

## **Summary report of APP General Assembly 2022**

### **Opening**

The Asia Pacific Post Cooperative (APP) General Assembly meeting was held on the 31<sup>st</sup> August 2022 in Bangkok and also via Zoom. At the time of roll call, it was attended by representatives from 22 APP member Posts namely from Australia, Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Japan, Korea, Laos, Macau, Malaysia, Nepal, New Zealand, Philippines, Singapore, Solomon, Sri Lanka, Thailand Post, Vanuatu and Vietnam.

### **Agenda**

1. Welcome Members and Roll call
2. Confirmation of Agenda
3. Confirmation of APP GA 2021 Minutes
4. Election of 3 CMB Members
5. Election of 2 Advisory CMB Roles (No Voting Rights)
6. 2021 APP Business Plan Report
7. 2022 BAU Overview and 2022 APP Project Updates
8. 2022 Operating Challenges
9. 2022/2023 Strategy Review
10. APP Focus Work Area
11. Project TrackIT – UPU Common Fund Project
12. Expanding the membership
13. 2021/2022 APP Budget Report
14. Incorporation of APP Office
15. AOB
16. Meeting Close

### **Election of APP CMB Members**

There were 4 nominations received by the deadline 24 August 2022 applied for 3 outgoing CMB members. They were Japan Post, Korea Post and Singapore Post. The additional nomination was received by Fiji Post.

The announcement has since been confirmed, Japan Post, Korea Post and Singapore Post were all duly elected, to serve on the CMB for a 2-year period.

### **Election of Advisory Roles for APP CMB**

To ensure this broad representation and a balance of views, the CMB have agreed to add two additional non-voting members to the CMB of the Asia Pacific Post Cooperative. These roles are designed to provide current knowledge, critical thinking and analysis to increase the relevance of decisions and programs to the whole membership.

To qualify as an advisory member you must be deemed to be either an LLDC (Landlocked Developing Country) or a SIDs (Small Islands Developing State).

The following eligible members are:

Fiji Post, PNG Post, Solomon Islands Post, Vanuatu Post, Bhutan Post, Laos Post, Maldives Post, Mongolia Post, Nepal Post

After the voting session conducted, the announcement has confirmed Post Fiji and Mongol Post as the new Advisory Member to serve on the CMB for a 2-year period.

## **2022 APP Business As Usual Activities**

### **Reporting**

The APP Reporting on APP ePacket and EMS are ongoing for the last 17 months. Due to the loss of an APP staff, APP reporting will have to scale down to provide APP ePacket reports only.

The office is working to define a Cooperative Reporting System that can be built and run by the office to fulfil the role currently done by a combination of IPC & PTC reporting systems. The office is working to understand which reports are used by members and to expand the qualitative and quantitative data included therein.

## **2022 APP ePacket Activities**

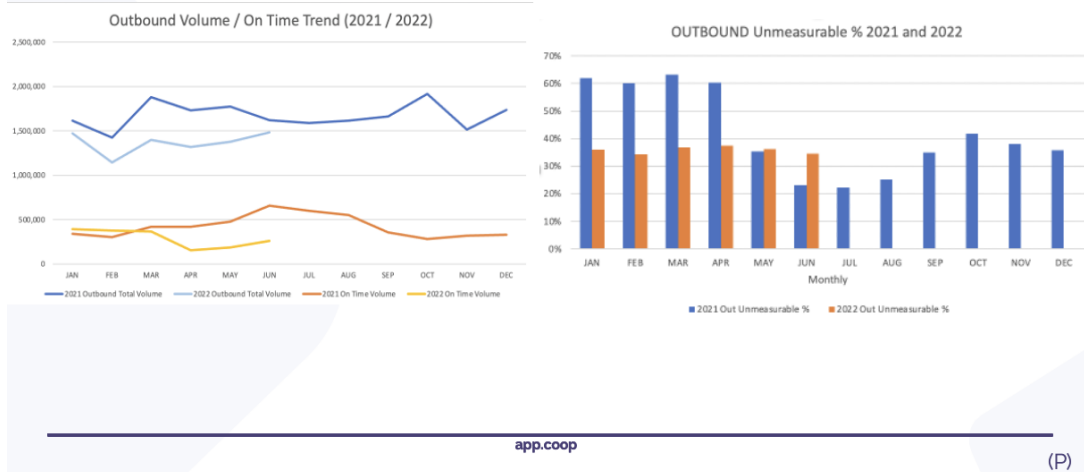
The APP ePacket service enjoyed a 100% increase in volume in 2021 to a cumulative volume of at least 18 million items in December 2021.

