

Update Report for Event 574

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|---------------------------------------|---|---------------------------------|------------------------|
| Reference No: | 574 | Status: | Amber Alert |
| Update no: | * | Date: | 2004-07-06 |
| Date opened: | 2004-03-08 | Class: | Service Delivery |
| X-ref: | . | Stage: | live operation |
| Client: | Post Office Limited | | |
| Address: | Dearne House, Cortonwood Drive, Barnsley. S73 OUF,. | | |
| Contacts | | | |
| Alert Manager: | Dave Lynch. | work phone: | |
| | | mobile: | |
| Account Manager: | Liam Foley | mobile: | |
| Division(s) owning resolution: | UK Commercial Business | Division owning problem: | UK Commercial Business |

1 Problem Details:

Previously most problems encountered in operations, either as a result of hardware, software, or operational faults, had limited effect on the business of the Post Office Ltd as there were few transactions, in terms of type and volume, which required 'on-line' access to the FJ Data Centres. With the introduction of Network Banking and Debit Card functionality in early 2003, there has been a steady growth in on-line transactions with the result that any problem encountered in the live service can have a direct impact on the Post Office Ltd. in terms of visibility, customer satisfaction and business impact.

There have been a number of service outages since the introduction of Network Banking with varying causes and business impact to the extent that Post Office Ltd. is dissatisfied with the level of service they are receiving

In October 2003 Martin Riddell, HOSD, POA presented a Corrective Action Plan to David Courtley, Ian Lamb, Alan Barry (Post Office Ltd IT Director), David Miller (Post Office Ltd Director of Operations) and Ruth Holleran (Post Office Ltd Network Support Manager). This was agreed and was then reviewed on a weekly basis with Post Office Ltd.

Since that meeting there were a number of additional outages culminating in an unexpected key expiry on 16th February 2004 where a significant number of branches were unable to carry out on-line transactions.

Post Office Ltd invited Fujitsu Services. to rethink it's position and try and address the problem at a more fundamental level rather than address each problem individually. Fujitsu Services wrote to Post Office Ltd and proposed, in addition to the current actions on the Corrective Action Log, an audit in all the principal operational areas.

Post Office Ltd believe the impact of these outages are extremely serious. Although difficult at this stage to quantify, there is a growing mistrust and dissatisfaction in the on-line aspects of the service at the branch level and Post Office Ltd reports that sales are being lost. If the problems continue Post Office believe that there is a serious risk to their business that will affect their return to sustained profitability.

Post Office Ltd and Fujitsu Services agree that, at the time of the Network Banking

Contract and Contract Renewal, because of cost constraints, there were known limitations in the capabilities of the network and infrastructure to support full on-line working. It is also understood that the business impact of any level of service outage was not fully appreciated at the time and that further joint work is necessary to relook at this area.

However, many of the outages are a result of limitations in our capability within the current service to identify issues as they arise, define the service impact and to return to full operational capability in a timely manner. It is Post Office Ltd's view that these limitations in capability are not as a result of known and stated deficiencies at the time of moving to online working but that the management of the service is focused on reacting to problems and trying to fix them as they occur and as a programme, Fujitsu Services have not been proactive in anticipating the potential issues. What is required is a more proactive approach where the focus is on anticipating problems and either eliminating them before they arise or to have robust processes, tools and capabilities to ensure a timely return to operational service if they do arise.

Post Office Ltd believe a 'major sea-change' is necessary within Post Office Account not only to address the specific outages issues but to be more innovative in working with the Post Office Ltd to meet their future business challenges.

The first step towards achieving this is to address the Service Outage problem.

2 Commercial Situation:

The cornerstone of Fujitsu Service's relationship with Post Office Ltd and is the basis for an ongoing relationship and future business is a continuing demonstration of our capability to effectively manage the operational service

3 Closure Criteria:

Amber Alert should be closed when:

- a) The Vulnerability Assessment Matrix is completed and process in place to ensure it remains updated. Estimated date is 30 April 2004
- b) All milestones within the first 2 months of the plan have been met.
- c) There are no 'unplanned' service outages for 2 months. An 'unplanned' service outage is one where either
 - The type of outage was not addressed in the VAM or
 - The outage was addressed within the VAM but the mitigation action to prevent the outage happening did not work or
 - The return to service actions were not carried out in accordance with the VAM
- d) In addition to the specific actions specified above, Post Office Ltd is satisfied that Fujitsu Services have taken, and will continue to take all reasonable steps to identify and mitigate against service outages..

