

COMMERCIAL IN CONFIDENCE



## Service & Commercial Review Meetings



### Notes and Action Points

19 January 2012

Post Office Attendees:	Fujitsu attendees:	Apologies:
Dave Hulbert (DH) Liz Tuddenham (LT) Scott Somerside (SS) Sue Stewart (SJS) Kendra Dickinson (KD)	Tony Atkinson (TA) Tim Healy (TH) James Davidson (JD) Colin Stretch (CS) Mark Gordon (MG) Leighton Machin (LM)	Mark Weaver (MW)  <b>Guest:</b> Chris Smith - Gartner

### Actions

Ref	Date Raised	Action	Who	Due Date	Status
87	210611	MTBF Any outstanding issues preventing POL sign off of MTBF document? Update: AJ to arrange a call to discuss. 18/10 - Ongoing - question raised by Liz about variable prices based on the number of failures proposed for some items (e.g. Epson printer). <b>30/11 – Leighton Machin was investigating the variable prices, Fujitsu to provide a proposal for discussion.</b>	MG	31/12/2011	C/F
122	200911	Risk Register Produce a document for discussion at the SMR <b>30/11 – To be produced in the new year (2012)</b> <b>19/01 – A joint risk register will now be produced and discussed quarterly at this forum.</b> <b>An agenda item will be added to the February meeting to produce an outline.</b>	TH	Feb meeting	C/F
132	301111	OJEU for frameworks Investigate whether codes can be provided to Fujitsu to enable alerts to be sent 19/12 – Liz is waiting for codes to be supplied, however the following information has been	LT	21/12/2011	Closed

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		provided: - POL currently have an OJEU out for IT Consulting Services and interested parties should submit PQQ by midday on 16/01/12 - Royal Mail also have an OJEU for Consulting Services - On 03/01/12 POL plan to issue an OJEU for IT Products (eg: desktop services)			
13 3	30111 1	Fujitsu Personnel Changes Provide an interim structure chart to all POL attendees <b>20/12 – A high level chart has been provided, a full one for the account will be sent in the new year when other changes have taken place</b>	TA	21/12/20 11	C/F
13 4	30111 1	Customer Satisfaction Scorecard Re-define what areas require scoring and what the scoring scale should be <b>19/01 – TA and SS to discuss the proposal</b>	TA/S S	21/02/20 12	C/F
13 6	30111 1	End User Services SLT Escalation Tony J and Liz to discuss the proposal and provide feedback	AJ/LT	21/12/20 12	Closed
14 0	30111 1	Fujitsu Services Financial Growth Provide communications re first 6 months growth for sharing within POL	GW	21/12/20 12	C/F
14 1	30111 1	Fujitsu Cloud Network (Central WAN options) Check with Peter Stanley whether Post Office will need the Maidstone DR after the EDG moves	AJ	21/12/20 12	Closed
14 2	30111 1	Fujitsu Cloud Network (Central WAN options) Arrange a session with Peter Stanley, Scott and relevant POL stakeholders to look at service improvement opportunities arising from Alex's proposals <b>19/01 – Meeting date to be confirmed</b>	AK/AJ	21/12/20 12	C/F
14 3	30111 1	Cloud Network Liaise with Liz to provide a presentation to Post Office on what the Cloud is.	GW	21/12/20 12	C/F
14 4	30111 1	Service Opportunities in relation to the Cloud Network Talk to Amit and Pete Newsome in preparation for the "service improvement opportunities" meeting	GW	21/12/20 12	C/F
14 8	30111 1	Wireless LAN Concurrency Raise a ROM to understand the cost of 100% concurrency <b>20/12 – A draft has been produced, Scott to finalise</b> <b>19/01 – ROM raised</b>	SS	21/12/20 12	Closed
15 0	30111 1	Monthly Dashboard Review format and content and provide feedback to	TA	21/12/20 12	Closed

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		Tony A <b>20/12 – Add Monthly Dashboard as a standard agenda item for this forum</b>			
15 2	30111 1	Service Improvement Book Add Alex's Fujitsu Cloud Network proposals to the book	TA	21/12/20 11	Closed
15 3	30111 1	Service Improvement no. 5 – Further Talk Talk Migration Batches Scope out how many branches could be moved and what the costs would be 19/12 – The number of branches in scope has been emailed to LT, costs still being collated. 20/12 – Ensure Scott S and Mark W are copied into correspondence <b>19/01 – CT due to be issued w/c 23/01/12</b>	AK	21/12/20 12	C/F
15 4	20121 1	Counter Availability in Critical Period SLA Verify explanation for SLA failure in November 19/01 – The SLA would have achieved if the printer calls were removed from the calculation.	TA	21/12/11	Closed
15 5	20121 1	Major Incident 12/12/11 Provide POL with an interim report on the incident, in particular to understand why the disc did what it did and why the application continued to work as it did. <b>19/01 – Liquidated damages calculation to be completed to demonstrate the impact</b>	TA	21/02/12	C/F
15 6	20121 1	Postage Labels - Arrange a "big brain" session between POL, Fujitsu and Royal Mail to discuss a more strategic solution - Prior to this session gather internal feedback from POL users	MW	31/01/12	C/F
15 7	20121 1	QOS Produce a proposal for POL (for branch and counter) detailing what improvements can be made, what the maximum coverage could be and how it could be achieved.	AK	31/01/12	C/F
15 8	20121 1	Kingston Upgrade Clarify why implementation has been delayed to April and what has caused the delay <b>19/01 – Pilot is to commence in April, rollout completion date to be confirmed. It was also noted that a new router model is now available which Fujitsu are testing and the savings will be passed on to POL.</b>	TA/A K	13/01/12	C/F
15 9	20121 1	Service Improvement Book Discuss and agree changes to be made in relation to: - dates of planned activities on the summary	SS/T A	19/01/11	C/F

