



Fujitsu Services Customer Satisfaction Interview Programme – 2008

**Report of an interview
conducted independently with:**
Mike Davies, Project Light Programme Manager

Royal Mail Group
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1. INTRODUCTION

Research Methodology

The report is based on a face-to-face discussion with Mike Davies conducted on behalf of Fujitsu Services by Doug Komiliades, an Associate Research Consultant retained by ORC International. The interview lasted seventy-five minutes and was digitally recorded with the respondents' consent.

Fujitsu Services would like to thank Mr Davies for affording us his time and for the insights he has provided.

Report Structure

This report provides a detailed summary of key discussion points from the interview incorporating the respondents' evaluation of Fujitsu Services' performance in a number of specific service areas and perceptions of the business relationship as a whole.

The document includes a number of satisfaction ratings for key service attributes and a summary of specific customer requirements, which will form the basis of an action plan to be formulated by the Fujitsu Services' Account Manager and the client in the thirty days that follow the publication of this report.

2. MANAGEMENT SUMMARY

Scores Overview

Overall	Understanding Business Requirements	Service	Project	Relationship	Value	Innovation	Reference	Renew
5	5	5	1	Old style - 2 New style - 7	6	5	Never (1-2)	Don't know

1. *Totally Dissatisfied*
2. *Extremely Dissatisfied*
3. *Very Dissatisfied*
4. *Dissatisfied*
5. *Slightly Dissatisfied*

6. *Slightly Satisfied*
7. *Satisfied*
8. *Very Satisfied*
9. *Extremely Satisfied*
10. *Delighted*

Executive Summary/Key themes

This CSIP review is based on the RMG Programme Manager for Project Light, Mike Davies', perspective of Fujitsu Services' performance in delivering a digital media network and the early stages of providing on-going services for it. The project was hurried in conception and let under unrealistic timescales, admittedly, but Fujitsu's initial delivery efforts were a failure and the project required an extended period of red alert and a large investment by Fujitsu to achieve completion. The performance rating scores given necessarily reflect the poor customer experience during this period.

Mr Davies admires the hard work and commitment of the operational teams within Fujitsu Services but is critical of how internal relationships, including those with other third party suppliers, are managed.

The main improvement areas cited by Mr Davies are around control and governance, project planning and problem resolution reporting.

He also felt disappointment with Fujitsu Services, however, in terms of the lack of added value provided, lack of honesty often demonstrated and petty squabbles and poor internal communication within Fujitsu.

Following changes to the management of the account, the client is optimistic about performance improving, once some outstanding service-related and commercial issues are resolved.

Given the opportunity, Mr Davies would raise the issue of improving service with the CEO of Fujitsu Services. This involves fixing all the non working screens that are not switched off as a

priority. He believes that Fujitsu is not properly analysing the data it collects because the service delivery team is so small.

Mr Davies would also like Fujitsu Services to 'drive the need' in helping RMG gain the most benefit from the assets it has invested in. Without such efforts and drive from Fujitsu, he fears that the technology and the on-going business that might be associated with it may be at risk from gaining future support when renewal is under consideration.

Customer Relationship Requirements

Rank	Customer Requirement
1	Improve monitoring and fixing of non-working screens
2	Get more directly involved with helping the business to drive the usage of the digital media network – build a vision from their experience digital media and create the need

3. COMPANY BACKGROUND

Royal Mail Group (RMG) Ltd is the parent company of three large businesses:

- Royal Mail, the UK-wide letters and package delivery business.
- Post Office Ltd is a separate company within and part of the Royal Mail Group that runs 14,300 Post Office® branches across the country. This is the largest retail and financial services chain in the UK - bigger than all of the UK's banks and building societies put together.
- Parcelforce Worldwide, the express parcels business.

The services provided by Fujitsu Services of relevance in this CSIP interview concern digital media, specifically the provision of hardware, network and support of digital media displays for 2,500 screens in RMG back office locations. The digital media network provides information to RMG staff and Fujitsu Services provides the processing and delivery of content to the Royal Mail estate.

This review does not cover Fujitsu Services performance in the provision of other IT services to RMG businesses.

Mike Davies was RMG's Programme Manager for Project Light, which entailed the installation and rollout of the digital media network and commenced in September 2006. Due to go live in February 2007, rollout was eventually completed in August 2007. He now works as a Project Manager in RMG's IT function, reporting to the PMO for projects but without a line manager as such.