The data on the following tables illustrate:

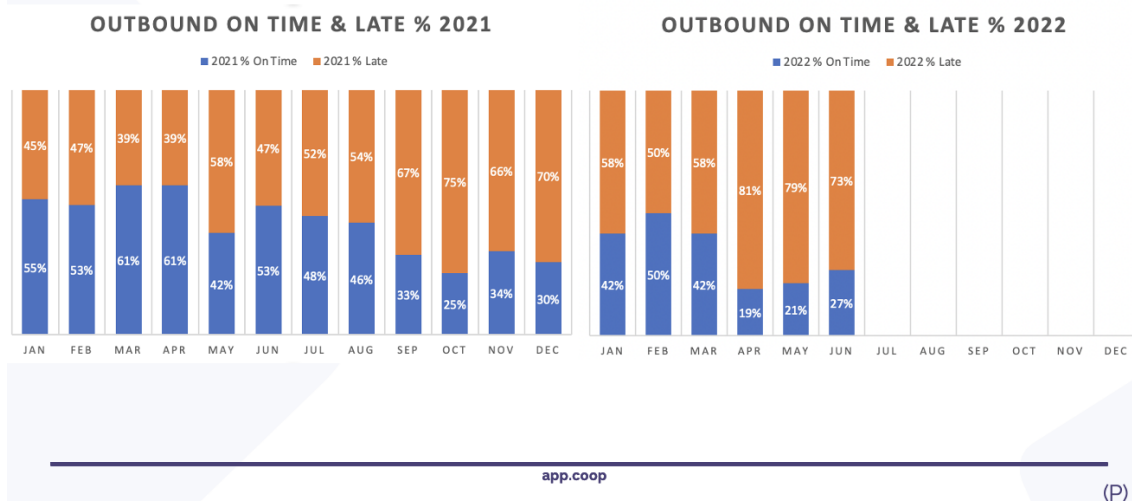
- Downward performance trends
- Quality for Ontime, tracking and Performance is currently below industry norms and must improve.



## APP ePacket Outbound Trend

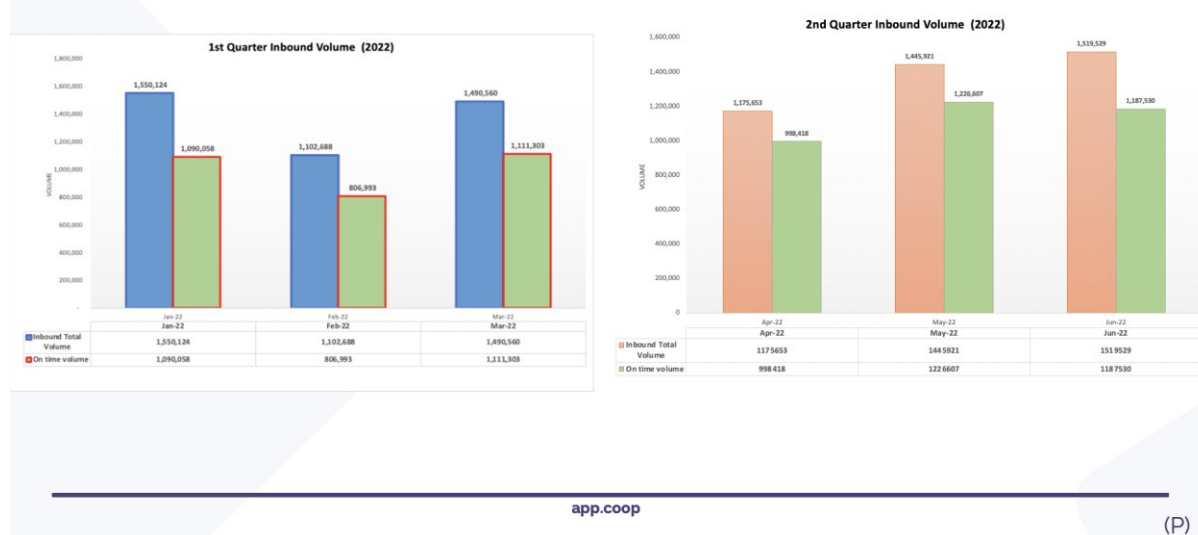


## APP ePacket Outbound On Time & Late % 2021 2022





## APP ePacket 2022 Q1/Q2 Inbound Volume Trend



## APP ePacket Award

The APP ePacket was shortlisted and won a World Post and Parcel Award 2022 under the category "Cross Border Growth" in Dubai.

