

Nature of Document: Updated Final Report – High-Level Strategic Discussion (HLSD) on Sustainable Future for the College

(Document prepared by APPU Bureau)

1. Subject	Paragraphs
<p>Informing APPU member and selected external stakeholders of:</p> <ul style="list-style-type: none"> - the Tokyo EC decision that requested the Bureau to prepare for a meeting of key parties to take a strategic view of the College and how a sustainable future might be created, and the background to this decision - the preparatory steps taken by the Bureau leading up to the HLSD - the structure of the HLSD and the structure of this report on the session - key points from the HLSD that are the basis for proceeding with further work on the creation of a sustainable future for the College - a summary of observations and findings, through a questionnaire process, sent to all members and selected external stakeholders relating to three core items in the HLSD agenda viz., <ul style="list-style-type: none"> • Agenda Item 5: what changes would members like to see to any aspect of training at the College, or within APPU training services generally? • Agenda Item 6: what is a sustainable future for the College? – what does it mean? – what does it mean to APPU members? • Agenda Item 7: insights into members’ use of training services - proposals for taking the work forward in terms of: <ul style="list-style-type: none"> • timing • management of process • reporting • independence and expertise • resource for Phase 1 • budget - the key documentation used for the HLSD - the detailed feedback from members and key stakeholders on the Agenda Items 5, 6 and 7 - a summary of questions and comments made by participants in the HLSD 	<p>§ 2</p> <p>§ 3</p> <p>§ 4</p> <p>§ 5</p> <p>§ 6, Appendix 2</p> <p>§ 6.4</p> <p>§ 6.5</p> <p>§ 6.6</p> <p>§ 7.1 (i)</p> <p>§ 7.1 (ii)</p> <p>§ 7.1 (iii)</p> <p>§ 7.1 (iv)</p> <p>§ 7.1 (v)</p> <p>§ 7.1 (vi)</p> <p>Appendix 1</p> <p>Appendix 2</p> <p>Appendix 3</p>
<p>2. Decisions expected</p> <p>The APPU members and selected external stakeholders are asked to:</p> <ul style="list-style-type: none"> - note the draft report prepared on the HLSD - provide comment by 8 May 2020 on any aspect of the draft report that requires clarification - note the points that were approved at the HLSD - note that the next major timing is 31 May 2020 when a detailed action plan, including budget is to be drafted and submitted (for consideration at the 2020 EC meeting) 	<p>§§ 1-7</p> <p>§ 7</p> <p>§ 7.1 (i)</p>

Creating a sustainable future for the College: High-Level Strategic Discussion: Draft Report

1. Introduction

- 1.1 The APPU Bureau convened the High-Level Strategic Discussion (HLSD) on creating a sustainable future for the College on Tuesday, 17 March 2020. The HLSD was conducted using an online service.
- 1.2 All 32 APPU members were invited to participate in the HLSD. Eleven members were in attendance viz., Bhutan, Cambodia, China, India, Indonesia, Japan, Maldives, New Zealand, Philippines, Thailand, Vietnam. Mr Zhonglin Liu, UPU Regional Project Coordinator, attended as an invited guest as recognition of his special interest in the services of the College.
- 1.3 The HLSD was chaired by the Mr Hongliang Lin (Secretary General, APPU), assisted by Ms Kwanjai Kajornwuttideth (Manager, Administration and APPU Affairs, APPU Bureau), and Mr Mark Lawley (Consultant, APPU Bureau).

2. Background

- 2.1 The 2019 Tokyo EC session requested the Bureau to commence preparation for a meeting of key parties to take a strategic view of the College and how a sustainable future might be created.
- 2.2 The request in paragraph 2.1 was initiated by the Chair of the Governing Board (GB) of the Training Section of the APPU Bureau during the Tokyo GB meeting. Factors that resulted in the GB Chair's statement included:
 - uncertainty in managing the College because of ongoing concern re enough income to cover costs;
 - the fragility of the business model on which the College is based which directly impacts the ability to plan for a positive future;
 - the competitive nature of the training marketplace and the degree of specialisation in the training sector, when weighed up against the capability of the College (that does its best with limited resources), invites the question of whether different skills are needed to take the business forward; and
 - the need to have a discussion of a strategic nature regarding the current situation of the College and where it wants to be in the future.

3. Preparatory work undertaken by the Bureau for the HLSD

- 3.1 The first part of the Bureau's preparatory work was to meet with the main stakeholder, Thailand, to get a first-hand understanding of its views regarding a sustainable future for the College. Key points emerging from the meeting were:
 - ensure training courses cover new business developments;
 - College could consider positioning itself as a "knowledge centre";
 - wide-sweeping review needed - facilities, training standards, trainers, etc; and
 - financial situation must be turned around and use of the Reserve Fund to keep the College in business must be discontinued.

3.2 The next preparatory steps were as follows:

- undertake a detailed financial analysis covering the period 2000-2018 to develop data on trends and assess the relevance / guidance available from this information;
- develop documentation for the HLSD that provides members with an understanding of:
 - the recent business history of the College;
 - issues and opportunities;
 - a plan of action, and
- seek member input on three key areas relevant to the sustainable future (these are set out in paragraph 4.2)

4. The HLSD

4.1 The Strategic Discussion was based on a powerpoint presentation introduced by the APPU Consultant (Mark Lawley). The presentation is at Appendix 1.

4.2 The HLSD Agenda included three matters that had been the subject of a questionnaire sent to members and external stakeholders. The responses to the questionnaire form part of the HLSD and are summarised in Appendix 2. The three Agenda Items are as follows.

- (i) Agenda Item 5: what changes would members like to see to any aspect of training at the College, or within APPU training services generally?
- (ii) Agenda Item 6: what is a sustainable future for the College? – what does it mean? – what does it mean to APPU members?
- (iii) Agenda Item 7: insights into members’ use of training services

4.3 A number of questions, points of clarification, and general comments were raised in the course of the Strategic Discussion. These are recorded in Appendix 3.

4.3 The material referenced in paragraphs 4.1, 4.2 and 4.3 above (and provided in Appendix 1, Appendix 2 and Appendix 3 respectively), is the detail of the Strategic Discussion. While there is no intention to restate this detail in the body of the report, the following aspects are brought forward into the main document:

- (i) key points that are the basis for moving ahead with further work on the creation of a sustainable future for the College (as set out in paragraph 5);
- (ii) a summary of the comments and observations made by members and external stakeholders on Agenda Items 5, 6 and 7 (as set out in paragraph 6); and
- (iii) the decisions made at the HLSD (as set out in paragraph 7).

5. Key points that are the basis for moving ahead with further work on the creation of a sustainable future for the College

5.1 The material in this section is the key points from the Strategic Discussion base document.

(i) **Slide 5: Core requirements of APPU**

APPU Constitution (Article 12, § 1) requires the Union to provide training services.

(ii) **Slides 6 and 7: A snapshot of financial performance: 2000-2018**

The significant fluctuations between many of the years for profit / loss and gross margin (i.e., a lack of consistency in financial performance) indicates that the business situation is either:

- (a) one of operating in market conditions over which it has little or no control; or
- (b) one of operating without full management control of key factors that impact overall performance; or
- (c) a combination of (a) and (b).

(iii) **Slide 9: An analysis of self-funded training v fellowships provided for training (2018)**

There are sharp contrasts in the popularity of different training options. Comparatively few members pay for Regular Courses (13%) versus those on Fellowships (87%). On the other hand, 62% of training provided through Special Programmes and ETPs is funded by members themselves. This is regarded as a key area for further assessment in the sustainable future assignment.

(iv) **Slide 10: Tuition fees as % of main funding streams (2000-2018)**

Following on from sub-paragraph (iii) above, tuition fees are regarded as a reliable indicator of the all-round value of training (i.e., it is where participants are paid for by their postal employer (as opposed to being funded by a donor). For regular courses there has been a steady decline in tuition fees from ca 60% to 20% of main funding streams between 2000 and 2018. This, too, is a key area for further assessment in the sustainable future assignment.

(v) **Slide 13: The evolution of training: 1970-2020**

Over the lifetime of the College there has been a huge change in the way training is designed and delivered in the global context. Basically, training has evolved in line with technology – teaching methods and training resources are more sophisticated, more dynamic, more immediate and more available than in 1970.

The College has evolved – its courses have changed in line with the changes to the postal business. However, there has not been anywhere near the change in delivery methods and in other aspects of training-related technology that have been seen in the global training scene.

(vi) **Slide 19: What are we trying to do?**

The sustainable future assignment seeks to:

- Provide reassurance to stakeholders that a forward-looking strategy is being developed and will be implemented
- Give confidence to those receiving training that services are intended to continue

- Give the APPU the best opportunity to create an enduring training resource by:
 - reducing financial risk in current key areas
 - diversifying the availability of training
 - increasing the range of products offered
 - calling on specialist sector management skills
 - using a period of favourable conditions to make the necessary adjustments to the business model

(vii) **Slides 21 and 22: What levers can we use to deal with the situation?**

The sustainable future assignment has strategic levers and tactical levers available to use. (The levers that are underlined are those that will initially be assessed for their relevance to the assignment objective.)

Strategic levers include accountability, crisis, opportunity, and avoiding obstacles to change.

Tactical levers include action or changes regarding costs, prices, product specifications, marketing, diversification of business, and distribution channels.

(viii) **Slide 23: What is the problem we are trying to solve? – how broadly do we think about this?**

This is the most important slide in the HLSD presentation - **what problem do we need to solve to create a sustainable future for the College?** For the moment, there is no answer offered to the question. However, the key point to make is that there is danger in seeing the problem as a financial one - it is not - the financial situation is the result of something else – and it is the “something else” that the APPU must identify and agree on for the sustainable future assignment to meet its objective.

(The thrust of Slide 23 reflects the theory of strategic review i.e., a strategic review must identify the key problem otherwise it will not result in any worthwhile change.)

6. Summary of the comments and observations made by members and external stakeholders on Agenda Items 5, 6 and 7

6.1 The purpose of seeking input from members and external stakeholders on the three Agenda Items (as set out in paragraph 4.2) was threefold i.e., to introduce members and external stakeholders to the process prior to the HLSD session, to get information that might be relevant or useful in the HLSD session, and to establish an initial file of facts and opinions to guide the initial work following the HLSD session.