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		<ul style="list-style-type: none"> <li>- document</li> <li>- tracking and reconciling numbers</li> </ul>			
16 0	20121 1	Future Meeting Dates Send proposed dates to Liz for consideration in conjunction with the Exec and Demand Planning Forums	TA	31/12/11	Completed
16 1	19011 2	Service Desk Benchmark Produce a report detailing gaps and opportunities	MG	03/02/12	
16 2	19011 2	Service Desk Benchmark Arrange a meeting to discuss the report w/c 13 Feb	SJS	07/02/12	
16 3	19011 2	POL Structure charts Provide Fujitsu with the structure charts for IT and Change and Managed Services and Sourcing	LT/D H	10/02/12	
16 4	19011 2	Extended Hours Confirm what activity is taking place currently and what is planned	MG	26/01/12	
16 5	19011 2	Epson Printer Calls Send the slide presented at the meeting to POL attendees	MG	26/01/12	
16 6	19011 2	Printer labels Gain agreement from the company who print the labels to be involved in the improvement activity work	SS	31/01/12	
16 7	19011 2	Rental Agreements Finalise agreements for the extension of the Bracknell agreement and the POLSAP Chesterfield agreement	SJS/T H	29/02/12	
16 8	19011 2	Monthly Dashboard Finalise comments and send to DH for agreement before sending to Liz for onward circulation to the Exec Forum	TA	26/01/12	

## Future Planning Log

Agenda Item	Purpose	Who/Lead	Planned month
Risk Register	To produce a draft joint risk register for ongoing update and discussion on a quarterly basis	TH	February
E-mail call logging	To discuss progress and identify any improvement opportunities	TA	February
Future Benchmarking activity	To agree the way forward	LT/TH	March
E-mail call logging	To review the stats for the first 3 months	TA	March

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**Notes:****Benchmarking**

Results of the benchmarking exercise for Service Desk and Branch Network Service were presented by Chris from Gartner. Results are:

Gartner			Service Desk Support Services Price per Contact Handled										
Contract	Contract Price	Net Adjustment	Adjusted Price	Scope	Financial Responsibility	Scale	Geography	Supported Technology	Service Levels	Terms and Conditions	Labour Market Factors	Additional Contract Services	
				Impact	Impact	Impact	Impact	Impact	Impact	Impact	Impact	Impact	
DP 1	£10.65	-14.4%	£9.12	-11.2%	-6.9%	-8.5%	1.8%	0.1%	8.2%	-1.8%	0.0%	4.1%	
DP 2	£9.12	-8.0%	£8.39	-11.3%	2.9%	10.1%	1.5%	-7.6%	-1.4%	-4.0%	0.0%	1.8%	
DP 3	£10.97	-24.2%	£8.32	-9.6%	0.0%	-4.9%	1.0%	-3.2%	-0.7%	-8.9%	0.0%	2.2%	
DP 4	£10.60	-30.0%	£7.42	-10.3%	-7.0%	7.6%	0.6%	-2.3%	-12.0%	-7.8%	0.0%	1.2%	
DP 5	£10.23	-19.1%	£8.28	-10.7%	-5.0%	0.1%	1.6%	-1.2%	-3.1%	-4.8%	0.0%	4.1%	
DP 6	£10.54	-10.6%	£9.42	-5.7%	-7.0%	-3.4%	0.1%	-4.5%	8.2%	-1.2%	0.0%	2.9%	
DP 7	£9.20	-11.9%	£8.11	5.6%	5.6%	6.6%	1.3%	8.6%	8.1%	6.1%	0.0%	2.9%	
DP 8	£11.94	-30.9%	£8.25	-10.0%	-2.1%	-3.1%	1.6%	0.0%	-9.0%	-10.0%	0.0%	1.8%	

Price per Contact Handled	
Adjusted Price	
Benchmark	£8.27
Average:	£8.41
Maximum:	£9.42
Minimum:	£7.42

The target annual price for Fujitsu and Post Office is;

- £8.27 multiplied by 11,662 monthly contacts and multiplied by 12 months = **£1,156,982**.