4 Forecast

Closure:

2004-07-16.

5 Progress/Current Actions:

2004-07-06

1. Management Summary

The customer weekly report was provided on Friday (July 2nd) and was accompanied by an updated project plan (v2.11).

A meeting was held on Friday (July 2nd) with Ian Lamb and his direct reports to

discuss a strategy for gaining Closure of the Alert. A decision was made to formally write to the Post Office requesting Closure; the letter would detail what has been done to both meet and exceed the Closure criteria and would be reviewed by the meeting attendees prior to it being sent. It was put forward that this route, even if it did not gain Closure, would give the Post Office the opportunity to tell Fujitsu what was required to get Closure. The letter should be positioned to emphasis the Corporate involvement with the Alert.

A formal email has therefore been sent by the Alert Manager to the Customer Service Director requesting a date for Closure. (The email included an attachment detailing all the deliverables and actions made to satisfy the Alert). This email will then be sent on to the Post Office with a covering letter asking for closure or information as to what is still required to gain closure.

Follow-on activities continue...

Work towards starting the Network Audit continues and it is expected that everything will be ready such that the purchase order can be signed early next week.

The Service Audit is proposed to start in the week beginning July 12th. Hedra will come in for a very high level 5 day study to identify further areas they would like to look at.

Work on the Process Revision is parked at present due to the Process Specialist being on annual leave. A report as to his view of the current situation is being evaluated during this time so as to ready for when he returns.

Offers are out for the Data Centre Operations Manager and Network Services Manager. Both have verbally accepted.

Overall the customer is still reported to be happy with progress within Post Office Account.

Exit Criteria – Status

Summary – The forth criterion is the only one that cannot be stated to have been satisfied as it is subjective in nature. Deliveries to meet the other criteria have been competed.

Criteria are in *Italic*...

d) The Vulnerability Assessment Matrix is completed and process in place to ensure it remains updated. Estimated date is 30 April 2004

Delivered – Matrix sent on April 30th along with the supporting processes.

b) All milestones within the first 2 months of the plan have been met.

Delivered – all the “milestones” have been met. This includes not only those in the revised SRRC based plan but also the original SER (v1.0) based milestones.

Activities following on from these milestones are reported under criterion “d”

- c) There are no ‘unplanned’ service outages for 2 months. An ‘unplanned’ service outage is one where either
- * The type of outage was not addressed in the VAM or
 - * The outage was addressed within the VAM but the mitigation action to prevent the outage happening did not work or
 - * The return to service actions were not carried out in accordance with the VAM.

The two month period, when taken as being from the date of entering Amber Alert, has seen several outages as previously reported. None of these is believed by POA managers and TDAs to have breached the clauses in this criterion. This criterion has therefore technically been satisfied.

d) In addition to the specific actions specified above, Post Office Ltd is satisfied that Fujitsu Services have taken, and will continue to take all reasonable steps to identify and mitigate against service outages.

As mentioned above, a written request for a Closure date is to be sent to the Post Office. This will be triggered by a formal email from the Alert Manager. This email has been sent (July 2nd), along with a document showing what was done/produced and when, and will be forwarded to the Post Office along with a covering letter from Martin Riddell.

The decision to request Closure from the Post Office was taken at a meeting with Ian Lamb and his direct reports last Friday. At this, several strategies were discussed and the “Corporate” request approach was considered to be best placed to achieve the desired result.

Follow-on activities continue as described below...

Recruitment - The offer for the position of Data Centre Operations Manager has been verbally accepted and a start date of Monday July 26th has been agreed. Interviews for the role of Network Services Manager were held last Tuesday. An offer has been made and verbally accepted; discussions continue as to a start date.

