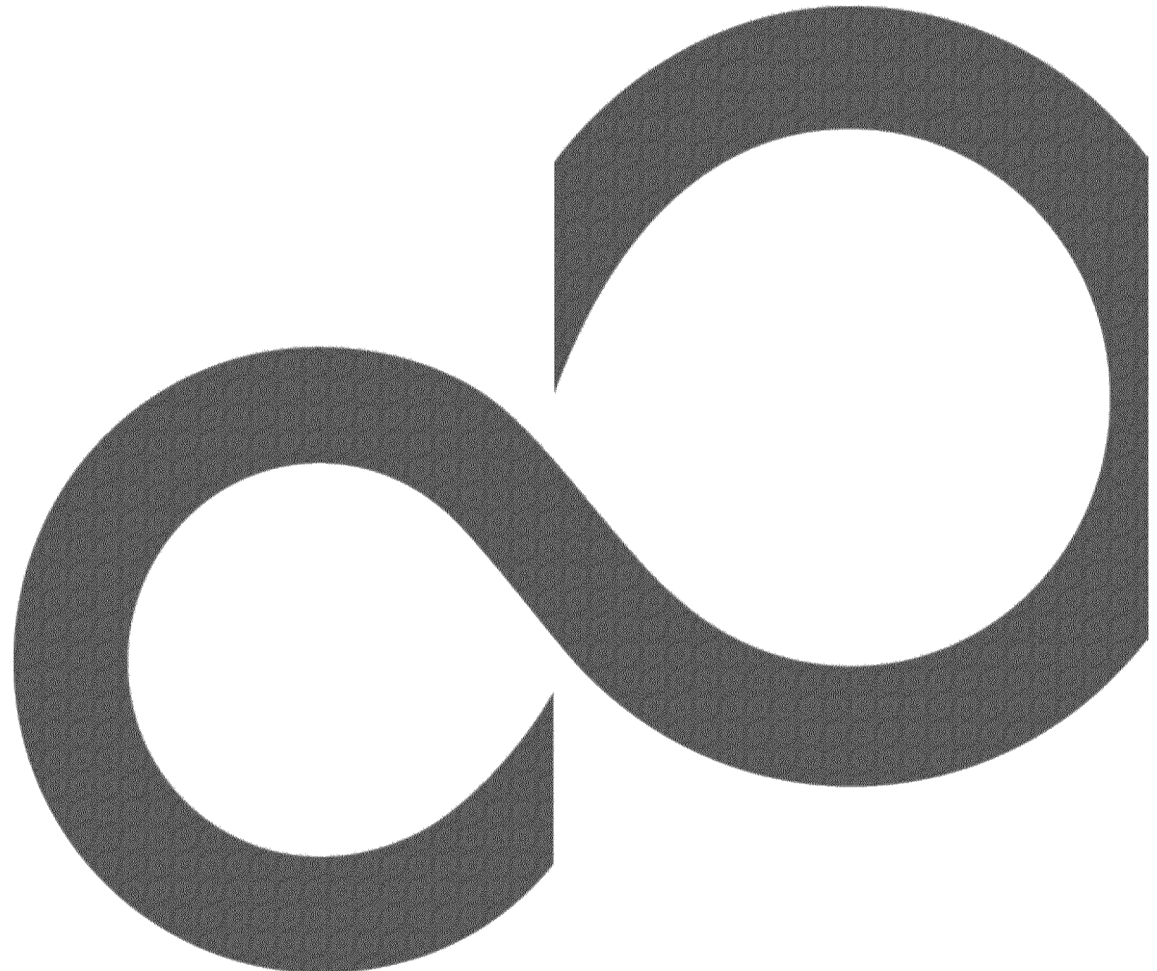


Post Office Account, CS Staff Briefing.

Martin Riddell

6th May 2004



Agenda

- Organisation.
- Corporate Red Alert (CRA).
- Employee Opinion Survey (EOS).
- Q & A.





Fujitsu Services Focus, Mission, Operation

We have been focused on delivering IT Infrastructure Management Services

Our Mission

“Our belief is that modern IT Infrastructures facilitate business transformation. We are expert in managing the most complex IT infrastructures, delivering cost and efficiency benefits and providing the basis upon which new processes and systems can support future business needs.”

How we Operate

- **We design, build and manage our customers' IT in ...**
Data centres; Networks; Workgroups & End-user
- **...Through a choice of relationships:** Full Outsourcing; Managed Services; Maintenance; Professional Services; Infrastructure Projects
- **... Where we can act as:** Prime Integrator; Alliance Partner; IT Sub-contractor

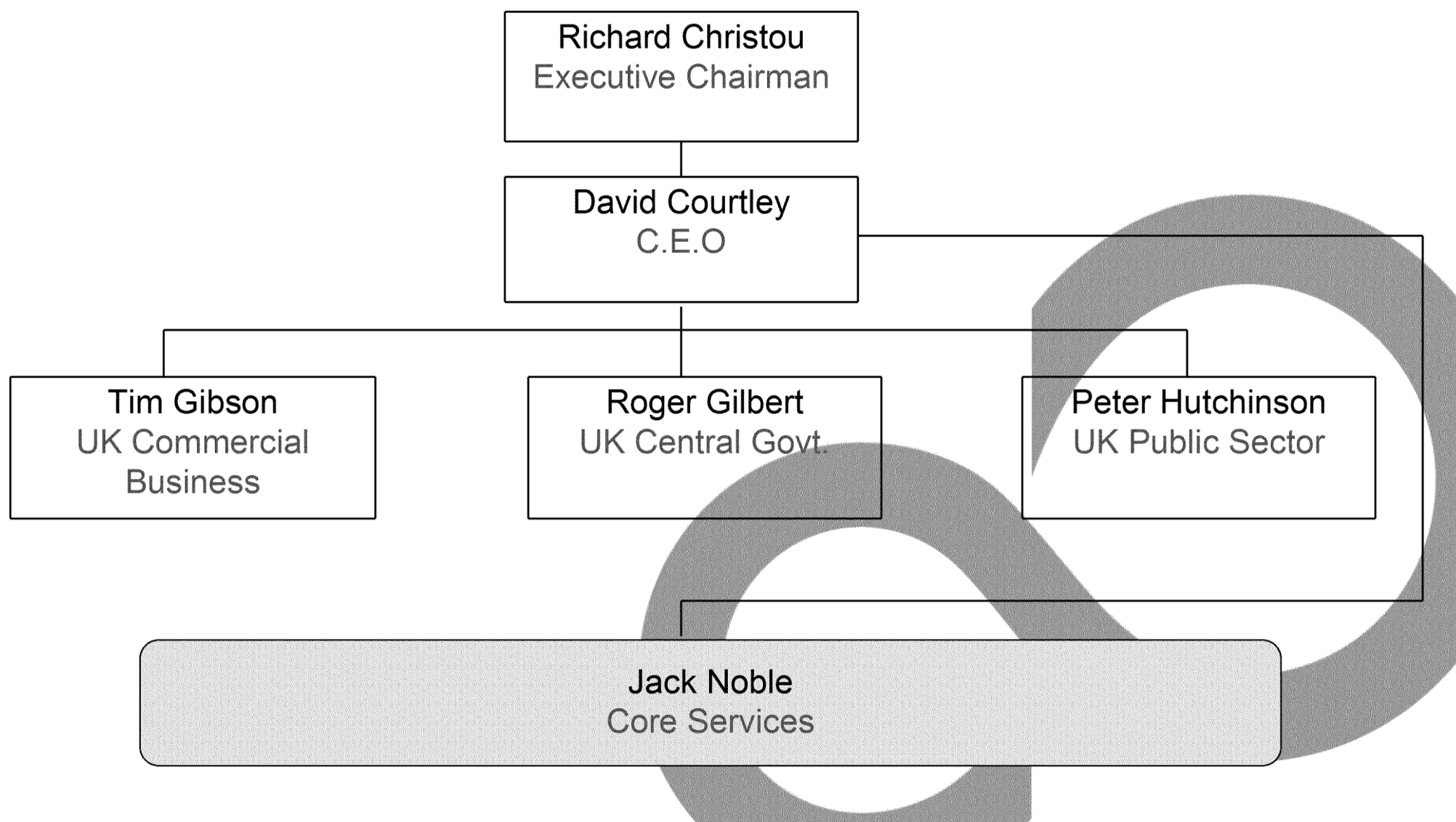
Fujitsu Services – Key Achievements 2003/04

- Major New Business wins:
 - Aspire Inland Revenue win with CGEY
displace EDS
 - NHS Southern Counties
 - DVLA Successful migration from EDS
 - British Midland
 - Marks & Spencer contract renewal
- Merger of Consulting and FTSI

