UPU Global Monitoring System Newsletter

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This is another exciting year for the GMS. Following the set-up phase in the 21 participating countries, the pilot phase began on 3 August 2009 and was completed successfully. The current operating phase started on 4 January 2010.
In this issue of the newsletter, we would like to update you on:

- the successful completion of the GMS pilot phase;
- the key points for deriving maximum benefit from the GMS;
- GMS in 2010 and new participants;
- the quality-linked terminal dues system;
- the GMS governance structure proposal;
- effective interaction with GMS customers;
- GMS team members.

The goal of our initiative, as set by 24th UPU Congress resolution C 45, is to implement the GMS as a UPU global system and to ensure that the GMS can be used for linking quality of service and terminal dues and for improving the quality of international mail.
We will now move forward in a practical way with the operating phase of GMS, improving the quality of service through the effective use of the results.
We will continue to provide you with regular updates on the development of projects of common interest.

Akio Miyaji
UPU Quality of Service Coordinator

GMS pilot phase completed successfully

The GMS pilot phase started on 3 August 2009 and was completed at the end of 2009. The main objectives of the pilot phase were: to develop a learning curve that ensures better performance by panellists; identify and improve RFID equipment functionality; urge participating postal operators to begin using the GMS STAR (Statistical System for Analysis and Reports) application for measuring quality performance; and receive feedback for further improvement.

The GMS pilot phase was indeed a learning curve, and it was completed successfully. The IB's GMS team has monitored project development via a weekly teleconference with the selected partner service providers.

RFID technology performance

One of the key performance indicators (KPIs) is the RFID read rates at the entry gates installed in the office of exchange and/or airmail unit of the destination country.

The read rate figures must be sufficient to achieve the targeted number of valid letters. Under normal conditions, the weekly read rates would be expected to be between 85% and 95% with an average of 90%. The introduction of RFID passive technology in 15 countries, along with six others using RFID semi-active technology, made it possible to compare in "real life" the results of both technologies in terms of read rates. The following four cases were identified:

i Case 1: Stable rates – The read rates were stable throughout the pilot phase period, ranging from 87% to 98%. This was the case in 11 out of 21 member countries. Togo recorded 98% as the highest.

ii Case 2: Rates that improved over time – In this case, the read rates improved over time and reached the satisfactory level at the end, at some 90%. This was the case in four countries.

iii Case 3: Rates fluctuated – In one country's case it was observed that starting from a 94% read rate in September, the rates were down to 0% in December because of the removal of RFID readers due to maintenance work; however, the situation has already been remedied in the current operational phase.

iv Case 4: Rates in need of improvement – In this case, the read rates were not so stable and could not reach the satisfactory level at the time of pilot phase completion. Five countries were in this situation. However, at the time of this report, in all countries except one the read rates observed were quite satisfactory.

The lessons learned from cases 2 to 4 are complex: on the technological front, the major problems identified were electrical power cuts, the time taken for cable connectivity, unnotified changes in the RFID gates' position and issues with Internet availability. However, in many cases, the main problems concerned the operational process. We need to ensure that all mailbags/dispatches pass through the RFID gates. We have worked continuously with the postal operators concerned to improve the situation.

This pilot phase reaffirmed that the RFID read rates were comparable between the two RFID technologies (passive type and semi-active type).

Test letter and panel management

Another important KPI is the panel performance rate. If panellists in the destination countries do not do their job properly, the number of valid test letters targeted cannot be generated. The panel performance figures observed are quite satisfactory, although some problems exist with specific destinations, particularly where panellists need to go to P.O. boxes every day to receive mail.

The transponder loss rate also constitutes an important KPI, due to the cost of each semi-active transponder, i.e. 20 USD. The transponder loss rate observed ranges from 5% to 43% and needs to be improved further.

Requirements for gaining maximum benefit from the GMS

From the service provider's perspective, the most important aspect is to ensure the running of the GMS in accordance with the technical specifications.

There are three major KPIs that need to be achieved: the first and foremost is to obtain a reasonable number of valid test letters; for this reason, the second is to ensure a reasonable level of RFID read rates, and the third is to ensure a reasonable level of panel performance rates. Our GMS team continues to monitor these KPIs, working together with the selected partners.

From the GMS users' perspective, the most important aspect is to gain maximum benefit from the results obtained from the measurement by GMS.

Following the GMS Joint Contact Committee workshop held in October 2009, all the GMS participants were provided with the password to the GMS STAR.

An important KPI for GMS users is the Year-to-Date (YTD) performance report, which gives a good indication of quality performance capability (as a percentage) on the basis of particular delivery standards. When an operator joins the quality-linked terminal dues system, its YTD performance measured against the set target (85%, for example) will ultimately determine its eligibility to access a bonus payment on terminal dues.

The GMS STAR also provides a breakdown of performance from various perspectives, for example, destination by city and incoming by flow, etc.

We hope that all the GMS participants will use GMS STAR on a regular basis to identify problem areas and links in the international mail network, in order to improve quality performance.

It should be noted that the GMS technical specifications are designed to ensure the same treatment of all incoming mail by all postal operators. Two streams of test letters are injected: one is from the permanent links, which are selected according to the density of incoming volume and the second is from the pool links, which are selected randomly, therefore the destination postal operator cannot identify the links of origin. This means that if priority is given only to the permanent links for the handling of incoming mail, there is a risk of not achieving the set quality target (for example, 85%) against the delivery standards. This may involve the need to review the operational process. As changes in the operational process require some time, it is crucial to plan them well in advance.

GMS running in 2010 and new participants

The GMS operational phase has been under way since 4 January and will continue until the end of this year with the 21 participants who joined the initial pilot phase in 2009. Our GMS team is closely monitoring the system operations in order to ensure success.

