

**TRINITY STAKEHOLDER COMMUNICATIONS PLAN FOR W/C 22 FEBRUARY**

**POST OFFICE CONFIDENTIAL**

### **Trinity stakeholder communications plan – week commencing 22 February**

Post Office intends to terminate legally with IBM and sign a contract extension with Fujitsu on Friday 19 February. The required OJEU notice will be sent to OJEU on Friday night. Any outstanding negotiations with IBM will carry on in the background. This raises the (low) risk that we may need to manage negativity from IBM or their subcontractors in the wake of the termination.

The communications approach for the publication of the OJEU notice continues to focus on ensuring that those directly impacted by the decision are well-informed about rationale and specific personal implications.

Post Office are in the process of agreeing a joint message with IBM. In the event of any unforeseen pronouncements from IBM or their subcontractors, before this joint messaging is agreed, we will maintain a fact-based, reactive stance reiterating the reasons for our decision, while pointing out that talks are ongoing and that we therefore cannot comment on any detail. Our strategy will remain short and sharp, and designed to shut down questioning. This approach is outlined in Annexe H below.

We will remain reactive with wider audiences until the issue of the OJEU notice; beyond that we will move to proactive approaches with carefully targeted stakeholders as outlined in Annexe A. We will continue to monitor and review our proposed approaches for each stakeholder group but all communications will remain measured in tone and delivered where possible as part of BAU relationship mechanisms.

Our overall communications positioning is constructed to make the development uninteresting in news and political terms, and to underline that there is no change to our ultimate aim to enhance what we do for customers and to demonstrate continued effective programme management. It is also designed to manage potential 'disappointment' about continuing with Horizon, amongst the very small minority who have high awareness of the IBM alternative.

Our current messaging (and therefore the key positions we will be seeking from IBM and BIS) is summarised below:

- Annexe A – positioning across stakeholder groups
- Annexe B – our core narrative for internal audiences
- Annexe C – our reactive messaging
- Annexe D – post-OJEU Q&A's for external stakeholders
- Annexe E – a more detailed set of post-OJEU Q&A's for internal audiences
- Annexe F – a proposed timetable of briefings to be completed once the Board has made its decision (NB: this is a work in progress)
- Annexe G – targeted briefing notes for use with identified audiences

- Annexe H – communications strategy in the event of IBM or a sub-contractor communicating a different story

The next phase of the communications plan will be to develop our key messaging and strategy around **Trinity 2**. Given that messaging will be heavily dependent on both the timescales for the current business review, and the scoping and business case decisions taken as a result, our approach at this point will be to:

- Develop a positive story around the benefits which Trinity 2 will deliver to our business and our customers
- Identify the key audiences, internal and external, who are impacted by these benefits
- Create a strategy to deliver the appropriate messages to these audiences at the right time

We will develop this strategy in close consultation with project leadership.

**Annexe A – positioning across stakeholder groups**

Stakeholder	Approach	Key positioning	Comments/ Third Party reactions	Responsibility
<b>Political</b>				
Ministers	BIS officials will advise Ministers as appropriate	See below		N/A
BIS Officials	Proactively brief on developments once OJEU is tabled but before publication [w/c/ Feb 15]	Continually reviewing  Valuable work done to date has informed decisions about next stages of this major programme  Taking responsible actions – no change to overall ultimate aims	Richard Callard briefing – ensuring BIS have suitable, reactive communications in place  BIS position is reactive – operational matter for POL; will reflect POL narrative on transformation/ change / value for money	Mike Granville
Special Advisors	Reactive but approach to reflect any official BIS briefing to Minister	As above		Jane Hill to monitor
Chair BIS Select Committee (Ian Wright MP)	Reactive approach but will contact if story became significant	As above	Unlikely to make any public reaction	Jane Hill to monitor
MPs	Reactive	As above		Jane Hill to monitor