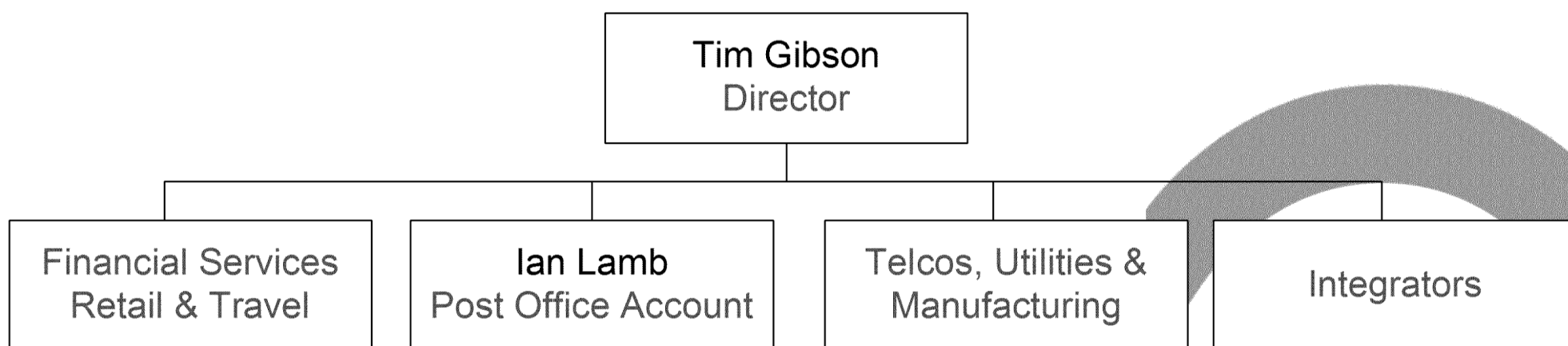




Fujitsu UK Organisation

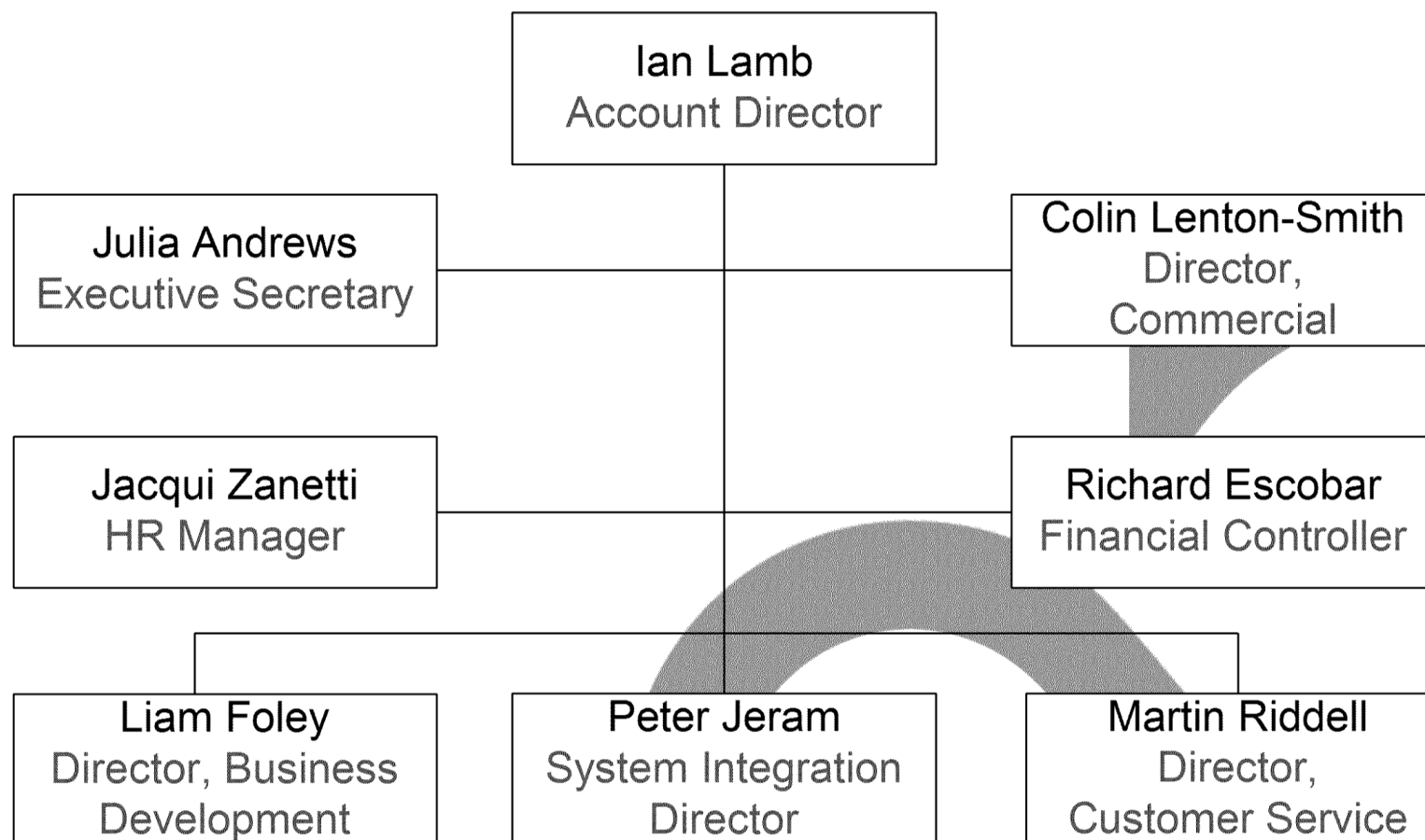


Commercial Organisation Structure





Post Office Account Management Team





Post Office Account – Our Goal

- To enable our customer to achieve their business goals, assisting them to transform their operations through the exploitation and development of their I.T. infrastructure.
 - To be the supplier of choice for Post Office.
 - To be a great company to do business with.
 - To be a great company to work for.



System Integration

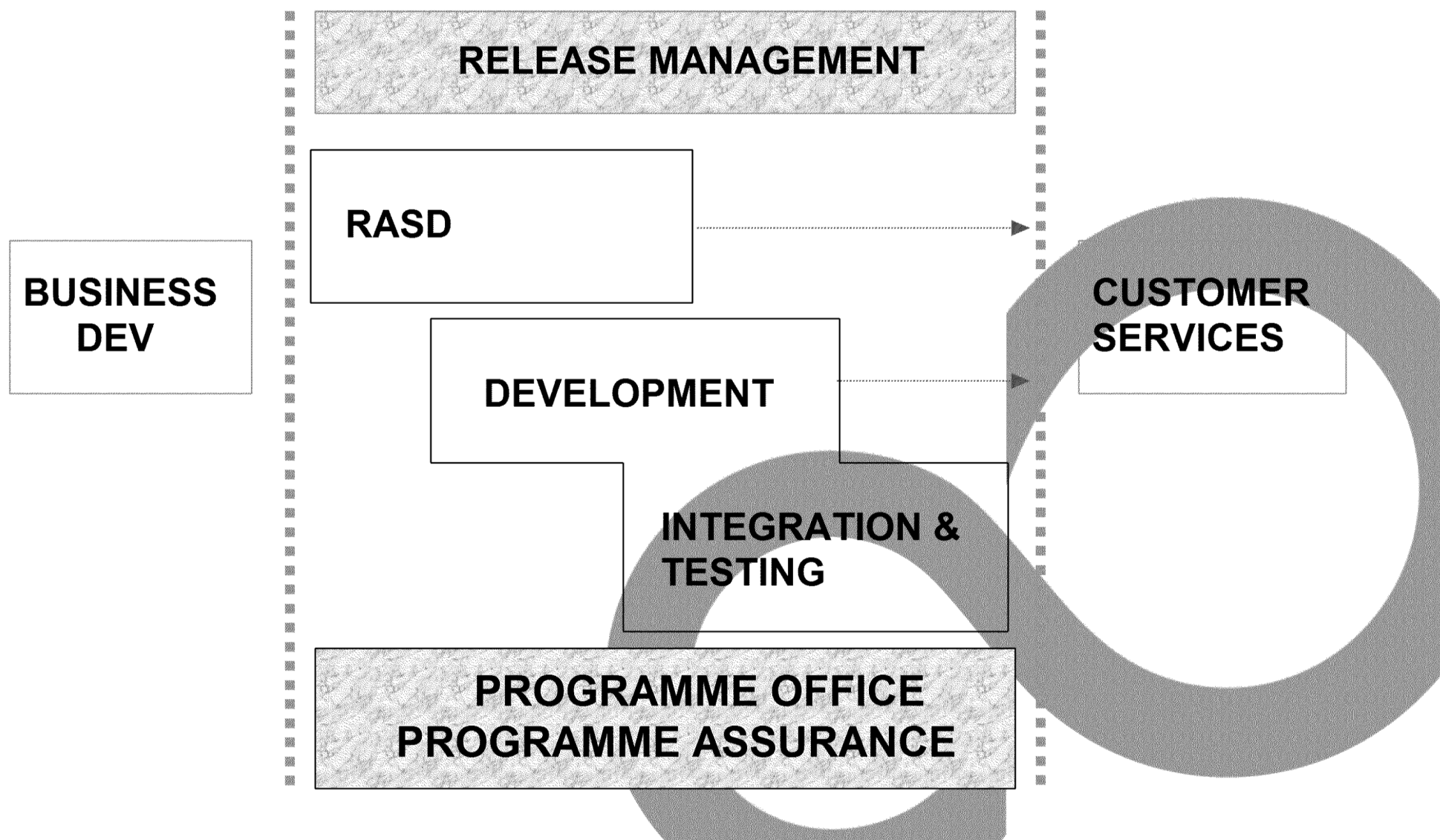
System
Integration



Consultancy/Architecture
Requirements/Solution Design
Software Design/Development
Integration/Validation
Programme Management