6.2 Thirteen APPU members and two external stakeholders replied to the questionnaire. Appendix 2 sets out in detail the information obtained from the responses.¹ In addition, one external stakeholder replied after the drafting of the final report (these comments have been included in an updated final report).

¹ A number of respondents had more than one “category” in terms of responding to the questionnaire. For example, a member could be a donor, a recipient of Fellowships, a self-funder for regular courses and a self-funder for Special Programmes. Accordingly, while 13 members answered the questionnaire, the analysis of replies shows a higher number of replies (i.e., higher than 13) recorded for some questions.

- 6.3 The following is a summary of the main points arising from the analysis of responses.
- 6.4 **Question 5:** What changes would members like to see to any aspect of training at the College, or within APPU training services generally?
- 6.4.1 Additional topics for training courses
- (i) A total of 27 topics were suggested for inclusion in the College curriculum. These fall into five groupings viz.,
 - (a) UPU-related matters (6 topics)
 - (b) Operations (3 topics)
 - (c) Human Resources (6 topics)
 - (d) Sales, Marketing, Products, Business Development (6 topics)
 - (e) Miscellaneous (6 topics)
 - (ii) The topics will be passed to the Bureau for assessment and comment. The outcome of this process will be reported to members by the Bureau.
- 6.4.2 General aspects of training
- (i) Fourteen comments were received on general aspects of training. These fall into four groupings viz.,
 - (a) Delivery and duration (of training) (5 topics)
 - (b) Curriculum and content (5 topics)
 - (c) Accreditation (1 topic)
 - (d) Miscellaneous (4 topics)
 - (ii) The main theme was around the methods for delivering training. Two observations are brought forward to this part of the report.
 - (a) More use of practical teaching methods in the workplace (as opposed to theory-based training in the classroom).
 - (b) Provide greater flexibility for training and reduced cost through (some) courses being available online.
 - (iii) The topics will be passed to the Bureau for assessment and comment. The outcome of this process will be reported to members by the Bureau.
- 6.4.3 How the College markets and sells its training capability
- (i) There were 15 comments on the marketing and selling of the College's capability. These were grouped as follows.
 - (a) Positive comments (6 respondents)
 - (b) Suggestions for improvement (8 respondents)
 - (c) Revenue opportunity (2 respondents)

- (ii) The value of the feedback lies in the “suggestions for improvement”. There was a general theme of more publicity and promotion being needed. However, firstly there should be a review to understand what marketing and sales initiatives are currently used.
 - (iii) The feedback marketing and selling of the College’s capability topics will be passed to the Bureau for assessment and comment. The APPU Consultant will work with the Bureau to decide which suggestions can be dealt with quickly as an internal action and which suggestions should be part of the sustainable future assignment.
- 6.5 **Question 6: what is a sustainable future for the College? – what does it mean? – what does it mean to APPU members?**
- 6.5.1 This was the area of the H LSD Agenda where there was a focus on financial aspects and also on the value derived by participants at the College.
- 6.5.2 The donor perspective
- (i) Seven of the eight donors answered the questionnaire.
 - (ii) Six of the donors were evenly split on the main issues i.e., funding being reviewed specifically year-by-year, and funding being a financial decision of an ongoing nature. This split was also found when it came to consulting with the Bureau prior to making a decision to change a funding arrangement. One donor made funding decisions on a four-year cycle with ongoing consultation taking place between the donor and the APPC.
 - (iii) Further work is necessary, as a key part of the sustainable future assignment, on the donor situation.
- 6.5.3 The receiver of Fellowships perspective
- (i) Eight receivers of Fellowships answered the questionnaire.
 - (ii) Those receiving Fellowships generally did not have a problem releasing staff to attend a course.
 - (iii) Members were almost evenly split on whether they required employees receiving Fellowships to commit to a period of service following their training.
 - (iv) Members were also almost evenly split on whether a requirement to make a financial contribution to the cost of a Fellowship would be a barrier to accepting a Fellowship.
- 6.5.4 The self-funding member perspective (College activities)
- (i) Eight self-funding members answered the questionnaire.
 - (ii) The majority (5 v 3) specifically reviewed funding on a year-by-year basis. Three would consult with the Bureau prior to making a funding change.
 - (iii) Members were almost evenly split on whether they required employees receiving self-funded training to commit to a period of service following their training.
- 6.5.5 The self-funding member perspective (other activities)
- (i) Five self-funding members answered the questionnaire.

- (ii) The majority (4 v 1) specifically reviewed funding on a year-by-year basis. Four would consult with the Bureau prior to making a funding change.
- (iii) The majority (4 v 2) required employees receiving self-funded training to commit to a period of service following their training.

6.5.5 The non-user of the College perspective

- (i) Two non-users answered the questionnaire.
- (ii) Both non-users considered themselves fully self-sufficient for their training needs.
- (iii) One non-user regularly reviewed the College curriculum to assess the relevance of any courses. The other non-user did not maintain an ongoing review of College courses.

6.5.6 Ideal balance between funding sources

- (i) This question sought to understand the views of members and external stakeholders on the ideal balance between funding sources (i.e., donors of Fellowships funds, cash contribution, self-funded seats, and miscellaneous).
- (ii) Fourteen responses were received. The main views are set out below.
- (iii) Three respondents expressed a need for continued / increased donor contributions.
- (iv) Five respondents emphasised the need for an increase in self-funded seats.
- (v) Five members specified actual contribution percentages for the four funding sources. The percentages covered a wide range for some sources. However, the two areas of commonality were, in four of the five responses, for self-funded seats to increase its contribution above the current level, and for miscellaneous revenue to sit at 10%.

6.6 **Question 7:** Insights into members' use of training services

- 6.6.1 Responses were received from 11 members regarding participants at the College in 2019. The number of participants reported on was 149. This is 51% of the total that attended core training courses in 2019.
- 6.6.2 This exercise was exploratory in nature. As such, there was no pre-conceived idea of what the results would be. However, given that the reporting period was 2019, then it was reasonable to expect the high percentages for "Still employed in your business" (95%) and "Currently employed in area to which the training applied" (86%).
- 6.6.3 The ratings for "The Training" were positive in respect of "Met expectations" (96%) and "Has led to performance improvement of the participant" (97%).
- 6.6.4 The "General order of reasons for participation in Course" should be viewed as indicative. There were some inconsistencies in how the survey was processed by members. Nevertheless, the 45% rating for "Business requirement for information and skills" versus the 41% rating for "Experience of attending an international training event" will provide food for thought in terms of it being the first time this aspect has been polled.

6.7 Further action on Agenda Items 5, 6 and 7

The APPU Consultant will take the results of the questionnaire process and apply them, as appropriate to the sustainable future assignment.

7. The decisions made at the HLSD

7.1 The HLSD decided as follows.

- (i) Timing for the assignment (Slide 24)
 - Phase 1: Drafting of detailed action plan – 31 May 2020
 - Phase 2: EC consider and make decision on action plan – Manila, 20-24 July 2020
 - Phase 3: Assignment activities undertaken – from July 2020 onwards
 - Phase 4: Implementation – from 1 January 2022
- (ii) Management of process (Slide 25)
 - The sustainable future assignment will be managed under an existing EC mechanism i.e., the APPU / UPU Reform Working Group.
- (iii) Reporting (Slide 26)
 - The EC to receive information and make decisions as required (using the correspondence method) in the case of matters that need attention prior to an EC meeting or Congress being held.
- (iv) Independence and Expertise (Slide 27)
 - The draft planning process, including budget, will make provision for costs associated with external expertise for technical review and overall independent assessment.
- (v) Resource for Phase 1 (Slide 28)
 - The Consultant engaged for APPU / UPU Reform work will undertake Phase 1.
- (vi) Budget (Slide 29)
 - Because the assignment will span 2020-2021 and, therefore, budget will be required for both years, the Bureau will present a draft budget for 2020 and 2021 (at the 2020 EC meeting) as part of the 2021 Administrative Section budget proposal. This will specify:
 - work on the assignment that requires funding in 2020 would be funded from the Administrative Section Reserve Fund (ASRF)
 - the ASRF would be replenished in 2021 when members' contributions for 2021 are processed.

APPENDIX 1

HLSD Presentation

Consolidated record of all replies to questionnaire on Agenda Items 5, 6 and 7

5. What changes would members like to see to any aspect of training at the College, or within APPU training services generally?

(i) Additional topics for training courses

1. UPU

- Reviewing Congress proposals
- Implementation of Congress and POC/CA changes to the rules.
- Providing an update on future work of the UPU, e.g.:
 - the obligations and implications of the Integrated Product Plan, what the plan means in terms of the universal service, and how it will impact bilateral or multilateral service agreements;
 - the detail of the Integrated Remuneration Plan, and how the rates and charges will need to be accounted;
- Upcoming Electronic Advance Data requirements, including ITMATT data capture recommendations, and how this data can integrate into border clearance practices
- Changes to UPU remuneration systems and the process by which to calculate and self-declare rates
- Accessing, utilizing and reporting on the QSF for projects – for capacity building and / or infrastructure development

2. Operations

- Mail Processing Center automation
- IPS.POST - Operational procedures and technical procedures
- EAD / ITMATT readiness (data capture, transmission, maintenance of data quality and consistency of quality etc)

3. Human Resources

- KPIs - drafting, finalising, implementing, using
- Management of direct reports and business units
- Managerial responsibilities
- Training related Behavioural Areas impacting service to customers
- Training of Trainers
- Occupational health and safety

4. Sales, Marketing, Products, Business Development

- Marketing and sales strategy
- New Business Developments in member countries.
- Postal financial services
- Insurance services
- Big data analysis
- Digitalization of Post

5. Miscellaneous

- The use of environmentally friendly resources in providing postal services that support the implementation of the 12th and 13th UN SDGs Mission, Responsible consumption and production
- Global custom regulation change
- Understanding of Customs
- Cost Accounting
- Planning
- Postal IT

(ii) Comments regarding general aspects of training

1. Delivery and duration

- On-site operational training covering practical aspects of international mail processing, particularly compliance with UPU requirements.
- More topics that deal with operational and technical matters where there is greater use of practical training as opposed to classroom sessions.
- Most training is conducted in a classroom with the emphasis on the general theory of a topic. A better focus might be training that is more activity-based involving real case studies along with best practices. This would increase the level of involvement of the participant and boost learner motivation. It would also be an opportunity to learn the best practices applied in other countries and benchmark them for improvement in their own organisation.
- Online training and learning media should be considered as that would be of value to those who are interested in self-learning. Can also be undertaken more cheaply and conveniently (i.e., timing).
- Online training, similar to Trainpost of UPU, should be a future consideration.
- The duration of courses should be reviewed i.e., are they longer than they really need to be?