Stakeholder	Approach	Key positioning	Comments/ Third Party reactions	Responsibility
Sparrow: Lord Arbuthnot; Kevan Jones MP; Andrew Bridgen MP	Reactive - will monitor Sparrow timelines and developments that potentially create perceived links	Long-term project updating POL IT as part of its transformation  Continually reviewing project  Horizon continues to be effective – IT project is about enhancing future capabilities in a digital age	Possible attempts to leverage for Sparrow agenda. Unlikely to gain significant traction and Sparrow issues should remain isolated.	Jane Hill/Mel Corfield to monitor and liaise with Sparrow team
<b>Unions</b>				
NFSP	Proactive with George Thomson (MG to brief Nick Beal on approach – briefing to take place before OJEU published)	Continually reviewing  Taking responsible action and no change to overall, ultimate goals	Expectation that confidentiality will be maintained and unlikely to make public comment.  Liaise with Nick Beal to discuss Fed handling	Mike Granville to brief Nick Beal.
CWU	Reactive – to be considered with Tom Moran (MG to brief Tom Moran)	Continually reviewing  Taking responsible action and no change to overall, ultimate goals	Possible leverage as part of negative attack on management capability but unlikely to generate wide interest  Liaise with Tom Moran to discuss approach.	Mike Granville to brief Tom Moran
Unite	Reactive – to be considered with Tom Moran (MG to brief Tom Moran)	As for CWU	As for CWU	Mike Granville to brief Tom Moran

Stakeholder	Approach	Key positioning	Comments/ Third Party reactions	Responsibility
<b>Media</b>				
Mainstream	Reactive	Continually reviewing and taking next steps that are informed by the valuable work completed to date  See Annexe H for specific responses in light of IBM/subcontractor messages being different.	Media angles could be business/ political i.e. large public sector contract is ended. Key risk for IBM. Consistent joined-up position between IBM, POL and BIS minimises any 'controversy' for media to leverage.	Mel Corfield
Trade/ Industry media	Reactive [note: no plan for proactive Computer Weekly briefing)	As above (with appropriate public detail about procurement)  Although we do not intend to proactively approach Computer Weekly we will ensure we have messaging ready for any approach from them	Likely to be interest from computer/ IT press, but limitations as above	Mel Corfield
Social Media	Reactive and dependent on traction. Prepared tweets with high level messages	Prepared tweets providing 'no change - we're getting on with transforming the network' style messages	Negative social media is likely to be extremely limited and only involve particular individual PO 'opponents'	Mel Corfield – to brief social media team
<b>Consumer &amp; Special Interest Groups</b>				
Citizens Advice / Consumer Futures/ Consumer Council for NI	Reactive	Continually reviewing and taking next steps that are informed by the valuable work completed to date	Unlikely to give public reaction	Mike Granville
Stakeholder	Approach	Key positioning	Comments/ Third Party reactions	Responsibility

POAC	Potential reference at next meeting (but reactive before)	As above	Unlikely to give public reaction	Jane Hill
Wider interest groups e.g. Rural Shops Alliance	Reactive	As above	Unlikely to give public reaction	Jane Hill
<b>Partners</b>				
Clients & Suppliers	Proactive briefings by Client Relationship Managers	Updating 'commercial conversations' brief.	Unlikely to give public reaction	Mike Fletcher
IT Partners	Proactive briefings (ongoing)	Major IT project – continually under review  Use core statement to open conversation; follow-up to be tailored to different partners' circumstances. CB to lead	Unlikely to give public reaction	Mike Fletcher
Multiple Partners	Currently reactive but post OJEU notice, proactive briefing via normal channels	Major IT project – continually under review  No impact on branches and no change to our ultimate, overall goals	Considering any specific links with discussions with multiples on EPOS integration.	Mike Fletcher
<b>Internal</b>				
Programme team	Proactive briefings	Continual review  Responsible actions being taken by business, informed by valuable work to date		Mike Fletcher



