

# Postal Services Disruption Planning Concepts

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The source for detailed information on Canada Post's core products and services defines “Undeliverable Mail” as: “mail that for any reason cannot be delivered to the addressee.” Mail is also considered undeliverable if it does not bear a complete address, or the addressee has moved without providing a forwarding address, or it is refused by the addressee, or the postage due is not paid by the customer or the addressee on demand. My interpretation of “*any reason*” can include loss of Canada Post's workforce.

The Toronto star reported in April 2016 that the union representing postal workers is accusing Canada Post of trying to provoke a labour dispute this summer. That’s because Canada Post filed notices of dispute with the Minister of Labour, requesting conciliation help for negotiations — a move that essentially starts a countdown to a strike or lockout. This sounds like we are headed for an undeliverable mail storm.



"Canada Post back to work on Tuesday", was Postmedia's headline on June 26, 2011 and five years later we are back at the table. The contract for rural carriers expired on December 31<sup>st</sup>, while the contract for the urban group expired on January 31<sup>st</sup>. Negotiations between Canada Post Corporation (CPC) and the workers' union started earlier in the year. CPC called for a conciliator in early April. Union members across Canada were having strike votes during the month of June. The conciliation period resulted without settlement, and today Canada Post issued 72-hour lockout notice with an outcome scenario of the complete shutdown of postal service, if any last minute negotiations fail.

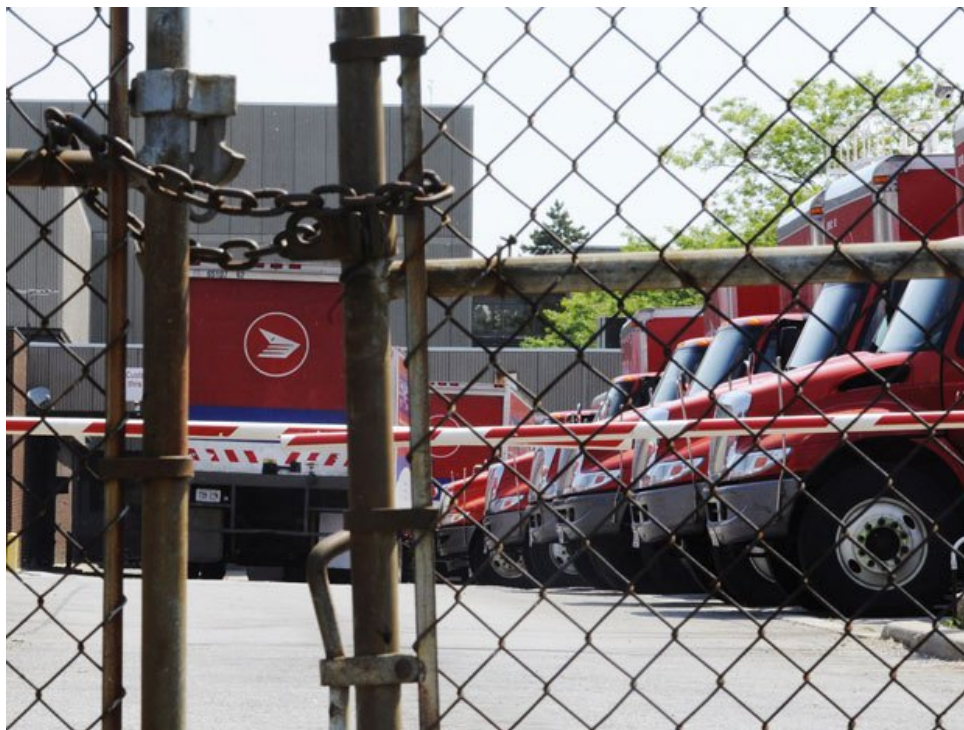
I am often asked about the risk of postal disruptions by business leaders. History has taught us that they can occur and when they do, they can have lasting impact, if not proactively planned for. Regardless of our reliance or dependency on technology, most businesses do have some level of a physical mail requirement. As businesses evolve, so should their Business Continuity Plans. Developing a Postal Disruption Plan (PDP) as a part of your crisis/emergency management plan can provide your organization protection in the event that Canada Post cannot deliver their services.

The PDP objectives are pretty straightforward when planning for the continuity of key operations and maintaining a positive customer experience when a postal disruption occurs, which in turn can ensure the integrity of revenue during adverse conditions.

A general business necessity is customers paying their invoices for products and service delivered. Waiting for payment until the strike is over is not a viable option. This needs to be communicated at the first sign of a postal disruption. Based on the 2011 Canada Post labour disruption, no mail was delivered during the “rotating strikes.” Canada Post will not attempt to deliver (or accept) mail during a formal strike or lockout.

Key Business Risks in a Canada Post strike by its workers, or lockout by management, can include:

- Inbound - customer payments will be interrupted if customers are using Canada Post to pay invoices. Cash flow may decrease temporarily due to delays.
- Outbound - disables ability to pay vendors/suppliers if using Canada Post to pay invoices
- Using Canada Post to deliver products and services to customers



#### **General Postal Risk Mitigation Options:**

1. For Inbound Customer Payments:

- Account Managers pick up payment from customers when ready
- Create a drop-off location (drop box/mail room) for customers to deliver payments directly
- Account Managers speak to customers who use Canada Post and promote electronic payment options (pre-authorized payment, payment by credit card, on-line/telephone Banking)
- Customers log in to available company on-line portals (to view invoices)

- E-mail/fax bills to customers upon request
2. Outbound Payment to Vendors/Suppliers:
- Establish a pick up location (e.g. mail room) at strategic locations for vendors/suppliers to directly pick-up payments
  - Courier vendors/supplier payments to key accounts
  - Ask vendors to provide flexibility for payments

Be sure to consider vendors located outside of Canada, if applicable to you. For example, should a payment need to be sent to a vendor in the United States, payees may choose to use a broker to assist in the mail delivery to the vendor's US office. Mail can be driven to the U.S. side of the border and dropped into a U.S. post mail office. Deliveries originating outside North America may have more limited options.

As with any specific threat risk/real event response plan, it is suggested that a Postal Disruption Plan should have an owner at the Director or VP level acting in a strategic leadership role. This position would work in conjunction with your Incident Manager to provide authorization to proceed with any required mitigation activities initiated. The VP would also oversee decisions made and communicate with the senior leadership team in regards to progress and impact. In my experience the rightful VP owner for the development of a PDP is the VP of Finance, as accounts receivables and payables usually have the largest impacts if the business relies on such services from Canada Post. Alternatively, a VP of Operations, if fulfillment of products (on-line shopping/ mail order for example) to customers uses Canada Post.

A PDP Planning Team should include various key stakeholders from across the company who are directly affected by a postal disruption, as well as others whose functions may provide a key supporting role to affected groups.

The PDP Planning Team or business leaders will need to set direction on:

1. Late payment charges, where applicable – may be waived for customers for the duration of the disruption, (although this may not be advertised)
2. Customer reminders and service disconnect notices (may require suspension)
3. Customer bill notices (e.g. updates to pricing), may need to be delayed)

The Corporate Communications function is best suited for all external communications and may also be required to provide overall corporate direction in terms of customer treatment. Use of social media is a tool for both the organization and customers to leverage under such adverse conditions. Messaging to all key stakeholders is vital to the success of a PDP when implemented. While messaging can be prepared in advance by Corporate Communications, release and delivery are triggered when it has been confirmed that there is a very distinct possibility that either the workers may wish to strike as confirmed via a strike vote, or Canada Post is planning/executing a lockout.

You can't predict a disaster or emergency to your business, however you proactively prepare to mitigate or eliminate the risk of one.