

THE POSSIBILITIES ARE INFINITE  FUJITSU

IMPACT Overview & R3/S80 Update

Briefing for Development and
ITU teams to support
awareness + impacting/
estimate production



Agenda



- Objectives
- IMPACT Programme Release Schedule
- Implications for Horizon estate
 - Pre-S60 overview
 - Release 1/S60 overview
 - Release 2/S70 overview
 - Release 3/S80
 - Highlights
 - Initial position
 - Migration overview
 - During migration
 - End position
 - Requirement summary
- Next Steps

Objectives



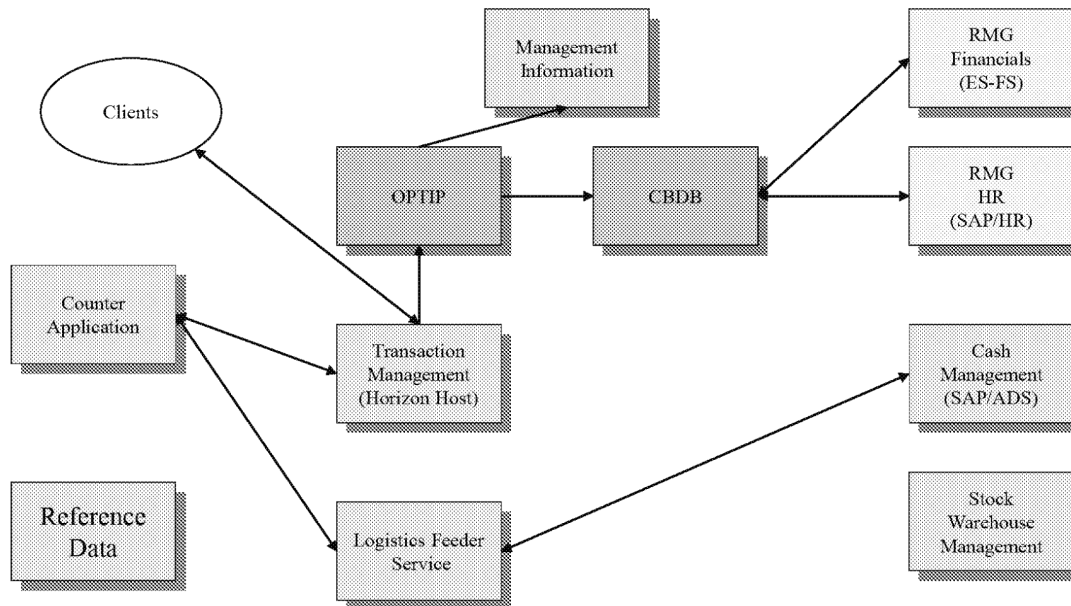
- Provide briefing on overall IMPACT Programme requirements and proposed solution design
 - for general awareness
 - to help preparations for the Release 3/S80 costing/resourcing estimates for solution testing, introduction and on-going support that are currently scheduled to be completed during March
- Programme Context - Release 1 (S60), Release 2 (S70) and Release 3 (S80)
- Requirements for S80 originally scheduled for sign-off by mid-March with Design Proposal sign-off by 31/3/04. Requirements currently behind schedule (+1 week)
- Post Office need revised costing to support 31/3/04 business case review to obtain authorisation against projected budget requirements
- Work conducted under CT179 which is managed by Bill Reynolds
- Commercial Terms are currently scheduled for completion by 1/4/04