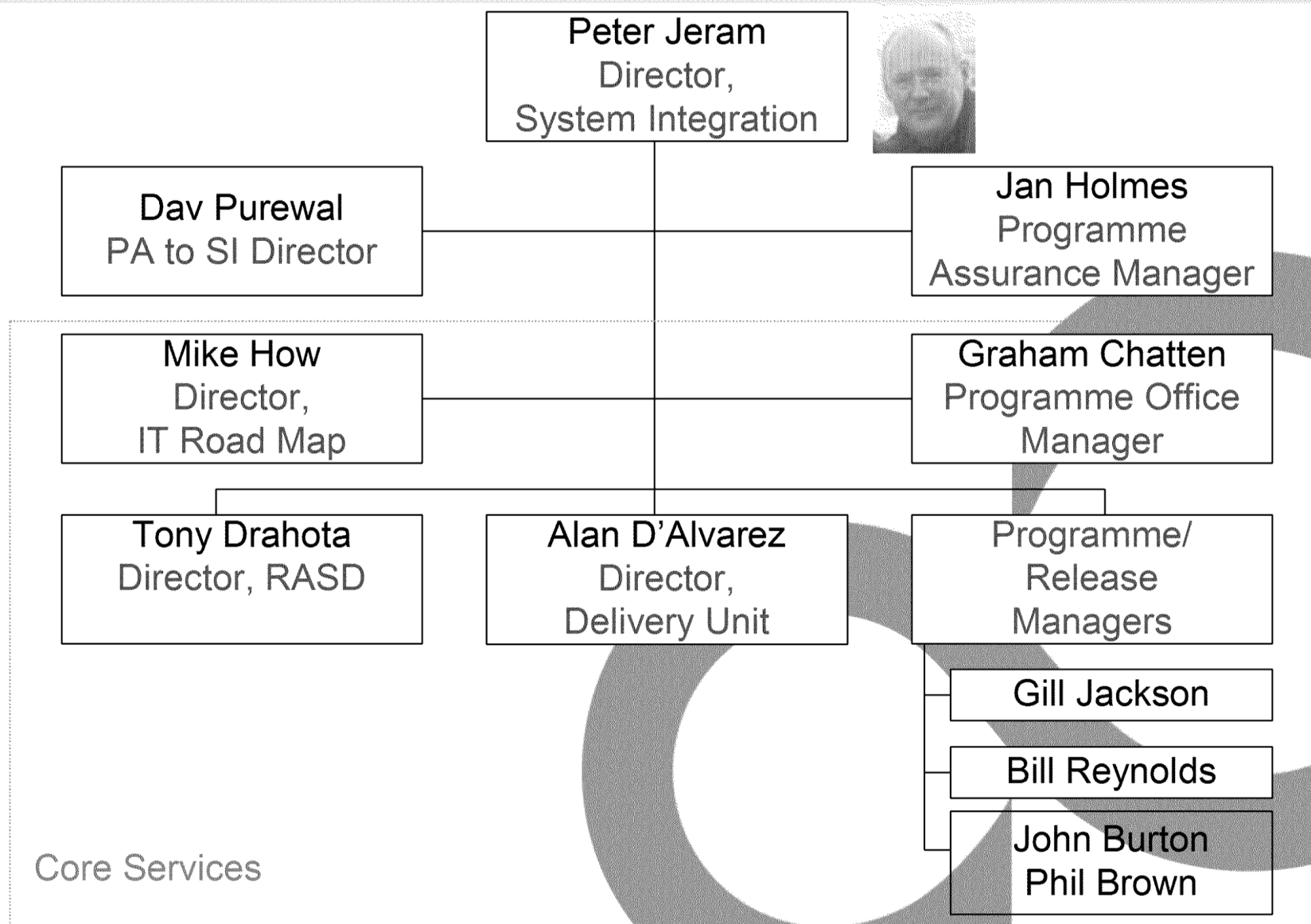


System Integration Life Cycle



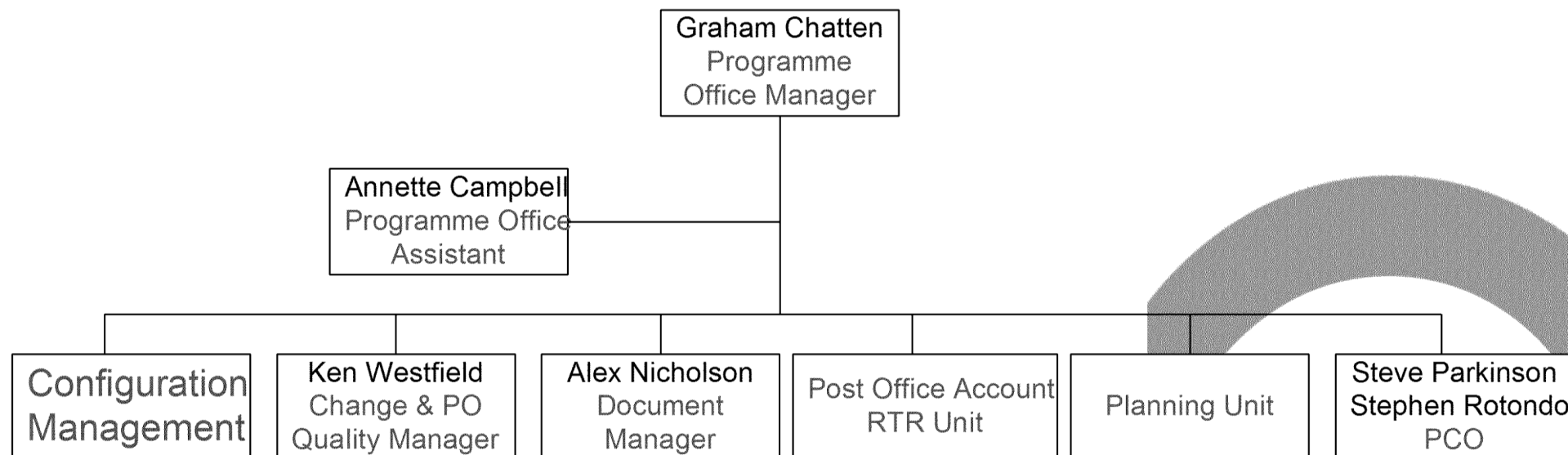


Post Office Account System Integration Directorate



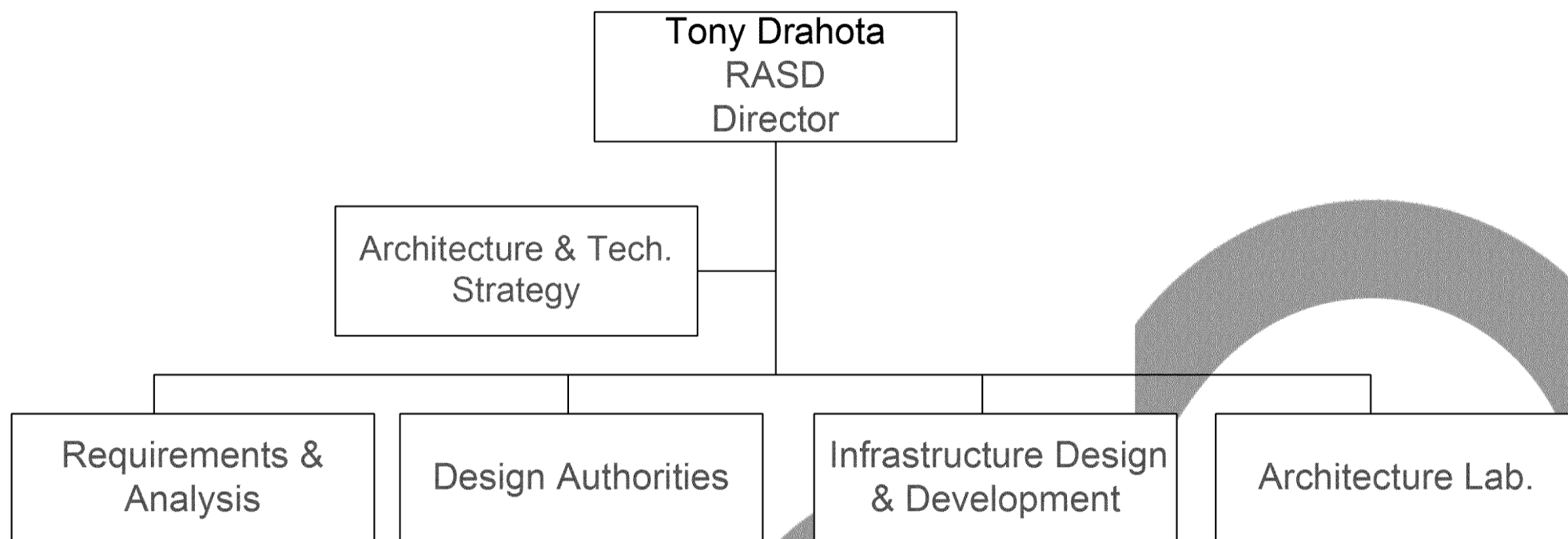


Post Office Account Programme Office



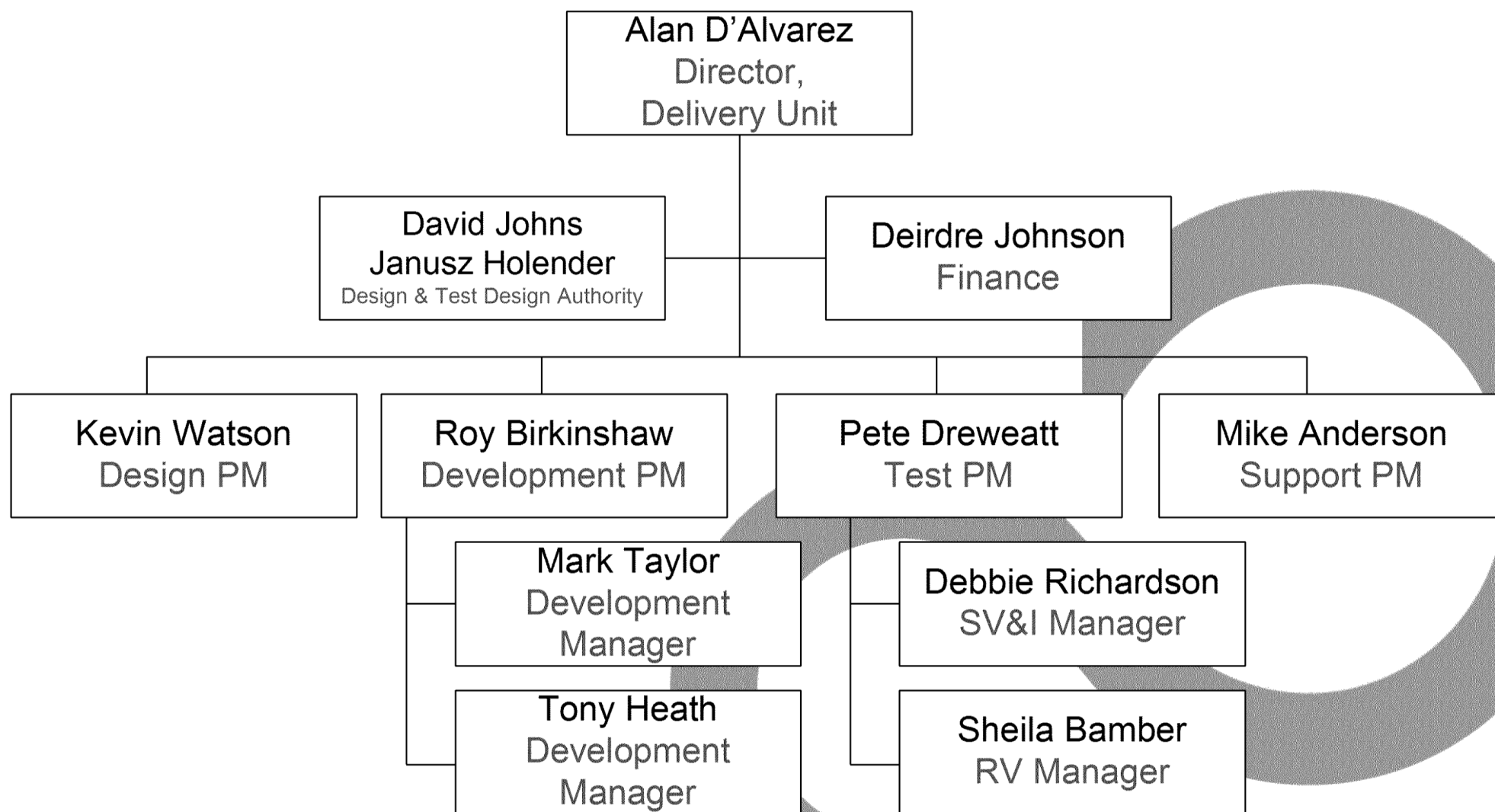


Post Office Account Requirements Architecture & Strategy Development





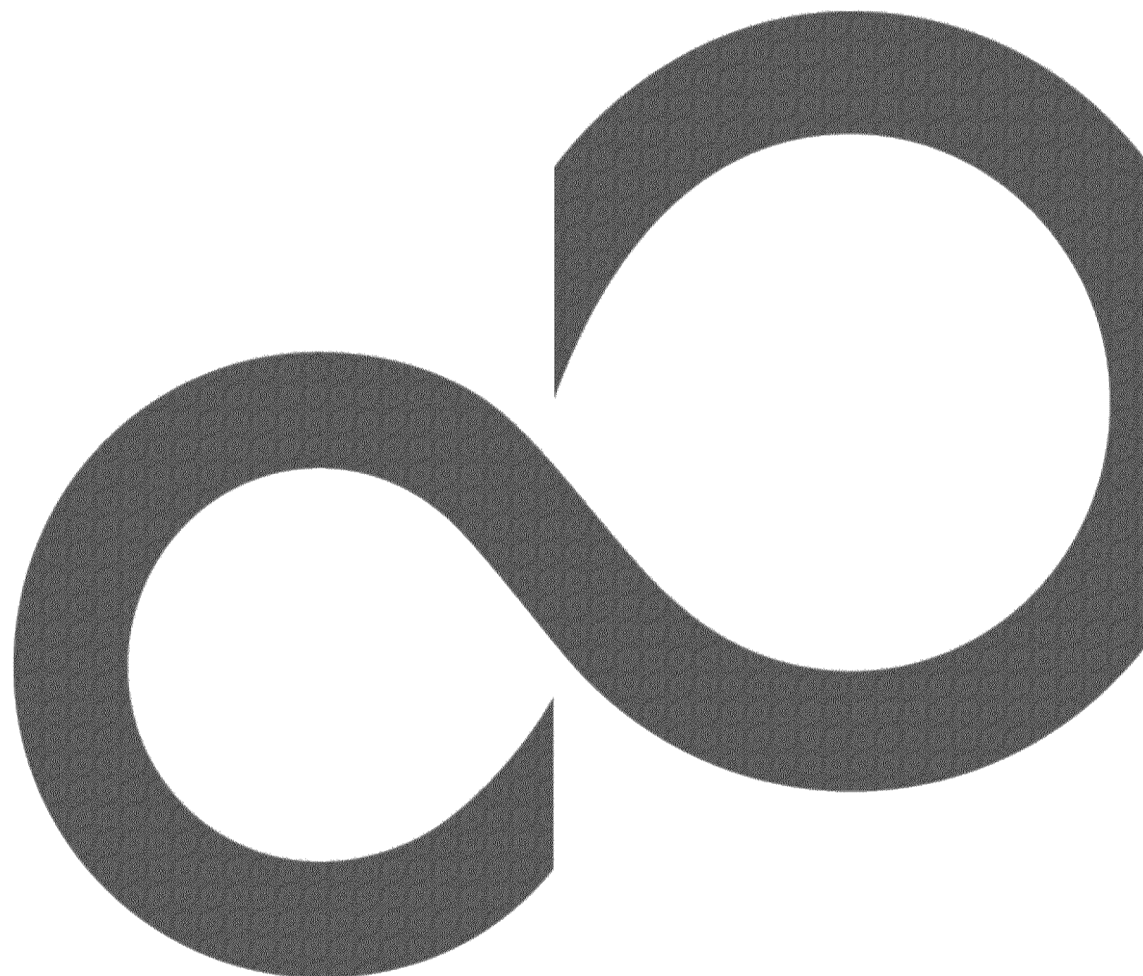
Post Office Account Delivery Unit



POA Corporate Red Alert Update

Martin Riddell

29th March 2004



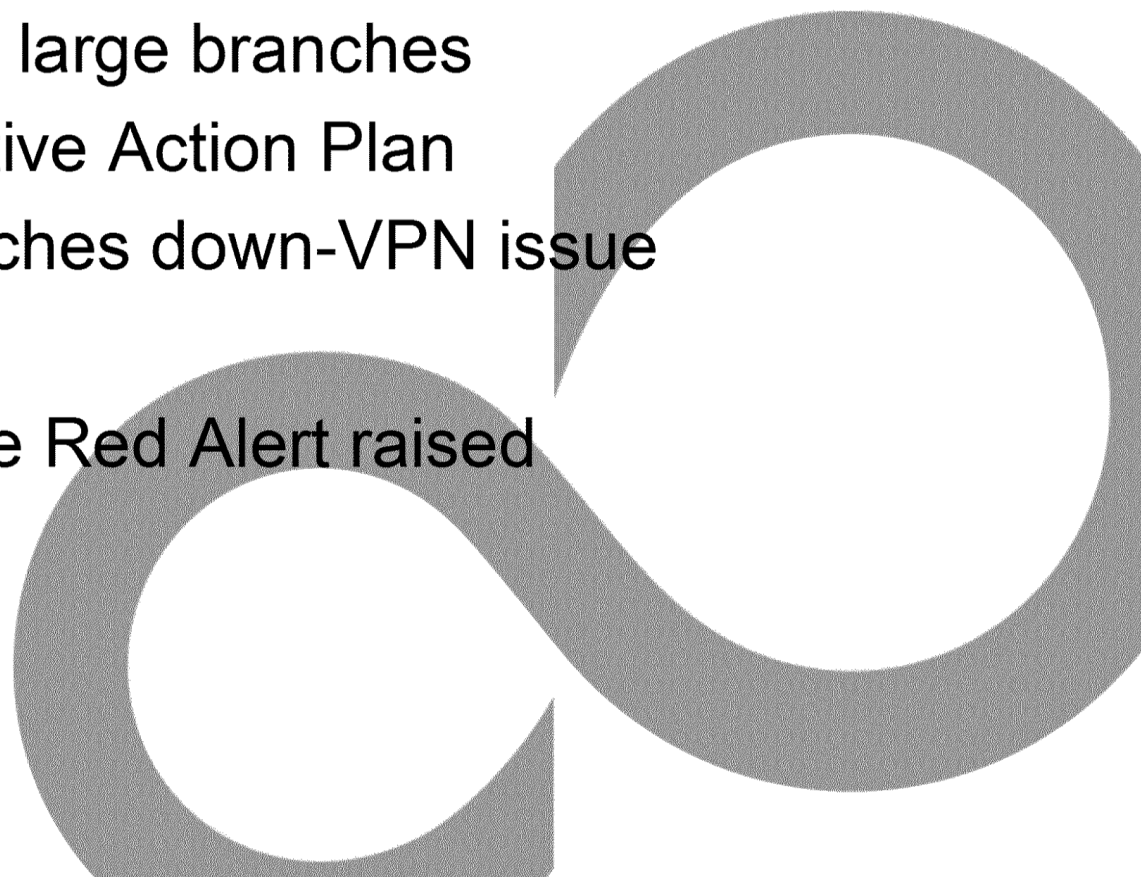
AGENDA

- Background
- Post Office Concerns