4. QUESTIONS & SCORES

- **Overall** how satisfied are you with the performance of Fujitsu Services during the past 12 months?
Slightly Dissatisfied (5)
- How satisfied are you on the extent to which Fujitsu Services **Understands your Business**?
Slightly Dissatisfied (5)
- How satisfied were you with Fujitsu Services' performance in terms of **Project Management**?
Totally Dissatisfied (1)
- How satisfied are you with the overall quality of the day to day **Service** provided by Fujitsu Services?
Slightly Dissatisfied (5)
- How satisfied are you with Fujitsu Services in terms of how well they manage their **Relationship** with you?

Old style of management – Extremely Dissatisfied (2), New style – Satisfied (7)
- *Value can mean end to end business value, or perceived financial value – we would like you to answer this question however it best applies to your relationship.* Overall, how satisfied are you with the **Value** Fujitsu Services provides to your business? *Slightly satisfied (6)*
- **Innovation** is the successful introduction of new ideas. How satisfied are you with the extent to which Fujitsu Services provides innovation that adds value to your business?
Slightly Dissatisfied (5)
- The likelihood that you would provide a **Reference** for Fujitsu Services today would be?
Never (1-2)
- The likelihood that you would **Renew** your business with Fujitsu Services is? *Don't know*

5. DETAILED SUMMARY

Progress in the last 12 months

Mr Davies has been totally dissatisfied with Fujitsu Services' delivery of Project Light and, as that has been his total exposure to Fujitsu Services' work for RMG, this is also reflected in his scores for each of the rated attributes.

The project was turned around eventually, after very high level escalation and a long period on Red Alert and considerable further investment by Fujitsu Services.

Whilst he has been disappointed with Fujitsu Services' performance in this engagement he has been impressed by the determination and commitment of the people working on the account to succeed and the very hard work that Fujitsu people have put in. There are also some specific 'wins' to report at the end of this section of the report.

However, Mr Davies' critique is largely based on the poor programme and account management experienced at the outset of the project and the length of time and effort required to put things right. His comments supporting each of his rating scores are insightful and now follow.

Understanding requirements Although delivery of the project didn't really demand that Fujitsu Services had a detailed understanding of RMG's business, Mr Davies expected more in terms of coaching his business about getting the best out of the technology.

"The project is all about communications screens and using communications as a media. I know the Royal Mail didn't have a great picture of what they wanted to do. But I don't think that Fujitsu offered a great deal either, in terms of driving our need and creating our need and helping us deliver that ... they weren't driving the need."

Mr Davies explained that RMG had expectations that Fujitsu Services could offer the push it needed:

"Fujitsu were picked on the basis that they had a pedigree with Royal Mail, they were the first class supplier with Royal Mail the previous year. And they had a professional services delivery around digital media networks. It wasn't within the scope of the project but it would certainly have been in Fujitsu's interest as a service organisation to push Royal Mail along ... 'how about doing this' as opposed to try and deliver what we asked them to deliver."

He believes that suppliers should be looking to enhance their sales and he didn't see any sales enhancement from Fujitsu.

He describes Fujitsu Services' **project management** as "rubbish".

Business as usual services Mr Davies admires the service delivery team much more highly than the project delivery side but is not fully satisfied that RMG is receiving the contracted level of service.

"I'm not convinced that Fujitsu are offering the contractual service that's been signed up to."

He has no proof other than seeing screens that do not work "all over the place". He acknowledges that some of these are switched off and that is an RMG problem but some are "blatantly not switched off". He says that Fujitsu Services are supposed to have tracking mechanisms in place to identify and take corrective action for screens that are not working but not switched off. He has not seen any evidence of that.

Relationship – This was difficult at the outset of the programme but has now improved, hence his divided ratings between old and new style relationship management.

"Their relationship management was actually quite stressful. Across the project and across multiple levels within the project, relationship management was not one of the strong points. I've never worked in a company where a director had threatened to throw people out before. That's a combination of attitude and poor performance in terms of delivery."

Fujitsu was not behaving as a first class supplier would be expected to. To be fair to the new account director, Ian Terblanche, he fixed the problem. The antagonist was the previous account manager (who has been replaced by Richard Brunskill) who tended to rub people up the wrong way. He was moved off the account at the end of the project and the account director came in to 'paper over the cracks' and did a good job.

Value – In relation to Project Light, he thinks this is "not great".

"They don't light my fire, put it that way."

Innovation – On an ongoing basis he does not think Fujitsu have added any value. Mr Davies set up a workshop and expected Fujitsu people to contribute and they didn't.

