

APPU / UPU Reform Working Group

Sustainable future for the College: detailed action plan, including budget

1. Subject	Paragraphs
<p>Informing APPU members on:</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 holding of the meeting of key parties (HLSD) - the decisions made by the HLSD - the detailed action plan, including budget, that has been prepared at the request of the HLSD - the different activities and points of focus in the four Phases of the detailed action plan - the draft budget for the assignment, including phasing of expenditure and budget coverage - the relationship between Phases 2 and 3 that creates a natural activity and cost control 	<p>§§ 1.1 – 1.2</p> <p>§§ 1.3 – 1.5</p> <p>§ 2</p> <p>§ 3.1, Appendix 1</p> <p>§ 3.2, Appendix 1, Appendix 2</p> <p>§§ 4.1 – 4.2, § 4.6, Appendix 3</p> <p>§§ 4.4 – 4.5, Appendix 4</p>
<p>2. Decisions expected</p> <p>The EC, via the Governing Board, the Reform Working Group, and the Finance Committee, is asked to:</p> <ul style="list-style-type: none"> - note 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 - note the holding of the meeting of key parties (HLSD) - note the decisions made by the HLSD - approve the detailed action plan, including budget, that has been prepared at the request of the HLSD - note the different activities and points of focus in the four Phases of the detailed action plan - note the draft budget for the assignment, including phasing of expenditure and budget coverage - note there will be no increase to the current member contribution unit of US\$2,650 as a result of the Consultancy budget - note the relationship between Phases 2 and 3 that creates a natural activity and cost control - approve Phases 2, 3 and 4 being undertaken by the Reform Consultant, Mr Mark Lawley - agrees that, to the extent possible, Bureau resource is co-opted to assist with activities in the action plan 	<p>§§ 1.1 – 1.2</p> <p>§§ 1.3 – 1.5</p> <p>§ 2</p> <p>§ 3.1, Appendix 1</p> <p>§ 3.2, Appendix 1, Appendix 2</p> <p>§§ 4.1 – 4.2, § 4.6, Appendix 3</p> <p>§ 4.6 Note 2</p> <p>§§ 4.4 – 4.5, Appendix 4</p> <p>§ 5</p> <p>§ 5.2</p>

1. Background

- 1.1 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.

- 1.2 The request in paragraph 1.1 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.
- 1.3 The meeting of key parties referred to in paragraph 1.1 was held on 17 March 2020. It was presented as the "High-Level Strategic Discussion (HLSD) on Creating a Sustainable Future for the College". The HLSD was conducted using an online service.
- 1.4 All 32 APPU members were invited to participate in the HLSD. Eleven members were in attendance. The HLSD was chaired by the Mr Hongliang Lin (Secretary General, APPU).
- 1.5 The final report on the HLSD has been made available to members. A copy can be accessed on the APPU website at <http://www.appu-bureau.org/wp-content/uploads/2020/06/HLSD.pdf>

2. Key outcomes from HLSD

- 2.1 The HLSD made the following decisions.
- (i) Timing for the assignment
- Part 1: Drafting of detailed action plan – 31 May 2020
 - Part 2: EC consider and make decision on action plan – Manila, 20-24 July 2020 (now replaced by the Online Session of the EC on Wednesday, 22 July)
 - Part 3: Assignment activities undertaken – from July 2020 onwards
 - Part 4: Implementation – from 1 January 2022
- (ii) Management of process
- The sustainable future assignment will be managed under an existing EC mechanism i.e., the APPU / UPU Reform Working Group.
- (iii) Reporting
- 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
- 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 Part 1
 - The Consultant engaged for APPU / UPU Reform work will undertake Part 1.

- (vi) Budget
 - 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.

2.2 In line with paragraph 2.1 (i), this document now presents the detailed action plan for EC consideration and decision on 22 July.

Note: this document does not discuss the case for work being undertaken on the sustainable future for the College. That aspect was covered in the HLSD and in the subsequent finalisation of its report.

3. The detailed action plan for the sustainable future for the College

3.1 The detailed action plan is at Appendix 1. The following points are highlighted.

3.2 It is in four Phases (the timing is in diagram format at Appendix 2).

- (i) **Phase 1:** drafting of the detailed action plan and its consideration by the EC (May to July 2020).

- (ii) **Phase 2:** short-term focus where the emphasis is discovering the fundamentals and health of the business. Information obtained in Phase 2 will identify the potential and possible business model for a sustainable future. Alternatively, Phase 2 might point to the obstacles blocking the way for a sustainable future to be achieved.

Phase 2 is scheduled from August to December 2020 with most tasks attended to in August and September. The areas covered in Phase 2 include the following.