- Approach
- Activities 8-29 March
- Initial Conclusion
- Key Actions
- Organisation and Manpower Review
- Service Resilience and Recovery Catalogue
- Service Enhancement Register
- Culture of Continuous Improvement
- What Next?
- Progression to Amber Alert
- Summary



BACKGROUND

- 2003-Contract renewal and Network Banking, start of on-line transactions
- July 2003 - Outage of 17 large branches
- 27 October 2004 Corrective Action Plan
- February 2004-900 branches down-VPN issue
- 3 March 2004 Awayday
- 8th March 2004 Corporate Red Alert raised



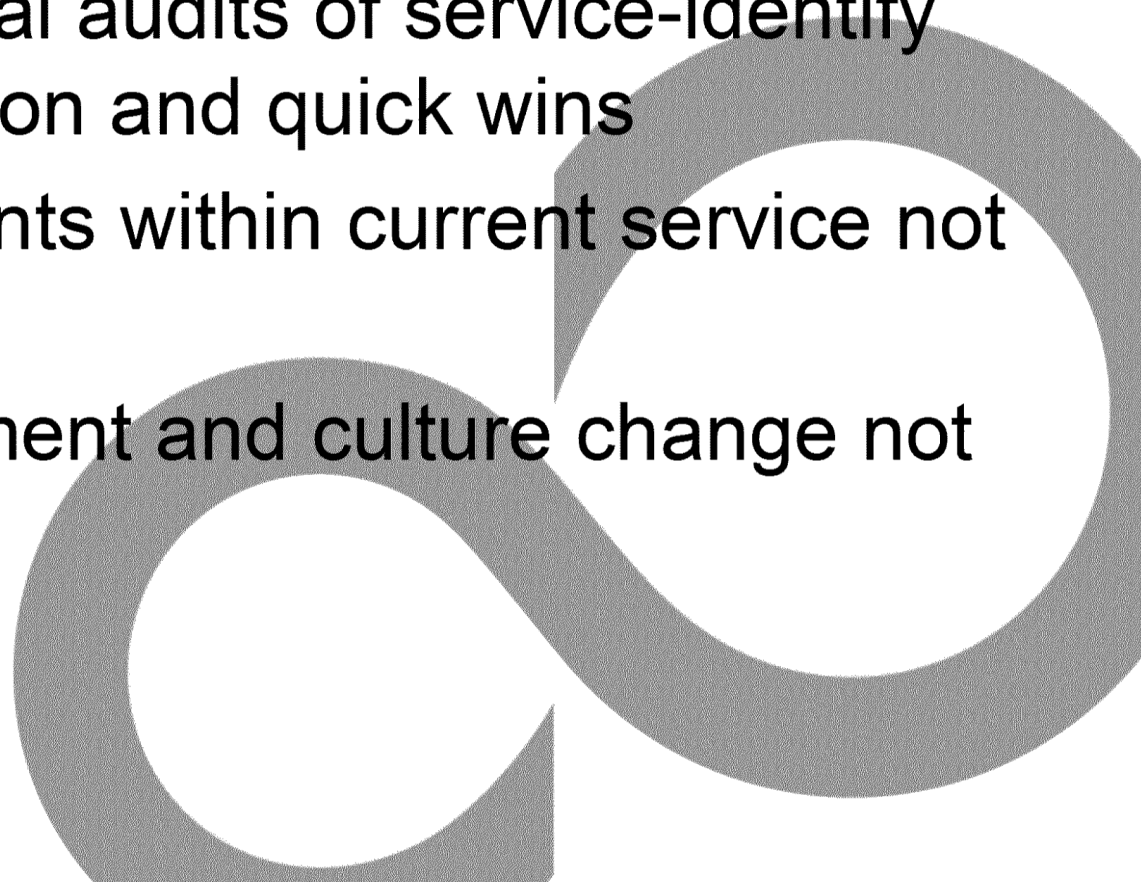
Post Office Concerns

- Too many avoidable outages - FJS seen as not in control
- Handling of outage not efficient (timeliness, availability of impact etc)
- Culture of reactivity rather than pro-activity - 'sea-change' required
- Driven by SLT's rather than by business impacts



Approach

- Raise CRA-visibility and resources
- Alert team put together-corporate representatives
- External(to POA) initial audits of service-identify areas to concentrate on and quick wins
- Focus on improvements within current service not on IT Roadmap
- Continuous improvement and culture change not one-off exercise