Network Audit – A teleconference was held today (5th) with Partners in IT to discuss various mobilisation questions and potential issues. The critical path still appears to be in getting security clearance (banking) through, however since the Non Disclosure Agreements are now in place the other pre-start activities can continue in parallel. A formal detailed response that can form the reference for a Purchase Order is targeted at Monday 12th July. Currently it appears that kick-off will be in the week starting July 19th though both sides are looking for ways to bring this forward. The first face to face meeting is to take place on Tuesday (6th).

Process Improvement – activities are now on hold due to annual leave but should restart next week.

Service Enhancement Register – This continues to be updated. A very positive reaction

from the Post Office has been reported. The SER is due to be discussed in detail at the next Service Management Forum (July 20th).

2. Issues

Issue – Closure, however the above mentioned activities should either gain Closure or allow Fujitsu to ask for specifics as to what is required by the Post Office to gain their sign off of the Amber Alert.

2004-06-29

1. Management Summary

The customer weekly report was provided on Friday (June 25th) and was accompanied by an updated project plan (v2.10).

The closure question is still to be raised with the Post Office and a meeting to discuss how to do this has been arranged between I. Lamb, M. Riddell, L. Foley, P. Jeram and D. Lynch for this coming Friday. The forth Closure criterion (see main body of report) is the block to gaining Closure due to its subjective nature since all deliverables have been made. It is expected that a strategy and timeline will be agreed at the Friday meeting.

Follow on and additional “comforting” activities continue. E.g. A decision has been made to use “Partners in IT” to perform the Network Audit – the Process Review has progressed (The Process Specialist is currently away on Annual Leave for two weeks) – Post Office have been told that a supplier has been selected to perform a 5 day Service Audit “information capture / scoping” exercise.

Discussions on the ADSL outages and the ADSL roll out continue though with less “heat”. A summary of the proposed Fujitsu actions are given below in the section on Issues.

Recruitment activities continue with the Data Centre Operations Manager having now verbally accepted the offer.

Overall – the relationship with the Post Office appears to have settled down somewhat after the Post Office reactions to the ADSL outages.

Exit Criteria – Status

Summary – The forth criterion is the only one that cannot be stated to have been satisfied as it is subjective in nature. Deliveries to meet the other criteria have been competed.

Criteria are in *Italic*...

d) The Vulnerability Assessment Matrix is completed and process in place to ensure it remains updated. Estimated date is 30 April 2004

Delivered – Matrix sent on April 30th along with the supporting processes.

b) All milestones within the first 2 months of the plan have been met.

Delivered – all the “milestones” have been met. This includes not only those in the revised SRRC based plan (v1.0 SRRCs) but also the original SER (v1.0) based milestones.

Activities following on from these milestones are reported under criterion “d”

c) There are no ‘unplanned’ service outages for 2 months. An ‘unplanned’ service outage is one where either

- * The type of outage was not addressed in the VAM or
- * The outage was addressed within the VAM but the mitigation action to prevent the outage happening did not work or
- * The return to service actions were not carried out in accordance with the VAM.

The two month period, when taken as being from the date of entering Amber Alert, has seen several outages as previously reported. None of these is believed by POA managers and TDAs to have breached the clauses in this criterion. This criterion has therefore technically been satisfied.

d) In addition to the specific actions specified above, Post Office Ltd is satisfied that Fujitsu Services have taken, and will continue to take all reasonable steps to identify and mitigate against service outages.

A POA meeting to discuss a strategy for Closure is to be held this coming Friday. This will consider both the deliverables made and the follow-on and additional activities being performed by POA to improve the comfort zone of the Post Office. These include...

Recruitment – The candidate for the Data Centre Operations Manager role has verbally accepted the offer. The candidate for the extra Service Delivery Manager position has declined even though POA believe all the expectations had been met in the offer.

Network Audit – A supplier has been selected and informed (Monday). The supplier is already on the Fujitsu approved list and since an NDA has already been signed the critical path is now getting suitable clearance for their staff. Discussions now need to take place as to the real timeline as against the one shown in the proposal. A start to finish time of 6 weeks is anticipated with initial results after the first two weeks. It is expected that mobilisation will take two weeks giving an overall two month timeline.

Process Improvement – activities are now on hold due to annual leave but will restart in two weeks.

