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Regional approach to field support for Designated Operators

Asian and Pacific Islands projects

APPU Executive Council Meeting
Bali, Indonesia
21-25 June 2010

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Executive summary

- Background
- Objectives
- Asian project
 - Milestones and outcomes
 - Success
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- Pacific Islands project
 - Milestones and outcomes
 - Success
 - Challenges
- Conclusions

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Background

The overall aim of the Regional approach to field support for Designated Operators (DOs) is to promote:

- The reliability and sustainability of the global postal network by developing each participating DO's capabilities in the area of quality of service

Focus areas

- Implementing up-to-date quality improvement
 - Methodologies
 - Technologies
 - Measurement systems
- The UPU QS certification methodology

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Background

The organizational Set up meeting of the APPU project was held during the APPU EC meeting 2008 in Hanoi.

Representatives of Pacific Islands expressed their interest to participate but had the view that the presented approach was too comprehensive for them due to their size and resources.

Two project were developed. One covering Asia and one covering Pacific Islands. Each of the projects were customized according to the needs of participating DOs and the funding available.

The projects, as well as the participating DOs, were monitored through project-specific milestones and report cards.

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Objectives - Letter post

Quality measurement test should be implemented as first step in the matrix of links of the countries which participate in the project.

At the end of the project end-to-end performance of international priority mail in each participating Designated Operator should, exceed or at least reach J+5 65/80 %.

When the time comes for implementation, the participating Operators should be prepared to join the Quality of Service linked Terminal Dues system

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Objectives - Parcels

The priorities for parcels are to comply with the minimum product feature requirements. In order to improve quality of service the participants should implement UPU standard barcodes on receptacle and item level and exchanging tracking data.

At the end of the project, performance for the parcels product in each participating country should exceed or at least reach the targets decided by Committee 2 / Parcels Group. The Internet based inquiry system (IBIS, the so called Cricket system) should be fully implemented.

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Objectives - EMS

The priorities for EMS are delivery on time, tracking performance and customer service responsiveness. The EMS Cooperative, which was given responsibility for all EMS matters by Congress, has agreed performance targets for these three areas.

The objective of the improvement activities is for all EMS operators to attain, if not exceed, these targets and thereafter achieve year-on-year improvement. The Rugby system should be fully implemented.

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Objectives - UPU Quality of Service Certification

The participating Operators should at the end of the project apply for the UPU Certification award and also be awarded. The outcome of the certification process should be compared to the outcome of the application questionnaire at the beginning of the project.

The participants should become experts of the certification methodology and be prepared to conduct certification audits.

For the Asian project should a full certification process, including to conduct a certification audit, apply. For the Pacific Islands only the entry-level certificate would apply.

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Objectives - IPS/IPS Light

IPS and IPS Light (or similar systems) should at the end of the project be used for all products and data will be transmitted to the IB.

The participants should at the end of the project be fully aware of the process and business advantages by a full use of the systems and know how to manage the IPI / IPS Light Quality Control System (QCS).

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Asian project

June 2008 to December 2009; 10 DO's participation:

Bangladesh, Bhutan, India, Indonesia, Lao People's Democratic Republic, Malaysia, Maldives, Mongolia, Sri Lanka and Thailand.

6 workshops were held. India dropped out after the third workshop.

14 milestones were developed and confirmed. Monitored by report cards. There are sub milestones where all must be green in order for the "head" milestones to be green

Green = Fully implemented/functional.

Yellow = Not fully implemented/functional

Red = Not implemented/functional

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Asian Milestones and Report Cards

Asian project	At the beginning of the project			As on 26 th of April 2010, four months after the last workshop		
	RED	YELLOW	GREEN	RED	YELLOW	GREEN
Project Milestone No.						
1. Implementation of UPU continuous testing	3	5	1	0	5	4
2. Implementation of Domestic E2E Testing	3	3	3	0	0	3
3. Implementation of Postcode and Addressing system	0	3	6	0	2	7
4. Implementation of Process Management Methodology	3	3	0	0	3	3
5. Implementation of Necessary Diagnostic Testing equipments	3	1	0	0	4	3
6. Implementation of barcodes on items and receptacle on all mail classes	1	4	4	0	4	3

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Asian Milestones and Report Cards

7. Implementation of IPS / IPS Light in the OEs	1	6	2	0	1	3
8. Implementation of all the required EDI messaging	2	5	2	0	1	3
9. Implementation and use of Customer Service Systems for EMS, Parcels and registered letters	2	5	2	0	2	7
10. Access and Use of UPU Reports for EMS, Parcels and UPU CT Result	1	3	2	0	2	7
11. Implementation of UPU Certification Methodologies	0	0	0	0	1	3
12. Development and Implementation of Security Policy	3	2	1	0	0	3
13. Implementation of Quality of Service Policy	3	3	0	0	0	3
14. Implementation of Customs compliance measures	3	2	1	0	0	3
TOTAL	57	45	24	0	25	101

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Asian Successes

No **RED** Report Cards left!

Onsite studies followed by improvement recommendations to the host Countries.

The high level of expertise of some Country Project Managers and their willingness to share Best Practices. These Best Practise sessions had a good learning effect.

The UPU Certification methodology. 8 of the DOs have been or will be awarded UPU Quality of Service Certification at Gold, Silver or Bronze level.

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Asian Successes

The project was “surrounded” by specialized workshops arranged at the APPU College in Bangkok.

Quality and security policies as well as customs compliance measures are fully Implemented.

Malaysia and Thailand are now at world calls level for all products.

Mongolia and Sri Lanka showed a very good progress.

Bangladesh began with only **RED** Report Cards and has now no **RED** ones left

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Asian challenges

To achieve the UPU global standards for all products.

To fully implement the Process Management methodology.

To implement UPU standard barcodes on letter mail receptacles have been a problem.

To conduct the UPU Quality of Service Certification audits.

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Pacific Islands project

June 2009 to April 2010; 10 DO's participation

DOs of Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and the DO of the Cook Islands (territory of New Zealand) participated.

3 workshops were held. Nauru, Papua New Guinea and Solomon Islands participated in two workshops. Tuvalu in one.

The DOs are very small and with very limited expertise and resources. The contents of the project were specially designed according to the situation in the Pacific region.

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Pacific Islands project

13 milestones were developed and confirmed. Some of them more relaxed than in the Asian project.

The original idea was to have two workshops and one follow up activity. Due to requests from the participants the follow up activity was extended to a full week workshop.

Due to expressed urgent needs of assistance in the Post code and Addressing area a specific workshop has been organized.

An EMS workshop has also been held.