2. Curriculum and content

- The curriculum should be developed to be in line with current digital and e-commerce technology development trends e.g., creating and analysing big data for business development, logistic operations management, use of social media for business.
- Course materials that are more up-to-date and applicable to the participants.
- Invite industry speakers to bring an external perspective to courses.
- It is important that the courses conducted at the APPC are relevant to the postal operations and reflect the latest trends and requirements. The training courses should be continually updated to include the latest changes in the rules and regulations governing the international mail exchanges i.e., the changes in the UPU Convention and Regulations as approved by the UPU Congress, POC and CA from time to time. In this regard, the content of the training courses especially on International Postal Services, International Mail Accounting, Operations Management, Service Quality Management, EMS, and Postal Management Course, should continue to be developed in consultation with the experts from UPU.
- The courses must also meet the specific requirements of the member-countries on topics like – Postal Financial Services, Retail Management

(including the provision of social and governmental services through the post offices), e-services, e-commerce etc.

3. Accreditation

- Postal Management Course is the longest and most important course in APPC. It may have potential to be marketed as a qualification that counts toward a participant's ability to gain promotion or increase salary.

4. Miscellaneous

- Undertake a satisfaction survey of all trainees each year to get feedback on which courses should be retained and which should be cancelled.
- APPU members should see APPC courses as a human resources investment rather than as a way for their personnel to experience international events. In this regard, a key aspect is the review, update and compliance with the pre-requisites and qualifications of participants prior to participation in a course.
- APPC website should interactively provide comprehensive training information.
- Assess the benefit of the APPU website for linking alumni from completed courses with current/future participants to share information, answer questions, etc.
- Renovate training facilities.

(iii) Comments on the way in which the College markets and sells its training capability

1. Positive

- The College is doing its job well.
- APPC website is well designed with all relevant information available (course, tariff, facilities, etc.)
- APPC markets and sells its training capability very well.
- The College sells its training programmes quite well.
- APPC made great contribution to promoting the training programs in postal sector. It is a well-known brand in the Asia Pacific postal organizations.
- The College provides a wide range of on-campus training programs workshops which cover various levels, topics and functional areas of postal industry, contents of training are always practical and inspiring. Meanwhile, External Training Programs can be tailor-made to cater for the different needs of each postal organization.

2. Suggestions for improvement

- The regular outreach is sound; however, it does not seem particularly targeted to Posts who need it, meaning that Posts without dedicated administrative teams might not recognize their need for offered training and services. We would suggest that the APPU target some sections of the region to ensure that the right types of courses are readily marketed. Perhaps a structured outreach to these countries would be beneficial.
- For non-APPU members there does not seem to be any regular marketing and promotion of the College's training courses. This should be addressed.
- APPU could do more to promote their training e.g., by publicising each training program to every member.
- APPC should promote its services more to non-members (who could be charged a higher price to participate).

- TNA should be drafted in the same month every year.
- The programme descriptions on the website are only for the current year. Programmes for the next year should also be on the website as this is a consideration in responding to the TNA.
- There should be greater promotion of the training capabilities of the College with emphasis on the long-term benefits to members who participate in training activities.
- While there does not appear to have been a major effort to market the raining .courses, this might not be necessary as far as APPU members are concerned time to members in planning -Where the need might be is to give more lead for the courses and in ensuring that staff can be released to undertake .training at the times proposed
- The College’s courses are a hidden treasure – stronger promotion is needed.

3. Opportunity

- Is there an opportunity to hire out the training facilities to external parties?
- Is there a possibility of raising resources from the non-traditional donors like other UN Agencies which are responsible for supply chain and promotion of e-commerce etc?

6. What is a sustainable future for the College? – what does it mean? – what does it mean to APPU members?

Note: responses to Questions 6.1 to 6.5 have been separately analysed in the Table “Question 6 (analysed responses)”². The material that follows provides the same information plus, where appropriate comments made by respondents in support of their answers.

6.1 As a **donor of Fellowship funds**, what are the key things that will enable you to continue providing Fellowship funds. In this regard, you may choose to comment on the following.

- (i) Is your Fellowship funding a financial decision:
 - (a) specifically reviewed on a year-by-year basis; **Yes – 3 respondents**
 - (b) a financial decision that is of an ongoing nature (i.e., minimal or no review each year). **Yes – 3 respondents**
- (ii) If your organisation intended to change its Fellowship funding (i.e., increase, decrease or cease), what process would it normally follow in terms of:
 - (a) consultation with the Bureau prior to any final decision being made; **Yes – 3 respondents**
 - (b) lead-time between a decision being made and funding increasing, decreasing or ceasing (generally 12 months). **Yes – 3 respondents**

² The table “Question 6 (analysed responses)” is provided at the last page of Appendix 2 (i.e., following the narrative section).

- (iii) Comments on funding decisions by donors
- The decision to fund Fellowships is made in line with the intention to support regional activities and the end-to-end supply chain capabilities of all Posts. The contribution must also align to the overall strategy of our organization. Any changes to the contribution would be discussed with the APPU Bureau following a robust internal review.
 - The Bureau would be advised of a funding review and that a change would be effective on a specified date. The matter would not involve any negotiations with the Bureau because Fellowship funding is an internal matter. A minimum of twelve months' notice would be given for any change to funding.
 - Decisions to increase, decrease or cease funding would be based purely on the financial performance of the donor's business. However, the value that the contribution brings to the APPU would be taken into account.
 - UPU fellowship funding is a financial decision that relates to a four-year period (Congress cycle). However, the amount of fellowship funds is different from year to year and is based on the requirements of the UPU member countries in the region. For fellowships at APPC, the decisions are made based on consultation with the APPU Bureau.

6.2 As a **receiver of Fellowships**, what are your comments regarding the following.

- (i) Do you ever have problems in nominating / releasing an employee to take up a Fellowship (e.g., timing, availability, relevance of courses for using the Fellowship).

Yes – 1 respondent

Generally, no problems – 4 respondents

No – 3 respondents

- (ii) When an employee returns from a training course is there an expectation of continued service i.e., does your organisation place a requirement on the employee to work in your business for a further minimum period as a form of return on investment.

Yes – 4 respondents

No – 3 respondents

If your answer to the above is "No", is this a feature you might consider in the future?

Yes – 1 respondent

No – 1 respondent

(iii) If the awarding of Fellowships required a percentage financial contribution by your organisation, what are your views on the following.

(a) In principle, would you see this as a barrier to accepting Fellowships?

Yes – 3 respondents

No – 2 respondents

(b) The average value of a Fellowship in 2018 was US1,049 per week. Based on this, is there a percentage figure that you would consider reasonable for a recipient organisation to contribute.

1 respondent - 10-20% for a one-week course. For longer courses it would depend on the percentage required.

1 respondent - 20%

6.3 As a **member who self-funds participation at the College**, what are the key things that will influence you to continue self-funding this training usage. In this regard, you may choose to comment on the following.

(i) Is your self-funding a financial decision:

(a) specifically reviewed on a year-by-year basis; **Yes – 5 respondents**

(b) a financial decision that is of an ongoing nature (i.e., minimal or no review each year, and more in the nature of a funding commitment to the APPU to support its mission of a training responsibility in the region). **Yes – 3 respondents**

(ii) If your organisation intended to change its Fellowship funding (i.e., increase, decrease or cease), what process would it normally follow in terms of:

(a) consultation with the Bureau prior to any final decision being made; **Yes – 3 respondents**

(b) lead-time between a decision being made and funding increasing, decreasing or ceasing (generally 12 months). **Yes – 3 respondents**

(iii) When an employee returns from a training course is there an expectation of continued service i.e., does your organisation place a requirement on the employee to work in your business for a further minimum period as a form of return on the self-funded investment that has been made?

Yes – 4 respondents

No – 3 respondents

(iv) If your answer to 6.3 (iii) is “no”, can you please answer the following questions:

(a) is this something you might consider?

Yes – 2 respondents

No – 2 respondents

6.4 As a **member who self-funds other APPC training services (e.g., External Training Programmes, Special Programmes for Postal Administrations)**, what are the key things that will influence you to continue self-funding this training usage. In this regard, you may choose to comment on the following.

(i) Is your self-funding a financial decision:

(a) specifically reviewed on a year-by-year basis; **Yes – 4 respondents**

(b) a financial decision that is of an ongoing nature (i.e., minimal or no review each year, and more in the nature of a funding commitment to the APPU to support its mission of a training responsibility in the region). **Yes – 1 respondent**

(ii) If your organisation intended to change its Fellowship funding (i.e., increase, decrease or cease), what process would it normally follow in terms of:

(a) consultation with the Bureau prior to any final decision being made; **Yes – 4 respondents**

(b) lead-time between a decision being made and funding increasing, decreasing or ceasing (generally 12 months) **Yes – 2 respondents**

(iii) In the case of Special Programmes for Postal Administrations only, when an employee returns from a programme is there an expectation of continued service i.e., does your organisation place a requirement on the employee to work in your business for a further minimum period as a form of return on the self-funded investment that has been made?

Yes – 4 respondents

No – 2 respondents

(iv) If your answer to 6.4 (iii) is “no”, can you please answer the following questions:

(a) is this something you might consider? **No – 1 respondent**

6.5 As a **non-user of APPC training**, your views would be welcomed on these points i.e., please state which of the following comments is more applicable to your non-use of APPC services.