Stakeholder	Approach	Key positioning	Comments/ Third Party reactions	Responsibility
Product managers	Proactive briefings to enable them to communicate to clients via normal relationship mechanisms	Continual review  No change to our ultimate aims  Responsible actions being taken by business, informed by valuable work to date		Mike Fletcher
L300	Proactive post Board decision, as part of regular L300 channels – to issue when OJEU notice tabled	As above – email note for information, positioned as BAU business decision. L300 asked to respond reactively to questions, and feed any specific queries to communications team		Natalie Whitty/Mike Fletcher
Employees	Reactive	See above		Mike Fletcher – liaise with Paul Swanton/Jonathan Knox for NBSC and other channels
Postmasters who have seen IBM prototype (approx. 20) e.g. user forum, UAT volunteers	Proactive briefings	As above with appropriate tailored detail, including underlining their continued involvement		Mike Fletcher
Postmasters - general	Reactive – NBSC to have lines to take [L300 message]	Continual review  No change to our ultimate, overall goals  Responsible actions being taken by business, informed by valuable work to date		Natalie Whitty/Mike Fletcher  MF to liaise with Paul Swinton/Jonathan Knox for NBSC and other channels



## **Annexe B: core statements**

### **Core internal narrative**

As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work. A key element of that journey is the enhancement of our customer-facing technology.

Through the work we have been doing on point of sale software, it has become clear that we can achieve our aims for the future by retaining and developing Horizon. We have therefore decided to end the front office software development contract we have with IBM and we are modifying our existing contract with current providers Fujitsu.

This step, which is being taken after rigorous assessment, reflects our commitment to make our technology simpler to run, whilst at the same time it offers better value for money. It will enable us to make our planned changes more efficiently and within a shorter timeframe, so we will begin to see commercial benefits earlier.

‘Simpler to run’, among other things, means making change as straightforward as possible. Our new approach means we can roll out new hardware in branch but continue to benefit from our robust, efficient (and obviously familiar) Horizon software.

Our decision is underpinned by the new information and knowledge that has resulted from the planning, scrutiny and testing of the past six months. This has shown that we can achieve what we set out to with the IBM contract but at reduced risk and cost. Developments by Fujitsu can provide the same functionality we had planned, along with the capability to upgrade in future.

Existing contractual arrangements with Fujitsu mean that that we are able to move forward immediately with this decision, which is in the best interests of our branches, our business and above all our customers. To do so we are issuing a change notice in the Official Journal of the European Union.

We will continue to keep you updated and please do ask us any questions you may have.

**External Post Office statement [reactive – to be reviewed against nature of enquiry]**

Post Office's Horizon computer system is robust and effective and continues to serve the business and its customers well, processing around six million transactions a day at 11,500 Post office branches in communities throughout the UK.

It makes sense to retain and develop this system for the future, as we continue to adapt and innovate in fast-changing marketplaces. Following extensive and rigorous assessment we are therefore modifying our existing contract with Fujitsu, who currently provide the system, to deliver the changes we will need for the future, such as providing better capability for introducing new products and services more quickly.

This decision is underpinned by new information and knowledge through valuable work undertaken over the past six months, including that of IBM, with whom we have been working. Our approach means that we will be able to make planned changes more efficiently, producing significant savings.

We can confirm that we have therefore agreed with IBM to end their contract with us.

**External IBM statement [to be agreed with IBM]**

We can confirm that we have reached agreement with Post Office to end the contract to provide new front office software for the Post Office network. Both Post Office and IBM recognise that this is the right step to take in the wider context of the work being taken forward to transform the Post Office. It has always been recognised by both companies that, as for any major and complex programme, the project would be subject to continual review and assessment which could result in changes of approach.