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Pacific Islands Milestones and Report Cards

Project Milestone No.	At the beginning of the project			As on 16 th of April 2010, at the end of the last workshop		
	RED	YELLOW	GREEN	RED	YELLOW	GREEN
1. Implementation of UPU CT	5	2	0	0	7	0
2. Explore the Postcode and Addressing system	0	6	1	0	0	7
3. Implementation of Process Management Methodology	7	0	0	0	7	0
4. Implementation of barcodes on items and receptacle on all mail classes	2	1	4	0	1	8
5. Implementation of IPS / IPS Light in the OEs	2	4	1	0	1	8
6. Implementation of all the required EDI messaging	3	4	0	0	3	4
7. Implementation and use of Customer Service Systems for EMS, Parcels and registered letters	4	1	2	1	2	4

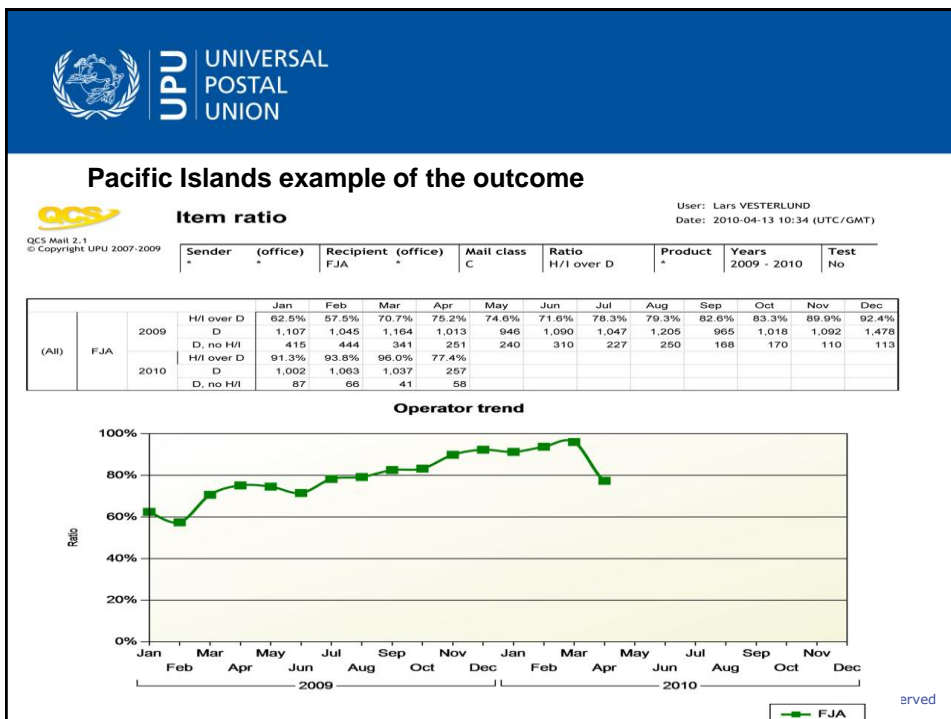
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 UNIVERSAL POSTAL UNION						
Pacific Islands Milestones and Report Cards						
8. Access and Use of UPU Reports for EMS, Parcels and UPU CT Result	5	2	0	1	6	1
9. Implementation of UPU Certification Methodologies	7	0	0	1	7 Results not yet validated	0
10. Development and Implementation of Security Policy	5	2	0	0	3	4
11. Implementation of Quality of Service Policy	7	0	0	0	4	3
12. Implementation of Customs compliance measures	5	2	0	0	1	5
13. Each DO to complete the Skills-Gap Analysis and develop a Training Needs Analysis	5	1	0	0	7	0
TOTAL	58	25	0	1	49	41

Reflects the situation in the 7 DOs which participated in the 3rd workshop: Cook Islands, Fiji, Kiribati, 19 Samoa, Solomon Islands, Tonga and Vanuatu

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Pacific Islands successes

Only one **RED** Report Card left!

The management of IPS Light and the transmission of EDI messages.

Implementation of customer service systems.

The implementation of Quality, security policies and customs compliance measures.

Highly motivated participants. CEOs or Deputy CEOs were Country Project Managers.

Fiji, Samoa, Solomon Islands, Tonga and Vanuatu showed all a very

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Pacific Islands challenges

Time constrain! Too many **YELLOW** Report Cards left. In order to get more **GREEN** at least one additional workshop should have been arranged.

Limited resources in most of the participating DOs. Problems to carry out the "home work" between the workshops.

To achieve the UPU global standards for all products.

To fully implement the Process Management methodology.

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Conclusions

All participants are now at a higher quality of service level than before the project began. This is reflected in the Milestones and Report Cards.

The participants of both projects benefited from the division of the DOs in two projects with difference in milestones.

The Pacific Islands DOs would not have been able to achieve what they did in an APPU project. They are too small compared to most of the Asian DOs and with special needs.

The onsite workshops have had a good learning effect.

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Conclusions


Sharing of Best Practices has been one of the best activities, especially in the Asian project.

The support from the different UPU IB experts has been excellent!

In order to sustain the improved quality of service, a follow up should be arranged for both projects around one year after the last workshop

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UPU Quality Management Certification MALAYSIA

(APPU-EC Meeting, Bali, 21 – 25 June 2010)

Presentation by :
Hasnul Haniff
Head of Mail Operations & Planning
Pos Malaysia

AGENDA

- UPU QUALITY MANAGEMENT CERTIFICATION STATUS
- QUALITY DEPLOYMENT PLAN STATUS
- BEST PRACTICES SHARED
- LETTER MAIL SERVICE PERFORMANCE
 - UPU CONTINUOUS TESTING
 - INITIATIVES TO IMPROVE QUALITY & SERVICE PERFORMANCE
- PARCEL SERVICE PERFORMANCE
 - PARCELS MEASUREMENT REPORT
 - INITIATIVES TO IMPROVE QUALITY & SERVICE PERFORMANCE
- EMS SERVICE PERFORMANCE

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UPU QUALITY MANAGEMENT CERTIFICATION

3 Certification results

As required by the certification methodology, the original replies provided by Pos Malaysia for questionnaires 1 and 2 were verified, based on interviews, site visits and supporting documents.

From the site visits conducted at various operational units, it can be verified that the replies provided by Pos Malaysia for questionnaires 1 and 2 were correct and actually practiced in operation. In order to provide for a better understanding, Pos Malaysia added further remarks and clarifications to most of the questions, complementing information regarding specific questions. A wide range of documental evidences was made available during the Audit, on leadership, people management, security, quality management, processes & operations and customer relationship, among others.

The final scoring of Pos Malaysia was 1995 points:-

- Application Questionnaire 1 : 995 points
- Verification Questionnaire 2 : 1000 points
- TOTAL : 1995 points

The final score entitles Pos Malaysia to qualify for an A-level certification. Therefore, the consultant proposes Pos Malaysia to be awarded the A-level certification.

Source:

Excerpt from the Final Report of UPU Quality Management Certification for Malaysia

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QUALITY DEPLOYMENT PLAN - ACHIEVEMENT

