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ICL Pathway
Bringing Technology *to* Post Office Counters

Monthly Progress Report

ICL

July 1999

POH-399D

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Approval Authorities:

Name	Position	Signature	Date
J. H. Bennett	Managing Director		

FUJ00058184

ICL Pathway Monthly Progress Report

Contents:

1 Managing Director's Summary

2 Development Report

3 Commercial & Financial Report

4 Customer Requirements Report

5 Customer Service Report

6 Quality & Risk Report

7 Business Development Report

8 Implementation Report

9 Organisation & Personnel Report

10 Post Office Client Report

0 Managing Director's Summary

FUJ00058184
FUJ00058184

FUJ00058184

Managing Director's Summary

PROGRAMME PROGRESS

- The 24 additional Post Offices agreed with POCL as forming part of Live Trial were successfully installed. This was achieved by installing the offices from week 1 of National Roll-out. National Roll-out will now recommence on 31st August with week 2 offices.
- Live Trial has continued with a specific focus on analysing the new 24 Post Offices against a control group from the original 299. This is to prove the effectiveness of changes to software (in LT2) and training to resolve issues during Wednesday/Thursday Cash Account Balancing. Early indications are that the required improvements have been achieved.
- During the month good progress was made in resolving issues stopping CSR+ baselining. As a result a CSR+ plan was baselined and presented to POCL, albeit with caveats. This will allow sharper focus on activities required to fully define joint testing and POCL's strategy for introducing CSR+ into live use.
- As at the end of July, 16,326 Post Offices had been entered into the Programme via receipt of an RGM letter; 13,012 had been surveyed and 6,321 had finished modification and preparation and were ready for installation.

CONTRACT CODIFICATION

- The Post Office Board approved the new contract which was duly signed.
- Several CCN's remain overdue after contract signature. These will be reviewed with a view to achieving signature or escalation to the CCB provided in the new contract for resolution.

ACCEPTANCE

- The Acceptance Incident Database stands at 409 (as at 6th August) with two more known to be in transit. This represents an increase of 134 on the month with 40 coming in at the last minute.
- The Acceptance Hot List stands at 28 having being steadily reduced from a peak of 48. There are seven judged as high and two judged as medium tending to high by POCL. We were not expecting POCL to raise the classification on this number of incidents and are renewing our efforts to address them such that the categorisation is reduced or they are closed.

FUJ00058184

COST DOWN

- The various control mechanisms are being monitored and need to bed down to ensure effective operation. This has involved considerable work and given the scale of the change, good progress has been made by managers.
- A resourcing manager has been appointed to help achieve our objectives. His main tasks will be to identify and implement staff related cost savings to an agreed level and to change the balance of freelance to permanent staff towards permanent.
- The result of the Acceptance Process is that additional work is required and hence cost, to close Acceptance Incidents. The impact of this on the cost base and hence cost down will not be fully understood until the Acceptance Process is complete.

ISSUES

- Problems still exist in Live Trial operation where over 50 "printer hang" problems are being raised weekly and System "freezes" are occurring. To clear these Postmasters are rebooting, sometimes without first contacting the HSH, which impacts POCL's service to its customer. This is now the most critical issue and has resulted in the Acceptance Incident relating to system stability being raised to high (AI298). Analysis of incidents, both reported and not reported, is in hand along with investigation of potential root causes.
- The number of Acceptance Incidents POCL raised to high (plus medium tending to high) presents a real difficulty in completing the Acceptance Process to time (i.e. a decision on 18th August). The whole team are re-doubling their efforts to achieve this.
- An issue has arisen with the number of Post Offices, reported by our sub-contractor, Workplace Technology (WT) as being "Ready for Installation", where we have found quality issues. A plan has been agreed with WT that will ensure all Post Offices required to be automated, to achieve the 1,800 Post Office payment points, are physically checked. This will remain an issue until such checks have been completed.
- Concerns surfaced during the month with regard to the ability of OSD to operate and manage the service in the manner required. This will be fully investigated.
- Improvement in the speed and reliability of software distribution. Joint work is in hand between the architectural view of the system capability and live field experience and plans put in place to close the gap between the two.
- To date POCL have refused to enter into any discussions with us about new business development plan and programmes and this is likely to be the position until we are through Acceptance.

FUJ00058184

- We are still determined to meet the cash payment points which follow Acceptance (£68m) and successful Roll-out to the first 1,800 Post Offices (£90m) which are vital payment points in 1999 both for ICL/Fujitsu funding and of course for the credibility of the new programme moving forward. All staff are focused on the criticality of meeting these milestones.

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Development Report

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Development Report

MONTHLY SUMMARY

- The Development Directorate has been dividing its time between clearing acceptance incidents which have arisen during the live trial and developing CSR+. The LT2 maintenance release has delivered significant improvements in the areas of balancing and printing and a reduction in the number of help desk calls has occurred as a result. However, there still appears to be a view that the printer is 'hanging' during cash account printing but there is little evidence available to help establish if there is a software fault.
- During the month we made excellent progress in finalising the functional baseline for CSR+ and there are now very few issues outstanding. Provided the final set of comments from POCL can be accommodated relatively easily, there should be no adverse impact on the delivery plan.
- All the delivery streams for CSR+ are currently on schedule although the recent focus on CSR acceptance has taken its toll.
- Morale and motivation is not high and there are few signs to indicate that the 'buzz', so essential for success, is returning to the team. Achieving contractual acceptance or release authorisation may provide the stimulus required.