IMPACT Programme Release Schedule

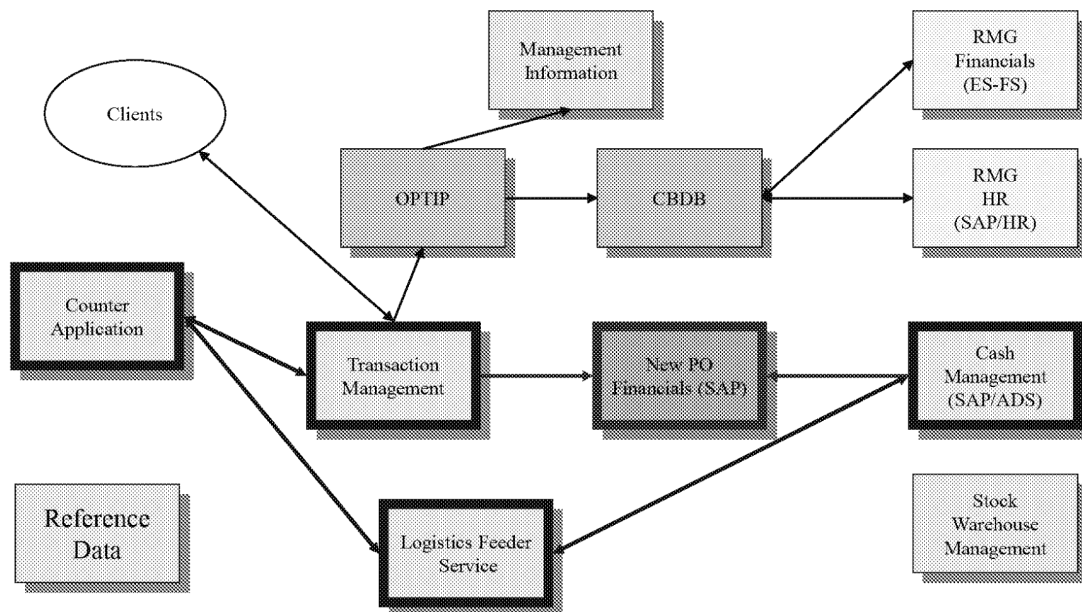


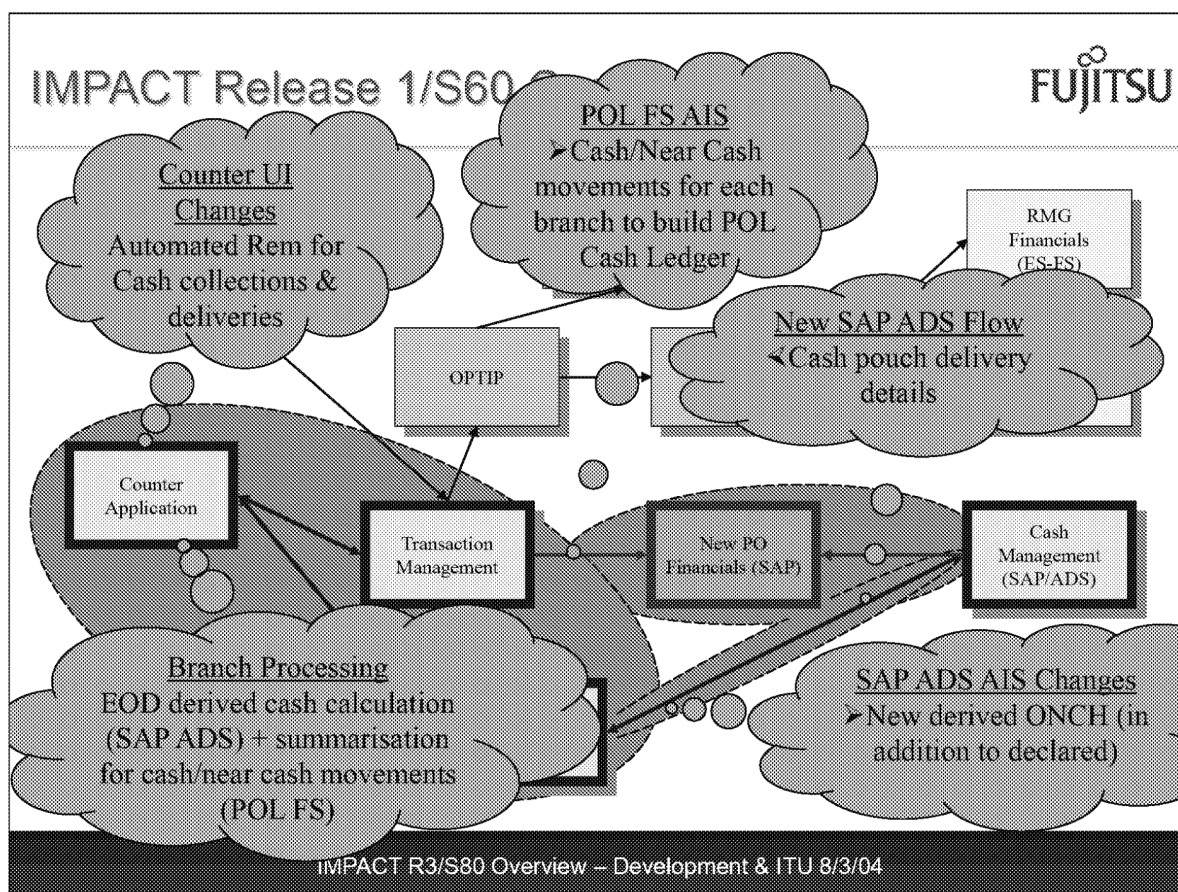
- Release 1/S60 – introduction of new POL FS (SAP) system to support cash ledgers
- Release 2/S70 – new POL reference data system (NRDS) and enhanced POL Sales MIS (no Horizon change requirements)
- Release 3/S80
 - POL FS (SAP) becomes POL operational financial system
 - Weekly Cash Account replaced by monthly Branch Trading Statement
 - OPTip/CBDB family of legacy systems decommissioned