Congratulations to APP members on their hard work in supporting the growth of APP ePacket!



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## APP Product Review

As part of our ambition to improve the quality and grow the membership and volume processed by ePacket, Asia Pacific Post Cooperative office completed a review of the opportunities for expansion of the membership base. A review was conducted and the findings are outlined below:

### High Level Finding

- 1) No established process for onboarding a new member
- 2) Each new participant member needs an agreement with every member that they wish to transact with.
- 3) Quality is low when compared with comparable services.
- 4) Engagement with potential participants has been low and very slow.
- 5) APP Office should have a role in expansion of membership base.
- 6) Two tier pricing is too inflexible to guarantee growth.
- 7) Technical landscape makes adding members difficult
- 8) Little to no existing marketing material

To help combat these issues and others, the Office has established the product foundation research project.

### 2022 Strategy Review

Since February of 2022, a process of strategic review has been ongoing.

The aim of this review was:

- 1) Identify what we do well.
- 2) Identify areas of improvement.
- 3) Identify opportunities for streamlining and expansion.
- 4) Make the Cooperative fit for the next 30 years.

### Conclusions of Strategic Review (Business)

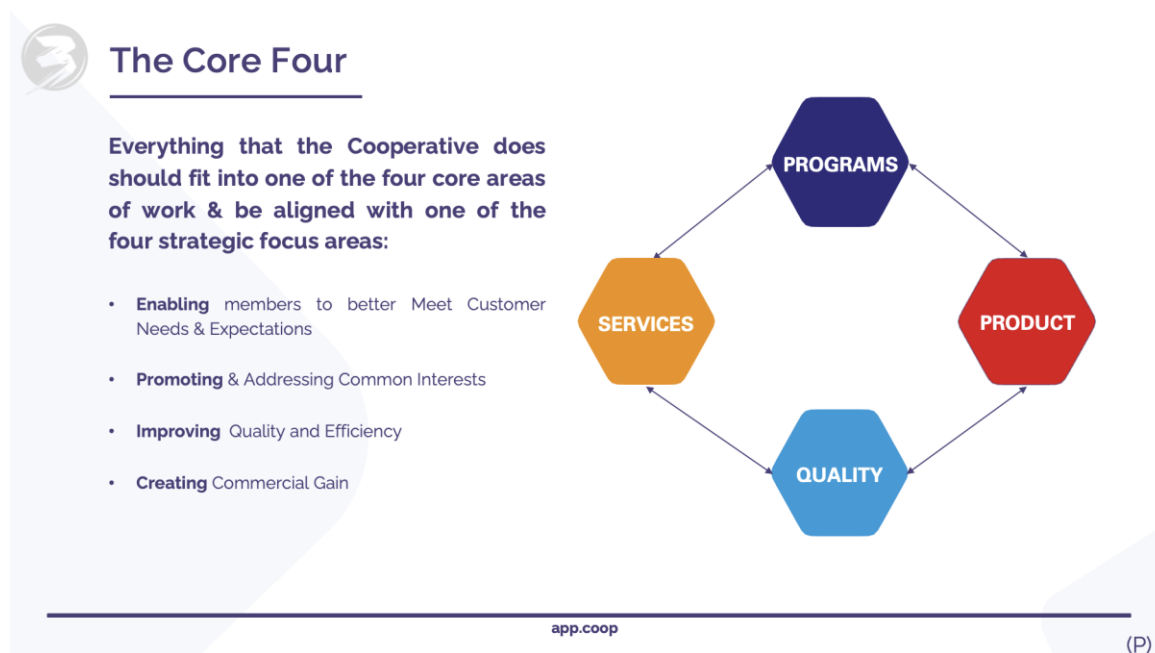
- Radical change is needed.
- A value-led organisation leading from the front.
- Greater emphasis on product, solutions and tangible operational improvement.
- The Cooperative should lead on regional development initiatives.
- The Cooperative should act as an orchestration point for potential partners and customers.
- Members need to see far greater value from their membership.

Historically the organisation has followed a four-year strategy, it is our belief that a four-year strategy is inappropriate for an organisation that is commercially focused as it creates a lack of agility and ability to respond to the market therefore, this should be adapted to:

- Mission (reviewed and updated regularly).
- Strategic Focus (what we do articulated in a way that is easy to understand), with definable outcomes and, therefore, metrics to judge effectiveness and success.
- Yearly Business Plan – focused on deliverables.

## **Redefine**

A cooperative that Delivers Value to its members.