Service Enhancement Register – This is to be discussed in more detail at the next Service Management Forum (July 20th). It contains a wide variety of actions and activities all aimed at improving the overall service provided to the Post Office. As such it demonstrates both the commitment of POA and the pro-active approach being taken.

Network reliability – Not an activity as such but included here as if this continues to be good then it has, in reality, little positive benefit, however any outage will have a large

negative effect on the comfort zone. Given the extreme reactions to recent ADSL troubles any outage in this area is likely to affect the comfort zone badly.

2. Issues

Issue – Getting Closure is an issue since satisfying the forth criterion is not a matter of physical deliveries or meeting specific milestones. As mentioned above there is to be a meeting this coming Friday (2nd July) to discuss how this might be moved forward.

It seems likely that even if the question is put to the Post Office it will be escalated internally before any decision is made.

ADSL – The ADSL outages and the concerns of the Post Office as to resilience and reliability reported on last week (raised at the meeting on Monday 21st following the SMF) have been addressed and the situation has cooled though should still be considered as sensitive. The following points have been covered in a letter (25th June) and report to the Post Office (extracts are shown with short answers in italics)...

1. An assessment of Broadband Access Server (BAS) reliability and the failure characteristics it may introduce to Post Office.

“In the particular configuration deployed, the estimated MTBF is 12.2 years for hardware failures and 3.4 years for software failures...”

2. Proposed actions to help mitigate against the impact of BAS failures similar to that experienced on 25th May 04.

“Fujitsu proposes to implement some immediate changes to deliver a faster “return to service” in the event of any similar failure. The proposal includes the installation of a site engineer at each of Energis’ 4 BAS centres during Post Office’s critical hours of working”. There is also to be a change in fault management processes to get a faster return to service.

3. The geographic disparity of the additional sites Fujitsu wishes to migrate to ADSL prior to the S60 roll-out window opening in July.

“Geographic disparity – the geographic spread of the additional 1,500 branches proposed to be connected via ADSL based on Fujitsu’s initial assessment is very wide. Post Office is verifying this assessment based on their business rules”

2004-06-23

1. Management Summary

The customer weekly report was provided on Friday (June 18th) and was accompanied by an updated project plan (v2.09) a complete set of SRRC Detail documents that incorporated the Service Level Target impact requested by the Post Office (Version 1.2) and a draft SRRC from Energis relating to the ADSL service.

All deliverables associated with the Alert have been made and it was expected that the question of Closure would be put to the Post Office at the Service Management Forum on Monday. The question was not asked as it was felt to be inappropriate given that the

afternoon session was to discuss the May 25th ADSL service outage. (Note – Fujitsu believe that this did not affect closure criterion “C” as it was with a third party supplier and also covered in various existing SRRCs).

The two final Network Audit proposals are being considered with a view to a decision by the end of this week.

A decision as to a preferred supplier for a proposed Service Delivery Audit (benchmarking) is planned to be made by the end of this week.

There have been no major outages, however the Energis ADSL issue is likely to stop the Closure question being asked in the near future. There was also another minor ADSL outage (Tuesday) which further complicates the raising of the Closure question.

Offers have been made for the roles of Data Centre Operations Manager and Service Definition Manager.

Overall – The Service Management Forum on Monday is reported to have gone very well and the Post Office appear to be happy with progress on the Alert however the following meeting regarding the ADSL outage was not as comfortable. This is discussed in more detail below (Criterion “d”).

Exit Criteria - Status

Summary - The forth criterion is the only one that cannot be stated to have been satisfied as it is subjective in nature. Deliveries to meet the other criteria have been competed.

Criteria are in Italic...

a) The Vulnerability Assessment Matrix is completed and process in place to ensure it remains updated. Estimated date is 30 April 2004

Delivered – Matrix sent on April 30th along with the supporting processes.

b) All milestones within the first 2 months of the plan have been met.

Delivered – all the “milestones” have been met. This includes not only those in the revised SRRC based plan (v1.0 SRRCs) but also the original SER (v1.0) based milestones.

Activities following on from these milestones are reported under criterion “d”

c) There are no 'unplanned' service outages for 2 months. An 'unplanned' service outage is one where either

- * The type of outage was not addressed in the VAM or

- * The outage was addressed within the VAM but the mitigation action to prevent the outage happening did not work or

- * The return to service actions were not carried out in accordance with the VAM.