**Annexe C: generic key reactive messages pre and post Board decision: to be reviewed against enquiry**

Pre OJEU	Post OJEU
<p>Post Office:</p> <ul style="list-style-type: none"> <li>➤ This is a major programme of work that will give us the capability to enhance what we do for our customers.</li> <li>➤ It is our responsibility to our shareholders (the public) to keep it under constant review, assessing requirements with incumbent and prospective suppliers</li> <li>➤ We value the relationship we have all our suppliers</li> </ul>	<p>Post Office:</p> <ul style="list-style-type: none"> <li>➤ This is a major programme that we are continually reviewing</li> <li>➤ Valuable work has been done that has informed decisions about the next stages of the programme</li> <li>➤ An opportunity has emerged to deliver the programme with reduced complexity and lower up-front costs</li> <li>➤ We are taking responsible actions following assessment of options that have resulted from the work to date</li> <li>➤ There is no change to our overall, ultimate goals – the programme will give us the capability to enhance what we do for customers</li> </ul>
<p>BIS:</p> <ul style="list-style-type: none"> <li>➤ Operational matter for Post Office</li> <li>➤ The major IT programme that Post Office is carrying out is part of the strategy for the future of the business, enhancing its capabilities for customers.</li> <li>➤ The programme is being carried out in line with all proper processes, such as public procurement, to ensure standards and value for money</li> </ul>	<p>BIS:</p> <ul style="list-style-type: none"> <li>➤ Operational matter for Post Office</li> <li>➤ The major IT programme that Post Office is carrying out is part of the strategy for the future of the business, enhancing its capabilities for customers.</li> <li>➤ The programme is being carried out in line with all proper processes, such as public procurement, to ensure standards and value for money</li> </ul>
<p>IBM:</p> <ul style="list-style-type: none"> <li>➤ The work IBM has completed with Post Office is informing the next steps for the programme</li> <li>➤ Decisions about options that have resulted for the next stages are of course for Post Office</li> </ul>	<p>IBM:</p> <ul style="list-style-type: none"> <li>➤ Decisions about options for the next stages of the programme are of course for Post Office</li> <li>➤ IBM has delivered work that has helped Post Office to assess options and inform their decisions.</li> </ul>

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**Annexe D: key questions and answers for external stakeholders**

**Q. Why are you ending your contract with IBM?**

A. Our work over the past [six] months, including work with IBM, has produced new information and knowledge. We have rigorously assessed our options and it has become clear that we can achieve our aims by retaining and developing our existing Horizon system. We are therefore modifying our existing contract with our current provider Fujitsu. The decision will enable us to make planned changes more efficiently and within a shorter timeframe, so we will see commercial benefits earlier.

**Q. How much has been spent on IBM's work to date and over what time period?**

A. Commercial contracts with suppliers are confidential. Post Office is subject to rigorous standards to ensure value for money and this is always a prime consideration when assessing options and in fact our approach will produce significant savings by enabling us to make planned changes more efficiently and within a shorter timeframe, so we will begin to see commercial benefits earlier.

**Q. How much is it costing you to get out of the contract with IBM?**

A. Commercial contracts with suppliers are confidential. Post Office is subject to rigorous standards to ensure value for money and this is always a prime consideration when assessing options and in fact our approach will produce significant savings by enabling us to make planned changes more efficiently and within a shorter timeframe, so we will begin to see commercial benefits earlier.

**Q. Is this not evidence that the procurement process – that took three years – was mismanaged?**

A. Not at all. A major programme such as this will always be subject to continual reviews and assessment as it progresses and six months of valuable work with IBM has informed our options.

**Q. How can you say that IBM's work on software development has been 'valuable' when you are essentially starting again?**

A. The work carried out with IBM has played an important part in informing our options about how we deliver the future capability we need to enhance what we do for our customers. With new knowledge and information we have gained we are able to take an approach which will produce significant savings by enabling us to make planned changes more efficiently and within a shorter timeframe, so we will begin to see commercial benefits earlier.

**Q. How can you justify staying with Horizon and Fujitsu?**

A. It makes sense to retain and develop a system which is a robust and effective system, currently processing around six million transactions a day in our UK-wide network of 11,500 Post Office branches. Under their existing agreement with us, Fujitsu have been developing upgrades to the system which delivers the future capability we need, offering us an opportunity to develop our relationship further with Fujitsu.