No.	Project Milestone	Consolidated Status of the Designated Operators With Respect to the Milestones of the Project <small>(in terms of numbers of DOs)</small>						Person-In-Charge	Due Date	Remark
		At the beginning of the Project	At 2nd Workshop	At 3rd Workshop	At 4th Workshop	At 5th workshop	At 6th Workshop			
1	Implementation, by each Designated Operator, of UPU Continuous Testing measures concerning end-to-end performance from sender to receiver for certain specific pairs of routes and achieve the standards set by UPUJ.	Green	Green	Green	Green	Green	Green			CT with Thailand, Indonesia & India
2	Implementation, by each Designated Operator, of a domestic end-to-end letter mail measurement system, with the main goal of providing information about end-to-end performance between main cities	Green	Green	Green	Green	Green	Green			Test Letter / UjiMel / Test Card
3	Implementation of a postal code and addressing system by each Designated Operator complying with the UPU guidelines, with the main goal of improving delivery performance	Green	Green	Green	Green	Green	Green			- 5 Digit Postcode - Address Management System (AMS)
4	Implementation of a process management methodology by each Designated Operator with the main goal of improving quality of service and process efficiency	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow			Ongoing
4 a	Trained manpower who can use the PDCA methodology for process mapping	Yellow	Yellow	Green	Green	Green	Green			QIT / Lean Thinking / ISO 9001
4 b	Process mapping for the inbound international mail and establishment of the delivery standards	Yellow	Yellow	Yellow	Green	Green	Green			Completed at 4th Workshop
4 c	Process mapping for the outbound international mail and preparation of an efficient forwarding table	Yellow	Yellow	Yellow	Green	Green	Green			Completed at 4th Workshop
4 d	Process mapping for establishing End-to-end standards for the countries in the project	Red	Red	Red	Yellow	Yellow	Green			Completed
4 e	Establish End-to-end standards for all the countries and publish the same for the members of the public	Red	Red	Red	Yellow	Yellow	Yellow			End-to-end standards for 8 countries (Thailand, India, Indonesia, China, Hong Kong, Australia, Spain & UK).

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QUALITY DEPLOYMENT PLAN - ACHIEVEMENT

5	Implementation of the necessary diagnostic testing equipments by each Designated Operator, with the main goal of improving performance and providing timely, reliable and accurate performance reports	Red	Red	Red	Yellow	Yellow	Green		Implemented GMS
5 a	Implementing diagnostic testing methodology (e.g. sequential testing) for those who can not have diagnostic testing equipments for some clearly defined reason	Red	Red	Red	Green	Green	Green		Implemented CN 44
6	Implementation of UPU standard barcodes and barcode scanning by each Designated Operator, in order to ensure proper acquisition and exchange of statistical information on international parcels, EMS flows and registered	Green	Green	Green	Green	Green	Green		Completed
6 a	EMS								
6 a. (i)	Item level	Green	Green	Green	Green	Green	Green		Completed
6 a. (ii)	Receptacle level	Green	Green	Green	Green	Green	Green		Completed
6 b	Letter Mail								
6 b. (i)	Item level	Green	Green	Green	Green	Green	Green		Completed
6 b. (ii)	Receptacle level	Green	Green	Green	Green	Green	Green		Completed
6 c	Parcel								
6 c. (i)	Item level	Green	Green	Green	Green	Green	Green		Completed
6 c. (ii)	Receptacle level	Green	Green	Green	Green	Green	Green		Completed
7	Implementation, in the respective offices of exchange of each Designated Operator, of international support systems (like IPS / IPS Light) that can generate EDI electronic messages for all postal services	Green	Green	Green	Green	Green	Green		Completed

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QUALITY DEPLOYMENT PLAN - ACHIEVEMENT

8	Implementation of EDI messaging, including data transmission, relevant electronic systems and related software by each Designated Operator, as deemed necessary by the Parties (subject to due licensing of UPU or third-	Green	Green	Green	Green	Green	Green		Completed
8 a	EDI for Event C, D & HI	Green	Green	Green	Green	Green	Green		Completed
8 b	EDI for Event E & F	Green	Green	Green	Green	Green	Green		Completed
8 c	EDI for PREDES and RESEDES	Red	Yellow	Green	Green	Green	Green		Completed
8 d	EDI for Event A & B	Red	Yellow	Green	Green	Green	Green		Completed. EMS items
9	Implementation and use, by each Designated Operator, of customer service systems as developed by the UPU, covering both letter-post and parcels items	Green	Green	Green	Green	Green	Green		Completed
9 a	Implementation of Rugby System	Green	Green	Green	Green	Green	Green		Completed
9 b	Implementation of Cricket System	Green	Green	Green	Green	Green	Green		Completed
9 c	Implementation of Prime System (with Great Britain)	Green	Green	Green	Green	Green	Green		Completed
10	Access and use, by each Designated Operator, of the relevant UPU performance reports linked to the Cooperation Project, including but not limited to UPU Continuous Testing, letter-post and parcels diagnostic testing, as well as EMS diagnostic testing for EMS Cooperative members	Yellow	Yellow	Yellow	Green	Green	Green		Quality Control System (QCS) for EMS and Parcel
10 a	UPU Continuous Testing	Green	Green	Green	Green	Green	Green		Completed
10 b	Parcels Measurement Reports and meeting the requirements laid out in the Parcels Post Regulations	Yellow	Yellow	Yellow	Green	Green	Green		Completed
10 c	EMS Targets Report and meeting the membership requirements of the EMS Cooperative	Green	Green	Green	Green	Green	Green		Completed

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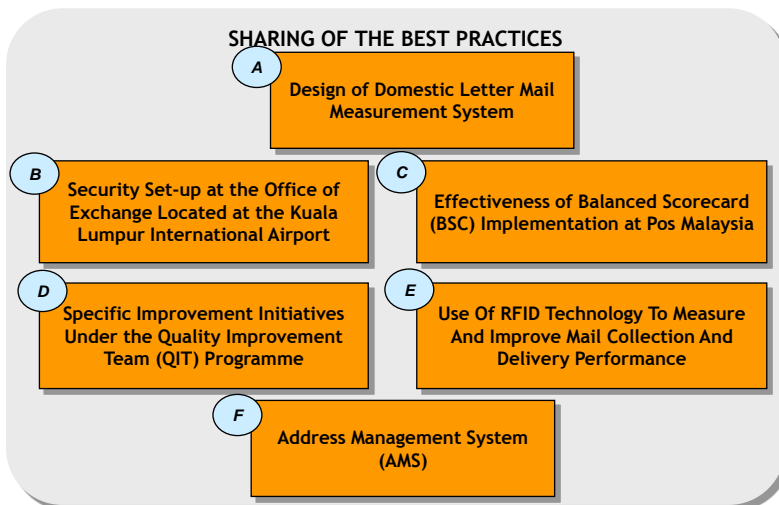
QUALITY DEPLOYMENT PLAN - ACHIEVEMENT

11	Implementation of UPU Certificate methodologies, carrying out a certification audit and also be awarded a UPU QoS certificate	Red	Red	Red	Yellow	Yellow	Green		Completed
12	Development and Implementation of Security Policy	Green	Green	Green	Green	Green	Green		Completed
12 a	Establishment of a Security and Investigation Structure	Green	Green	Green	Green	Green	Green		Completed
13	Implementation of a Quality of Service Policy	Red	Yellow	Yellow	Green	Green	Green		Completed
13 a	Formulation of a Quality Development Plan	Yellow	Yellow	Yellow	Green	Green	Green		Completed
13 b	Establishment of a Quality Management Structure	Green	Green	Green	Green	Green	Green		Completed
14	Implementation of customs compliance measures and establishment of Customs Contact Committee(s)	Green	Green	Green	Green	Green	Green		Completed
15	Learnings from this new regional approach project - recommended organisational structure (way forward) for the Restricted Union [Asian Pacific Postal Union (APPU)] describing how to cooperate in QoS improvement activities between the Designated Operators								Ongoing initiatives

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SHARING OF BEST PRACTICES

Under the sharing of the best practices, Pos Malaysia has made several presentations on means to improve quality of service



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LETTERMAIL - UPU CONTINUOUS TESTING