Overview ... Pre-S60

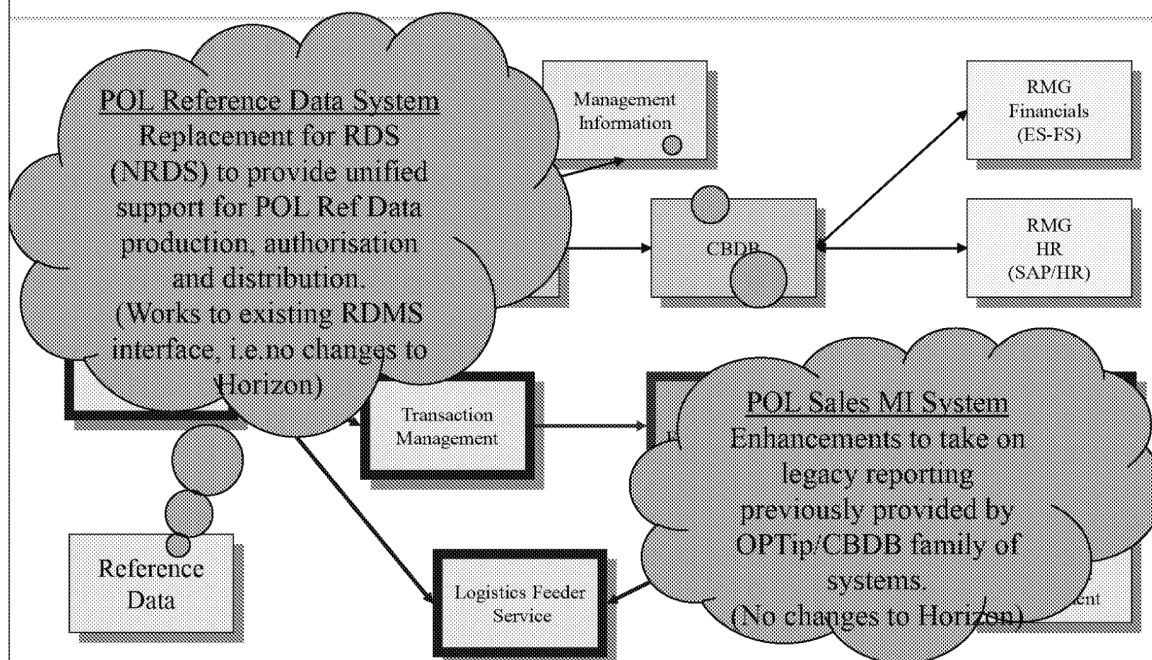


IMPACT Release 1/S60 Overview





IMPACT Release 2/S70 Overview

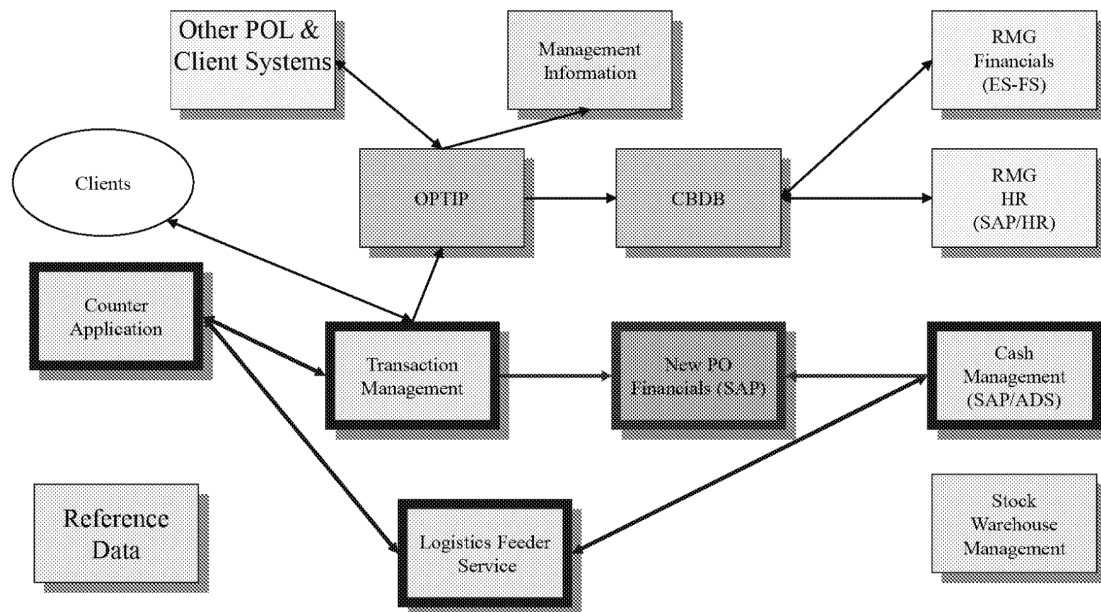


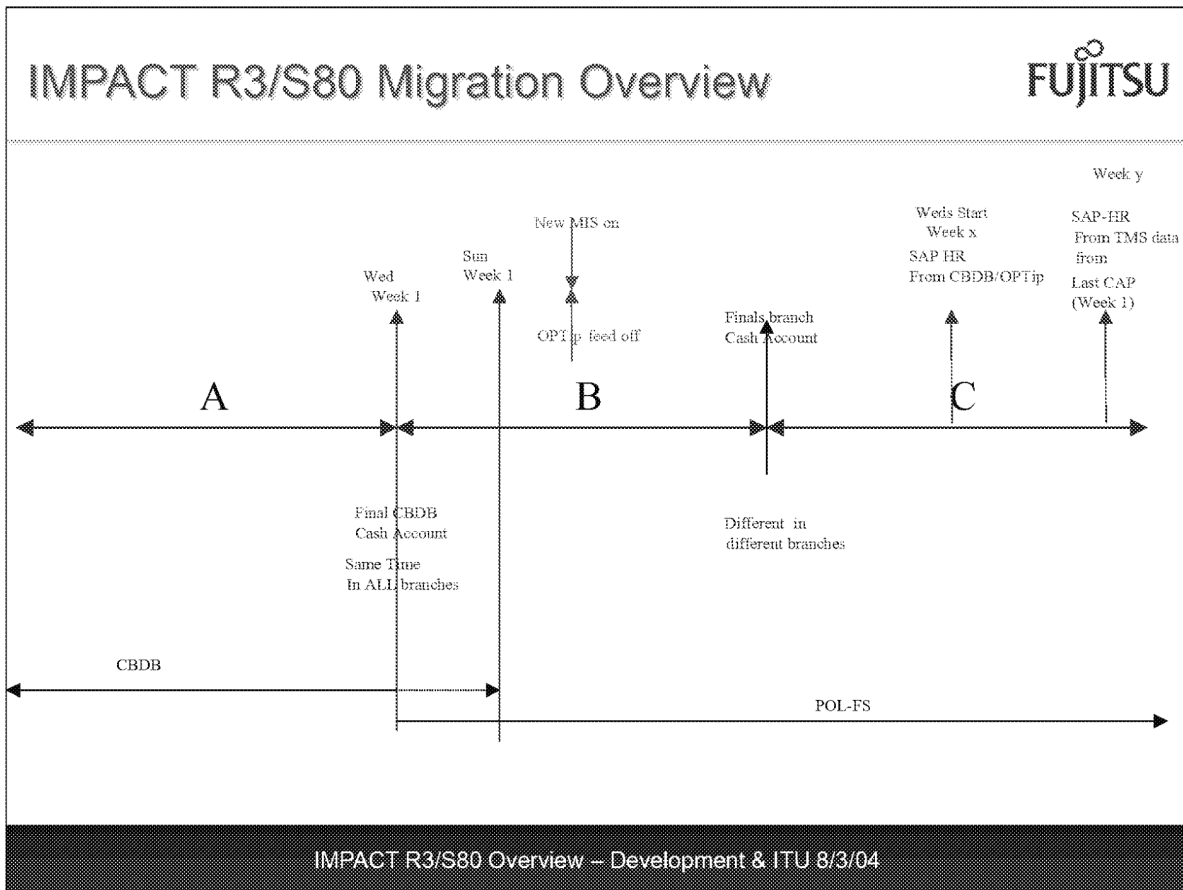
IMPACT Release 3/S80 Highlights



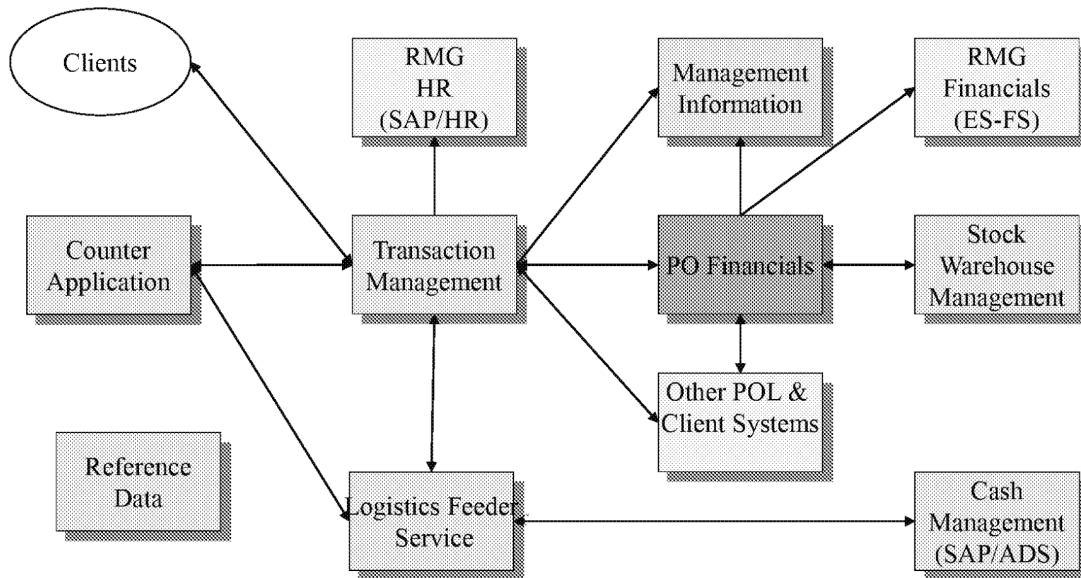
- **POL FS (SAP) becomes Post Office operational accounting system**
 - Ledgers based on daily Horizon summarisations replacing weekly Cash Account feeds to legacy/CBDB systems
 - CBDB decommissioned following cut-over to POL FS
 - POL FS feeds corporate Royal Mail Group financial systems
 - Handling significantly more data/users than at S60
 - Additional external feeds
- **Production of weekly Cash Account at branch replaced by Monthly Branch Trading Statement (BTS)**