(i) After full consideration and regular review, your organisation is 100% self-supporting for its training requirements and has no need to use APPC services. **Yes – 1 respondent**

- (i) Your organisation currently supports its training requirement either internally or with external assistance as required. It has not used APPC services although this decision (not to use APPC services) may not have been fully considered / reviewed. **Yes – 1 respondent**

6.6 This is a broad question on the **ideal balance between funding sources**. In other words, for the College to have a sustainable future, is there a percentage figure for each of the main sources of revenue that would best guarantee a sustainable future?

Thinking about the four revenue sources (as funded in 2019):

- Donated fellowships (Japan, Australia, New Zealand, UPU, Swiss Post, La Poste, DHL);
- Cash contributions (China, India, Pakistan, Philippines, Sri Lanka);
- Self-funded tuition fees (Bhutan, Cambodia, China, India, Indonesia, Japan, Korea, Lao, Maldives, Nauru, Philippines, Solomon Islands, Sri Lanka, Vietnam); and
- Miscellaneous activities,

do you have any views on the percentage of funds that should come from each of these sources?

To assist your consideration of the question, for a business such as the College, donated fellowships are seen as gap-reduction revenue where industry practice is for an upper level of 25% of operating costs to be the ideal maximum expectation. In this model, the balance of 75% of required revenue is generated from “what the business does” i.e., in the case of the College this would be from fees paid for training services.

Actual financial data shows the following distribution among revenue sources.

Revenue Source	Historically (2000-2018)	Most Recent Year Available (2018)
Donated Fellowships	34%	43%
Cash Contributions	18%	27%
Self-Funded Tuition Fees	38%	18%
Miscellaneous	10%	12%

(Note: this is a difficult question to think about, but it is a range of thoughts that we are interested in i.e., understanding the views of a wider group.)

(i) **Qualitative comments focused on donor funds**

- We expect developed Posts to donate more Fellowships.
- Bigger nations need to support the developing countries by funding fellowships.
- Donated contributions may be encouraged so that LDC members may take full benefits of fellowship training. However as per recent year data it is visible that donated contributions are already quite ideal. We encourage APPC to keep up the same and encourage donors to keep their contributions towards more than 25% which is industry standard.

(ii) Qualitative comments focused on self-funding

- Donated fellowships and cash contributions should be the minority and strictly seen as a “top-up” or “reserves building”. Self funding should be the key focus and therefore be the majority of the % with 100% self-funding as the ideal situation.
- From a commercial perspective the aim should be to have 60 – 65% self-funding by increasing the quality of the courses to a high level and use this as a main USP to encourage APPU members to have their staff attend. Note the University of Lausanne has a “Postal Faculty”. If not already done so, lessons could be taken from there.
- Self-funded revenue should be increasing (if the College is offering courses / educational / developmental opportunities sought by its members).
- The proportion of self-funded training should be increased.
- It is important for APPC that the self-funded income increases.
- Voluntary contributions are not a sustainable source of funding for the operations of APPC. Increased income from self-funded participants needs to be achieved.

(iii) Quantitative proposals

Five respondents offered percentage allocations for the funding sources. These are set out in the table below.

Revenue Source	2018 Actual	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Respondent 5
Donated Fellowships	43%	25%	30%	35%	55%	20%
Cash Contributions	27%	25%	30%	20%	15%	70%
Self-Funded Tuition Fees	18%	40%	30%	35%	20%	10%
Miscellaneous	12%	10%	10%	10%	10%	

(iv) Miscellaneous

- We would welcome the APPU Bureau doing some work on this issue and providing some analysis and options to the APPU EC to consider. One of the benefits we see of the APPU Training College is that it provides assistance to Posts in the region most at need. We would thus support measures that allow for those Posts most at need to receive adequate and relevant training.
- In order to increase the percentage of Cash Contributions, Self-Funded Tuition Fees and Miscellaneous, APPC should improve the course quality and organize site visit to developed Posts.
- An alternative to fully-funded fellowships could be tiered, self-funded courses for which fellowship donors fund part of the tuition costs.
- In an ideal situation, there should be a balance between the funding sources. In reality, this will be difficult to achieve as funding from donors will always vary based on the donor priorities. Participation through self-funded seats will be based on how APPU members, particularly DOs, view training i.e., as in investment or as an expense, as well as their capacity to send participants to international training versus participation in local training.

6.7 Additional comments re sustainable future for the College

Three respondents made additional comments that are recorded below.

- **Sustainable future** for the College is a form of a long-term investment for postal industries to improve their knowledge and ability in order to provide such postal services along with technology development that meet the needs of society either in present or in the future.
- **Sustainability** of the APPC will depend on revising the way the funds are sourced and spent. Restructure of the functions at APPC may help in cutting down expenses. The member contributions need to be reviewed to enable the APPC to better function.
- **Sustainability** should not be viewed from a financial viewpoint; rather it should be approached from a market and/or operational point of view. Current APPC business model, product offerings and/or market/sector positioning should be reviewed, taking into account, the market and sector so that it can become the solid foundation for the continued sustainability and/or funding sources of the college.

7. Insights into members' use of training services

A total of 26 members sent participants to the College in 2019 to attend Regular Courses, Workshops or Special Programmes.

A separate Excel file has been prepared with an individual tab for each of the 26 members. On the tab with your country name you will find a schedule of your participants in 2019. Could you please do the following:

- make a quick check that the detail in Columns A to K is correct; and
- complete the information in Columns M to W.

7.1 Analysis of member responses

Responses were received from 11 members regarding participants at the College in 2019. The number of participants reported on was 149. This is 51% of the total that attended core training courses in 2019.

Question 7: Key Findings of Questionnaire*		
Main Focus	Sub-Focus	Percentage
Source of Training	APPU was sole source for subject studied	91
The Participant	Still employed in your business	95
	Currently employed in area to which the training applied	86
The Training	Evaluated by formal process when participant returned from training	86
	Met expectations	96
	Has led to performance improvement of the participant	97
General order of reasons for participation in Course	Business requirement for information and skills	45
	Availability of Fellowship	12
	Reward and / or recognition for Participant	2
	Experience of attending international training	41

7.2 Comment

- (i) This exercise was exploratory in nature. As such, there was no pre-conceived idea of what the results would be. However, given that the reporting period was 2019, then it was reasonable to expect the high percentages for “Still employed in your business” (95%) and “Currently employed in area to which the training applied” (86%).
- (ii) The ratings for “The Training” were positive in respect of “Met expectations” (96%) and “Has led to performance improvement of the participant” (97%). In terms of “Evaluated by formal process when participant returned from training”, this is lower at 86%, but this might be partly due to data quality. Nevertheless, it is an aspect to focus on – perhaps by way of sharing among members the methods used to evaluate training experiences.
- (iii) The “General order of reasons for participation in Course” should be viewed as indicative. There were some inconsistencies in how the survey was processed by members. This resulted in a weighting method being used to provide the percentage allocated to each of the four reasons for attending training. Nevertheless, as an indicative exercise, the 45% rating for “Business requirement for information and skills” versus the 41% rating for “Experience of attending an international training event” will provide food for thought in terms of it being the first time this aspect has been polled.

Question 6 (Replies Analysed in Table Format)					
Questions	Donor of Fellowship Funds	Receiver of Fellowship Funds	Self-Funding Member (College Activities)	Self-Funding Member (Other Activities)	Non-User of College
	Question 6.1	Question 6.2	Question 6.3	Question 6.4	Question 6.5
1. Is your Fellowship funding a financial decision:					
1.1 Specifically reviewed on a year-by-year basis	4 (See Note 2)		5	4	
1.2 A financial decision that is of an ongoing nature (i.e., minimal or no review each year).	3		3	1	
2. If your organisation intended to change its Fellowship funding (i.e., increase, decrease or cease), what process would it normally follow in terms of:					
2.1 Consultation with the Bureau prior to any final decision being made; and	4		3	4	
2.2 Lead-time between a decision being made and funding increasing, decreasing or ceasing (generally 12 months).	3		3	2	
3. Do you ever have problems in nominating / releasing an employee to take up a Fellowship (e.g., timing, availability, relevance of courses for using the Fellowship)?					
Yes		1			
Generally, no problems		4			
No		3			
4. When an employee returns from a training course is there an expectation of continued service i.e., does your organisation place a requirement on the employee to work in your business for a further minimum period as a form of return on investment?					
Yes		4	5	4	
No		3	4	2	
If your answer to Question 4 is "No", is this a feature you might consider in the future?					
Yes		1	2		
No		1	2	1	
5. If the awarding of Fellowships required a percentage financial contribution by your organisation, what are your views on the following.					
5.1 In principle, would you see this as a barrier to accepting Fellowships?					
Yes		3			
No		2			
5.2 The average value of a Fellowship in 2018 was US\$1,049 per week. Based on this, is there a percentage figure that you would consider reasonable for a recipient organisation to contribute?					
Yes		2 (See Note 1)			
No appetite to make a contribution		3			
6. As a non-user of APPC training, which of the following comments is more applicable to your non-use of APPC services.					
6.1 After full consideration and regular review, your organisation is 100% self-supporting for its training requirements and has no need to use APPC services?					1
6.2 Your organisation currently supports its training requirement either internally or with external assistance as required. It has not used APPC services although this decision (not to use APPC services) may not have been fully considered / reviewed.					1
Note 1: Respondent 1 considered that up to 20% contribution was reasonable. Respondent 2 considered that between 10-20% was reasonable for a one-week course; for longer courses it would depend on the percentage required.					
Note 2: One respondent specifically reviewed its financial decisions on a four-yearly cycle.					

Questions and comments from members during HLSD

1. Slide 5: Core requirements of APPU

APPU Constitution (Article 12, § 1) requires the Union to provide training services.

1.1 Question from New Zealand

Does the requirement to provide training in the Constitution mean that the Union has to operate a College?

Reply from APPU Consultant

No, the channel for delivering training is not specified. Indeed, the Bureau provides forms of training that do not involve the College.

2. Slides 6 and 7: A snapshot of financial performance: 2000-2018

Profit / loss and gross margin for 2000-2018 were discussed. The main point was the significant fluctuations between many of the years. The lack of consistency in financial performance often indicates market conditions and business factors that an organisation has little or no ability to influence.

2.1 Question from New Zealand

2015-2016, and some other periods, show strong financial performance. Is there anything that can be learnt from these performances that might provide a guide to remedial actions we could now take?