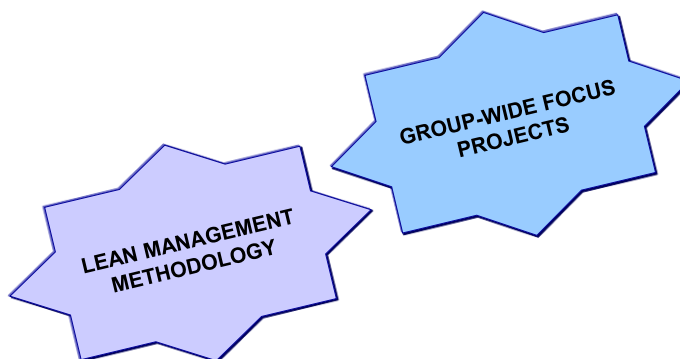
The table below summarises the results of the UPU Continuous Testing from January until September 2009

ORIGIN	DESTINATION	AVERAGE TIME T (DAYS)		
		JAN - MAR 2009	APR - JUN 2009	JUL - SEP 2009
Malaysia	Thailand	4.17	4.03	4.00
Malaysia	India	7.34	6.64	6.20
Malaysia	Indonesia	3.03	3.28	N/A
Malaysia	China	5.79	6.43	5.97
Malaysia	Australia	4.35	4.00	4.02
Malaysia	Spain	6.18	6.32	6.91
Thailand	Malaysia	4.60	3.37	3.66
India	Malaysia	7.67	8.28	8.98
Indonesia	Malaysia	N/A	6.04	6.04
China	Malaysia	6.36	7.35	6.93
Australia	Malaysia	4.16	4.39	4.12
Spain	Malaysia	6.01	5.96	6.11

T = time elapsing between posting and delivery of the item to the addressee

Source: UPU Continuous Testing Results

LETTERMAIL - INITIATIVES TO IMPROVE PERFORMANCE



LETTERMAIL - LONG TERM IMPROVEMENT PLAN



Lean Management Methodology

- Pos Malaysia had adopted Lean Management methodology in its work culture.
- Training sessions (Lean management, 5S Housekeeping) were conducted not only to improve the work culture of the employees, but also to prepare those who will undertake specific improvement initiatives under the POS-Quality Improvement Team (POS-QIT) programme.

Process Improvement at MPC Kuching & MPC Kota Kinabalu

Before	After
Spaghetti Flow Operation	In Line Flow Operation
Non-Systematic Operation	Systematic Operation
Too many WIP in each process	Reduce WIP by 50%
Limited space	Space Saving, 100ft ²
Delivery workstation on fixed position	Add caster wheel for easy maneuver.
LC tray trolley not standard	Introduce flat trolley for transporting tray.
Parcels located on the floor.	Introduce parcel shooter rack, FIFO concept.

Before




After



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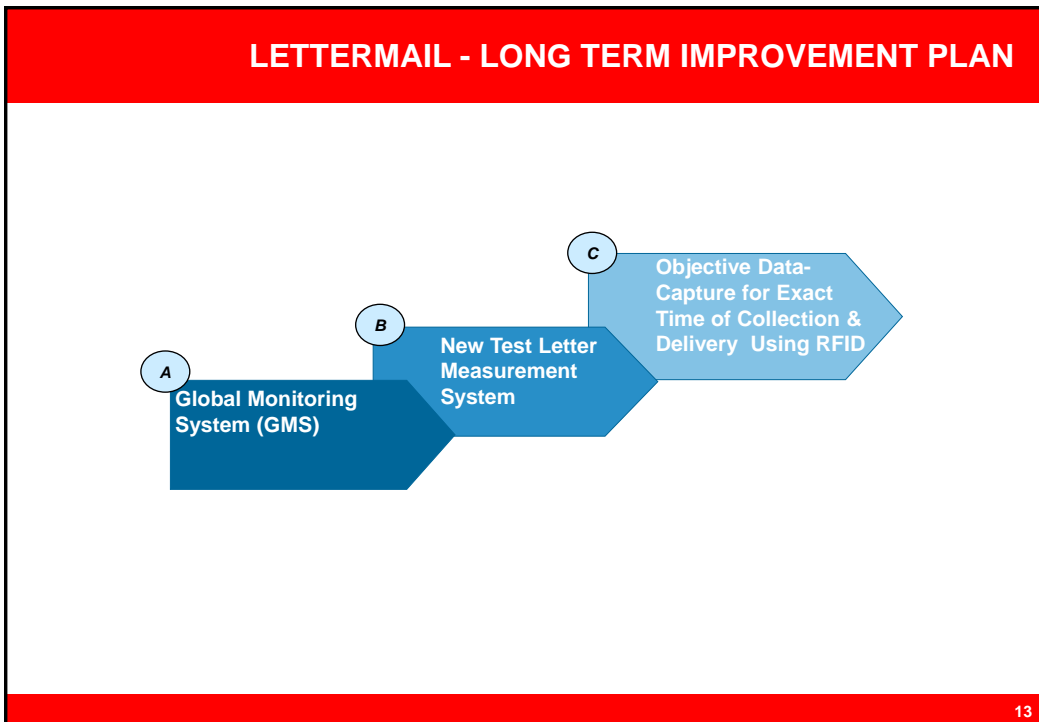
LETTERMAIL - LONG TERM IMPROVEMENT PLAN



Group Wide FOCUS Projects

Initiative	Description of Key Initiative
Streamlined Network Structure	<ul style="list-style-type: none"> Investigate operational synergies across SBUs in terms of collection, sorting, linehaul and delivery Possibly come up with a new network structure (e.g. standard network for ordinary mail; premium network for products with special features like T&T and PoD)
Optimise Mail Collection and Transport	<ul style="list-style-type: none"> To optimise the collection and transportation process of mail in various phases: <ul style="list-style-type: none"> Phase 1: BPR of collection process Phase 2: BPR of transportation at MPCs Phase 3: BPR of transportation nationwide
Consolidation of MPCs in Central Region	<ul style="list-style-type: none"> Consolidation of 4 MPCs and increase automation level from existing 10% to 84% Introduction of Integrated Production Planning System Central hub for PosLogistik, Parcel Sorting and Datapos
Optimise MPCs in Other Regions	<ul style="list-style-type: none"> To reduce operational cost for normal mail in the processing centers in various phases: <ul style="list-style-type: none"> Phase 1: Business Process Re-engineering (BPR) Phase 2: Consolidation of MPCs if profitable Phase 3: Automation if profitable
Delivery Beat Recasting	<ul style="list-style-type: none"> To conduct a nationwide beat recasting for each Delivery Branch with the objective of substantial cost savings
Grow Parcel Business	<ul style="list-style-type: none"> In order to grow the parcel business 2 initiatives will be done: <ul style="list-style-type: none"> Introduction of Parcel Prepaid Box Appointment of parcel agents

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LETTERMAIL - LONG TERM IMPROVEMENT PLAN

Global Monitoring System (GMS)