Activities 8 March-29 March

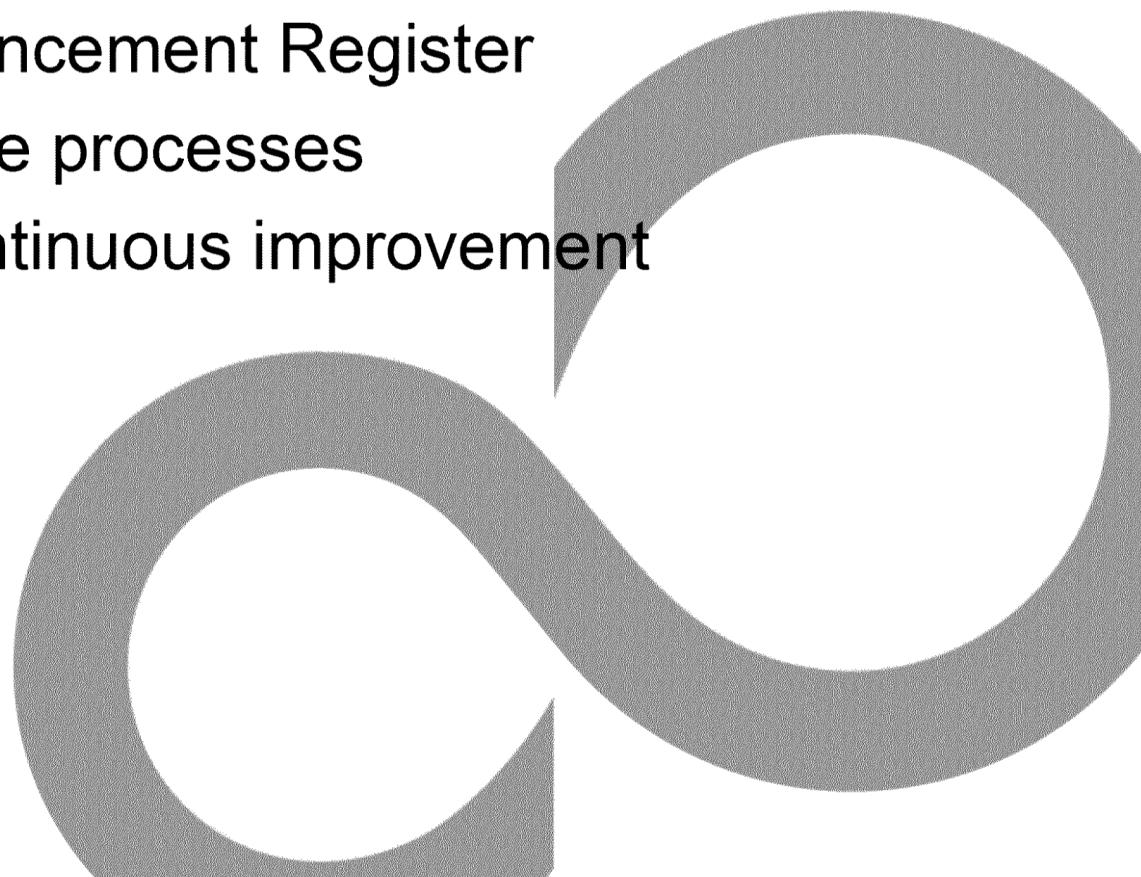
- Corporate Alert team established, including FJ Japan.
- Mixture of FJS staff and POA staff
- Led by Senior Architect and Project Manager
- Daily progress reporting to David Courtley
- Initial audits on key parts of operation
- Total Project Review carried out for FJ Japan.
- Organisation and Manpower Review carried out
- Continue to focus on day to day service e.g.
 - Enhanced monitoring on satellite network
 - Debit-card task-force

Initial Conclusions

- Increased demands on staff, processes and tools in managing on-line service leading to focus on management of day-to day issues rather than culture of continuous improvement and innovation.
- Improvements needed in end-to end management of service outages. No operations-wide view of service vulnerabilities and pre-planned documented actions associated with return to service etc.
- More focus is needed in defining and developing the operational toolsets required for effective management of an on-line service.
- Processes good but need to be more integrated and they need to be less complex in some areas.
- Need more cohesive structure and visibility around service enhancement to assist in driving service change.

Key Actions

- Organisation changes
- Development of Service Resilience and Recovery Catalogue
- Implement Service Enhancement Register
- Implement more cohesive processes
- Encourage culture of continuous improvement

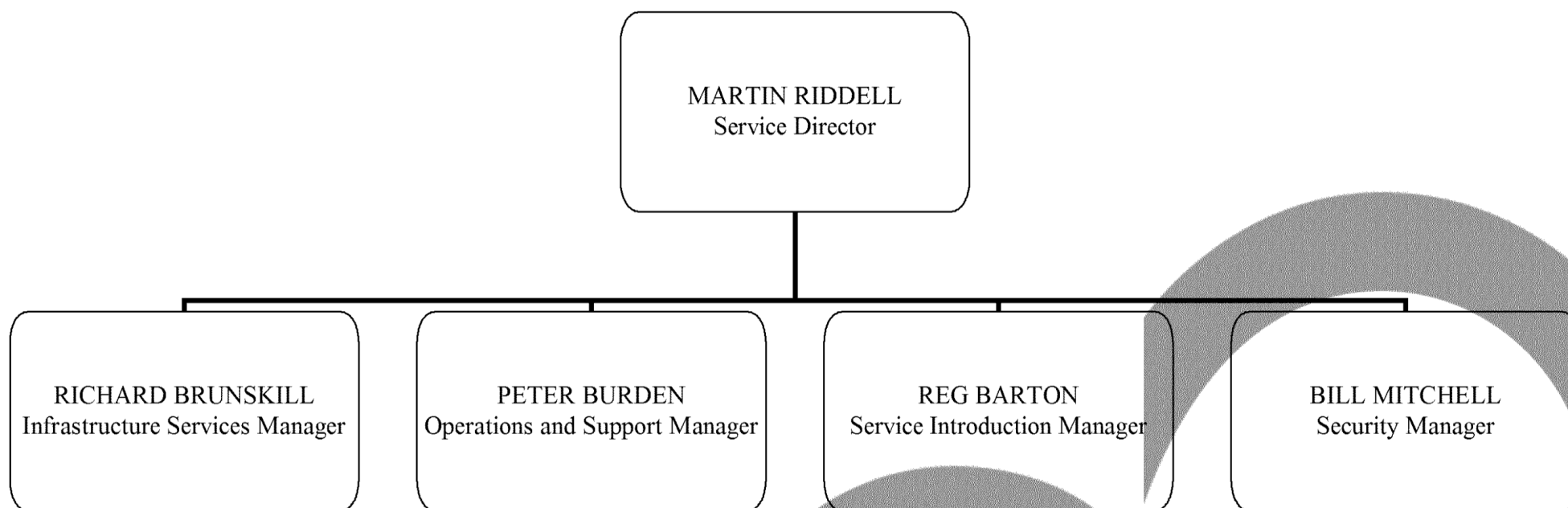


Organisation and Manpower Review

- Ops and Support becomes Infrastructure and Availability Management.
- More focus on Technical Management
- Dedicated Problem and Availability Managers
- Business Continuity heads increased and moves to Security and Risk. Emphasis on forward planning
- Additional Service Introduction resource to ensure more involvement in solution lifecycle
- Organisation changes in Systems Integration to ensure single ownership of Infrastructure deliverables and better interface with Customer Service