**Q. How long is the new contract with Fujitsu for?**

A. Six years, with a break clause at 4 years.

**Q. Why don't you have to go out to tender this again?**

A. We have issued a Change Control Notice (CCN) under Regulation 72(1)(b) of the Public Contracts Regulations. This effectively allows us to extend the timescale of the current Fujitsu agreement, and extend the scope, to include the enhancement of the software and a number of related services.

**Q. What is the Government's view of you ending the IBM contract?**

A. The management of the programme is an operational matter for the Post Office. The programme supports the overall strategy for the business, agreed with our shareholder. It is being carried out to ensure standards and value for money.

**Q. What reaction have you had from IBM?**

A. This was a commercial contract and it has always been recognised by both IBM and Post Office that, as for any major programme, it would be subject to continual review and assessment, which could result in changes regarding how we deliver the future capabilities we need to enhance what we do for our customers.

**Annexe E: proposed, more detailed questions and answers for internal briefings**

**Q: Why have we decided to dispense with IBM's services?**

**A:** Since late last year we have been reviewing the business case for updating our point-of-sale software. We took into account the overall Transformation picture, the shift in timescales and increased costs of delivering the planned solution. We have also developed a better understanding of the risks and impact of the planned change. After detailed discussions we agreed with IBM that we need to take a fresh approach. IBM have been very professional in recognising the changing nature of our business case and helping us to arrive at the right conclusion for our customers and our business.

**Q: So what does that fresh approach look like?**

**A:** We have been looking at a number of options for upgrading point of sale software, and have decided that an evolutionary approach presents the best opportunity to maximise benefits while minimising risk. We are now proposing to retain and enhance our existing Horizon software, in partnership with our current supplier Fujitsu.

**Q: Why have you come to this decision after initially deciding to replace Horizon?**

**A:** As our incumbent supplier, Fujitsu already have a long-standing relationship with us and understand our business requirements. There was never any doubt that Horizon is a robust and effective system to support our current day-to-day operations, but we believed that in order to build in future capabilities we would need to bring in a new system. Fujitsu have now confirmed that the capabilities we are looking for can be delivered through a new version of Horizon that they have been developing, offering us an opportunity which wasn't available at the time of the contract award.

**[Alternative] Q: So why didn't Fujitsu get the contract in the first place?**

**A:** IBM were awarded the contract following a full OJEU public tender process. Since then IBM have helped us to develop our understanding of how to deliver the change in such a way as to maximise the benefits and minimise disruption. This has led us to conclude that an alternative approach would be more appropriate. At the same time, Fujitsu have been developing upgrades to their Horizon product which delivers the capability we need, offering us an opportunity to develop our relationship further with Fujitsu.



**Q: If we've decided that Horizon meets our needs after all, why are we spending money on upgrading it?**

A: Horizon is a robust software that meets our day to day needs. What the current version of Horizon doesn't give us are the capabilities we need for the future – for instance the ability to anticipate future customer needs and bring new products or services to market more quickly and easily. Initially we believed that to have this capability we would need to move to a different software provider, but development work by Fujitsu has meant they can now confirm that they can deliver what we need by enhancing Horizon.

**Q: What is the implication for our branches – does this mean they will see anything different?**

A: We already have a robust, secure system in place. We will be installing new point of sale hardware into all our branches, while still using Horizon. We will work with Fujitsu to deliver further flexibility that enables us to meet future customer demands as they evolve.

**Q: Does this mean we have to go out to tender again?**

A: We have issued a Contract Award and Modification Notice under Regulation 72(1)(b) of the Public Contracts Regulations. This effectively allows us to extend the timescale of the current Fujitsu agreement, and extend the scope, to include the enhancement of the software and a number of related services.

**Q: Terminating IBM is surely going to cost a lot – how can we justify it?**

A: Our agreed approach will deliver significant savings in the short and mid-term by enabling us to deliver the planned changes more efficiently and within a shorter timeframe. As a result we will begin to see the commercial benefits earlier.