- Developed by the Universal Postal Union (UPU), the Global Monitoring System (GMS) aims to measure local posts' service quality for mail delivery. Malaysia are among postal administrations from 21 countries participating in a trial of a new service quality monitoring system based on radio frequency identification (RFID) technology.
- The trial began on 5 August 2009 and is expected to last till December. It involves 24,000 test letters sent by 530 independent testers from 38 countries. Each test letter contains a unique RFID transponder-tag, which costs US\$0.30.
- Each test sender is required to key into the central information system, the date and time of posting the overseas-bound test mail. Upon arrival at the destination city, the date and time will be recorded by an RFID gateway. Once the recipient receives the test letter, he or she will log in the same information into the database.
- "High-volume" countries would expect to receive more test letters. For example, Switzerland would be allocated 10,000 test letters, while Singapore is expected to receive 3,800.
- The service quality is linked to a "delivery charge or remuneration system" (Terminal Dues). Posts that achieve the target against their domestic standard will receive an additional bonus of 2.5 percent of their delivery charge; those that fail to meet the standard will face a maximum penalty of 2.5 percent.
- By end-August, UPU expects to be able to "start providing information captured in the GMS back to participating countries". Posts have publicized domestic mail standards as well as a target for delivering upon those standards.
- For the GMS trial, there will be 34 panelists located in five Malaysian cities, who are expected to receive some 3,800 test letters. Pos Malaysia handles an average annual inbound mail volume of 1,158 tons.
- Pos Malaysia plans to use RFID for part of its domestic mail service measurement. The initiative is still in conceptual and planning stage.

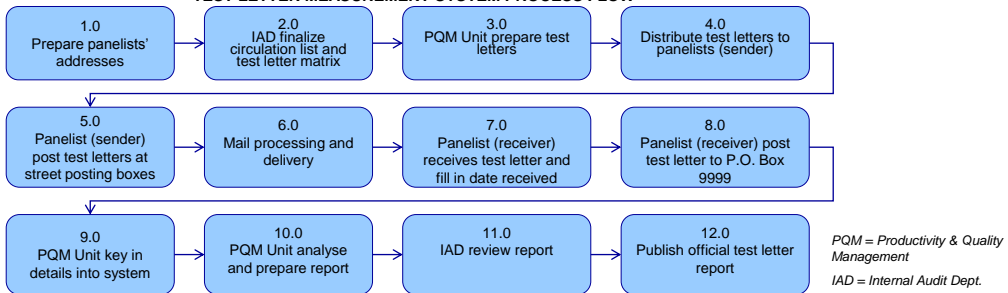
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LETTERMAIL - LONG TERM IMPROVEMENT PLAN

New Test Letter Measurement System (TLMS)

- The enhanced TLMS is used beginning October 2009 as the official measurement system for domestic mail in Malaysia.
- TLMS is managed by PQM Unit and Internal Audit. The involvement of mail operation staff in test letter is minimised.
- All Pos Malaysia's Executive-level staff nationwide are appointed as panelists.
- As part of Pos Malaysia's efforts in capacity building, University of Malaya in Kuala Lumpur is appointed as the independent, competent auditor to audit the 2009 mail performance for domestic mail.

TEST LETTER MEASUREMENT SYSTEM PROCESS FLOW



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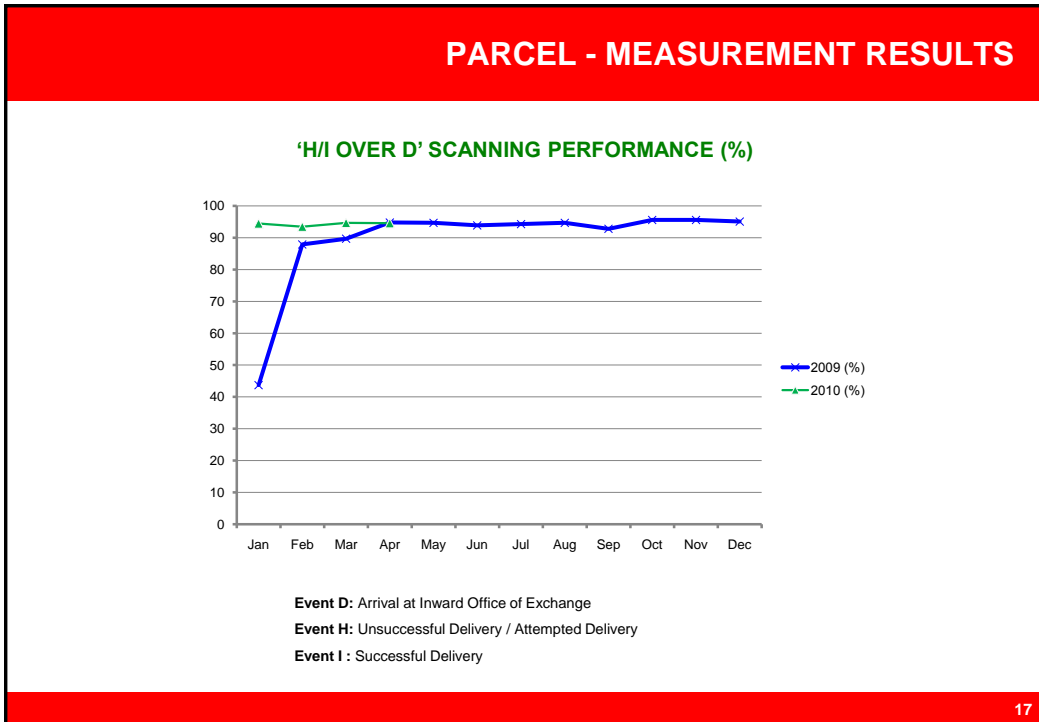
LETTERMAIL - LONG TERM IMPROVEMENT PLAN

Objective Data-Capture for Exact Time of Collection and Delivery Using RFID

- For Pos Malaysia, the GMS trial will not be its first RFID project as it has previously implemented a mail monitoring system between government departments in Putrajaya, which used passive RFID tags.
- The fact that delivery and collection by their nature are conducted in many different locations by many different persons is a key factor that makes them difficult to manage and monitor in a timely and cost-effective manner.
- RFID-based system is used to monitor and measure the general quality of posting box collection/emptying and enhance documentation of when street posting boxes are emptied, and of whether collection was performed within the service times promised to the public. More efficient posting box collection gives the post more satisfied customers and a more reliable image.
- The same is true when it comes to delivery. An RFID-based system enables 100% objective data capture without any manual handling. Registrations are made at any point of interest either at the customers' collection or delivery site, or when a public mailbox is emptied.