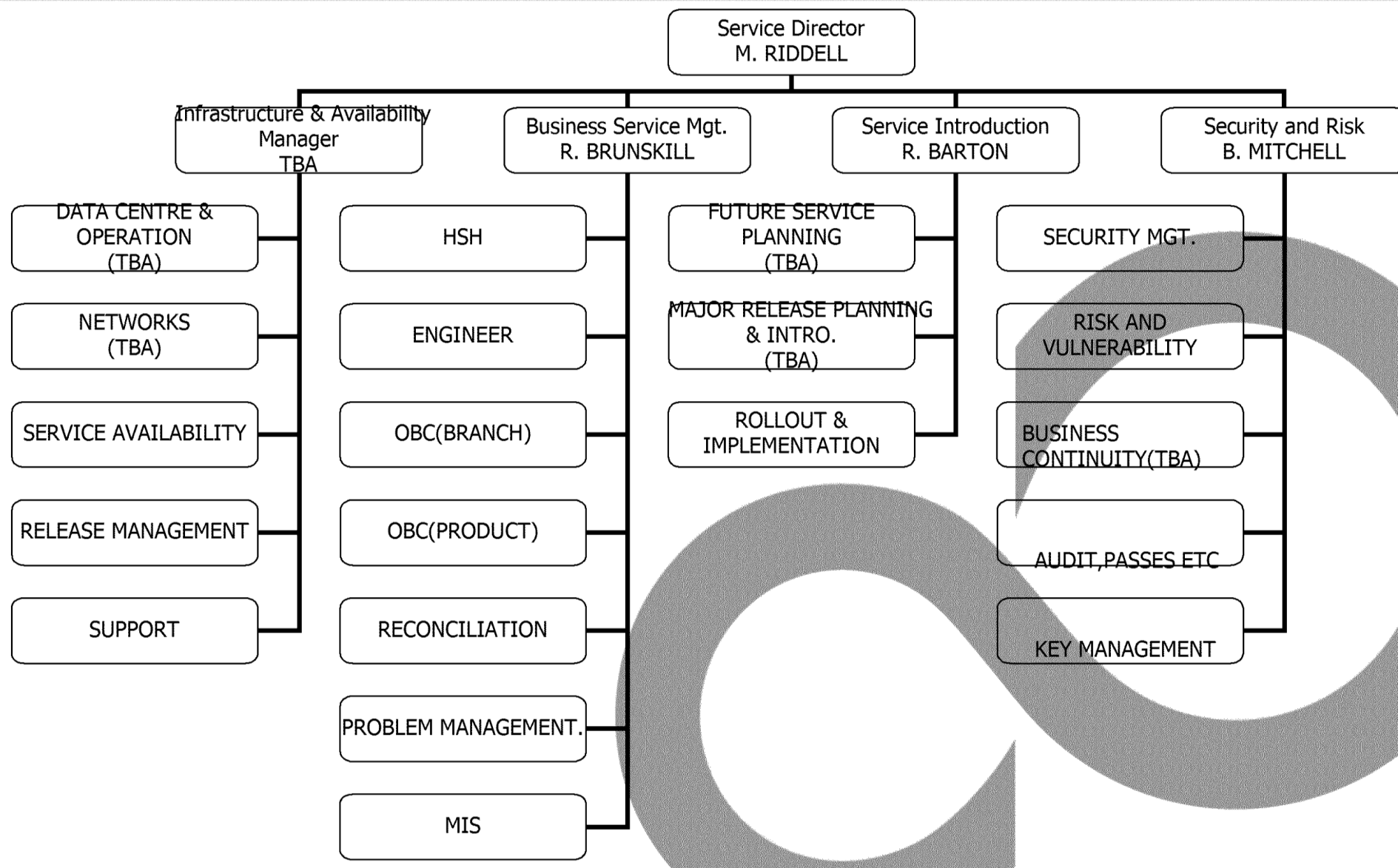


Customer Service Organisation





New Organisation

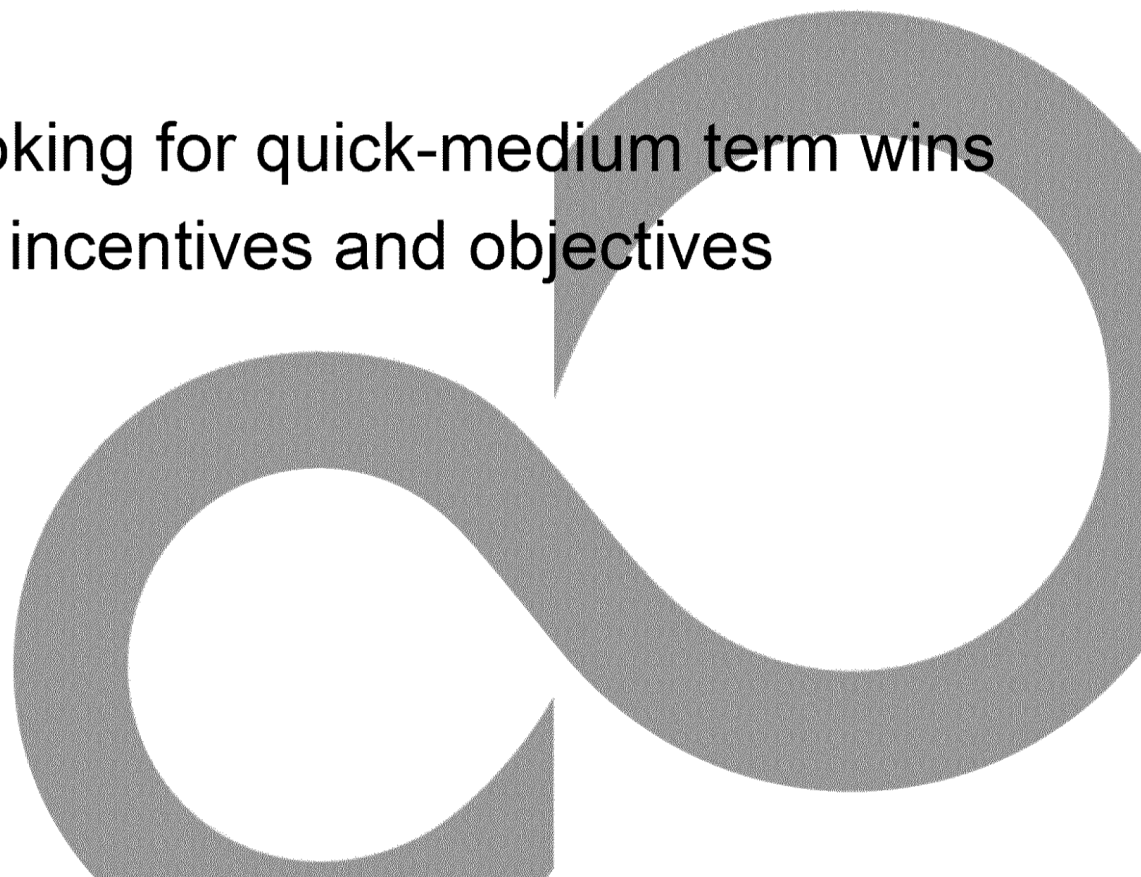


Service Resilience and Recovery Catalogue

- Identify possible points of failures and highlight current and potential mitigations where appropriate
- Documents actions and responsibilities when outages occur
- Pulls together information residing in various parts of the organisation
- Single source available to all communities
- Impacts and return to service actions pre-documented-more rapid response.
- Puts emphasis on return to service actions
- Continues to be maintained for new releases
- Web-enabled

Service Enhancement Register

- All service enhancement ideas captured, assessed and implemented where appropriate
- POA-wide
- Input from Post Office
- No major redesigning-looking for quick-medium term wins
- Encourage through local incentives and objectives
- Update/Review at SMF



Service Enhancement Register(examples)

- DES-03 Improve X-25 problem diagnosis
- DES-06 Refine Tivoli events
- DES-11 Replace satellite
- DES-12 Redefine escalation triggers
- DES-15 Improvement in Streamline interface
- DES-26 Implement 'Resilience on Demand'
- PRO-4 Additional resource within CS
- PRO-19 External network management audit

Culture of Continuous Improvement

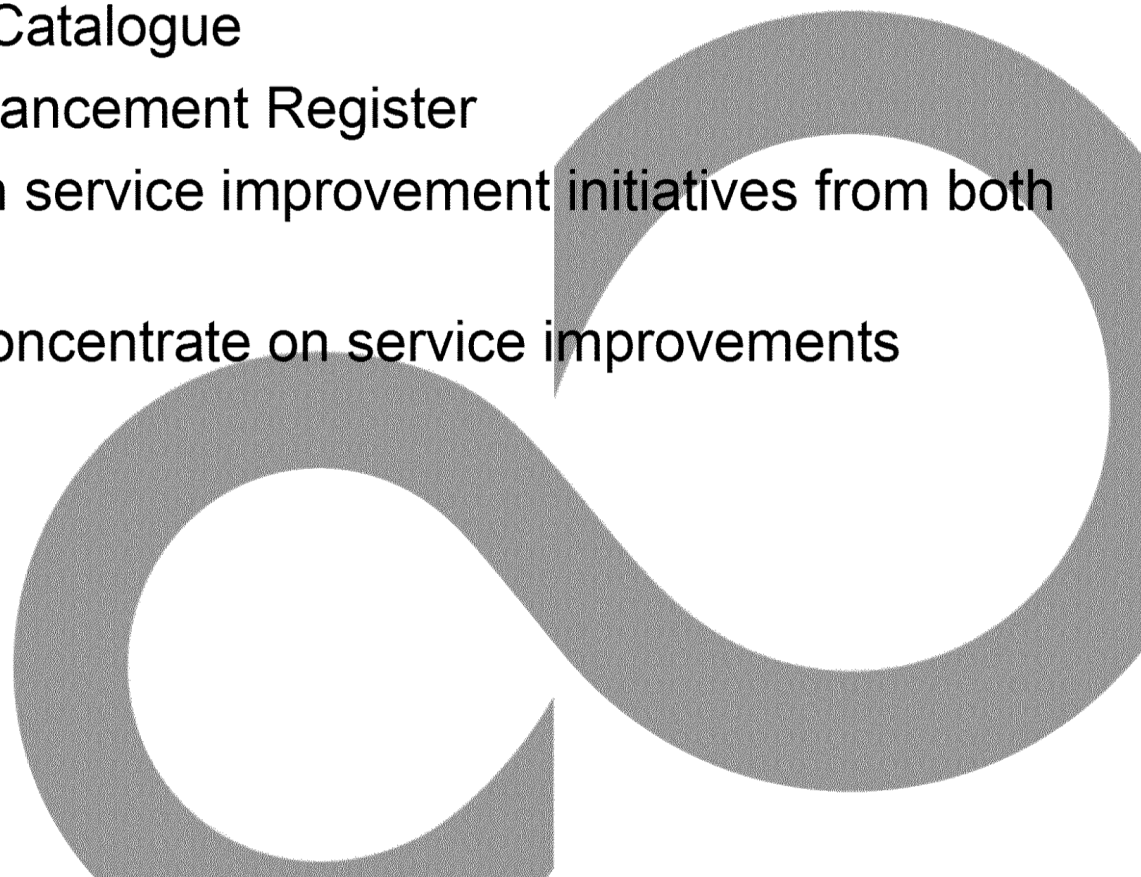
- Not one-off exercise. Continued drive to ensure culture of continuous improvement
 - Additional staff and drive to eliminate activities that do not directly benefit business will result in more time to look ahead
 - Personal objectives more focussed on personal contribution towards quality of service and service improvement initiatives
 - Service Enhancement Register will give visibility and progress of all good ideas
 - Re-introduction of Value in People programme to give POA staff recognition of service improvements resulting in business benefit
 - Focus on all joint forums in service improvement