**Q: When will the programme be finished now?**

This decision will enable us to complete the programme broadly within our original timescales, i.e. by the end of 2017

**Q: Does this mean the Branch Technology Transformation programme as a whole has now been stopped?**

A: No, there is still a great deal of work going on which is not affected by this decision. We have started work on reviewing a wide range of core services, to see where we can make processes simpler and more effective. We are also moving ahead with our EUC Branch programme to update point of sale hardware in all our branches.

**Q: Will this decision impact on other parts of the Branch Technology Transformation programme?**

A: No, we are still moving ahead with our EUC Branch programme to update point of sale hardware in all our branches. We are also reviewing a wide range of core services to see where we can make processes simpler and more effective. Neither workstream is impacted by this decision.

**Q: Does this mean you're laying people off?**

A: In pausing the programme we have taken care to minimise the impact on permanent or contract colleagues. Wherever possible, colleagues have been redeployed on to other Transformation programmes. *[To confirm – how many people have we let go as a result of this decision?]*

**Annexe F – timetable for post-OJEU briefings**

Day/time	Audience	Delivery	Notes
Pre-announcement			
COMPLETE	IBM	AL/CB	Confirm decision to cease contract. Will need to agree a basic message with them (have prepared draft message)
First wave (leaders who will be required to brief or answer questions from their own teams)			
22 February	Kevin Seller, Michelle Downs, Matt Keeffe, Angela van den Bogerd, Neil Wilkinson, Alison Thompson,	DH	Ensure ready to brief own teams once OJEU is announced. Stress our preference to limit brief to those who actually need it  NB: Martin George will also need briefing but will not be in on Monday so will need to be briefed Tuesday am
	Transformation team	DH	
	Branch Technology Transformation PMG (including Les Cook-Scowen)	DH	Briefing note as for Branch Technology Transformation team (below)
	Katie Mulligan, AtoS	CB, NW	CB, NW to brief Katie on what this means for SIAM/towers model
Second wave (teams most closely impacted or who will need to brief other key players: same day where possible)			
23 February (am unless stated)	Branch Technology Transformation programme team (incl. product owners?)	GT	Briefing note drafted –programme team members most impacted are by now redeployed or under notice –but there may be questions around impact on future programme work MF to arrange meeting/dial-in via Farhad Nikkhah
	Transformation/Change team	AT	Briefing note drafted – NB: expect questions around what this means for AtoS/SIAM model
	Product/contract managers (16:30) <ul style="list-style-type: none"> <li>Commercial (including product relationship managers?)</li> <li>Financial Services</li> </ul>	MG	Briefing note drafted - ensure they are clear on what to tell supplier partners and the need to do so quickly MF to approach Martin George and agree how briefings will be conducted
	Operations	AvdB	Briefing note drafted – focus on continuity and responsible approach
	IT (including AtoS)	NW	Briefing note drafted – NB: AtoS colleagues may be more interested

			in what this means for future roles/SIAM model
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Day/time	Audience	Delivery	Notes
Third wave			
22 February pm	Business Readiness Leads	GT/AH	Briefing note drafted – need to ensure that this team understand the low-key approach and the key messages in case of questions from colleagues
22-23 February	Supplier partners/client partners	Product managers	Briefing note drafted – focus on continuity, evolutionary approach, commitment to keep them informed
23 February	NFSP	Nick Beal	Briefing note to be drafted. Nick to be briefed
23 February	Postmasters (those who have been engaged to date i.e. UAT, Business User Forum)	Business Readiness Leads	Briefing note drafted for delivery via Business Relationship Leads. NB: we do not believe it is appropriate at this point, to brief postmasters as a whole till we can brief them on what is actually going to be delivered into their branches
TBC	Multiple partners (Co-operative, McColl, WH Smith)?	Via KG	Briefing note drafted - NB: low level of involvement so far
Ongoing	IT partners	CB	Briefing notes drafted; CB/NW to build on these for specific conversations
TBC	CWU	Tom Moran	Decision to be taken in consultation with Tom (to be NDA'd)
TBC	Unite	As above	As above

**Annexe G: briefing notes for target audiences (to be used in conjunction with Annexe E internal Q&As unless stated) (subject to programme approval)**