Reply from APPU Consultant

The detail of individual years and specific factors impacting performance, were a level below the focus for HLSD preparation. That said, there were some years where foreign exchange provided a lift in income and this could be one of the reasons for the better-performing years.

Reply from Secretary General

There was strong support in Fellowship funding from the UPU in 2015 and particularly in 2016 (the latter being the final year of the UPU budget cycle. As far as foreign exchange is concerned, the Baht was at 34-36 to the US dollar at that time and this was a material factor. There was also strong support from SPB, China in the period in question.

3. Slide 17: “Sustainable future for the College”

Discussion centred on how one might define “sustainable future” and how the College should be categorised (e.g., as a training venue only? – or as a training venue and other events / activities?). The point was made that the College is the key identity of the Union and it plays a significant role in keeping the membership in contact with each other.

3.1 Comment from New Zealand

The transfer of RTCAP – Mr Tan Yong Chee – from Singapore to Bangkok could be a useful development for the expertise strength of the College, depending on Mr Tan’s availability to play a role in the training area. As a consultant, it would seem that the relocation is well-timed regarding the sustainable future assignment.

Comment from Secretary General

RTCAP will contribute to the training services offered by the Bureau. The relocation is significant because it makes it very easy for RTCAP to participate in training activities as required (subject, of course, to other priorities).

3.2 Comment from Indonesia

Some concern was expressed regarding the definition offered in the HLSD presentation of “Sustainable future for the College”. Indonesia advised that, in their response to the HLSD Questionnaire, they had proposed an alternative definition viz.,

“Sustainable future will come from members investing in education and learning at the College so that they can provide postal and technology-supported services that meet society’s needs now and in the future.”³

Comment from APPU Consultant

The draft definition in the presentation was not intended to be a permanent definition. Indeed, in analysing the replies to the Questionnaire, the draft definition from Indonesia was noted and preferred to the original draft.

4. **Slide 21: What levers can we use to deal with the situation?**

Strategic and tactical levers are available to the APPU to use in the sustainable future assignment.

Strategic levers include accountability, crisis, opportunity, and avoiding obstacles to change.

Tactical levers include action or changes regarding costs, prices, product specifications, marketing, diversification of business, and distribution channels.

4.1 Question from China

What is meant by “channel” in relation to distribution channels?

Reply from APPU Consultant

A channel is the method used to get training to participants. For example, the classroom teaching method is the main channel used by the APPU. However, there are other channels such as ETPs. In the global training situation there are channels such as online training.

³ The definition has had minor editorial changes made to align it with the general style of the assignment documentation. The message conveyed in the original draft by Indonesia has not changed.

5. Slide 22: The levers and a sustainable future for APPU training

The strategic and tactical levers were examined to see which might be best suited in the assignment.

5.1 Question from Japan

What is meant by marketing i.e., the comment in the presentation says to “increase marketing”?

Reply from APPU Consultant

The example was given of how non-APPU members interested in training would actually know to access the APPU website. And, if they did manage to find their way to the website, how appealing would they find the way in which the training is presented and sold. For those who know about the College and its courses, the marketing aspect is not so relevant. But it is the bigger audience – those who do not know about the College or who have never participated in the College - where the need for marketing exists.

6. Slide 24: Setting a plan in motion

The four timing phases that were proposed for the assignment were presented.

6.1 Question from New Zealand

The completion of Phase 1 (Draft detailed action plan, including budget) by 31 May 2020 – was this a realistic timing? – could it be achieved?

Reply from APPU Consultant

Bearing in mind that the output by 31 May is a draft plan setting out what has to be done (as opposed to producing a document that identifies the solution(s)), then the timing is a “best guess” of completion date. That said, it might not be possible to achieve it – time will tell. However, every effort will be made to meet the deadline.

6.2 Question from New Zealand

Implementation of assignment findings is scheduled to commence on 1 January 2022. Is there a reason for waiting so long in the case of an initiative that is agreed / approved, say, in October 2020.

Reply from APPU Consultant

Commonsense will prevail. If there are initiatives that can be implemented ahead of 1 January 2022, then they will be implemented (ahead of 1 January 2022).

7. Slide 25: Management of process

The management proposal for the sustainable future assignment was to report through the APPU / UPU Reform Working Group (chaired by New Zealand).

7.1 Comment from New Zealand

New Zealand noted the proposal and had no problems with the work being placed in the Reform Working Group.

8. General discussion

8.1 Question from New Zealand

Is it known what other regions provide for training? – if so, is there anything we can learn from them?

Reply from APPU Consultant

Yes, there is some information. The Arab Postal Union has a training facility in Tunisia. Among other features, it operates closely with the UPU in the provision of online training. The latter comment, of course, covers the UPU involvement in online learning via the Trainpost product.

There are also training colleges in China, India and Pakistan where experience and future plans might be relevant / of interest to the APPU.

Reply from Secretary General

The UPU has provided training support to some restricted unions but in a different way to how the UPU works with the APPU. Other restricted unions did not necessarily have a permanent unit established to manage training services; without such a unit, it is extremely difficult to provide an ongoing training facility.

The Pan-African Postal Union had done some preparatory work to set up a training function. However, progress was understood to have been slow and the facility is yet to come into service.

8.2 Comment from China

The APPC has done a great job in terms of training. China will continue to support the College and considers that the proportion of self-funded training should be increased in the future.

8.3 Comment from New Zealand

New Zealand will support the action plan and budget proposals at the 2020 EC meeting.

8.4 Comment from Philippines

The strategic plan to increase the number of self-funded participants, as well as providing relevant services for members and non-members alike, will take the assignment in the right direction; these are two key areas for development. Further one of the stated deliverables for the APPU Consultant should be the design of a business model for a sustainable APPC.

8.5 Comment from India

India is very happy to continue with its support for the College.

8.6 Comment from Indonesia

Indonesia will check with its department regarding the budget for the sustainable future assignment.

Reply from Secretary General

The Bureau will try and keep the budget as low as it is possible to do so.

8.7 **Question from Thailand**

Thailand asked if there was any update on plans for the 2020 EC meeting given the current problems due to the Coronavirus pandemic.

Reply from Secretary General

It was important to hold the EC meeting prior to the UPU Congress. This left only June or July for the EC meeting. In this regard, the Coronavirus issue could create some problems. The Bureau has been in contact with the Philippines and every effort will be made to convene the EC meeting as scheduled – even if it is an online meeting similar to the HLSD.

Initial comments on draft HLSD report from APPU Bureau

Preamble

The Bureau, primarily its International staff, reviewed the draft HLSD report during April 2020 and made a range of observations and proposals in the form of a "15 Point Action Plan".

The observations and proposals are included in the final report. In so doing, the Consultant has endeavoured to present the material in the same context as the overall document (i.e., receiving information, retaining intent, softening claims, conclusions, recommendations and decisions, and harmonising text).

Towards A Sustainable Future of APPC - 15 Points Action Plan ((2021- 2023)

Goal 1: Redefine and enhance the Functionality of APPC

1. Market APPC

APPU to market the products (Training Courses/Workshops/ETPs) of the Asian-Pacific Postal College to the **non-members** e.g., PAPU, PUASP etc. This will enable the College to potentially attract a bigger market to its facilities and support the financial sustainability objective.

2. Relevance to Postal Sector

The emphasis in member replies on training that covers a range of UPU matters, including operations and technology, highlights the need for the College to be equipped to respond to the members' interests. An option that could provide the College with the required background and knowledge is greater exposure of the teaching faculty to international events and meetings (e.g., APPU Executive Council meetings, APPU Congress, UPU Congress and CA/POC meetings). Consideration should be given to this opportunity subject to standard business case criteria and the forward strategy for the College in terms of curriculum and delivery.

3. Networking

Attending international meetings (as set out in Item 2 above) will also give an opportunity to the teaching faculty to network with the experts in the respective areas so that they can invite many more global experts on the relevant topics which will benefit the College participants. Consideration should also be given to this initiative subject to standard business case criteria and the forward strategy for the College in terms of curriculum and delivery.

Goal 2: Relevance of APPC vis-s-vis Global Postal Sector

4. Training forecast and survey

The Training Need Analysis (TNA) is a very good practice to be continued in the years to come, as it provides an opportunity to get the views of the member countries on the draft list of regular training courses/workshops to be floated in the upcoming training year. The comments/feedback received

from the TNA is also considered in the planning and designing of the final courses/workshops/ETPs for the upcoming year.

5. Promote external training program (ETP)

On-site ETPs should be promoted as they meet the specific training needs of the countries and can offer a more cost-effective option of training staff on-site. ETP topics are specially tailored to the requirement of the receiving country.

6. Review duration of the courses

Presently, the College offers courses that are two weeks, three weeks and four weeks in duration (except for PMC which is a six-week course).

In principle, bearing in mind feedback from participants as well as financial considerations, 20 per cent of the total regular courses should be two weeks, 60 per cent of the courses should be three weeks, and 20 per cent of the courses should be four weeks.

Goal 3: Rebuild the Training Experience

7. Development of the Skill of the Course Directors

The teaching faculty have professional training requirements of their own (as people, as trainers, and as knowledgeable industry commentators). Personal development plans should be put in place to cater for these needs subject to an acceptable balance being achieved between time cost and benefit.

8. Enlarge the pool of external guest speakers/specialists

Guest speakers/specialists related to the specific field to be invited for the relevant courses. It enriches the course curriculum and experience of the participants. Further, a list of external Guest Speakers/Specialists from member countries/Partners, Universities based in Thailand, should be compiled as a resource available for relevant courses.

9. Enhance benchmark visits

Benchmarking visits play a crucial part in broadening awareness of the latest trends in operations, technology and human resource management. A list of relevant industries, based in Thailand, should be compiled as a resource available for relevant courses.

Further, the details of benchmarking visits should be included in the TNA itself as a way of highlighting the and relevance and potential value of courses.

10. Promote best practices

Best practices adopted by designated operators around the world should be compiled and updated from time to time as a reference and teaching resource for as many courses as possible. Further, such a resource should be freely available to members for ongoing reference and use.

Goal 4: Result is the Key

11. Advance invitation

Providing information in a timely manner (website, direct to participants, etc) is a key ingredient in the professional management of the business. Continued focus on this aspect is emphasised.