The two month period, when taken as being from the date of entering Amber Alert, has seen several outages as previously reported. None of these is believed by POA managers and TDAs to have breached the clauses in this criterion. This criterion has

therefore technically been satisfied.

d) In addition to the specific actions specified above, Post Office Ltd is satisfied that Fujitsu Services have taken, and will continue to take all reasonable steps to identify and mitigate against service outages.

This criterion is, in reality, one about the Post Office's level of comfort. The following are thought to be key elements that will build or destroy this comfort zone...

Recruitment – An offer for the Data Centre Operations Manager role was made last Thursday. The Service Introduction Manager started on Monday and the Infrastructure and Availability Manager started on Tuesday. An offer has also been made to fill a Service Delivery Manager vacancy.

Network Audit – A decision as to which proposal to go with is due by Friday. The two potential suppliers have been asked to provide signed Non Disclosure Agreements and staff details for security checks (banking clearance not Government) so that when a decision is made a quick start can be achieved.

Process Improvement – the full time process specialist is now close to completing interviews etc. and continues to document what he has found. This covers all processes whether documented or not. He is now verifying and cross checking what he has found before moving on to produce suggested amendments to processes, responsibilities etc.

Service Enhancement Register – The SER was discussed in detail with the Post Office during the week. It is reported that this session went very well and no significant problems or issues were raised.

Network reliability – Any outage is likely to have an effect on the comfort zone. There have been no major outages in the past week however the implications and ramifications of the Energis ADSL outage (May 25th) are being discussed with the Post Office as they now appear to have great concern about this. (NB - The roll out of ADSL to Post Office outlets is on hold at this point in time).

This outage, in a Broadband Access Server (BAS), was outside normal hours and was covered by several SRRC documents. The actual outage was due to a single point of failure in the Energis ADSL network which locked up necessitating a visit and hard reboot; Energis and Cisco are investigating how this happened.

Although potentially impacting up to 156 outlets only 13 calls were received that related to this outage (NB there are some 17500 outlets). An SRRC equivalent for the Energis ADSL network has now been received from Energis and has been provided to the Post Office (Friday 18th).

The Energis ADSL service was again interrupted on Tuesday (22nd) by what appears to be a similar problem. This outage was in normal opening hours and 17 outlets called in. Potentially between 91 and 107 outlets could have been affected. The outage lasted around 55 minutes having started at 11:50am. This outage coming just after a difficult meeting regarding ADSL and Energis must be considered to have lowered the chances of getting sign off of the Alert.

Various actions by Fujitsu are being requested by the Post Office and these include... more engineers on sites; an analysis of each BAS against geographic coverage in the case of a failure; more data on hardware/software reliability such as MTBFs.

2004-06-16

The customer weekly report was provided on Friday (June 11th) and was accompanied by an updated project plan (v2.08). Both the report and the plan were structured so as to emphasis the fact that all deliveries associated with closure criteria a, b, and c have been met.

Progress continues on many fronts to build the comfort zone required for sign-off of subjective criterion "d". Of special note is that the quality and number of CVs has improved and, as a result, we have now filled the Infrastructure and Availability Manager vacancy; A start date of Monday June 21st has been agreed. It is hoped that at least one more offer can be made this week.

A meeting was held last week between the Post Office and POA to go through the SRRC Detail documents and to incorporate business impacts. This was reported as being very successful and also that the Post Office representatives seemed very happy with the SRRC Detail documents.

The Network Audit Terms of Reference has been sent to four potential suppliers and two of these have returned draft proposals and costs. One has declined and one is still to supply a proposal.

There have not been any major outages

2004-06-09

1. Management Summary

The customer weekly report was provided on Friday (June 4th). The majority of batch "F" of the SRRC Detail documents were provided at the same time with the remaining two documents being sent on Sunday. A modified SRRC-Matrix-list document and an updated project plan were also provided as some elements had been merged.