Would not provide reference. Based on Project Light, Mr Davies would never provide a reference for Fujitsu Services in relation to digital media networks or project management. He is aware that Fujitsu Services can perform very well, eg. Project Horizon for RMG. However, he feels on Project Light that they were given the B team. The rationale may well have been the rapid project start and the need to use people available at the time. However, it started badly and continued.

"Building on sand, so it never, ever got fixed. The data that they used to base assumptions and management decisions on was actually incorrect and they were feeding me incorrect information. It was just appalling."

Renew business – It is not Mr Davies' decision on Digital Media Networks. If it was his decision it would depend on the benefits RMG was receiving from the service. If the business

valued what it was getting, the business would renew it – he wouldn't make the decision directly and he would not let the past influence that decision if the business benefit was being gained from the solution in the end. At the moment, he doesn't know whether the business perceives it is getting benefit from the network but his gut feeling is that it is not being used to its full potential. This is perhaps because RMG needs to be driven; they don't have any vision how to make best use of it. POL is one business who are making good use of it but they have a particularly talented communications manager "who gets great value out of the screens". He has his own roadmap. The other RMG divisions do not have the right people in place to drive the technology and need Fujitsu's help. They are not asking or paying for that help but someone has to start something somewhere.

"It's dying on the vine a bit in Parcelforce and maybe bits of Letters (Post Office)."

Some Wins

However, Mr Davies was able to point out some examples of good work by Fujitsu Services during the engagement:

- Fujitsu delivered well with a small project to provide content on demand. It was the best delivery of the Project Light programme, according to Mr Davies.

"Our people loved that product. It was the best thing about Project Light."

- An additional batch of c.250 screens was installed for POL, after the main project and Fujitsu appeared to have learned from previous experiences and the rollout for this went well.
- Fujitsu designed, and undertook a great deal of effort to get working, a solution to reduce network bandwidth trunk lines from 250 Meg/ sec to 15 Meg/ sec. Mr Davies saw this as something that no other supplier would have attempted to do and feels that this is something that Fujitsu Services can legitimately promote as a win from Project Light.

Areas of Excellence or Strengths

Mr Davies admires **Fujitsu's people**.

"The strength is the people and the commitment that the people had ... absolutely outstanding."

"They were great people to work with. I like the drive and enthusiasm that they have. They were not by any means a lazy bunch of people. They were a great bunch of people to work with but somewhere along the line they, or the project, weren't being managed properly. I'd say the strength was the people."

Fujitsu's people work hard and Mr Davies believes that it is probably one of the hardest working teams he has ever worked with. He cannot fault their willingness to work and commitment to win.

He feels that all the management problems he has experienced on Project Light can be relatively easily fixed and that Fujitsu Services has a very solid base of people doing the work so there is no reason that it could not perform better on another project.

Areas for Improvement or Customer Concern

Control and Governance

Mr Davies says that the main weakness was a lack of control from the outset. There was, for example, a willingness to blame the tools that they put in place rather than acknowledge they were not managing the programme well.

"The weakness was in control ... the governance around what they were doing. The lack of thought about how they were going to do it and the lack of control from the outset. The misinformation that they gave me."

There was no intent to deceive, it was down to too many different people changing at different points in the delivery – they lost control of who did what and what processes are in place. This shows lack of governance and not ensuring that new people follow the agreed design processes. They didn't manage third party suppliers well. Delivery was outsourced to two other companies, who in turn further outsourced to other companies.

"They lost control of delivery through their outsourcing environment."

Project Planning

"I've never ... with any other company in the last twenty years (had) to escalate that I'm not getting plans. I wasn't getting plans. They would not give me a decent project plan."

Royal Mail's initial timeframe was unrealistic but on paper Fujitsu could do it because they had done a similar roll-out before. On paper, the target was to install 60 per day over a two month period, with the right number of people available. In practice, Fujitsu couldn't do this because they didn't have the organisation set up properly to do it.

"If they had more time to plan it and set it up they probably could have done it."

Mr Davies sees this as a case of the 'commercial' team saying they can do something without involving 'technical', who would not have signed up for it. Immediately, there is a conflict of interest within Fujitsu. But, they kept this to themselves although RMG knew what was going on.

Having failed, delivery was extended to a more realistic timetable between January and June 2007. But it went into Red Alert in June and Fujitsu found that the commissioning process '4 point check' could be used as an excuse – commissioning didn't really mean working.