12. Review regular courses and workshops

Regular courses and workshops offered by the College as of now should be continued with the modifications as suggested by the member countries.

The topics suggested by the member countries during HLSD are apt and relevant. Many of the topics mentioned in the draft report are included in courses. That said, it could be a case of highlighting the material / topics to make course coverage easier to understand.

There are some topics where inclusion in courses needs to be considered and arranged. This will be an ongoing piece of work.

13. PMC Course: Accreditation

The intention of this comment in the draft report is understood. What is less clear is how it can be achieved in a credible and useful way. Further thought needs to be given to this.

14. Online courses

Comment in the draft report regarding online courses has been noted. It is a complex area of the training industry. The training faculty has not yet fully formed a view on this matter.

15. Define Threshold

The minimum number (threshold) of participants should be defined clearly for conducting regular courses/ Workshops/ special programs, so that the corresponding activity should be financially viable for the APPC, reasonably useful for the participants/member countries and in long term sustainable.

High-Level Strategic Discussion

“SUSTAINABLE FUTURE FOR THE COLLEGE”

17 MARCH 2020

The agenda*

1. Introduction (1200-1210)
2. An update on the business of the Training Section (1210-1225)
3. Training in 1970 v training in 2020 (1225-1235)
4. What might an independent party say (about APPU training)? – and would they be correct? (1235-1245)
5. What changes would members like to see to any aspect of training at the College, or within APPU training services generally? (1245-1320)
6. What is a sustainable future for the College? – what does it mean? – what does it mean to APPU members? (1320-1405)
7. Insights into members' use of training services (1405-1440)
8. What levers are available to achieve a sustainable future? (1440-1455)
9. How broadly can we think to achieve a sustainable future? (1455-1510)
10. Setting a plan in motion (1510-1530)
11. General Discussion (1530-1550)
12. Close of meeting (1550-1600)

Reason / purpose for HLSD

Tokyo EC noted the request by the GB Chair for “the Bureau to commence preparation for a meeting of key parties to take a strategic view of the College and how a sustainable future might be created”

Key background to the request was in the Tokyo GB meeting where discussion covered:

- ongoing uncertainty in managing the College because of annual financial concern re enough income to cover costs
- the business model is a fragile one and the ability to plan for a positive future is very limited
- the marketplace is competitive, training is a specialist field, the College does its best with limited resources, but a significant concern is whether different skills are needed to take the business forward
- there is a need to have a conversation of a strategic nature regarding the current situation of the College and where it wants to be in the future

Planning for HLSD

Bureau, as a courtesy, and for initial comment, met with Thailand (September 2019). Thailand's guidance for the Bureau included:

- Ensure training courses cover new business developments
- College could consider positioning itself as a “knowledge centre”
- Wide-sweeping review needed - facilities, training standards, trainers, etc
- Financial situation must be turned around and stop using the Reserve Fund to keep the College in business

Based on discussion in Tokyo, and subsequently with Thailand, the Bureau has approached “the meeting of key parties to take a strategic view of the College and how a sustainable future might be created” with the following thinking:

- the College is a highly respected APPU identity – its success is the Union's success
- all 32 members of the APPU have a connection with the College – one way or another – donor of funds, recipient of training, attendance at workshops – for many, it might be their strongest connection or interest with the APPU
- in the initial discussion of a sustainable future, we must involve all members – they are the key parties

Accordingly, all 32 APPU members are invited to participate in the HLSD on 17 March

Core requirements of APPU

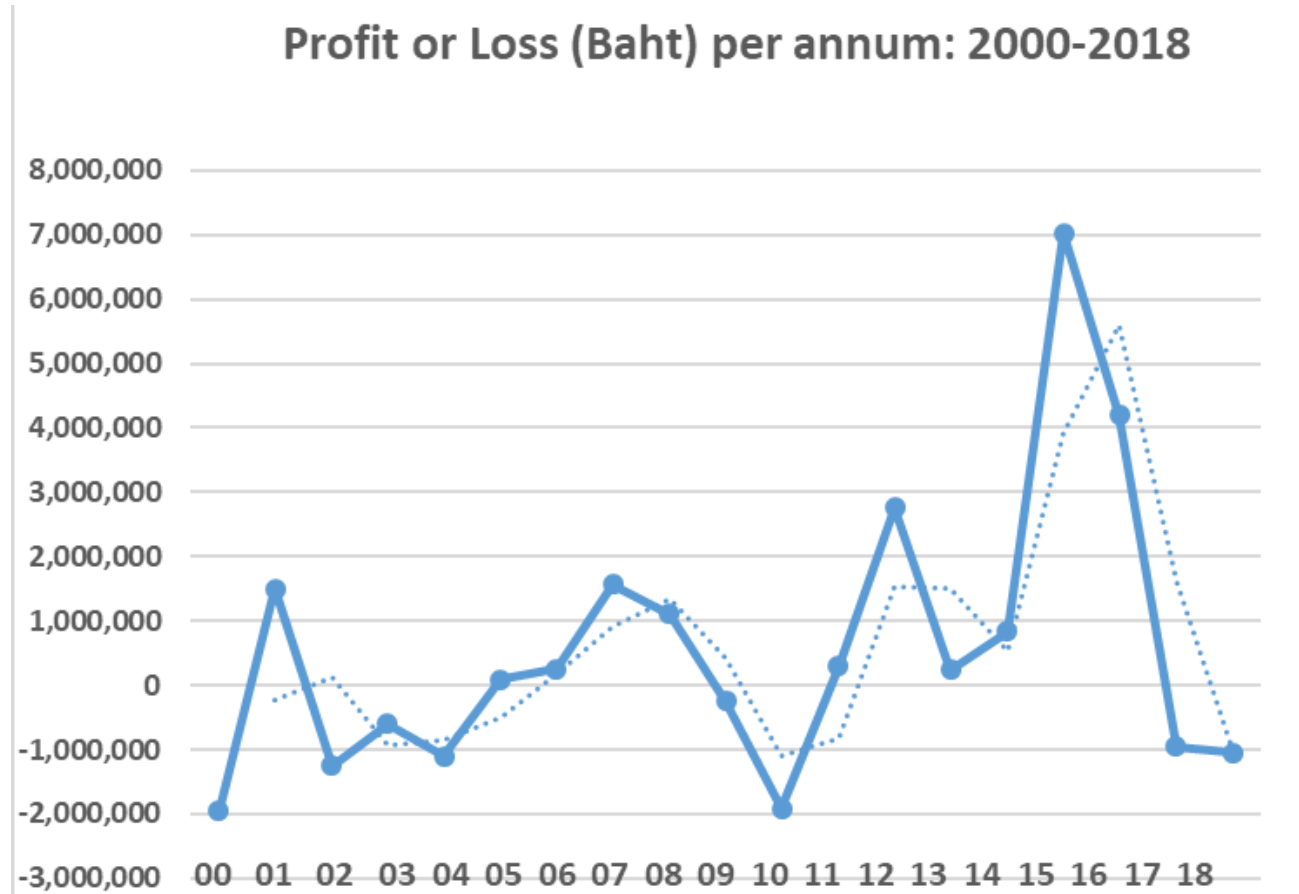
Constitution, Article 1, paragraph 2

The purpose of the Union is to extend, facilitate and improve postal relations between member-countries and to promote cooperation in the field of postal services.

Constitution, Article 12, paragraph 1

The Bureau serves as a medium of liaison, information, inquiry and **training** for the member-countries of the Union.

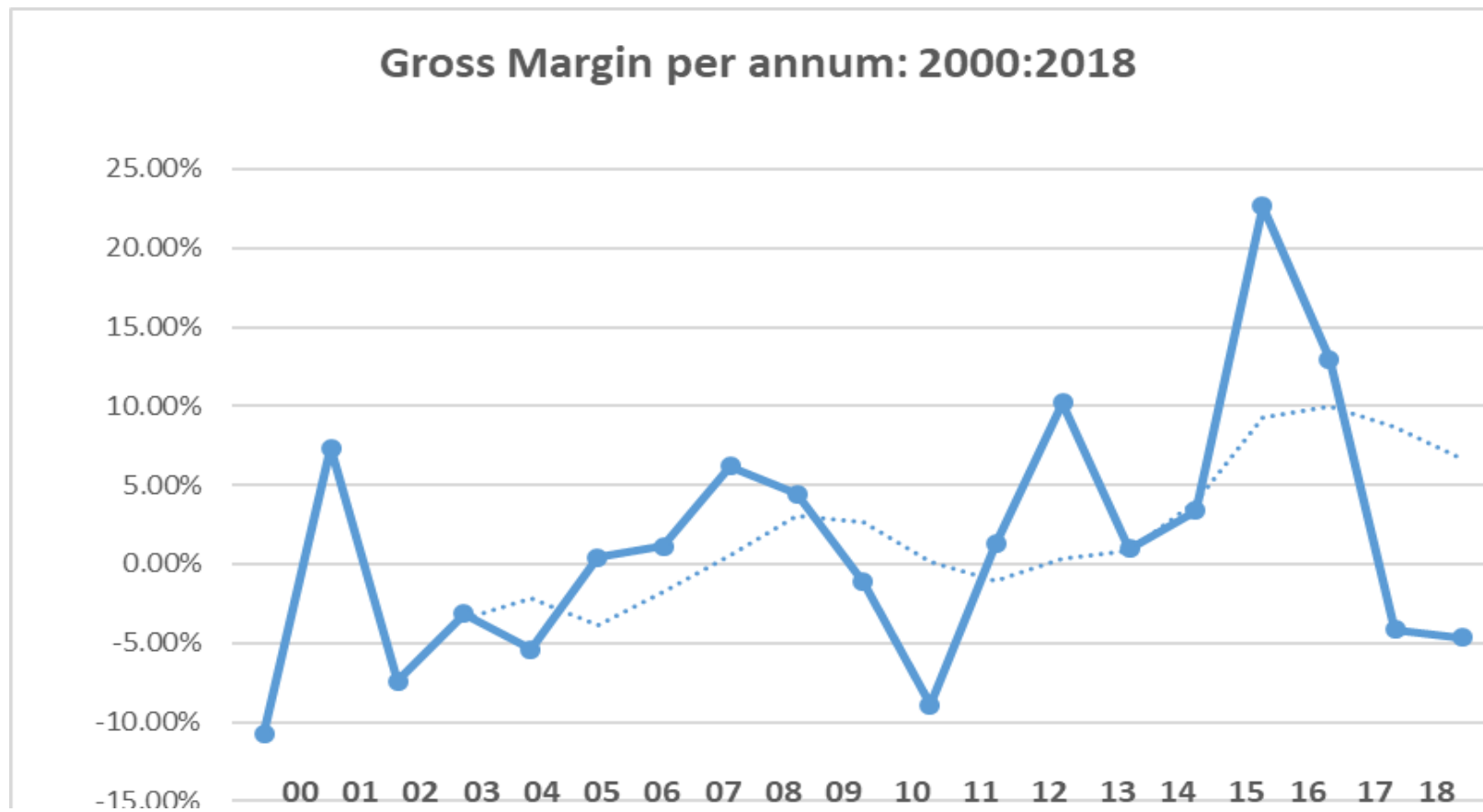
A snapshot of financial performance: 2000-2018: Baht