- **Financial**
Confirmation of immediate funding lines
Analysis of current business (up to 31 December 2020)

- **Low-hanging fruit**
Find quick wins
Funding - availability of donor money?

- **Benchmarking**
Identify similar training institutions and benchmark aspects such as pricing, delivery options, product range and quality, profile of key personnel, management KPIs, etc.

- **Overview aspects**
What is the College excellent at?
Where can the College be excellent?
What aspects of the College's business operation limit the ability to reach a bigger market?
 - **The market**
Identification of market
Segmentation of market
 - **Current products**
Affordability of product (is it a two-sided market?)
Understanding how much the market will pay?
 - **Marketing**
What is the APPC value proposition? - currently
 - **Possible future products**
What new product possibilities are there?
 - **Possible future training delivery channels**
What new training delivery channels might be possible in the future?
- (iii) **Phase 3:** longer-term focus that takes the information discovered in Phase 2 and places issues and solutions under greater scrutiny – the end goal being to develop the sustainable future business model.

Phase 3 runs, in part, concurrently with Phase 2, covering November 2020 to March 2021. There is also one activity in September 2020. The areas covered in Phase 3 include the following.

- **Financial (1)**
Assessment of 2021-2025 performance based on current business model
- **Current products**
Relevance of products
Quality of products
Competitors
- **Marketing**
What is the APPC value proposition? - that will be necessary for a sustainable future for the College
Is / can measurable value be created for customers through APPC training? Test options for marketing APPC products (mobile marketing to employees, social media marketing)
- **The brand**
APPC brand recognition - does it exist? - how strong is it? - does it need refreshing? - does the product support the brand?

- **Customer experience**
What is the customer experience for participation at the College?
How should customer experience be measured and managed?
How should customer experience be used in marketing and sales activities?
- **Personnel**
Management of business
Structural considerations
Accountabilities
What type of people does the business need to be sustainable?
Competitive remuneration
- **Management accounting**
What tools developed from financial data are used to provide management insight to the health of the business?
- **Financial management**
Profitability - know and monitor
Right-sizing of costs
Cost management
Money management
Control of cashflow
- **Possible future products**
Determining if new products will be successful
- **Delivery channels**
Review training delivery options
- **Financial (2)**
Cost-modelling of options for providing training services
- **Overview aspects**
Purpose of providing training services
The core belief of the business
What is the "APPC story"
Focus on what one does best - limitation or continuation of current activity?
- **Sales**
The sales process?
 - A list of target customers?
 - A profile of the ideal target customer?
 - How do customers get into the sales funnel?
 - How are sales leads nurtured and moved to sale?
 - What is the follow-up after sale?Repeat business from satisfied customers - the process

Designing a sales channel

- (iv) **Phase 4:** this is a completion Phase involving the preparation of a summary report and associated activity for a further HSLD meeting (tentatively timed for May 2021).

4. Budget

4.1 The budget is at Appendix 3.

4.2 A summary of the estimated work requirement (in hours) and costs is as follows.

Phase	Estimated Hours	Estimated Cost (USD)
1	35	1,750
2	151	7,550
3	277	13,850
4	50	2,500
Total	513	25,650

4.3 In terms of phasing, the cost divides between 2020 and 2021:

- 2020: \$17,750
- 2021: \$7,900

4.4 There is a relationship between the structure of the Phases and the financial cost i.e., Phase 2 involves the discovery of key information and data. If this shows that a different course of action has to be taken, or no further action taken, then the greater cost of Phase 3 might be avoided (wholly or in part).

4.5 The relationship between the activities in Phases 2 and 3 is in diagram form at Appendix 4.

4.6 In terms of budget coverage for the cost of the sustainable future of the College assignment, the HSLD approved the use of the ASRF for any budget shortfall in 2020 on the understanding that the ASRF could be reimbursed from the Consultancy budget in 2021. This can be achieved as set out in the table below (all figures in US\$).

Year	Budget Available (see Note 1)	Estimated Expenditure	Outcome
2020	34,888	44,350	Overspent by \$9,462 – to be funded from ASRF
2021	35,000	25,000	Underspent by \$10,000 - ASRF can be reimbursed \$9,462 taking total 2021 spend to \$34,962 (i.e., within budget) (see Note 2)

Note 1: the Bureau anticipated additional workload in 2020 and reorganised the timing of other Reform activity to enable the HSLD work to proceed without calling for additional funds from members.

Note 2: for the avoidance of doubt, there will be no increase to the current member contribution unit of US\$2,650 as a result of the Consultancy budget.

5. Personnel

5.1 Phase 1 (comprising the current documentation) plus the preceding organisation and documentation of the HSLD has been undertaken by the Reform Consultant, Mr Mark Lawley.