This now completes the delivery of SRRCs as per the plan. A total of 67 SRRCs have been produced along with the SRRC Matrix-list that references them. Processes describing both how SRRCs are produced and how they are updated, for instance in the case of a new software release, were delivered at the end of April. Joint reviews of 34 of the SRRC Detail documents have already been carried out and the remaining 33 are due to be jointly reviewed on June 9th and 10th. A majority of the SRRCs have been web enabled and are available for operational use.

The deliveries against milestones shown in the plan (version 1.0 with SRRCs replacing SERs) have been made.

There have been no unplanned outages for the past two months that were not covered and successfully managed back to service as in the applicable SRRC.

An internally sourced Process Specialist has now started.

The Terms of Reference document for the Network Audit has been produced and is at Review stage prior to formal issue (v1.0). Suppliers have been contacted to discuss capabilities, timelines and availability.

Recruitment continues as an issue and this is likely to have significant impact on the sign off timeline for satisfying the remaining subjective criterion “d”.

Overall – the customer should still be happy regarding the alert as Fujitsu continue to meet their promised deliveries. It is hoped that more direct feedback will be available at the meetings on Wednesday and Thursday this week.

Exit Criteria - Status

Criteria are in *Italic*...

a) The Vulnerability Assessment Matrix is completed and process in place to ensure it remains updated. Estimated date is 30 April 2004

Delivered – Matrix sent on April 30th along with the supporting processes.

b) All milestones within the first 2 months of the plan have been met.

The original plan (v1.0) had Service Enhancement Register items on it. These were replaced by SRRCs (with Post Office approval). Actions and deliveries associated with these milestones have been met for the first two months. Batch “F” was the final delivery against these.

The new Process Specialist has started and will be working with POA staff to revise existing processes in the areas of Problem Management and Incident Management. As these processes tie in with ones owned and run by the Post Office, joint sessions will be required once the initial drafts have been agreed within POA. Whilst this is not directly a deliverable under any particular criterion it rolls on from milestones (Process Review Workshop etc.) within this one and will directly contribute to the comfort zone and “sea change” needed to satisfy criterion “d”

A new activity that also follows on from the Process Review Workshop milestone and helps towards satisfying criterion “d” is the POA/Customer-Service Problem Management Workshop to be held on June 14th and 15th.

c) There are no 'unplanned' service outages for 2 months. An 'unplanned' service outage is one where either

- * The type of outage was not addressed in the VAM or

- * The outage was addressed within the VAM but the mitigation action to prevent the outage happening did not work or

- * The return to service actions were not carried out in accordance with the VAM.

The two month period, when taken as being from the date of entering Amber Alert, has seen several outages as previously reported. None of these is believed by POA managers and TDAs to have breached the clauses in this criterion. This criterion has therefore technically been satisfied.

An outage has been reported as occurring on Monday (7th) – This appears to have been caused by an inter-campus link failure. Network banking was not affected. Debit

card agents failed over from Bootle to Wigan as per specification, but there will have been some transactions that were lost on the fail-over. In depth analysis of this outage continues but is complicated by secondary failures in the external Streamline service. It is believed that again this outage is covered in the SRRCs.

d) In addition to the specific actions specified above, Post Office Ltd is satisfied that Fujitsu Services have taken, and will continue to take all reasonable steps to identify and mitigate against service outages.

It is believed that this is the only criterion remaining unsatisfied. It is subjective and hence not directly associated with any deliverable or specific measure. Success in areas such as recruitment, a perceived or actual quality of service improvement, and demonstrations of “pro-activity” by Fujitsu (for instance – Network Auditing and activities following on from the Process Review Workshop Milestone) will all help in building the comfort zone needed to obtain sign off of this criterion.

2. Issues

The resource availability concern reported last week delayed the delivery of two SRRCs out of the final batch, however they were sent to Post Office before Monday morning.

The interviews performed last week will not be resulting in offers. There are currently three interviews booked for this week and one for next Monday. It is reported that more external CVs are now coming through. Resource is again an issue as each interview session, along with testing, takes a minimum of half a day of a senior manager's time.

Recruitment continues to be an issue even though external agencies have been re-briefed as to the roles and expectations as to the profiles of likely candidates. It is felt that success in recruitment is likely to a major key (though not an Alert milestone) to getting agreement from the Post Office to close the Alert as this very much shows Fujitsu's commitment to improving the service provided to the Post Office.