No consistency in financial performance

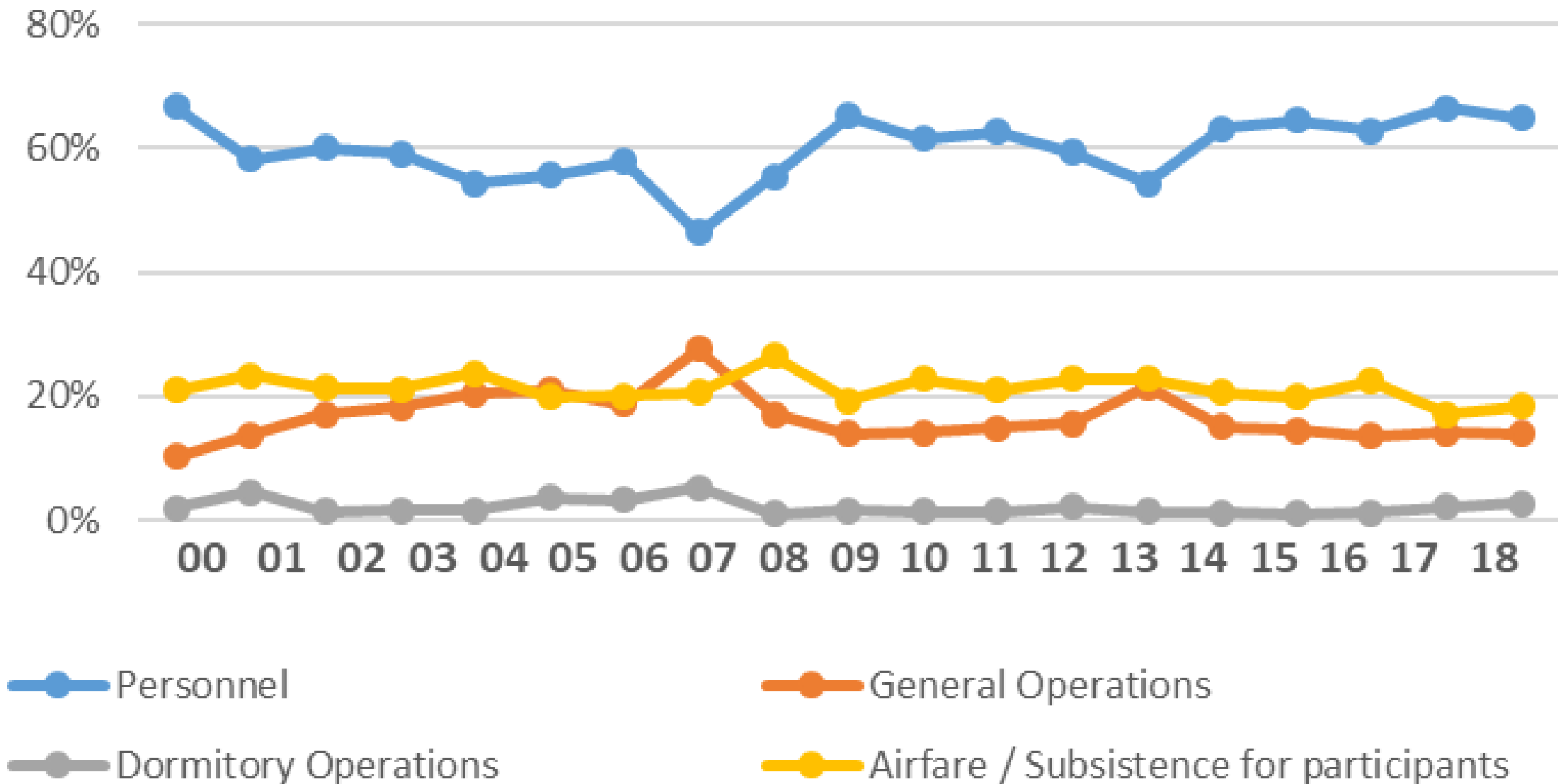
Graph such as this often indicates market conditions and business factors that an organisation has little or no ability to influence

A snapshot of financial performance: 2000-2018: Gross margin



Percentage Share of Main Operating Costs: 2000-2018

Agenda 2



2018 – analysis of self-funded training v fellowships provided for training

Training Type	Self-Funded		Fellowship Days	
	Days	% of Total	Days	% of Total
Regular Courses	375	13%	2,415	87%
Other Training*	1,358	62%	823	38%
All Training	1,733	35%	3,238	65%

* Special Programmes for all members, Special Programmes for specific countries, Workshops, ETPs, Joint Seminars.

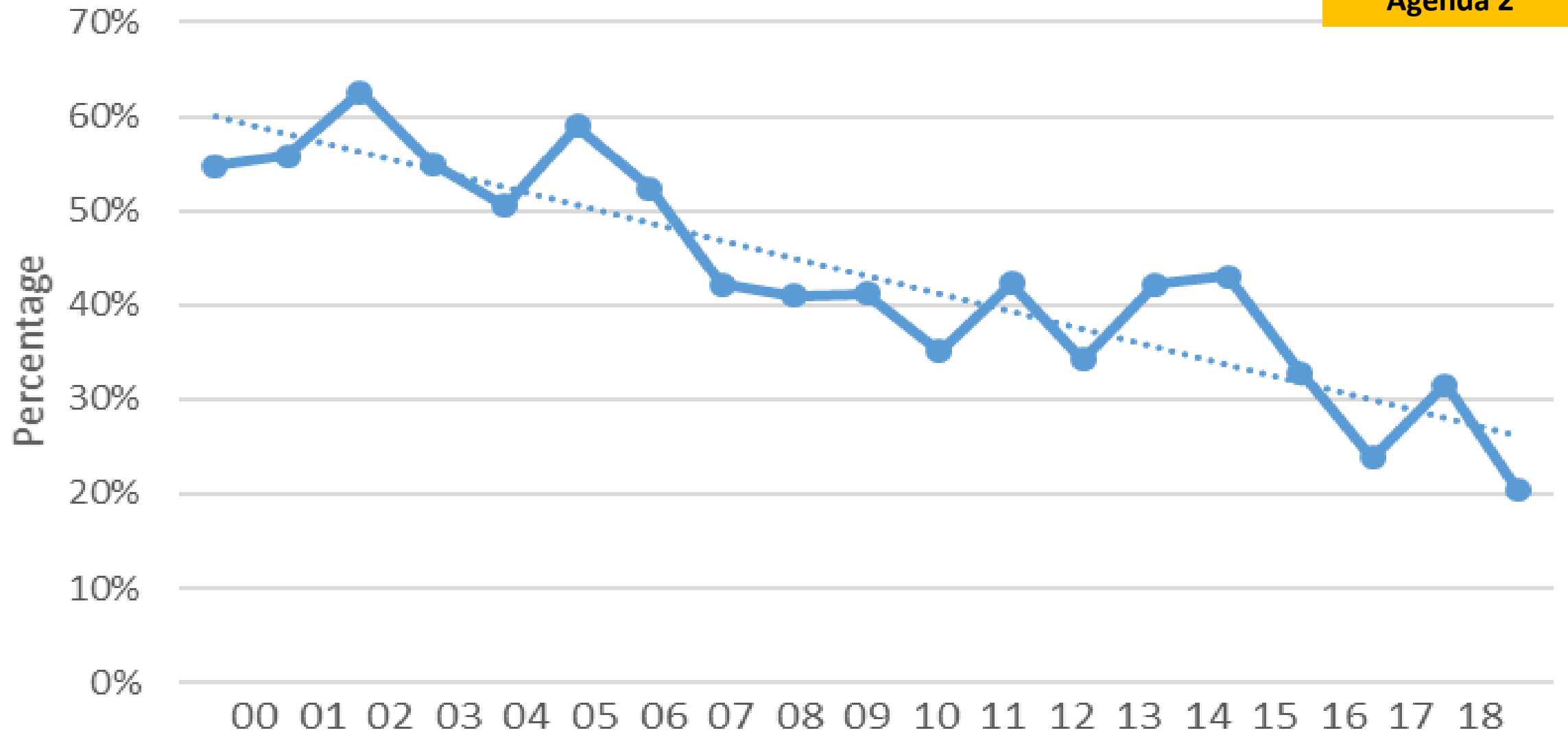
13% of participants on Regular Courses pay for themselves – 87% are funded through other means. Some tough questions here e.g.,

- Could it mean that participants who pay for themselves make a more critical assessment of need and value of training?
- Fellowship funds have no value unless they are spent?

“Other Training” has 62% of participants paying for themselves – is there scope to build this as a “sustainable business” initiative?