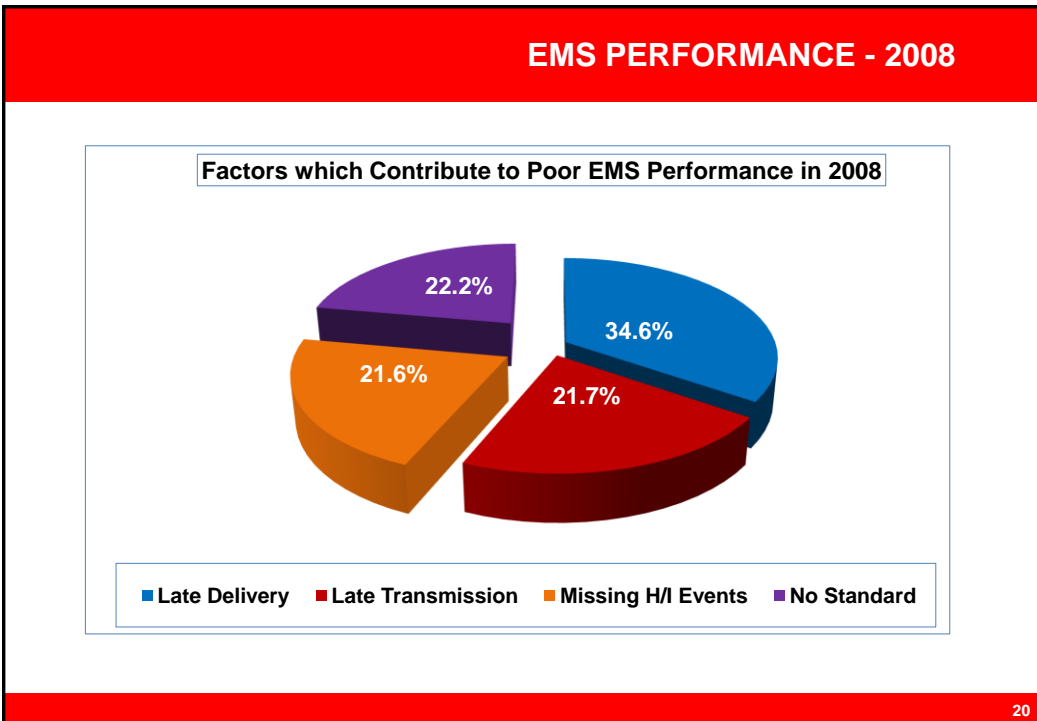
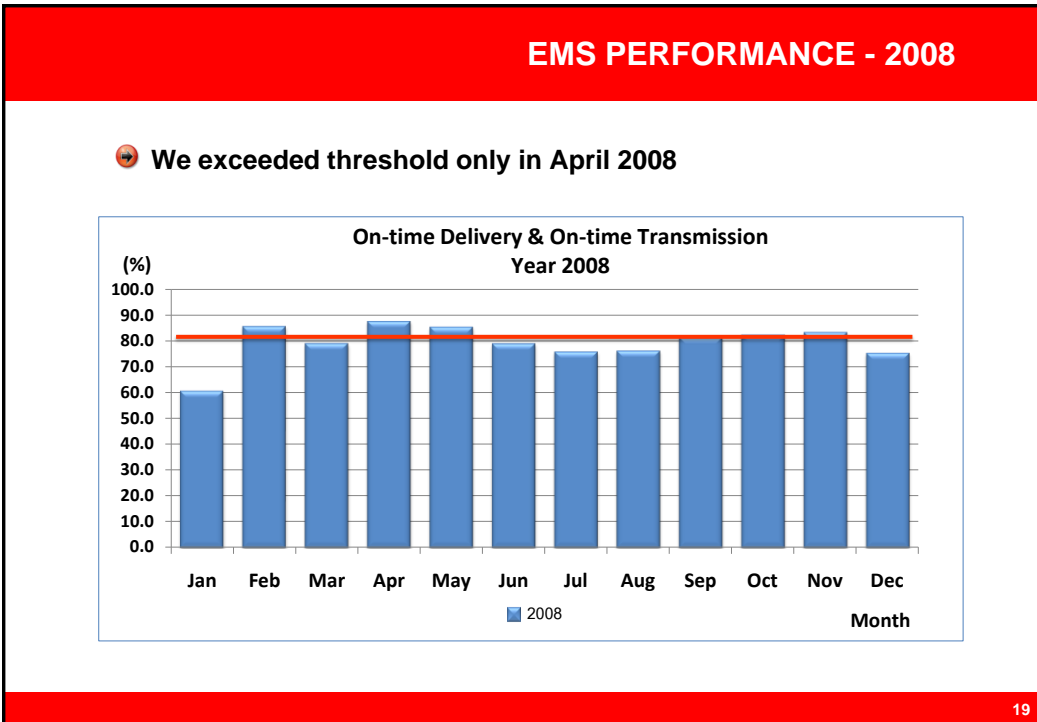
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PARCEL - LONG TERM IMPROVEMENT PLAN

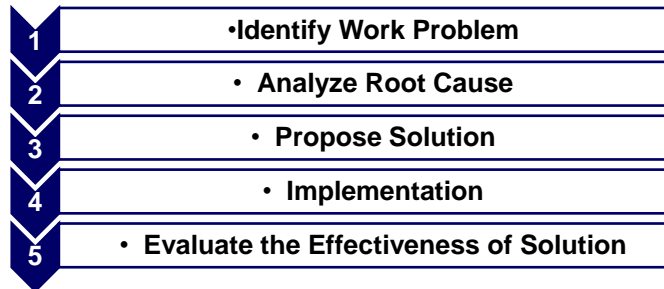
FUTURE PLANS

Initiative	Description
New Performance Standards for Parcel Services	<ul style="list-style-type: none"> Closely collaborate with Malaysian Communication and Multimedia Commission, the regulator for postal services in Malaysia, in determining the new performance standards for postal services in respect of domestic parcels.
Parcel Distribution Centres	<ul style="list-style-type: none"> Establishment of 43 Parcel Distribution Centres throughout the country to further expand parcel network and delivery coverage.
X-Ray Scanning Machines	<ul style="list-style-type: none"> Installation of x-ray scanning machines at the KLIA Mail and Courier Centre and major MPCs to screen international mail and parcels. These machines can identify prohibited and also imitation goods that have been found to be falsely declared on the Customs Declaration form.
Module Delivery Office (MDO) Application	<ul style="list-style-type: none"> To support its business strategy to focus on high growth areas, Pos Malaysia upgraded servers at main Delivery Branches to enhance the process and control of Parcel items. E-Parcel System Module Delivery Office (e-Parcel MDO) was deployed to delivery branches to monitor Parcel. The above efforts allowed parcel delivery information to be updated real-time and thus Pos Malaysia could measure performance level of Parcel products.
POS Integrated Track and Trace System (PITTIS)	<ul style="list-style-type: none"> An improvement over the earlier track & trace systems of e-Parcel (parcel), PETS (express) and Track On System (registered), PITTIS allows data to be captured for subsequent utilisation for track & trace, customer enquiry, billing, invoice generation and performance analysis. PITTIS will become the single common platform for all items that require track and trace feature and will be integrated with IPS system.

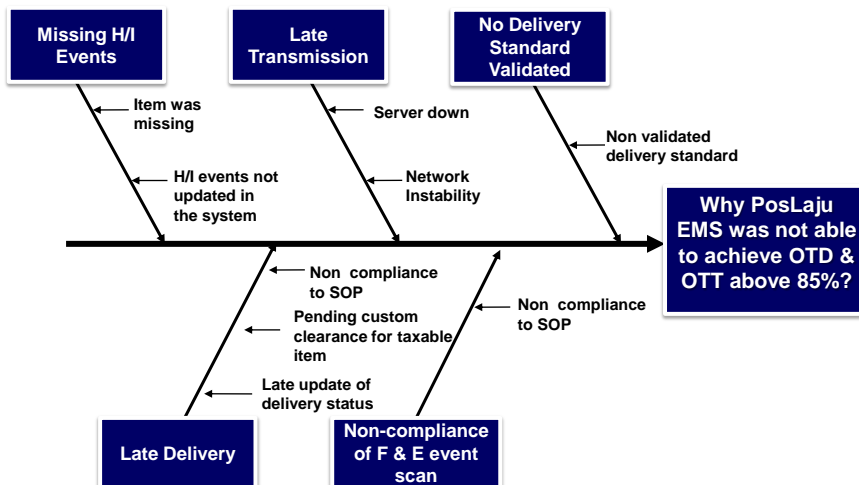


EMS - IMPROVEMENT INITIATIVES

- ➔ To improve the EMS PFP situation, PosLaju established a working committee, EMS PFP QCC Team.
- ➔ The team employed quality improvement tools to address the situation (e.g. Fishbone Analysis, Pareto diagrams, Histograms, Graphs, etc).