“That annoyed me and everybody else in Royal Mail big style. If you’re wrong, you’re wrong ... don’t try and weasel around and say ‘that don’t mean that’. We’re not dummies in Royal Mail but that took the biscuit ... that’s just stupidity.”

This put the project into Red Alert and Fujitsu found that the screens weren’t configured properly and the 4 point check didn’t actually prove that it was configured or working properly at all. In reality, it was just a real mess. Mr Davies thinks it came as a surprise to the Fujitsu project team that things were in such a mess and illustrates the amount of lack of control that had taken place in the delivery ... it took five months for them to fix it.

But, to Fujitsu’s credit, money was provided without asking for extra from RMG to fix the problem. Nearly every site had to be revisited.

“Massive, massive effort. Real big effort on their part. They could have turned round and said we’ve failed here; we’re going to give you the money back. But, then, the infrastructure was very expensive and they could not walk away and would have said goodbye to RMG business for the next fifteen years.”

Problem Resolution Reporting

The long Red Alert was a surprise to everyone. It took several weeks to find why things were not working as they should before they could attempt to fix the problem. Reporting on Red Alert was not good. Fujitsu tended to change the reporting. Mr Davies had daily meetings during this period and always felt the need to challenge the reports from Fujitsu. This led to heated debates, which led to him digging around and finding more things he didn’t like. Fujitsu tended to get excited that he was uncovering dirt that they did not want him to see.

“I would have been much more happy if they had just been up front and said ‘we said we were going to fix 30 screens today, we fixed 5’ instead of trying to massage the figures and make it complicated. These guys were pretty clever people and they were intelligently trying to use smoke and mirrors in terms of where they were with the numbering. I spent an awful lot of my time analysing their data even to the point of asking for raw data ... I didn’t want their reporting ... I didn’t believe what they were telling me. I got to the stage where everything they told me, I just didn’t believe it.”

Disappointments in the last 12 months

Lack of Added Value

See comments in section on expectations for the next 12 months.

Lack of honesty

RMG considered moving the MDS service in-house, where the content is published. Mr Davies had worked up cost/ benefits and was mislead that the MDS staff were Fujitsu employees and

would need to be transferred. In fact, they were agency contract staff which would have put a different slant on the argument. He felt that he was lied to.

Generally, he feels Fujitsu Services demonstrated a lack of honesty around what they were doing.

Mr Davies feels that only by talking to multiple people can the truth be found and is suspicious of being given just one point of contact. At one stage, he was not invited to attend internal Fujitsu Services' project meetings and this suggests that there was something to hide.

Petty squabbles within Fujitsu

Mr Davies said that bottlenecks build up around what different teams say they will or will not do.

"The service people can be really, really good but all of sudden they end up doing something really dumb and you end up in an argument with them about some trivia."

He puts it down to internal communications between teams and how they set each others expectations up. One Fujitsu manager says he will do something, which sets an expectation, but then a different manager will say they will not do it. Sometimes, the manager would contradict what the director had said they would do. Sometimes, the manager would be quite aggressive and say they didn't care who the issue might be escalated to, they would not do it. He once wrote to a director and said that it was a great way to lose the business.

In summary, he says that Fujitsu's internal communications is not joined up.

Customer Expectations for the next 12 months

Drive the need

He would like Fujitsu Services to become more directly involved with the RMG business units to tell them how to get good value from the digital media network. If this is not done, the investment will be wasted and the service may not go any further than the existing contract. Fujitsu should try and drive the need and it has the vision, the experts in media to be able to do so. RMG on the whole does not. Fujitsu would win by getting more business and RMG would win by getting better utilisation and more benefits from the assets.

He doesn't have any other requirements of Fujitsu on Project Light. It's all about getting value from the screens.

Better Service

Mr Davies thinks the service elements need to be investigated. Fujitsu needs to assess whether they are actually delivering what has been agreed and can it be delivered any better. Specifically, this would include finding better ways to identify and fix genuinely non-working screens. His reports tell him that 450 screens (about a fifth of the total) are not operational and

he knows that a proportion are switched on and not working. The tools and monitoring in place do not pick them up and Fujitsu should be proactively fixing them. Some sites, such as 148 Old Street – Head Office – are priority sites, so should receive priority attention. Fujitsu needs to fix this.