5.2 The Bureau supports Mr Lawley undertaking Phases 2, 3 and 4. It is a continuation of activity he

has designed and is competent to execute. Further, given the subject matter knowledge and experience of Bureau staff, they could be co-opted to assist on parts of the action plan to the extent that they are available to do so.

EC 2020 Doc 15.4.1 Appendix 3

Appendix 3: Topline Consultancy Budget: 2020-2021

2020													
Activity	January	February	March	April	May	June	July	August	September	October	November	December	Total
WS 1	300	500	850	800	2,500	2,250	2,200	1,100	1,750	1,600	700	1,750	16,300
Activity Specific to 2020	100	300	200	300	450	1,850	1,700	1,000	1,400	1,500	600	900	10,300
HLSD					1,650	-	100	5,300	3,000	250	3,150	4,300	17,750
Total	400	800	1,050	1,100	4,600	4,100	4,000	7,400	6,150	3,350	4,450	6,950	44,350
2021													
Activity	January	February	March	April	May	June	July	August	September	October	November	December	Total
WS 1	2,000	2,400	1,000					1,000					6,400
Activity Specific to 2021	400	400	400	400	1,350	1,350	700	600	600	1,500	1,500	1,500	10,700
HLSD	2,950	1,950	500	1,000	500	500	500	-	-	-	-	-	7,900
Total	5,350	4,750	1,900	1,400	1,850	1,850	1,200	1,600	600	1,500	1,500	1,500	25,000

Phase 2 Provides Quick Initial Information to Feed More Detailed Work in Phase 3

Phase 2

Phase 3

Confirm financial position to 31 December 2020

Identify and convert any possible "quick-wins"

Commence benchmarking - how does APPC compare to others?

What are we excellent at?

What are the limitations to growing business?

What is the market?

How affordable is our product; what will the market pay?

What is the current value proposition?

Initial ideas on new product possibilities

Initial ideas on new training delivery channels

Assess financial position 2021-2025

Review our products - relevance, quality, competitiveness

What is the future value proposition that we need to achieve?

How do we create value for customers?

Test options for marketing APPC

The brand - issues? - remedies needed?

What is the customer experience at the College?

Personnel

Management accounting

Financial management

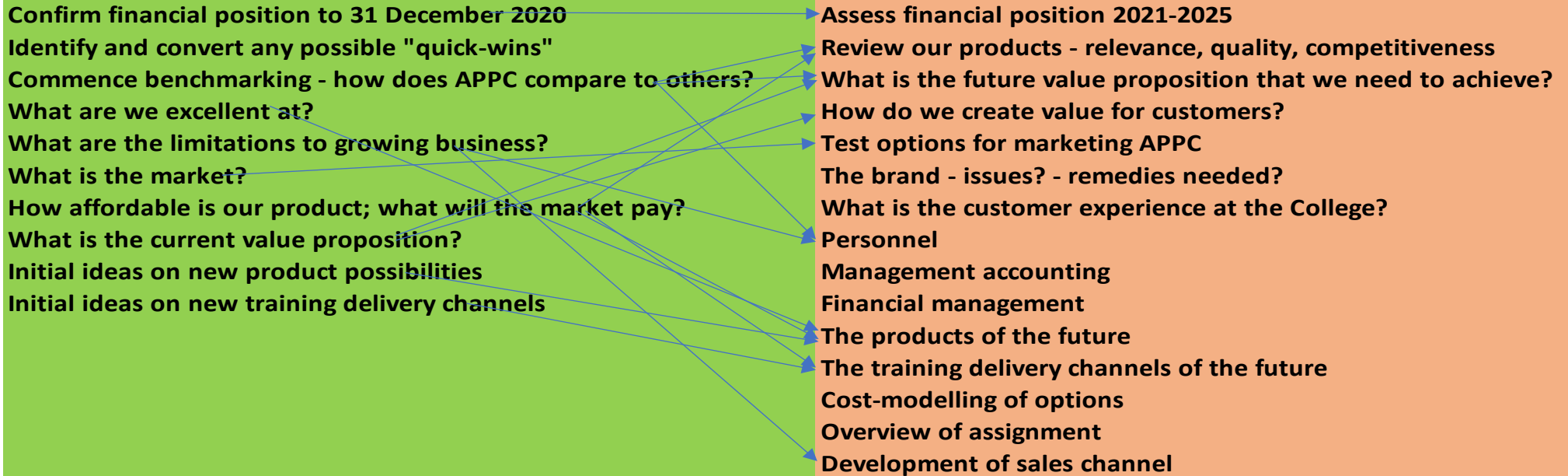
The products of the future

The training delivery channels of the future

Cost-modelling of options

Overview of assignment

Development of sales channel



Relocation of RTCAP from Singapore to Bangkok

(Document prepared by APPU Bureau)