EMS - ROOT CAUSE ANALYSIS



EMS - ACTION PLAN TO ADDRESS PROBLEM

NO	PROBLEM	IMPLEMENTATION
1	Missing H/I Events	<ul style="list-style-type: none"> Scheduled weekly operations Teleconference. Monitored the weekly IPS Report based on pending H/I Event versus D event. Analyze monthly flat files from EMS Coop. Developed Scanner-On-Web for outskirt 270 post offices to update H/I events. Generate sticker barcode by IPS for any inbound shipments do not comply with EMS standard connote number (with check digit).

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EMS - ACTION PLAN TO ADDRESS PROBLEM

NO	PROBLEM	IMPLEMENTATION
2	Late Delivery	<ul style="list-style-type: none"> Scheduled weekly Teleconference between HQ and PosLaju Branches on the late delivery status. Remapped "Taxable Item Pending for Collection" as first attempt of delivery (H Event) after notification to collect the items was delivered.
3	Late Transmission	<ul style="list-style-type: none"> Introduced network monitoring system in which email will be sent to the person in charge if there is any server failure

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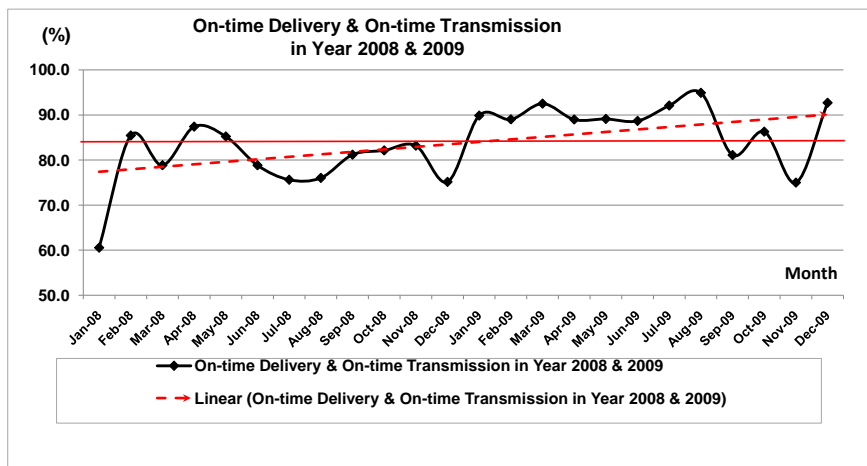
EMS - ACTION PLAN TO ADDRESS PROBLEM

NO	PROBLEM	IMPLEMENTATION
4	Scan Event F over E	<ul style="list-style-type: none"> Conducted refresher training programs at Branches attached with Customs Offices i.e. Ipoh, Miri, Butterworth, Johor Bahru, Kota Kinabalu and Kuching. The repeat training course reminded our staff to comply with procedures.
5	No Delivery Standard	<ul style="list-style-type: none"> Updated the Validated Delivery Standard to UPU on quarterly basis since January 2009. The last update was on 20/02/2008.

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EMS - RESULT AFTER IMPROVEMENT

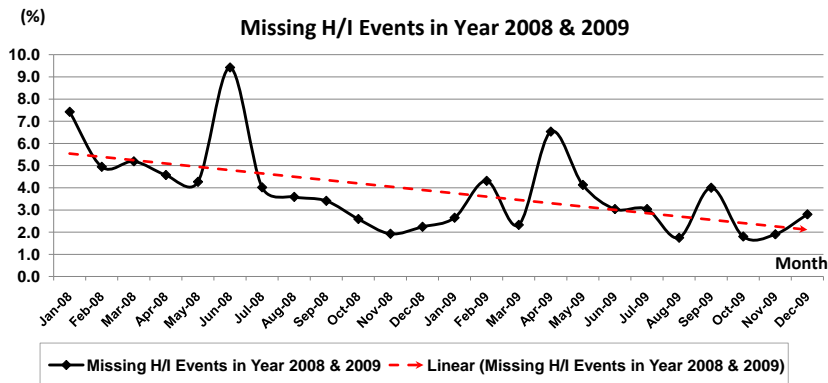
- OTD & OTT in 2009 have increased consistently and achieved the target of 85% and above (Exceptional for Sept, Oct & Nov 2009 due to central server failure).



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EMS - RESULT AFTER IMPROVEMENT

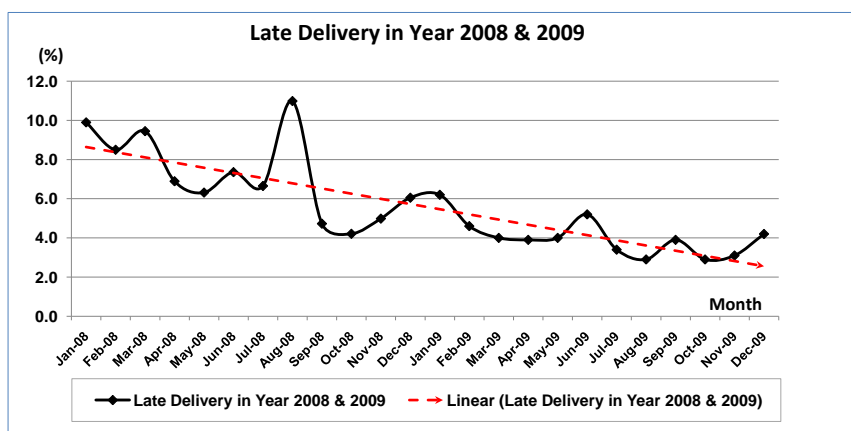
- Missing H/I Events have reduced with an average of 3.2% per month. Dropped to the lowest ever in Aug 2009 to 1.7%. Lower percentage of Missing H/I will increase “on-time delivery performance” and “reduce non chargeable volume”.



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EMS - RESULT AFTER IMPROVEMENT

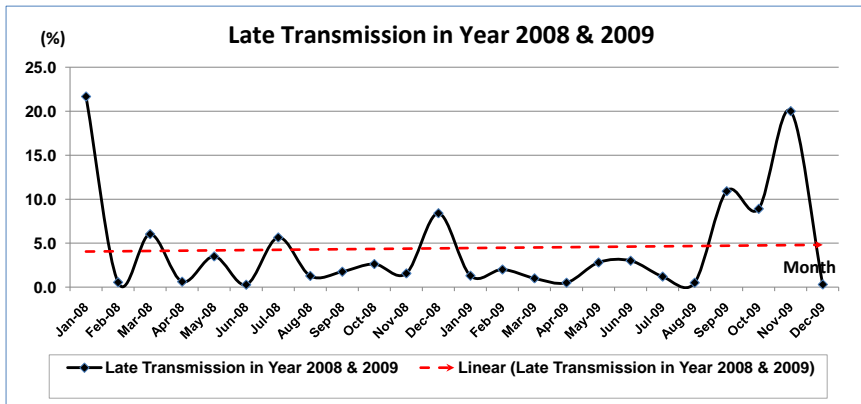
- Late delivery rates have reduced to 4.0% monthly average in 2009 from 7.2% in 2008.



