

PostcodeAnywhere

White Paper:

Using the new Royal Mail PAF Licence to enhance your applications and grow revenues

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Executive Summary

Important changes in the way the Royal Mail licenses its Postcode Address File (PAF) come into force in April 2010. By providing more flexibility to organisations using address capture internally, the Royal Mail has removed many of the legal obstacles faced by businesses of all sizes wishing to implement postcode lookup services across their whole organisation.

Using Postcode Anywhere's unique address capture web services, which now include daily updates from the Royal Mail, software application developers can not only implement postcode lookup functionality, but also offer their customers the most cost-effective licensing model and earn commission for the lifetime of the customer.

The Big Switch

As internet connectivity has become ubiquitous, the ability to deliver business-critical data using web service technologies has become increasingly viable. Now, it offers software application developers many opportunities to enhance their products at a relatively low cost.

Nowhere has this been truer than in the provision of address capture functionality, where hosted services have removed the need to locally host large and complex data sets such as the Royal Mail’s Postcode Address File (PAF).

While address capture technology has moved forward apace, however, it’s proved harder for the Royal Mail to update its licensing at the same rate. At times, its efforts have been frustrated by a small number of vested interests for whom clinging to the past offers more opportunity than embracing the future.

The end result is that adoption has been throttled by complex licensing requirements – despite the fact it has been possible to speedily access address data and closely monitor its usage for almost a decade.

After a period of consultation, the Royal Mail is now making important changes to the way in which its Postcode Address File (PAF) is licensed. Removing many previous constraints, these amendments feature a virtual re-writing of the rules by which address data can be used by organisations “internally” – that is by people using applications other than on public-facing web sites.

The changes include:

Fact File: Definition of PAF

PAF is a registered trademark of the Royal Mail and stands for Postcode Address File. It is a database containing all known addresses and Postcodes in the United Kingdom, including England, Wales, Northern Ireland, Jersey, Guernsey, and the Isle of Man (over 28 million addresses, 1.8 million Postcodes). Areas excluded from PAF are the Republic of Ireland and some of the delivery point information in a small part of Northern Ireland. British Forces Post addresses are not held on PAF. Royal Mail Group plc owns and maintains PAF data in which it has copyright. The data is available to external organisations in a variety of formats.

Unlimited Pay-Per-Click Licensing:

Description: The ability to purchase address lookups on a pay as you go basis for internal use.

Before April 2010	After April 2010	Who this helps
Pay-per-click licensing was allowed for up to 5,000 lookups per year per legal entity.	This upper limit has now been removed and organisations are able to purchase unlimited look-ups per year.	Organisations with reasonable numbers of occasional users whose usage would normally top 5,000 look-ups a year, but for whom purchasing user licenses was too expensive.

Site Licensing:

Description: The ability to license everyone working for an organisation located a specific location for internal use.

Before April 2010	After April 2010	Who this helps
Each site required its own service license, but had no upper limit on the number of users.	<p>Users are now licensed either individually or in multiple user blocks of 300. After three multiple user blocks have been licensed, usage is unlimited.</p> <p>So long as users access the same version of the PAF (such as via a web service), licences can be used across multiple sites and with multiple applications.</p>	<p>Organisations with users spread across multiple sites that will no longer have to purchase multiple site licenses.</p> <p>On the flip side, organisations with more than 300 users on a single site may have to pay more for their licensing.</p>

Support of Associated Groups of Users:

Description: Licensing of users of an intranet or extranet application, who work for a number of different organisations.

Before April 2010	After April 2010	Who this helps
Not supported.	<p>Licensing is now similar to the new site approach to site licensing.</p> <p>Users are now licensed either individually or in multiple user blocks of 300. However, the bar enabling unlimited user access is raised to six multiple user blocks for franchise-type applications, or 12 multiple user blocks for broker-type applications.</p>	Organisations delivering applications to groups of users, not all of whom work for the same legal entity.

Advantages of Web services

Although these changes are substantial in themselves, what will make a significant difference many organisations is the flexibility to **use them in combination**.

In the past, a common bugbear for those implementing internal address capture technology using the Royal Mail's PAF is that, when it comes to return on investment, not all users are equal. While it is straightforward to justify the cost of power-users capturing 50 addresses a day, it is much harder for low-volume users.

A substantial benefit that the new licensing offers, therefore, is the ability to use different licence models for different users. Using web services, transaction levels for individuals can be recorded and analysed, thereby allowing licensing to be managed around their individual needs. "Unlimited" user licences can be purchased for frequent users and pay-per-look-up credits purchased for occasional users. Because pay-per-look-up credits can be used across the board, volume purchasing can be used to reduce costs.

Because web service users effectively share the access to the same data, they enable users on different sites and different applications to be licensed together. Previously, the best way to licence 200 users, spread over two locations, was to purchase two site licences. Under the new terms a single multiple user block can be purchased.

Fact File: The Postcode

The Postcode is a combination of between five and seven letters / numbers which define four different levels of geographic unit. It is part of a coding system created and used by the Royal Mail across the United Kingdom for the sorting of mail. The Postcodes are an abbreviated form of address which enable a group of delivery points (a delivery point being a property or a post box) to be specifically identified.

Open and transparent partnership is vital to benefit

While it is clear that web services offer the best means for PAF users to benefit from the forthcoming changes in PAF licensing, **technology is not enough**.

Web service providers need to provide more than access to good quality data. Transparency in the way data is sold is essential in order to offer partners the best advice, rather than exploit their ignorance and commission-based rewards for the lifetime of the customer.

About Postcode Anywhere

Postcode Anywhere is an award-winning technology firm building innovative business efficiency tools around a diverse range of datasets. The company's array of services, all delivered via the internet, include route optimisation, international address management, data cleansing and lifestyle profiling. Our customers include: Oxfam, National Savings & Investments, Countrywide Plc, the Learning & Skills Council, the Identity & Passport Service, Citibank, Rolls Royce and around 8000 others.

If you would like to explore partnership with Postcode Anywhere, call us on 0800 047 0495.

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