**Briefing notes for Branch Technology Transformation team**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began work to develop our point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
  
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
  
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
  
- In terms of current programme activities, this decision will not have an immediate impact
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- I will keep you up to date with further developments
- I am happy to answer any questions you may have

### **Briefing notes for Transformation/Change team**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
  
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
  
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
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- We believe our decision is in the best interests of our branches, our business and above all our customers
  
- In terms of current programme activities, this decision will not have an immediate impact
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have



### **Briefing notes for product/relationship managers**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
- This decision does not affect our broader programme aims
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- It is important that you communicate early and clearly with our supplier/partners that:
  - This decision is the result of rigorous planning, scrutiny and testing over the last six months
  - It will enable us to deliver what we set out to achieve, but at reduced risk and cost

- It is for the benefit of our customers, our partners and our business
  - It is based on the ability to develop our Horizon system, which is effective, robust and familiar to our post office teams
  - It will not affect the other elements of the programme, for which we are continuing to finalise our planning
- We will circulate a briefing note for supplier partners, at the conclusion of this meeting
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have

### Briefing notes for Operations teams

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
- This decision does not affect our broader programme aims
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have

## Briefing notes for IT

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
- This decision does not affect our broader programme aims
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have

### **Briefing notes for Business Readiness Leads**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
  
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
  
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
  
- This decision does not affect our broader programme aims
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
  
- We are not briefing the wider Post Office population on these developments
  - For most of our colleagues they are an operational matter that does not affect them
- For the minority who are impacted, you have a key role to play

- Please respond to any questions you may receive about the programme and about this decision, with the following clear messages:
  - This decision is the result of rigorous planning, scrutiny and testing over the last six months
  - It will enable us to deliver what we set out to achieve, but at reduced risk and cost
  - It is for the benefit of our customers, our partners and our business
  - It is based on the ability to develop our Horizon system, which is effective, robust and familiar, rather than introduce new and radically different software
  - It will not affect the other elements of the programme, for which we are continuing to finalise our planning
- To help you do this I will send you a briefing note (*see below*)
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have

**Briefing notes for supplier/partners (use with external Q&A's)**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
  
- This decision is underpinned by new information and knowledge through valuable work undertaken over the past six months
- With IBM's help we have developed our view of how to deliver what our customers in such a way as to maximise the benefits and minimise the risks
- Post Office's Horizon computer system is robust and effective and continues to serve the business and its customers well, processing around six million transactions a day at 11,500 Post office branches in communities throughout the UK.
- It makes sense to retain and develop this system for the future, as we continue to adapt and innovate in fast-changing marketplaces
- Our approach means that we will be able to make planned changes more efficiently, producing significant savings.
  
- This decision does not affect our broader programme
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have



**Briefing notes for multiple branch partners (Co-operative, McColl, WH Smith etc.)**

- As you know, our Transformation journey aims to make us better for customers, simpler to run and a great place to work
- A key element of that journey is the enhancement of our customer-facing technology
- Since we began our development work on point of sale software, it has become clear that we can achieve our aims by retaining and developing Horizon
- We have therefore decided to end our front office software development contract with IBM
- And we are modifying our existing contract with current providers Fujitsu
  
- Our decision was underpinned by the new information and knowledge emerging from the planning, scrutiny and testing over the last six months
- This has shown us that:
  - We can now achieve with Fujitsu, what we aimed to achieve with the IBM contract, but at reduced risk and cost
  - Developing Horizon rather than introducing new software will both save money and make the change process more straightforward
  - Our new approach means we can roll out much-needed new hardware in-branch while continuing to benefit from our robust, efficient and familiar Horizon software
  - It will also enable us to make our planned changes more efficiently and within a shorter timeframe, so that we can begin to see the commercial benefits earlier
  
- Our existing contractual arrangements with Fujitsu mean we can move forward immediately with our decision
- To do so we are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe our decision is in the best interests of our branches, our business and above all our customers
  