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EMS - RESULT AFTER IMPROVEMENT

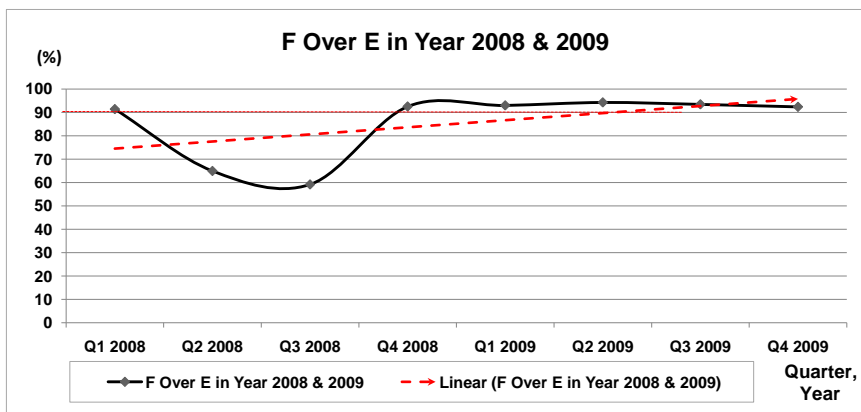
- Late transmission events have dropped from 4.5% monthly average in 2008 to 4.4 % in 2009 (Exceptional for the month of Sep, Oct & Nov 2009 due central server failure).



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EMS - RESULT AFTER IMPROVEMENT

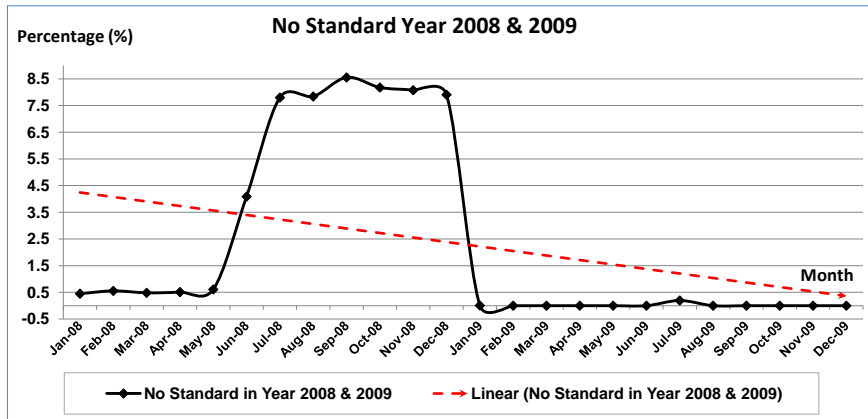
- Data EMS items thru Customs deteriorated in Q2 2008 and Q3 2008 but bounced back to above 90% in Q4 2008 and maintained until Q4 2009.



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EMS - RESULT AFTER IMPROVEMENT

- “No standard” reduced substantially to 0% in 2009 as compared to average 4.6% in 2008.



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EMS - SUMMARY OF IMPROVEMENT

Ref	Events	2008	2009	Improvement
1	OTD & OTT	79.1%	88.4%	+ 9.3%
2	Missing H / I	4.5%	3.2%	+ 1.3%
3	Late Delivery	7.2%	4.0%	+ 3.2%
4	Late Transmission	4.5%	4.4%	+ 0.1%
5	F over E	77.0%	93.3%	+ 16.3%
6	No Standard	4.6%	0.0 %	+ 4.6%

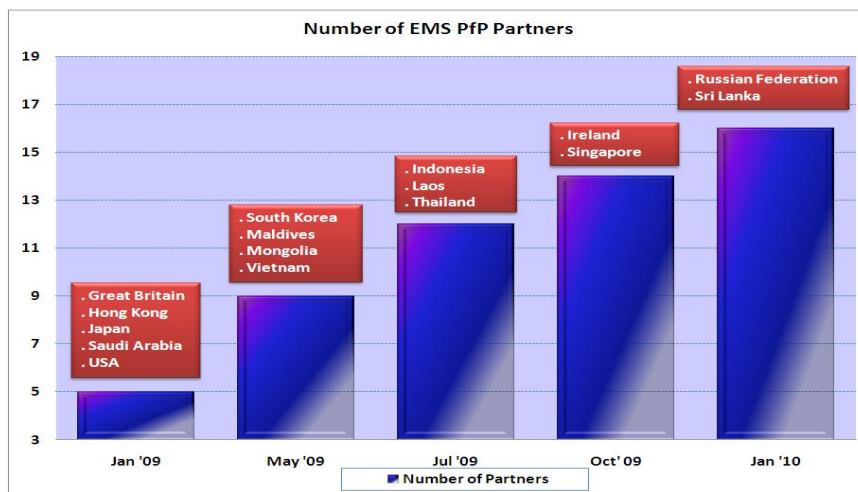
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EMS - PRESENT PERFORMANCE

MALAYSIA EMS FINAL SCORE BOARD 2009:						
Road Map to achieve EMS Cooperative Certification of Silver Level						
EMS Performance Criteria		Delivery On-Time against validated delivery standards	D Over C	H/I over D	Transmission on-time	Response of Rugby enquire on-time
Silver	Minimum: (in at least 4 criteria)	95%	98%	95%	95%	95%
	AND					
	Minimum: (on the remaining criteria)	80%	95%	95%	80%	95%
Actual EMS Performance by Quarter of 2009						
Q1 2009		92%	100.0%	97.0%	100.0%	100%
Q2 2009		91%	98.0%	96.0%	99.0%	100%
Q3 2009		93%	100.0%	97.0%	99.0%	100%
Q4 2009		94%	99.0%	98.0%	97.0%	100%
Average Total (Q1-Q3 2009)		93%	99%	97%	99%	100%

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EMS - Pfp Partners



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EMS - TO BE PfP PARTNERS

No	Country	Date of the Letter	Remarks
1	China	01/04/09	Still awaiting reply
2	Australia	24/06/09	Still awaiting reply
3	Brunei	24/06/09	Replied but not ready
4	Myanmar	24/06/09	Still awaiting reply
5	New Zealand	24/06/09	Still awaiting reply
6	Philippines	24/06/09	Still awaiting reply
7	Bangladesh	17/03/09	Ready but pending for reply
8	India	17/03/09	Still awaiting reply
9	Pakistan	19/03/09	Still awaiting reply

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EMS - FUTURE PLAN

- ➔ **Assess suitability to join Kahala Post Group.**
 - KPG is providing consultation for performance improvement.
- ➔ **Invite another 10 EMS members for PfP Plan.**
 - Invitation was sent on 08th March 2010 to 10 selected countries, namely Belgium, Canada, Finland, Greece, Iran, Italy, Jordan, Macao, Qatar and United Arab Emirates.
- ➔ **Improve EMS Inbound/Outbound volume**
 - Joint marketing /promotion program with selected EMS partners.

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THANK YOU