## **Rebrand - Refreshed Identity**

## Winning Logo Design



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## **Focus Areas of Work For 2022**

Additionally, to the Core Four areas of focus, we need to ensure that the things we do, are built upon strong foundations. Therefore, for the remainder of 2022 and up to the end of Q2 2023 the office will focus on delivering:

- **Product Foundation Research:**
  - APP is launching a wide-ranging research project, designed to ensure APP Product is built for success.
- **Quality:**
  - A renewed audit and certification process, coupled with Quarterly Quality Review Board meetings and refreshed qualitative reporting.
- **Project Trackit!:**
  - Our Common Fund project aimed at improving data quality by removing the barrier to entry in terms of tracking data.
- **Exploratory Commercial Cooperation – Direct Entry**
  - A new commercial cooperation project, aimed at creating a multi-member joint venture which will utilise the strength of our networks for inbound and outbound growth.
- **Sustainability**
  - Our flagship sustainability forum is designed to foster cooperation, form joint commitments, help solve organisational problems and capitalise on the opportunities presented regarding ESR & CSR in our sector and across our region.

### **Product Foundation Research**

APP is launching a wide ranging research project, designed to ensure APP Product is built for success. The research will seek to understand:

- Competitive landscape in each member country
- True cost of leg one, two and three
- Trends in the market and consumer expectations

It is intended that the project will inform and enable us to:

- Redesign the existing product cost model in a way that is specific to each member
- Enable members to ensure that products are both relevant and viable to their individual markets
- Identify and inform the build of additional product and product enhancements
- Enable growth of overall volumes and revenue/profit while minimising cost
- Identify necessary technical enhancements

### **Quality**

Launching in January 2023 the Operational Excellence Program will ensure that Members are able to reach the highest standards and that there is a continuous and sustained focus on providing excellent service quality to the customers of domestic and international mail products and services. Every element of a postal operator is an important contributor and needs to perform to uniformly high standards to provide the required end-to-end service performance.

#### Principles

- The assessment process is independent, consistent, objective and transparent.
- It is aligned to the needs of the member posts and the products within a domestic and international mail network.
- Management and staff of an are fully engaged and involved in the Certification process.
- Enhances learning, development, and passion for excellence in operations.
- The process creates an environment where best practice can be identified or shared across the member community.



The process complements the internal quality processes of the post. Pre-assessment criteria

To be eligible for certification, the OE must achieve a minimum score on a number of key performance indicators. The OE should be consistently scanning inbound priority products receptacles.

### **Project – Trackit**

#### Key Issues Facing Many Postal Operators

- Tracking data is recognised to be of utmost importance in eCommerce. However, besides the Tracked services offered by postal Cooperatives, there is no mandatory Tracked Service for small packets
- Proposal for Tracked Service to be made mandatory rejected at Abidjan Congress. Main reasons:
  - Insufficient remuneration; but more importantly...
  - Capability & Capacity issues:
    - Not every post has equipment or means to capture tracking statuses
    - Expensive dedicated scanners used but often not for LC/AO (including small packets)
    - Current Situation:
  - Low quality and Inconsistent Track Statuses
  - Delivery performance may be met but the scan statuses are often updated very late – leading to impression of poor performance by posts
  - Some posts use commercial software/systems to capture scan statuses but these are not integrated with IPS – leading to cumbersome processes to update tracked statuses

#### Proposition

##### Enhanced Tracked System

- Proposal was to have Mobile App developed that can be deployed using any Android Smartphone to capture statuses EMA, EMH/I and update it to IPS.
- Smartphones are pervasive and ubiquitous in most countries
- Data can be uploaded once Wi-Fi or data network is available
- Updates can be deployed easily

##### Value to be Provided by Project

- Providing LDCs and DCs with affordable technical solutions
- Good level of scan statuses to accurately reflect performance of delivery
- Image enhancement for Posts – in using mobile app technology to power the delivery postmen
- Possible measurement of E2E with the capture of EMA scans to EMH/I
- Enhanced Customer Experience with lower Customer Support required

#### Implementation

- Project to be managed by Asia Pacific Post Cooperative for the Asia Pacific region
- Roll Out and Training can also be incorporated inside the Operational Ready for Ecommerce 3 (ORE3) project
- Once successful, system can also be rolled out to other regions

#### Result

A proposal was made to the QSF board for a lightweight/ low-cost Android based application to enable members to track effectively and collect proof of delivery. This proposal has been accepted.

The office will now commence the project and will be looking for firm commitments of involvement from members in the coming weeks.