 - BTS is a local branch report that is not forwarded to the central systems
 - Data retention at branch extended to 42 days (to be confirmed based on infrastructure constraints)
 - Branch reports processing month's data and therefore will take longer
- **All non-transaction Stock is “controlled” (becomes value stock)**
 - Branch reports present stock holdings in volume (not value) terms
- **Horizon host system (TMS) becomes primary data source**
 - OpTIP feed de-commissioned
 - TMS flows to/from POL Sales MIS, SAP HR, CAPO, SAP ADS, POL FS (analysis on-going in this area)
 - Simplified reconciliation processes/reporting from Horizon
- **Requirement for significant reference data management support in build up to and during migration process**

IMPACT Release 3/S80 Initial Position





IMPACT R3/S80 End Position



IMPACT R3/S80 Requirement Summary



- Branch Trading Statement
 - Replaces Cash Account but still produced on Wednesdays
 - Monthly trading period timetabled by ref data
 - Branches can be on different timetables to optimise central support
 - Signed copy of Statement held at branch, event sent to POL MIS
 - Branch office staff notified at login if in wrong trading period
- Daily Cash Declarations
 - Option to identify variances for shared SU declarations
 - Reminder to optionally declare at login if not completed previous day
 - Office level "Variance" report to support local branch management
- Stock
 - Adjustments accounted for at "adjustment" rather than sale price
- Revaluation
 - Removal of revaluation process
- Data Retention
 - Branch data retention increased from 35 to 42 days (to be confirmed)

