

National Agreement Between Post Office Ltd and CWU for the Introduction, Reward and Incentivisation of Financial Service Specialists

1. INTRODUCTION AND PURPOSE

The Crown Career Path and introduction of the Financial Services Specialist (FSS) was agreed with CWU and introduced as part of the recent pay agreement.

The FSS role will play a key part in growing the sales performance of the Crown Network. There will be 740 full time equivalent FSS roles in place by end of March 2009.

FSS will work in a professional environment largely on the public side of the counter. Their role will be to meet the financial service product needs of customers who are either referred by counter colleagues, or identified within branch by the FSS.

2. KEY PRINCIPLES

- The FSS will be fully counter trained and will be an integral part of the branch team working together to achieve the overall branch targets
- Be self-funding by ensuring targets are sufficiently stretching to justify the additional investment
- Individually incentivise and reward the FSS for their contribution to the overall sales performance of the branch

Where a branch has more than one FSS, ensure that each of them are recognised for their individual performance

3. APPOINTMENT

FSS will be recruited internally primarily from Crown Office colleagues. As a last resort external recruitment will be used where internal resource is unavailable either by way of competence or location, to achieve the overall objective of 740 FSS in place by end of March 2009.

Externally recruited FSS will receive new entrant basic pay level plus £1000 allowance. They will complete the counter training course and be on trial for up to 12 months. In order to progress their basic pay they will be formally observed by their line manager at least twice a month to assess their capabilities in the FSS role and confirm their appointment.

If the FSS voluntarily reverts back to their previous role within an eight week period they will be able to return to their previous branch.

Where a FSS, with less than 12 months service, does not meet the required standard, their employment with Post Office Ltd will end unless they secure a suitable, alternative role.

4. EFFECTIVE DATE

The first full year will begin 1 April 2008 and will run concurrently with each financial year thereafter.

The roles are being introduced in the final quarter of 2007/08 although it is likely that they will be only actively selling for the last few weeks of the financial year. Therefore all FSS in place in this quarter will only receive the £1000 allowance pro rata, from commencement of the role prior to training, and an equal share of the branch bonus scheme.

5. ATTENDANCE

The weekly full time hours are 35 per week, meal relief is unpaid. Full time FSS's will be required to work a maximum of five days out of six (Monday to Saturday inclusive) and a minimum of two Saturdays out of every four.

The Line Manager, in conjunction with the Operations & Efficiency Team, will be responsible for ensuring the FSS duties; hours/days of work meet the needs of the business to maximise sales opportunities while ensuring they are in accordance with the Branch Office Staffing Agreement . These will vary according to the Branch.

FSS will be in a separate pool for annual leave. Where there are multiple FSS only one will be on leave at anytime.

In all cases of long term absence any allowance will be retained until the next six month review date at which point the individuals run rate will determine the level of allowance, if any, that may be retained.

6. TOOLS FOR THE JOB

On appointment there will be 11days induction training and a minimum of 6 days throughout their first year on going product and sales training.

FSS will have an individual sales code to be able to accurately identify their sales, a badge to identify their role and a work log to record customer appointments and activity.

7. EARNING POTENTIAL

The earning potential for a FSS is:

7.1 On appointment the FSS receives a pensionable allowance of £1000 on top of their existing basic pay. FSS below Advanced Level will continue to progress their basic pay along the career path. Additionally FSS have the opportunity to increase the allowance to £2000 or £3000 based on their individual performance against target. The allowance will be pro rata for part time colleagues.

7.2 Commission payments based on sales made above each allowance target. Commission payments are not pensionable.

7.3. For FSS sales above the £3000 allowance level commission is uncapped.

7.4. A share of the Branch Bonus Scheme.

8. HOW ALLOWANCE AND COMMISSION PAYMENTS WORK

FSS will receive a £1,000 annual pensionable allowance paid monthly. Eligibility for the allowance will be reviewed every six months and the FSS will have the opportunity to increase their earnings, based on their sales performance.

The branch focus product target has to be achieved before the FSS can progress towards the next allowance level.

Once achieved the following allowances will apply:

- Branch Focus product target plus £1750 FSS sales = an allowance of £2000
- Branch Focus product target plus £3500 FSS sales = an allowance of £3000

All FSS allowances will be paid monthly, payments will be pro rata for part time colleagues.

Individual commission is paid quarterly when the:

- Individual FSS sales are between allowance thresholds or above the £3000 allowance threshold .

Commission is paid at a rate of 20% of the nominal income factors of each of the products sold.

Individual product commission rates are as appendix a. This rate will be reviewed annually to ensure it continues to be self funding and may be subject to change.

9. TARGETS

Targets are set annually and the cumulative run rate is reviewed monthly. All payments made will be based on the year to date run rate.

9.1 Branch targets

The branch is given an overall Focus Product income target which will be a total value in £'s, which can be met through sales of any mix of Focus Products. Each Financial Services product will have a nominal income factor which can be varied from time to time.

The branch Focus Product income target includes the initial £1750 per full time equivalent FSS and will reflect the additional sales the branch and FSS are expected to achieve collectively to self fund. The targets have been combined to ensure the branch team work together to achieve sales targets.

The level of £1750 sales income will be reviewed jointly with the CWU to ensure this level remains fit for purpose.

9.2. Individual targets

The FSS performance and their proportional sales contribution within the branch will be tracked.

The branch Focus Product target threshold must be achieved before the FSS can earn commission or increase their allowance level.

The FSS works towards increasing their allowance by making additional individual sales on top of the branch target as follows:

Allowance Target Threshold

£1000 - Branch Focus product target only

£2000 - Branch Focus product target + £1750 individual sales

£3000 - Branch Focus product target + £3500 individual sales

These targets will be pro rata for part time FSS.

The higher level of individual sales performance must be maintained in order to keep a higher allowance.

Sales between allowance thresholds and above the £3000 allowance will earn commission.

9.3 Multiple FSS in Branch - Qualifying target

Where there is more than one FSS, each individuals' sales performance will be measured against the qualifying target to determine their eligibility for the £1000 allowance.

10. MEASURING PERFORMANCE

There is a 6 month development period for all new FSS during which time performance and progress in the role will be reviewed.

FSS performance will be reviewed and discussed monthly with their Line Manager, as part of the standard PDR process. They will be made aware of their sales performance and cumulative run rate against annual Focus Product sales targets on a regular basis.

Each quarter, the branch and FSS has to achieve a year to date run rate sufficient to meet the branch's annual Focus Product target.

Each six months, on an ongoing basis, the FSS sales year to date run rate will be formally reviewed to determine continued eligibility for the role and the correct level of allowance.

Additional coaching and support will be provided to help the FSS improve their performance, where appropriate, to the required level within the next six months.

10.1 Branch below 90% of Focus Product target run rate at 6 monthly review or 90 - 99% at two consecutive reviews

Where a branch achieves less than 90% of their year to date focus product target at the six month review or between 90% and 100% on two consecutive reviews, the Line Manager may recommend to the Business Development Manager that the FSS either retain the allowance **or** lose the £1000 allowance and receive commission on individual sales until the next six month review.

10.2 Branch below 90% for rolling twelve month period

In the event of two consecutive less than 90% performances at six monthly reviews the FSS may revert back to their previous level on the Career Path and lose the allowance. In these circumstances the Regional Manager, and the P&OD Business Partner must be involved in the decision, to ensure consistency of approach. Normal appeal arrangements will apply.

11. REVIEW

It is recognised that the introduction of FSS is an important new initiative. The application and success of the role will be reviewed jointly with CWU.

Andy Furey
Assistant Secretary CWU

Debbie Moore
HR Director POL