What is next

- Continue to populate SRRC
- Continue to identify and implement Service Enhancements
- Meeting with Post Office to go through initial list
- Recruiting happening now. Organisation changes when key staff recruited
- External alert team continue for 3-5 weeks
- Network enhancement work through JAF
 - Satellite removal
 - Additional network resilience
- Now part of Total Project Review structure with FJ Japan-report regularly on progress of improvements
- BSI 15000 Self –assessments happening April/June-more potential improvements
- Specific network management audit June 2004

What is next(con't)

- External best-practice benchmark Summer 2004
- Continue engagement with Post Office
 - Agree business impacts with Post Office and add to Service Resilience and Recovery Catalogue
 - Joint work on Service Enhancement Register
 - Future SMF's will focus on service improvement initiatives from both parties
 - Operational Forums will concentrate on service improvements



Definition of Alerts

➤ ALERT

- A problem that has been escalated for senior management attention because it is deemed sufficiently serious to threaten the normal business relationship between the customer and Fujitsu Services

➤ Red

- Situation of extreme customer dissatisfaction or distress. Management attention and deployment of resources at corporate level that requires focus to bring an event under control.

➤ Amber

- Situation of customer dissatisfaction that is being managed at Business Unit level or where Red Alert mitigation actions are in place but may still require corporate visibility of progress

Progression to Amber Alert

- Criteria for progression to Amber
 - Resourced plan in place that includes
 - Organisation changes
 - Development of Service Resilience and Recovery Catalogue
 - Current corrective actions
 - Actions from initial BSI 15000 audits,
- Criteria of closure from Amber
 - Completion of Service Resilience and Recovery Catalogue
 - Milestones for first 2 month of plan completed
 - No 'unexpected' service outages for 2 months where
 - Outage not addressed in SRRC
 - Return to Service Actions not carried out in accordance with SRRC
 - Mitigation actions to present outage did not work
 - Post Office Ltd satisfied that all reasonable steps taken to identify and mitigate against service outage

Recommendation to Progress to Amber Alert

- Red Alert required to raise visibility, obtain resource for initial activities and produce plan.
- Plan now in place and actions in progress.
- Visibility will continue-weekly corporate reporting
- Return to Red Alert if insufficient progress in plan.



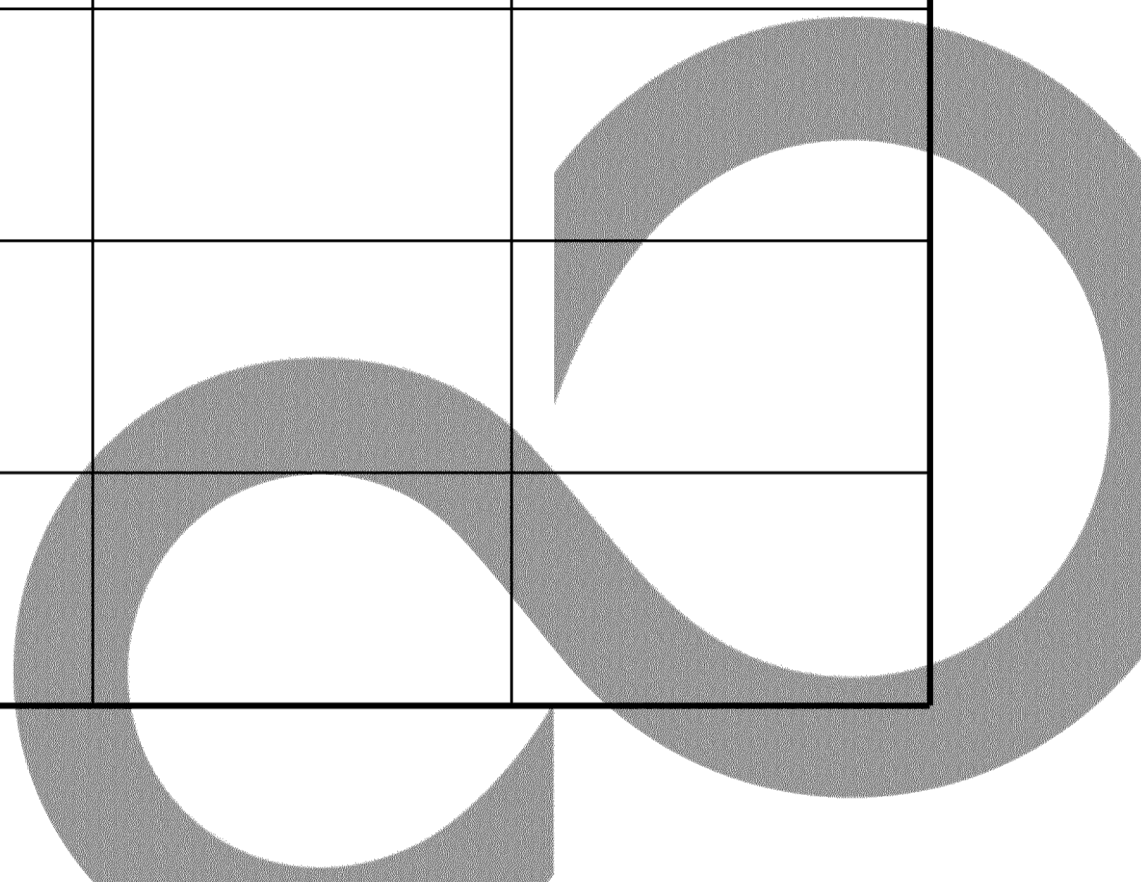
Summary

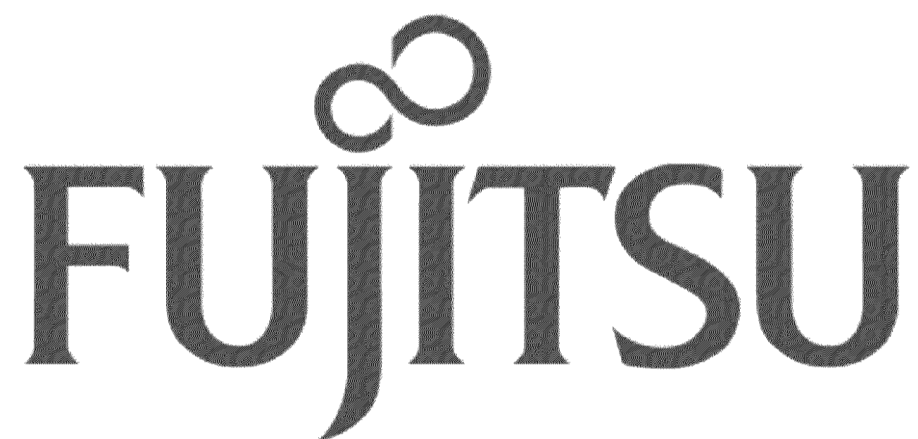
- Impact of on-line services not fully appreciated by Post Office Ltd or Fujitsu Services e.g.
 - Impact of any branch outage, frustration and lost business
 - Service implications e.g. branch visibility of any data centre or network problem.
- We are now in catch-up and are addressing this through enhancements and improvements to current service and IT Roadmap
- Post Office Ltd concerns taken very seriously
- Plan is in place and in progress
- Focus is on identifying improvements within current service
- Emphasis is on culture of continuous improvement



EOS Actions







THE POSSIBILITIES ARE INFINITE