- This decision does not affect our broader programme aims
  - We will continue the planning and delivery of EUC Branch, installing new counter equipment in all 11,500 of our branches
  - And we will also continue the work we recently began, to review our business requirements
  - This work will be important in shaping how we develop our point of sale software going forward
  
- We will keep you up to date on future developments
- And I am happy to answer any questions you may have

**Briefing notes for IT partners (use with external Q&A's)**

- We recently briefed you on our decision to pause our point of sale software development programme
- We can confirm that we have agreed with IBM to end their contract with us
- This decision is underpinned by the information and knowledge we have gained through the valuable work we have done with IBM over the past six months
- Building on this information and knowledge we have decided that we can achieve our aims by retaining and developing our existing Horizon system
  - Horizon is robust and effective
  - It continues to serve the business and its customers well, processing around six million transactions a day at 11,500 Post office branches in communities throughout the UK
  - And it has become clear that the system can be developed to deliver future changes
- It makes sense therefore, to retain and develop the Horizon system as we continue to adapt and innovate in fast-changing marketplaces
- We are therefore modifying our existing contract with Fujitsu, our current supplier, to deliver the changes we will need for the future, such as providing better capability for introducing new products and services more quickly
- We are issuing a Contract Award and Modification notice in the Official Journal of the European Union
- We believe this decision is in the best interests of our business, our partners and above all our customers
- *[Specific content being developed for CSC, Computacenter and AtoS by Chris Broe and Neil Wilkinson]*

## **Appendix H: contingency plan in event of IBM or sub-contractor communicating a different story**

### **Background**

In order to sign the extension of the Fujitsu contract without delay, it may be necessary to complete a 'legal termination' with IBM while negotiations on termination terms are ongoing. We are conscious that this may lead to IBM or their sub-contractors (who will be directly impacted by the termination) making unhelpful public statements.

This risk is mitigated both by the proposal Al Cameron has tabled with IBM, for a joint statement, and by the fact that it would not be in IBM's interests commercially to make negative comments. Nevertheless we need to be prepared for such a situation should it arise.

### **Communications strategy**

In the event of a joint statement not being agreed with IBM and/or any unhelpful public statements from IBM or any subcontractors and suppliers (including 'off the record' briefings), our strategy will be to avoid any public argument or detail that might escalate a story. In the highly unlikely event of IBM aggressively attacking our stance, our strategy will remain reactive; we believe the most effective response in such a scenario will be to starve the attack of oxygen.

Our messaging is summarised below, in the shape of four potential scenarios.

#### **Scenario 1 – general query**

Q: Can you confirm that you have terminated your relationship with IBM?

A: It is not our practice to comment on ongoing commercial discussions

#### **Scenario 2 – IBM adopt aggressive/critical stance**

Q: How would you respond to [criticism] from IBM?

A: We respect our partners and commit to working with them in accordance with our contractual rights. Our overriding imperative, in undertaking a large programme of work like this, is to ensure that we are developing the best and most cost-effective solution that we can for our business and above all our customers.

### **Scenario 3 – decision to terminate becomes public**

Q: Why did you not come to this decision earlier?

A: We have taken a responsible decision under the terms of our contract with IBM that is in the best interests of the Post Office, its people and its customers. The option we are taking gives much greater value for money at lower risk. We have taken the decision to now end our contract with IBM after rigorous assessment and with the benefit of new information and knowledge that has been obtained from our work over the past six months, including work with IBM.

### **Scenario 4 – Sparrow-related press approach**

Q: Surely your split IBM reflects the poor state of your Horizon systems and your failure to deliver a viable alternative?

A: This decision is the result of rigorous assessment and with the benefit of new information and knowledge that has been obtained from our work with IBM over the past six months. Horizon is a robust, effective system that continues to serve the business and its customers well, processing around six million transactions a day at 11,500 Post office branches in communities throughout the UK. Fujitsu have been able to demonstrate that by developing our exiting Horizon system, we can deliver the changes we need for the future. We have therefore taken a responsible decision under the terms of our contract with IBM, to retain and develop our existing system.