### **Project – Commercial Cooperation**

Asia Pacific Post Cooperative is uniquely placed to create a new commercially competitive, cooperative logistics service. It will be designed to provide intra-asia domestic and cross border e-commerce and mail solutions to businesses worldwide.

We will handle domestic and international deliveries and returns across our member networks acting as the downstream access partner of choice for eCommerce and 3PL's alike, working with best in class home delivery specialists in the areas that our networks are unable to reach to ensure the best last-mile experience available.

#### Requirement

The office is seeking expressions of interest in scoping the project further and potential participation. Two members have expressed interest so far.

We will then establish a working group to work on a discovery phase, building a full business plan.

## **Sustainability Forum**

Our flagship sustainability forum is designed to foster cooperation, form joint commitments, help solve organisational problems and capitalise on the opportunities presented regarding ESR & CSR in our sector and across our region.

The main objective of the Forum is to give members a forum for exchanging best practices and to develop a CSR development knowledge centre, through projects on specific fields of interest. It aims at providing members with the ability to ensure the fulfilment of their social responsibility in all its facets including CSR and limiting the impact of postal operators on the environment.

The Cooperative and its members have a responsibility to lead the way in sustainable development initiatives. Equally we are well placed to have a positive impact on a whole range of sustainability practices.

As with other elements of the Cooperative's work, a framework of assessment and certification will be developed to guide and acknowledge progress towards our sustainable goals.

## **Targets**

Group targets to be set by participating members and reviewed quarterly, examples of targets that could be set are:

- Commitment to reduce single use plastic i.e. reuse mail bags
- Commitment to reduce carbon emissions
- Create an 'eco product' that uses transport with lower emissions e.g. shipping lanes
- Reduce waste that goes to landfill
- Partner with local community groups to support their sustainability targets

## **Expanding the Membership**

The Cooperative's strength is its members, and as our numbers and interactions grows, so does this strength.

The office believes that it is possible to include a wider range of Asian posts within our membership without diluting the purpose or effectiveness of the Cooperative. This opinion is informed by market realities, where designated operators (DOs) no longer cover the bulk of the market. The bigger share of the global postal market is in the hands of the wider sector players.

Furthermore, it is our contention that it is only by working together as members that we strengthen the universal service and catalyse e-commerce development and capitalise on the commercial opportunities afford to us by the modern business landscape.

We are therefore requesting:

- The establishment of a taskforce to consider under which framework we may include in our membership other designated operators who are not APPU members but are geographically Asia and Pacific based.

### **Incorporation Project**

APP Office sent letter on the 3<sup>rd</sup> of August which recommended moving forward with incorporation (option 3). Since the letter was issued, other options have potentially become available, therefore the office needs time to finalise our understanding of the legal framework for the incorporation.


Therefore, we ask that the vote on this section is deferred to allow the APP Office to:

- Continue to explore options for future of the office of the Cooperative.
- A project to review the Statutes of the cooperative should be undertaken. - Regardless of the incorporation.

This in turn, will allow us to report back to the membership and make a recommendation.

## 2021/2022 Budget Overview

### Budget Overview



Item	2021	2022
<b>Income</b>	<b>Summary - TBC</b>	<b>Summary</b>
Membership Fees	\$ 550,400.00	\$ 550,400.00
Potential Product Income	\$ -	\$ -
Outstanding Membership Fees 20-21	\$ (13,271.23)	\$ (105,855.26)
<b>Expenditure</b>		
Staff	\$ (346,642.68)	\$ (426,024.25)
Office	\$ (48,047.24)	\$ (67,015.43)
One Off Costs ( 2022 is inclusive of Incorporation works, end of contract benefits for Gary Carroll and maintenance of the APP Office)	\$ (36,241.83)	\$ (108,070.00)
Meetings	\$ -	\$ (17,805.00)
Product Costs	\$ -	\$ (161,035.00)
Total Budget Expenditure 2022	\$ (457,681.75)	\$ (779,949.68)
Surplus/ Reserve Usage	\$ 92,718.25	\$ (229,549.68)
Less Uncollected Membership Fees	\$ 79,447.02	\$ (123,694.42)
Year End Cash Reserve	\$ 1,448,529.00	\$ 1,324,834.58

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The APP Office will need additional funds of up to 123,694 USD to be drawn from reserve to meet the additional spendings for 2022, this assumes all members pay their fees in 2022. The reserve funds include a ringfenced 500,000 USD amount.

### Close of meeting

In closing, the CMB Chair thanked members and the team for their support over the past 12 months.

The meeting closed at 12:10 PM Bangkok time.