IMPACT R3/S80 Requirement Summary



- Transaction Correction
 - Automating current paper based “Error Notices” for actioning POL authorised handling of branch suspense accounts
 - POL FS issues Transaction Corrections to be performed at branch by manager/supervisor
 - Manager/supervisor notified at login if outstanding Transaction Corrections
- Stock Unit Balancing
 - To balance SU need to either “make good” (new function) or address variances through new “local adjustment” function
 - “Make Good” function modifies previous declarations and is included on variance Report
 - “Local adjustment” clears SU discrepancy and effectively move variance to “adjustment account” held at branch level to be addressed by manager/supervisor
 - “Local adjustment” transactions to be added to existing Office Weekly Suspense Account report
 - To balance final SU at branch, manager/supervisor must clear local adjustment account to zero value, e.g. make good, arrange with POL central to convert to a loan (actioned via Transaction Correction)

IMPACT R3/S80 Requirement Summary



➤ Reports

- all reports involving stock changed to remove value information
- Data range added to Sales Report
- Reprints to apply to previous and current trading periods
- New trial/final balance report

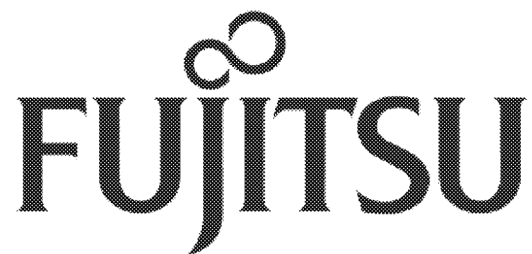
➤ TMS

- Summarisation for POL FS ledgers
- Feeds POL MIS, SAP HR, POL FS, SAP ADS, etc
- Simplified reconciliation removing APS/TPS report

Next Steps



- CD comments back to customer 18th March
 - Phil Boardman consolidating Fujitsu comments
 - Feedback to Phil by lunch time Tuesday 16th March
 - Internal review of comments Wednesday 17th March
- CD assumed to be baselined by 23rd March for purposes of DP/CT work
- Post Office Business Case review 31st March
 - Initial round of design/costing completed 26th March
 - Fujitsu review to determine release of input for POL Business Case
- Final DP/Costings/CT to be completed mid-April
 - Final costings to be available for internal review by 8th April



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The Possibilities Are Infinite

Automated (Cash) Rems



- New process for cash Rem In/Out at branch
 - Handling of stock Rem In/Out unchanged
- Objective
 - Branch liable for cash at point of delivery until collection
 - Accurate and more timely accounting for cash in network
 - Improved cash management

Automated (Cash) Rems ...Rem In



- SAP ADS will provide Horizon with details of cash pouches prepared at cash centre for delivery to branches
- Agent selects cash pouch delivery (n.b. different from stock)
- Pouch bar code scanned (new type C reference data used to distinguish between cash and stock pouches)
- Pouch id used to locate details provided by SAP ADS
 - Details manually entered using printed document provided in pouch if no electronic notification available
- Stock unit cash position updated immediately to reflect delivery value (change to current process)
- Remittance In receipt printed for checking pouch contents
- Discrepancies handled as per current process

Automated (Cash) Rems ...Rem Out (1)



Pouch Preparation and Rem Out

- Pouch bar code scanned
- Pouch filled and remittance details entered
 - Bar code indicates whether remittance for cash or stock pouch
- Remittance Advice Note printed and placed in pouch
- Remittance Receipt printed for pouch which is held awaiting collection
- Cash Rem'd Out of Stock Unit into branch suspense account (new product), I.e. change to current process
- New Remittance Reversal transaction provided to enable cash pouches awaiting collection to be reversed and the cash re-allocated to a branch Stock Unit

Automated (Cash) Rems ...Rem Out (2)



Cash Pouch Collection

- New Reference Data introduced to identify branches that use carriers to make cash collections
- Bar code on carrier id card (Authorised Collection Card - ACC) swiped/checked on Horizon
 - Manual entry of ACC id also supported
 - New Reference Data used to define validation rules
- Pouch(es) awaiting collection scanned and matched with Horizon records
 - Facility to manually input date/time for contingencies
- Pouch collection receipts printed for carrier and branch
- Branch accounts updated to reflect cash collection

New Branch ONCH Processes (1)