1. Subject	References/paragraphs
Informing APPU members on: <ul style="list-style-type: none"> - the actual relocation of the RTCAP from Singapore to Bangkok - the factors and benefits on which the case to relocate was based - the proposed manner for monitoring the benefits of relocation - next steps for the direction and evaluation of the relocated RTCAP 	§ 2 § 3 § 4 § 5
2. Decisions expected The EC, via the Reform WG, is asked to: <ul style="list-style-type: none"> - note the actual relocation of the RTCAP from Singapore to Bangkok was successfully completed ahead of schedule - note the factors and benefits on which the case to relocate was based - note the proposed manner for monitoring the benefits of relocation - agree that the next steps for the direction and evaluation of the relocated RTCAP will be managed by the Bureau with annual reporting to the EC or Congress via the Reform WG 	§ 2 § 3 § 4 § 5

1. Introduction

1.1 This document reports on the relocation of the RTCAP from Singapore to Bangkok. It includes:

- (i) details of the actual physical relocation
- (ii) a summary of the factors and benefits on which the case to relocate was based;
- (iii) the proposed manner for monitoring the benefits of relocation; and
- (iv) what the next steps are for the direction and evaluation of the RTCAP in its new location.

1.2 This document will use either the term “RTCAP” or the name “Mr Tan” to refer to the entity or person that is RTCAP.

2. The actual physical relocation

2.1 The physical relocation was completed by the target date of 1 April 2020. (**Note:** Mr Tan and his wife, underwent two weeks’ isolation on arrival in Bangkok due to the COVID-19 situation.)

2.2 There were no unforeseen issues in the physical relocation.

2.3 Arrangements were completed ahead of schedule for international staff status being assigned the RTCAP position by the Thai Government.

3. Factors and benefits on which the case to relocate was based

3.1 The case to relocate the RTCAP from Singapore to Bangkok was based on opportunities and benefits. These were categorised into two parts viz.,

(i) an immediate focus on **enhancing knowledge and experience** in the Union through:

(a) increased reach for the current role of the RTCAP;

(b) opportunities to enhance the content and quality of training programmes at the College;

(c) opportunities through the on-site availability of a specialist resource in terms of technical aspects of a Restricted Union; and

(d) opportunities through the on-site availability of a specialist resource in terms of meeting operational and technical requests from members.

(ii) a medium-term focus on **purpose and continuity** of the RTCAP i.e., within a timeframe of 3-4 years the opportunity should be taken to complete a thorough review of the RTCAP in terms of:

(a) role continuation;

(b) role definition;

(c) succession planning; and

(d) successor recruitment.

3.2 As an alternative summary of the case to relocate, the submission made to the 2019 Tokyo EC meeting (EC 2019 Doc 15.4.1) stated that “the overall thrust of the opportunities and benefits for enhancing knowledge and experience through relocation is the productivity advantage it creates to more fully use the time that is available to RTCAP for APPU activities. The Union will get better value for the full-time salary it pays to RTCAP by locating the entity where the greater amount of APPU work is (i.e., Bangkok).”

4. The proposed manner for monitoring the benefits of relocation

4.1 The 2019 Tokyo EC noted, without comment, a proposal from the Reform WG to establish a small, ad hoc team comprising the Manager RTCAP, the Secretary General, and perhaps 2-3 members with specific interest in RTCAP / relocation, to maintain close review of the benefits outlined in the original proposal actually being achieved, and reporting on this annually to the EC. The Tokyo EC also noted a similar proposal for the ad hoc team to report on costs saved as a result of the relocation (this particular point being in response to the considerable attention that was given during the Reform WG work to the cost of relocation with no focus on the opposite possibility i.e., saving costs).

4.2 The reason for proposing the establishment of a review process was simply because the relocation proposed a range of benefits and that these benefits could easily be overlooked once relocation had taken place. Good business practice is to learn from what we do – successes and failures – among other things it enables people to talk knowledgeably about business based on actual events. Equally, it provides experience and credibility for future decision-making.

4.3 There has been no further work on monitoring the benefits of relocation since the Tokyo meeting.

5. The next steps for the direction and evaluation of the RTCAP in its new location

5.1 The Bureau understands the Union's interest in the benefits and general experience of the RTCAP relocation from Singapore to Bangkok. It is fair to say that the first three months of Mr Tan being in the Bureau has been quite different to what was expected (i.e., the COVID-19 situation). This has impacted on working methods to a degree.

5.2 However, the Bureau will prepare and regularly update an activity diary that records current activities undertaken as RTCAP work, and new work undertaken by Mr Tan in his broader consultant role. The Bureau would ask the Reform WG to review the activity diary prior to submitting a brief information report to the APPU EC or APPU Congress.