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## POST OFFICE BRANCH NETWORK SERVICES - Comparison Result

Item	Description	Recurring Charges			
		Low	P37.5%	Ave	High
1	Branch Router network	£36,094	£37,931	£39,581	£43,457
2,8	ADSL - wires only	£189,835	£200,116	£209,913	£232,141
2a	Small LAN Switches	£19,756	£24,271	£24,309	£26,889
3	VSAT rental/maintenance	£41,391	£59,408	£56,831	£62,132
4,5,7	ISDN2e rental/maintenance	£20,853	£27,244	£27,317	£32,792
6	3G SIM rental/Calls	£217,342	£348,891	£331,446	£407,516
9	ISDN/PSTN 'poke'	£2,074	£2,279	£2,417	£2,836
10	ISDN Calls	£4,669	£5,061	£5,266	£6,042
11	Resilient Branch Interconnects	£15,989	£17,742	£18,392	£20,860
11a	Inbound ISDN bulk call termination	£18,931	£18,931	£18,931	£18,931
12.	Network Management Systems	£10,548	£11,893	£12,341	£14,135
13.	Summary LAN/WAN	£19,776	£22,487	£23,336	£26,848
14.	Mobile Van	£1,068	£1,201	£1,201	£1,335
15.	Architectural support	£14,494	£14,494	£14,494	£14,494
18.	BNS Availability	£11,037	£14,386	£14,252	£16,539
19.	GENERAL	£40,134	£51,592	£51,272	£59,304
Total MRC's		£663,997	£857,928	£851,300	£986,252
Total Yearly		£7,967,960	£10,295,140	£10,215,595	£11,835,019

Actions following presentation of the results are:

Service Desk

- There will be no changes to the Service Desk implemented straight away to ensure the current service is safeguarded.
- Fujitsu have already commenced looking at the service provided and will analyse the results to identify options for reducing costs
- Fujitsu will provide a report to Post Office detailing gaps and opportunities by 3 February 2012 (AP161)
- Joint meeting to be held w/c 13 February to discuss the report, Sue to arrange (AP162)
- Actions and activities to be agreed by the end of February

Branch Network Service

- Jell Layton from Gartner will take Alex Kemp (Fujitsu) through the results to enable a greater understanding of the costs across the different areas.

**POL Business Update**

- Dave provided an update on Supplier Frameworks and explained that they will now be badged as IT Transformation. Fujitsu are already engaged and are aware of the tender activity which is underway but Dave did ask that Fujitsu let him know if they think POL are being disjointed in their approach.

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- The POL Board, separate to the Royal Mail Group Board, is now in place with Alice Perkins as Chair. Structure charts for IT and Change and Managed Services and Sourcing will be provided to Fujitsu and once a full business structure chart is available this will also be provided (AP163).
- The Operating Board have been looking at the future strategy for the Post Office and what needs to be put in place, Fujitsu are already engaged with this eg: extended hours.

### Fujitsu Services Business Update

- Fujitsu re-organisation is progressing with alignment to different towers. James will provide more information once it is available.
- Mark Gordon will be working alongside Tony A, focussing on “hot topic” activity with Tony focussing on day to day activity until he moves onto a new role.

### Service Overview

Noted that there were no items escalated.

### Hot Topics

- **Major Incident 12/12/11** – the next report is due on 27/01/12 which should be the final report confirming that everything has been addressed and actions have been taken to prevent the same issue occurring again.
- **WAN Concurrency** – ROM has been raised to cost up options to increase the concurrency rate
- **Extended hours** – Tony A to confirm what has been put in place and what is being progressed (AP164)
- **MTBF** – Mark presented a slide on the Epson Printer calls (which he will circulate to attendees AP165) and explained that Fujitsu are undertaking a piece of work to look at how to reduce the volume of calls. Actions are already in place to hold a joint workshop on this and Scott agreed to arrange for the company who print the labels to also work with Fujitsu (AP166).

### Commercial

- **Settlement letter** – there is just one query to resolve on this before final agreement
- **Baseline** – Tim to prioritise getting this finalised now that benchmarking activity has finished
- **Finance Deal** – POL and Fujitsu are still working through options to finalise this
- **Rental Agreements** – POL would like to extend the rental agreement for desk space in Bracknell and need to finalise the agreement for Fujitsu desk space in Chesterfield (POLSAP). Sue and Tim will progress and finalise (AP167).
- **Benchmarking** – it was noted that a way forward on Applications benchmarking and future benchmarking activity needs to be agreed and this will be pursued early March.

### Monthly Dashboard

- It was agreed that the format of the Dashboard is acceptable. Tony A will finalise the comments and send to Dave for agreement (AP168) and will then send the final version to Liz for onward distribution to the Exec Forum members.
- It was noted that the monthly Executive meeting is not taking place in January. The terms of reference for these meetings is currently being reassessed.

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**Service Improvement**

- E-mail call logging has now commenced and an agenda item will be added to February's meeting to discuss progress and improvement opportunities. An agenda item will also be added to the March meeting to review the 3 month stats.

**Date of next meeting: 21 February 2012 (apologies from Mark G as he will not be able to attend)**