

QUADRANT CASE STUDY

STRATEGY DEVELOPMENT



The challenge

Post offices had not only lost a sense of purpose in the UK high streets and villages, but they had also lost significant revenue. Vital income, to keep subpostmasters and their communities viable, was declining as government departments became obliged to find lower cost alternatives, both electronic and from competing retail outlets. The challenge was to find out how best to revive the Post Office – a classic strategy question.

What did we do?

A new Managing Director was called in to sort out the retail strategy and Quadrant was asked to provide an external market perspective.

The inherited strategy, one of looking to government for principal incomes, had to be tackled. Quadrant demonstrated the inevitable projection as revenues fell faster than what were largely fixed costs.

With our wide experience of retail strategies, the Quadrant team was able to modify a classic category management strategy into one that adapted well for the Post Office. This meant finding a balance between vital profit making and long held principles, where Post Office values were important in any review of new product development and service delivery could be challenged until each part of the process was simple and clear for all.

What was the breakthrough for the Post Office?

The new strategy became established when category management teams were formed, with a blend of long term and newer talent, each responsible for building a credible presence in the chosen markets, from Travel to Money Matters, Home Phones and more.

The new strategy for the Post Office meant a simple but profound shift in direction and in collective effort from the Board to front line counter colleagues.

- ✦ Shift from government reactive to category leading
- ✦ Categories designed around users' needs, not historic roles
- ✦ Investment in R&D and media to become credible for customers
- ✦ Recognition that cross selling is a vital effort if post offices are to be retained

This strategic shift has helped offset the more drastic projection of how the post office network might reduce and has provided a platform for an enlarged future role.