two or three different carriers sharing the workload, with Royal Mail fulfilling the Final Mile distribution.

Whatever the result, we are confident that our team's unrivalled experience and understanding of postal management issues will come up with the most efficient and cost-effective solution to meet your postal needs.

## Sizing up your post - the facts

In the most significant shake-up since the introduction of the Penny Black, Royal Mail is soon to change the way it charges for mail.

The new charges will take account of size and thickness as well as the weight of items.

Now known as Pricing In Proportion (formerly Size Based Pricing), the proposals were approved by Postcomm after consultation on 18th August 2005. Royal Mail is consequently working towards an implementation date of no earlier than 18th August 2006.

Research suggests that there is still widespread confusion and lack of awareness regarding these proposals and so, here at ONEPOST, we will be doing all we can to keep abreast of the developments.

As part of our overall consultancy approach we have started to work with a few of our customers to help them fully understand the proposals and the potential impact on their business. Following approval of the new pricing structure, we will then be able to work with them to develop the most cost

effective routes for their mailing campaigns.

So how might these changes affect your business? We have tried to simplify the proposals as illustrated below.

As a start point, it is important to understand that Royal Mail is proposing to divide mail into 3 specific categories: (1) Letter (2) Large Letter and (3) Packets.

### HOW PRICE CHANGES MAY AFFECT YOUR BUSINESS

ITEM:	Maximum Size	Maximum Thickness	Weight	Current 1st Price	PIP Price	Current 2nd Price	PIP Price
<b>Letter</b>	240 x 165mm (A5)	5mm	0 – 100g	30 – 46p	30p	21 – 35p	21p
<b>Large Letter</b>	353 x 250mm (A4)	25mm	0 – 100g	30 – 46p	42p	21 – 35p	35p
"	"	"	101 – 250g	64 – 94p	61p	47 – 71p	53p
"	"	"	251 – 500g	107 – 178p	85p	83 – 148p	72p
"	"	"	501 – 750g	215 – 271p	123p	175 – 212p	105p
<b>Packet</b>	Larger than Large Letters	Over 25mm	0 – 100g	30 – 46p	94p	21 – 35p	80p
"	"	"	101 – 250g	64 – 94p	119p	47 – 71p	104p
"	"	"	251 – 500g	107 – 178p	159p	83 – 148p	132p
"	"	"	501 – 750g	215 – 271p	206p	175 – 212p	166p
"	"	"	751 – 1000g	290 – 364p	253p	N/A	199p

*It should be stressed that these are indicative prices. Changes are expected, particularly in view of the current Price Control review, which is scheduled for April 2006.*

*ONEPOST will keep very close to this initiative and we will be pleased to deal with any specific queries that you might have. Ultimately we share your desire to maximise the mailing budget.*

# Common operating procedures

*A second decision document recently issued by Postcomm is equally important and is entitled 'Postal Code of Practice for Common Operational Procedures'.*

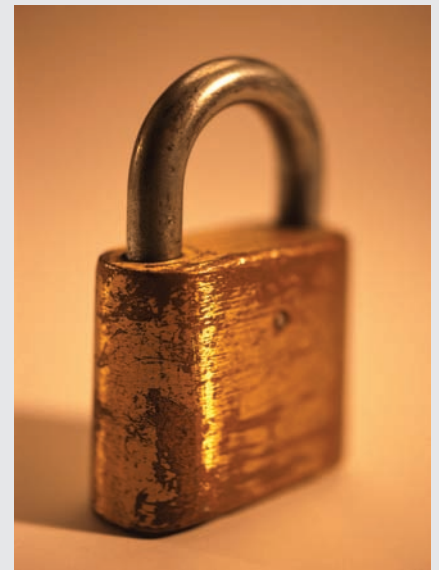
*Under the previous Royal Mail monopoly, all 'return to senders' would be placed in a box ready for return to Royal Mail. As a direct result of competition, however, new operator envelopes will have to bear an identifier to indicate which operator has carried the mail. Royal Mail will then 'repatriate' the mail to the company concerned who must then deal with the returns.*

*As a further protection, the procedures will also require operators who are wrongly contacted by customers of other operators to redirect enquiries to the company that handled their mail.*

## PROTECTING YOUR MAIL

One of the benefits of liberalising the UK mail market will be that of genuine competition and subsequent choice of mailer.

As a welcome recent development, Postcomm has issued a decision document entitled 'Protecting the Integrity of Mail – A Code of Practice'. This document details requirements for ALL operators, including Royal Mail. In particular, areas such as recruitment and vetting of staff, disciplinary procedures and security of mail are covered.



Ensuring that mail arrives safely is fundamental to the postal service, and each carrier has a duty to ensure customer confidence is both created and maintained. As such, ONEPOST welcomes this new Code of Practice on behalf of its customers.



## BREAKING NEWS

Many readers will be aware of reports in the national press that Express Dairies has pulled out of the postal delivery market.

ONEPOST is disappointed to hear the news in the respect that it narrows the choice for our customers and effectively re-establishes the Royal Mail's monopoly on domestic delivery.

We will continue to monitor the situation closely – particularly the reports from other carriers such as TNT that they are considering establishing an end-to-end service, albeit on a restricted basis.

Ultimately, we support choice in the marketplace so welcome any moves to increase the range of options available to our customers.

## ROYAL MAIL COULD BE BROKEN UP

Royal Mail could be broken up in one of the biggest shake-ups in its 300 year history, under plans being considered by Postcomm.

Under the plans, the large mail centres and delivery activities would be separated from the Post Office branch network and other retail operations.

Postcomm is calculating the benefits of a split and is aiming to consult consumers, industry customers and Royal Mail itself early in 2006.

One of the key elements of such a review will be to determine a fair access price that will encourage more competition in the UK mail market.

Whilst Royal Mail is likely to oppose such a move, it is interesting to note that other utilities such as the gas, electricity and telephone networks have gone through similar separation moves and that has been a driver for more genuine competition.