Tuition Fees As % of Main Funding Streams 2000-2018

Agenda 2



How training is provided and how the College is used (2018)

- Regular Courses - main “product” and main use of the College
- Revenue sources have diversified by using the College as a regional venue, and “taking training to the customer” (ETP)

Training Classification	Event	Training Days In 2018	% Fellowships	% Self-funded	Source of Fellowships
Core Training	Regular Courses	2,790	87%	13%	Mainly APPU
	Special Programmes	395	0%	100%	N/A
Non-core training	Special Programmes for Postal Administrations	181	0%	100%	N/A
	Workshops	796	>99%	<1%	Mainly non-APPU
	Miscellaneous	34	100%	0%	Non-APPU
	ETP	775	0%	100%	N/A

How training is funded (2018)

- **Special Programmes and ETP at 100% self-funded imply greater value for participants. Is there scope to expand or market these?**
- **Workshops seem to focus on current issues and developments – strongly backed by UPU funding.**

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The evolution of training: 1970-2020 (1)

1970 – introduction of the concept of **informal learning**

1983 - introduction of the theory of **multiple intelligences** (eight areas of training focus)

1984 – **ADDIE** (Analysis, Design, Development, Implementation, and Evaluation) evolves and becomes more flexible and less linear

1984 - AT&T launches the first **electronic performance support system**, an updated version of job aids that could be immediately updated

1980s 1990s - **Computer-based training** uses the methods of individualised instruction to provide instruction to employees on computers

Mid to late 1990 - **Blended learning** grows as people realise e-learning and computer-based training are not the complete training resource

2000 - **Mobile learning** emerges and becomes an accepted training method with the dramatic increase in the use of personal smartphones in the mid to late 2000s

2002 - **Gamification** appears as a training tool (although people had long been using gaming elements in many applications)

2008 - **MOOCs** (Massive Open Online Courses) are first introduced to distance learning (and became a popular mode of learning from 2012)

2010 – **social learning** enters the mix as the success of personal social networking sites catches the attention of training departments

The evolution of training: 1970-2020 (2)

Training has evolved in line with technology – teaching methods and training resources are more sophisticated, more dynamic, more immediate and more available than in 1970

The College has evolved – its courses have changed in line with the changes to the postal business – is there a need for more change in the courses offered?

Is there any aspect of global training evolution (Slide 13) that could be relevant to the College?

What might an independent party say? – and would they be correct?

US\$800,000+ spent on 439 people attending postal training courses in Bangkok

314 of the 439 people (72%) are sponsored by donor funds

While core training is the main product of the Training Section, it also has the lowest commercial appeal – other forms of training and other uses of the College attract stronger self-funding

The business model, for the greater part of the business, is unchanged from 50 years ago – but the training landscape has changed significantly in that time – beyond recognition

A theme from participants is the “experience” of attending the College – is that a significant consideration in the future?

What changes would members like to see to any aspect of training at the College, or within APPU training services generally?

The HLSD is seeking input – if we are wanting to be relevant in the future what changes would be of benefit to you – and “you” =

- Donor of funds
- Self-funding participant
- Recipient of fellowship
- User of APPU training services or the College facilities

“Sustainable future for the College”

What does “sustainable future” mean?

- A sustainable future is one where services can be provided today in a way that does not adversely affect the ability of people in the future to continue to provide such services

Question? – how should we categorise the College?

- As a training venue only?
- As a venue for training and other events / activities?
 - Only 64% of activity covered in the GB report for 2018 relates to core training undertaken in the College
- As a platform that is the key identity of the Union - and where it plays a significant role in keeping the membership in contact with each other?

The sustainable future lies in considering the College for:

- its training role
- its for non-core training
- the value it creates in being the identity of the Union and providing a forum for members to be constantly engaging with each other

“Sustainable future for the APPU to provide training”

Guiding principles

The assignment is not about discussing what is wrong with the College.

The assignment is about agreeing what has to be right with the provision of training for it to have a sustainable future.

If the assignment changes something at the College it does not mean that there was something wrong; it will probably mean that, the shift in focus from the College to the wider view of a sustainable future for training, requires changes to be made.

What are we trying to do?

Provide reassurance to stakeholders that a forward-looking strategy is being developed and will be implemented

Give confidence to those receiving training that services are intended to continue

Give the APPU the best opportunity to create an enduring training resource by:

- Reducing financial risk in current key areas
- Diversifying the availability of training
- Increasing the range of products offered
- Calling on specialist sector management skills
- Using a period of favourable conditions to make the necessary adjustments to the business model

What does a sustainable future for APPU training mean to you, the members?

Can we assume the following? Members want:

- Relevant training courses
- Cost-effective delivery of training that minimises financial burden on all parties
- Greater control on timing, absences, outcomes

What else might a sustainable future for APPU training involve?

What commitment, financial or otherwise would members be prepared to make in order for the APPU training function to have a sustainable future?

What levers can we use to deal with the situation?

Problem-solving, strategic decisions, business re-engineering – focus on the levers that can be used to improve, change, solve, etc. Examples of strategic levers would be:

- **Accountability** - changing the performance expectations for key individuals or for a business
- **Crisis** (“never let a good crisis go to waste” i.e., use it as a basis for change) – “crisis” usually means that the way in which an organisation has worked to date has not been successful – it creates strong motivation to change
- **Opportunity** – whereas “crisis” cannot be ignored and forces one to change, “opportunity” offers one the chance to make change. However, “opportunity” requires leadership to turn it (i.e., the “opportunity”) into a driver for change
- **Avoiding obstacles to change** – this is a complex concept. It involves aspects such as time-frame for change, the extent to which individuals involved in making change are also beneficiaries (positively or negatively) of changes made

At a more fundamental level, there are tactical levers e.g.,

- **Cutting costs**
- **Increasing prices**
- **Product changes** (adding new products, getting rid of unprofitable products)
- **Increased marketing** (working harder to sell and influence customers)
- **Diversification of business**
- **Distribution channels** (changes to current channels, introduction of new channels)

The levers and a sustainable future for APPU training

Strategic Lever	Comment
Accountability	Relevant to sustainable future
Crisis	Not a factor provided sustainable future is achieved in required timeframe (1)
Opportunity	Very relevant; the GB has provided the necessary opening for change to happen (2)
Avoid obstacles to change	This is the biggest positive or negative lever – depending on change management decisions. Be very careful!

(1) Crisis measures were being studied ca 2007 due to financial issues – a stroke of good luck solved the situation but did not remove the vulnerability. No changes were made; the financial issues have never completely gone away since.

(2) An opportunity for organisational change emerged ca 2006 – the change appeared very necessary, but a perceived negative aspect took it off the agenda. The opportunity was not pursued, the issue remains.

Tactical Lever	Comment
Cut costs	Has always been a focus, always will be – but only a supporting lever at best
Increase prices	Not a relevant lever
Product changes	Possibly a lever, but not enough known at this stage
Increase marketing	Relevant lever
Diversify business	Relevant lever
Change or add distribution channels	Relevant lever

What is the problem we are trying to solve? – how broadly do we think about this?

This is not as easy as it may sound to some – what problem do we need to solve to create a sustainable future for the College?

There is a danger in seeing the problem as a financial one. It is not. The financial situation is the result of something else. Why is the revenue less than the cost? – what is the problem that results in that financial outcome?

A strategic review must identify the key problem – otherwise it will not result in any worthwhile change.

If we talk about a business that sells products, an independent party might say

- Cost is influenced by operational management
- Revenue is influenced by the market – having a product that is recognised as quality, it is well marketed, customers are prepared to pay a fair price for it, repeat business is easily created etc (we can call this “the product”)

If we talk about the College, we might say

- Management has an ongoing focus on cost and this is reviewed annually in a very transparent process – there will always be areas for improvement, but there is a reliable system in place to ensure improvements occur
- “The product” – what we sell, what members buy – how good is it? - what are members looking for? - how much are members prepared to pay? - what do we know about members’ needs / views / experiences? - what would we need to do to increase revenue by e.g., 50%?

What is the problem we are trying to solve? – how broadly do we think about this?

Setting a plan in motion

Timeframe – timing can be an obstacle to success –

If it is too short it risks completeness, plus many of the players could immediately focus on their own personal concerns

If it is too long (e.g., set a ten-year timeframe for something that can be done in five years) would probably mean managing the slow decline of the business rather than achieving a sustainable future

Broad Timing Proposal

Draft detailed
action plan,
including budget
(31 May 2020)

EC to consider and
make decision at
Manila
(20-24 July 2020)

Assignment
activities
undertaken
(July 2020 onwards)

Implementation
from 1 January 2022

Management of Process

The sustainable future for APPU training is of interest and relevance to all members. It is most appropriate, for budgeting and reporting, for it to be managed under an existing EC mechanism i.e., the APPU / UPU Reform Working Group. However, it is likely that the lead role in much of the work will be the Bureau and the Reform Consultant.

Management of Process Proposal

The sustainable future of APPU training will be managed under the APPU / UPU Reform Working Group programme of activity.

Reporting

A simple way to keep momentum and produce timely outcomes is through access to decision-makers in a timely and effective manner

Reporting Proposal

The EC to be accessible for receiving information and making any decisions as required (using the correspondence method) in the case of matters that need attention prior to an EC meeting or Congress being held

Independence and Expertise

From information available, previous reviews have been done by internal resource – either the Bureau and/or member-countries.

A sustainable future for APPU training can throw up some serious questions. The process will have greatest impact if it can take an independent approach and involve expert opinion (either from member-country training units, or external sources)

Independence and Expertise Proposal

The draft planning process, including budget, can make provision for costs associated with external expertise for technical review and overall independent assessment.

Resource for Phase 1

Phase 1 (Draft detailed action plan, including budget) is scheduled for completion by 31 May 2020.

Pre-requisites for Phase 1 are:

Good knowledge of APPU and the Bureau

Experience in drafting assignment specifications

Analytical and numerical competencies

Ability to access information

Resource for Phase 1 Proposal

The Consultant engaged for APPU / UPU Reform work is recommended to undertake Phase 1.

Budget

There will be a cost for the sustainable future assignment. It is not known how much this will be. Phase 1 will provide a guide to the expenditure level.

Work will span 2020-2021. Budget will be required for both years.

Budget Proposal

As part of its initial report on the Sustainable Future for the College at Manila, the Bureau will present a draft budget for 2020 and 2021 as part of the 2021 Administrative Section budget proposal. Work on the assignment that requires funding in 2020 would be funded from the Administrative Section Reserve Fund (ASRF). The ASRF would be replenished in 2021 when members' contributions for 2021 are processed.

General discussion

Close of meeting