Following the invitation sent out by the International Bureau on 8 July 2009, we received some 45 applications from designated operators all over the world. The GMS Team has developed a GMS implementation plan which shows the timeline of actions and the resources required to implement the GMS with these new participants.

In view of the "user pays" principle installed in the GMS, all the new participants are asked to agree to fund the necessary costs on a proportional basis. In order to assist postal operators to get the necessary funds from their QSF account, the GMS Team is formulating a QSF global project. The project document will be presented to the QSF Board of Trustees for their approval at their meeting scheduled for April 2010. Most of the new participants are in this process and are asked to present their "Statement of Commitment" based on the costs estimated in the "GMS Implementation Plan" on time.

We hope to start the set-up process for new participants just after the approval of the QSF global project in April 2010. It will include a site survey wherever applicable, the dispatch of the RFID equipment required, its installation at the right location(s) in the office of exchange and/or airmail unit, and the testing and certification of its functionality. At the same time, test letter injection arrangements and panellist recruitment and training arrangements will be completed by the end of June/July, to be followed by the test phase in 2010 and the operational phase from 2011.

As for the current participants, as the GMS requires a long period of sustainable operation, and as the current QSF global project will terminate by the end of this year, we suggest that participants start thinking about how they will finance their GMS participation from 2011. The IB is ready to assist you in formulating another QSF global project. As you will not need to pay initial installation costs from 2011, you will need to cover only the running costs, which could be considerably lower than those paid for the initial phase in 2009 and 2010.

Quality-linked terminal dues system

The goal of our initiative, as set by 24th Congress resolution C 45, is to implement the GMS as a UPU global system and ensure that it can be used for the link between quality of service and terminal dues (quality-linked terminal dues system) to improve the quality of our international mail.

In the meantime, Congress adopted another resolution, C 18 and C 43, which laid down that all operators should join the link between quality of service and terminal dues over time. According to the timeline, in addition to the 41 countries and territories currently in Group 1.1 (ICs), as classified in the terminal dues target system, 13 postal operators in Group 1.2 countries should join the quality-linked terminal dues system by 2012, and 23 designated operators in Group 2 countries should join by 2014.

The results of the measurement obtained during the pilot phase showed a wide country-to-country variance in quality performance against the set delivery standards, ranging from the highest achievement, 97% to the lowest, 6%.

We therefore recommend all operators to join the GMS as early as possible so that they can gain time and experience in order to improve quality performance to acceptable levels (i.e. the level giving access to a bonus on terminal dues).

In order to ensure that the GMS technical (meas-

urement) specifications can be used as a UPU global system, the GMS IG (GMS Implementation Group) was tasked with ensuring the integration of the GMS. This means that the current QLMS (Quality-Linked Measurement System), the services for which are currently offered to the UPU by a third party, should be transited to meet the GMS technical specifications as from 2010.

For this purpose, recommendations were developed last May by the task force under the GMS IG. Subsequently, there was a fairly long consultation process, and finally, during the meeting of POC bodies held in connection with the November 2009 CA, consensus was reached among all the current QLMS members to comply with the requirements.

The consensus was that the current service provider to the current QLMS members would implement 19 out of the total 21 recommendations from the beginning of 2010. The remaining two recommendations would be applied as from 3 May 2010, given the time required for the preparation of test letters and panellist arrangements. All postal operators would accept the results of the measurement thus obtained. The 2010 POC is expected to endorse this consensus officially.

As the GMS operating phase under the International Bureau's service provision is already in full compliance with the requirements, the GMS technical specifications can be used as a truly global system for May 2010 and onward throughout the UPU community.

GMS governance structure proposal

To ensure the future integration of the GMS measurement system, the GMS IG was also tasked with developing a future governance structure for the GMS after the pilot phase. Its aim is to ensure the effective implementation of the GMS as a UPU global system and the effective application of the GMS measurement systems for the quality-linked terminal dues system and for international mail quality improvement.

Proposals based on the comprehensive picture were developed and it is planned to present them to the 2010 April POC session for approval.

These include proposals to extend the mandate of the current GMS IG until the next Congress in 2012, and to renew the current QLUG (Quality Link User Group) to embrace all postal operators that apply the UPU provisions on the quality-linked terminal dues system and/or participate in the GMS measurement systems.

Effective interaction with GMS participants

The lessons learned from the implementation of the GMS pilot phase reaffirmed the importance of close interaction with customers.

Last November, during the 2009 CA session, there was a GMS Joint Contact Committee meeting with the pilot members. This gave the opportunity to explain the arrangements made for the success of the pilot phase implementation and to demonstrate the functionality and method of use of the GMS STAR.

In addition to this event, information was exchanged with the pilot members to resolve specific issues.

We hope to meet all the GMS country managers of the current members and new participants at the next GMS Joint Contact Committee meeting scheduled for 23 April 2010 at the International Bureau.

Please keep this date free for our meeting!

We also want to take the opportunity to meet you at a series of quality improvement workshops being planned under the name "Regional approach to field support for postal operators".

GMS team members

We recognize that there is still not enough interaction, and we need to keep hotlines open with you to discuss any issues that might arise. For this purpose, we should be grateful if you would contact us via the Web address below anytime you need to.

Our GMS Team members are:
- **Mr Antonio Caeiro**, GMS Project Manager (e-mail: antonio.caeiro@upu.int).
- **Mr Birahim Fall**, GMS RFID Expert (e-mail: birahim.fall@upu.int).
- **Mr Thierry Golliard**, GMS Communications Expert (e-mail: thierry.golliard@upu.int).
- **Mr Stephane Vuillemin**, GMS Administrative and Finance Assistant (e-mail: stephane.vuillemin@upu.int).

Thanks to the QSF global project, the IB will have the services of a data analysis expert who will be joining the team in April 2010.

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