Derived Cash Position

- Current branch ONCH (overnight cash on hand) process forwards branch cash declaration details to SAP ADS at EOD (7pm)
- EOD process extended to calculate Horizon derived cash position taking into account previous starting position and movements within the day (sales and Rems)
 - Value of cash in pouches awaiting collection shown separately
 - Derived position to be used by SAP ADS for cash planning if no declaration available
 - If non-polled, SAP ADS uses historical data for planning
- Existing LFS/SAP ADS AIS extended to include additional information
 - Proposed that current SLAs/timescales will be retained

New Branch POL FS Summary Processes (1)



Branch Cash Position for POL Ledgers

- EOD process at branch calculates overall cash movement that have occurred at the branch during current trading day
 - Cash and near cash totalled separately by individual category, e.g. cheques despatched, cheques on hand, etc
 - Rem In/Out data includes pouch ids
 - Reference Data defines mapping between Horizon products and POL Chart of Account lines, also whether transaction summarisation required or individual transaction details
- Data harvested from branches (new flow)
- If data not sent to centre (e.g. non-polled, counter down), branch will also calculate and forward individual records for previous, as well as current period at next EOD

New Branch POL FS Summary Processes (2)



Branch Cash Position for POL Ledgers ...

- New Horizon/POL FS(SAP) AIS currently being defined
 - Expected to be similar to approach adopted for OpTIP file transfer, I.e. multiple files
 - Data has to be in POL FS by 7.30am on day B
 - Hosting of POL FS, procurement and infrastructure associated with interface will be subject of separate design/costing activity

Migration



- POL FS (SAP) Ledger flow
 - Opening cash/near cash positions at branch
 - Based on same product/chart of account mappings
- Soft Launch options
 - Branch opening positions for ledgers (activation/deactivation)
 - EOD transaction summaries for ledgers
 - EOD derived cash position for SAP ADS
 - Cash pouch details from SAP ADS distributed to branches
 - Revised cash Rem-In & Rem-Out/collection processes
 - Note: Reference data requirements for soft launch products??

New Reference Data - Recap



- Authorised Collection Card (ACC) bar code details
 - Type C data in line with standard practice for tokens
 - Format details used to verify validity date and check digit
- Remittance Pouch bar code details
 - Type C data in line with standard practice for tokens
 - Format details used to verify correct pouches used for cash/coin collection
- Carrier Cash Collection branches
 - Type A reference data (dummy product) indicating whether branch supports carrier or Royal Mail Special Delivery cash collections
- New “Cash in Pouch” product
 - Type A data includes mapping to Cash Account line
 - Used to record value of cash pouches made up and awaiting collection from branch
- Product to Chart of Accounts mapping
 - Type C data
 - Defines mapping and transaction summarisation requirements
- Products to support Soft Launch requirements

Available Documentation Requirements



- **Conceptual Designs produced by POL**
 - Planned to be baselined by 23/9/03
 - Draft documents currently available for ONCH and Automated Rems
 - Draft LFS/SAP ADS AIS update available
 - Draft Horizon/POL FS (SAP) AIS planned for 19/9/03
 - Assumed no changes required to RDS/RDMC AIS
 - “Project 1 CD” and “Project 3 CD” folders in:
 <shared drive>\E2E Re-Engineering\Initial Requirement Analysis\
 Conceptual Designs\Release 1
 - Process models and user interface definition logic modelled in
 Popkin System Architect with diagrams reproduced in MS Word
 Documents

Available Documentation Design



- Design Proposal produced by Fujitsu
 - Planned to be baselined by 3/10/03 (assuming no significant last minute changes to requirement)
 - Draft document produced by Gareth Jenkins
 - “Release 1” folder in: <shared drive>\E2E Re-Engineering\Initial Requirement Analysis\ DesignProposal

Next Steps



- Planning to agree Fujitsu approach and produce costing/resourcing estimates by 23/9/03
- CS/Testing confirm activity achievable within S60 timescales
- Testing activities:
 - Confirm requirement statements in CDs are testable
 - Establish cost/resource estimates for E2E specific testing activities
 - Review/revise draft acceptance criteria associated with requirement statements (doesn't need to be completed by 23/9/03)
 - Identify support required to achieve above
- CS Activities:
 - Review/revise/verify SLA obligations adequately covered in CDs
 - Establish incremental cost/resource estimates for E2E specific release and on-going support activities
 - Identify support required to achieve above
- Co-ordinate response via Bill Reynolds (E2E PM)



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