Medium to Long Term

Mr Davies feels that if Fujitsu Services was not working elsewhere within RMG, specifically on Horizon for the Post Office business, then future business prospects would be bleak. Project Light was the first work for the Royal Mail business for some time and was not done well. Going forward, Mr Davies said that this experience would not cloud his opinion about future business because he knows that given the right people and the right amount of time to set up a project, and given the committed workforce within Fujitsu Services, it is possible to win.

The failure on Project Light is down to a number of things but fundamentally he feels that Fujitsu did not know the product as well as they thought and at one stage he got the feeling that it had never been deployed in the same way as for the RMG. If it had, they would have understood the problems that they were going to face. It was evident in the mistakes that were being made. If they were going to do it again, they would do it differently. RMG would also sign up differently.

“I really don’t see why they shouldn’t get new business within the Group. They did a reasonably good job of clean up. There are still some commercial issues outstanding, however, which we probably do need to resolve. It’s not good to have commercial issues that are not resolved when you are coming back for new business.”

Despite his experiences, he knows that Fujitsu Services is a first class supplier and he knows that it performs well with Horizon. It is a very committed operation and he is sure that the Project Light implementation was as big a disappointment to Fujitsu as it was to RMG. He understands that the root cause was the hurried launch and the fact that the right people were not available at the outset in the right numbers. But, Fujitsu was not strong in saying that they could not do things within the timeframes expected.

Key Contacts

He mentioned Anthony Lamaru as the Programme Manager and there was also a Programme Director, Ian Terblanche. Mr Davies said that he likes Mr Terblanche very much and has great respect for the way in which he dealt with the problems experienced during Project Light.

Richard Brunskill, now Account Manager, was previously in service management and got deployed to help the project team fix screens when it was discovered that so many were not working. His team did a better job at project delivery than the specialists.

He has always been happy with the people despite many heated debates. He understands that there were resourcing problems for Fujitsu at the outset of the project.

Customer Perceptions of Fujitsu Services

Market Position

Mr Davies had not previously worked with Fujitsu Services and was not sure what position the company held in the IT services market place. He now sees it as a company that wants to win and will do whatever is needed to do so. He thinks this is commendable. Having started with a poor perception of Fujitsu Services when he first came to Project Light, the commitment it has shown in putting things right has improved his estimation of the company.

Fujitsu also has the resources and the capabilities, as well as the commitment, needed to win in this market, he believes. The problems he perceives within Fujitsu are all management issues and not down to any lack of commitment of people working on the ground.

Ease of Doing Business

Mr Davies said that it depends on the person you deal with how easy one finds it to do business with Fujitsu Services.

He found that Fujitsu Services was not easy to do business with under the previous account manager because he was too commercially orientated and appeared not to wish to discuss anything that did not involve a profit. This is especially galling during the early stages of investigating a solution, which appear to show something wrong within Fujitsu, only to be told things can only be fixed at a price. There was no attempt to negotiate.

"It got quite aggressive in some areas. We tended to find that the account manager always went in with hard negotiation. When you do that ... nobody's going to win."

On the other hand, Ian Terblanche – Account Director, is very easy to do business with according to Mr Davies. He listens to problems and finds constructive ways around them, without capitulating, 'batting' both for Fujitsu and for the client. He negotiates properly, with give and take and without getting excited.

Risk Management

He does not believe that Fujitsu Services is good at managing risk. It tends to focus on inward looking, spreadsheet based delivery plans without looking at resources required to deliver what the client expects. He never got properly detailed and resourced plans for the project, for example.

Proactivity

Mr Davies sees Fujitsu Services as reactive rather than proactive. He believes that the focus is on delivering what is specified in the contract rather than adding value.

Green credentials

Mr Davies sees no evidence to suggest that Fujitsu Services is more committed to green issues than any other IT services provider.

Key attributes – Mr Davies was asked to select three attributes that he would most associate with Fujitsu Services. The table below illustrates the attributes he could have chosen and the ones he agreed to select:

Reliable		Easy to do business	
In-Tune		Quality conscious	
Flexible	X	Innovative	X
Straight talking		Conscientious	
Professional		Pro active	
Trustworthy		Creative	X
Tenacious			

Fujitsu Services can sometimes be flexible to a fault, according to Mr Davies, to the extent that it can become detrimental. He cites the example of a solution that was found to adapt to a much lower network bandwidth when RMG found it could not afford the original 250 Meg/sec trunk lines and needed to reduce to 15 Meg/sec. Fujitsu Services designed a solution to work at the lower speed but it presented more problems for Fujitsu, in getting it to work, than had ever been expected.

This solution also demonstrated, however, that Fujitsu can be innovative and creative.