PROGRESS

- The LT2 release has been relatively stable and fortunately has not put the support teams under undue strain. This would have impacted the development of CSR+ and would have been difficult to recover.
- Apart from the volume testing of the Roll-Out Database all the regression testing of CSR is now complete. There has been some slippage of this activity but it is expected to be finished prior to the start of National Roll-Out.
- The NRO version of the Horizon System User Guide was sent to the printers 20th July 1999.
- We have experienced problems with link and system testing SIP16, the release due to go live in October 1999 and contains changes to the reference data interface and cash account format. These have now been overcome and we are now attempting to recover the time lost.
- A considerable amount of work has been carried out finalising the latter stages of the CSR+ delivery plan. Test strategies, test rig configurations and team allocations, multi-site operation and release processes have all been established and in the process of being documented.

FUJ00058184

COST DOWN

- The Development Directorate has now completed the delivery plan which assumes a large reduction in the manpower resources required.
- The new data centre hardware configuration releases 4 NUMA quad processors which can be utilised elsewhere in ICL.
- A detailed review of the capital budget is now being conducted.

CURRENT CRITICAL PROBLEMS

- There would still appear to be a problem with printing on the Epson printer but we are unable to obtain sufficient diagnostics to identify the cause. This is a serious acceptance incident which we are currently unable to resolve. Every effort is being made to isolate the problem.

ISSUES

- The plan for introducing the functionality in CSR+ involved a series of increments to the live system controlled via the normal service management and release authorisation processes. This approach was preferred to reduce this risk of destabilising the system. POCL had not thought this through and are uneasy with the implications on their interface testing. We must work hard to agree a joined up plan.
- The KMS product currently limits the outlet distribution population to circa 600 per week. This places an unacceptable constraint on the implementation of CSR+, consequently design reviews are being held to resolve the issue.
- BT and Energis have indicated that there will be approximately 85 - 100 outlets with no land network connections possible. They are suggesting that we should consider a satellite solution and this is being evaluated. Negotiations with POCL are expected to be very difficult both during and after the 'codification' period.
- We have not yet been able to find an acceptable working solution for the light weight mobile configurations i.e. those required to be carried and operated in a variety of remote locations every day, approximately 250 of this type have been identified. This issue is again being raised during the 'codification' period.
- The new contract states that we must 'remove' not simply 'disable' the BPS code. There are a few components where this could present a risk e.g. multi-functioning agents and shared counter elements. This is being looked at in detail and could generate additional work not currently planned.
- There are concerns regarding the performance of OBCS foreign transactions. Although there are several options for resolving this issue, none of the work required is in the plans.

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- POCL expect under the terms of the new agreement i.e. time and materials, to closely monitor our resource consumption during the design and development of any new product or service. Their expectations could put a huge burden on the administration resources within our Programme Office.

COSTS

- The Development Directorate has now succeeded in recasting the budget to reflect the new organisational structure. The 1999/2000 forecasts will now be based on this structure and will continue to be the subject of regular financial reviews throughout the year.

FUJ00058184

Commercial & Financial Report

FUJ00058184

Commercial & Financial Report

MONTHLY SUMMARY

- No Input

COSTS

- The Controller's report follows.

JULY ACTUALS 1999

HEADLINE NUMBERS (£000'S)

	Month of July 1999		Cum. April - July 1999	
	Actual	Variance vs. Forecast	Actual	Variance vs. Forecast
Revenue		(234)	1,084	(353)
Project Costs before Capitalisations	10,120	2,042	33,317	4,953
Declared PBT Losses	24	26	325	14

		End of July 1999	
		Actual	Variance vs. Forecast
Project WIP		116,981	145,107
Net Fixed Assets		57,521	(4,051)
Total Borrowings		140,378	143,759
Headcount:	Permanent	232	36
	Non-Permanent (ITs and Temporaries)	14	5
(Memo):	Freelancers procured through ICL IT Contractor Services	193	10
	A&TC Scheduling Centre resources used on project	57	
	A&TC ES Resources used on project	128	

COMMENTS

- The disconnects between the actual numbers and the outdated May forecast were stretched even further during July due to the inflow of £131.7 million of new share capital funds and subsequent intercompany transactions.
- The normal analysis format is therefore even more inappropriate as a basis for comments on variances.
- Main comments on the company's financial performance during July can be summarised as follows:

FUJ00058184

- Total project costs in the month were more than £2 million lower than the May forecast, due partly to the forecast including costs relating to the then ongoing BA activities. In addition to the gains arising from the lack of BA related costs, there were further savings of over £1m on payroll related costs. These were due mainly to a combination of bonus accrual reversals and lower than forecast freelancer costs.
- There was no meaningful revenue recognised in the month, compared with the original forecast which included the PFI revenue stream from BA and POCL transactions.
- Agreement was finally reached with Energis over some long-standing line rental charge levels, resulting in a one-time gain over forecast of £0.2m.
- Headcount levels - both permanent and freelancers - were well below forecast in the month, with the BA related reductions beginning to show through, together with the strategic use of staff through A&TC in preference to procurement of staff from outside of the group. At the end of the month, there were 57 ICL A&TC Scheduling Centre contractors being used by ICL Pathway. This is in addition to the 128 different people within A&TC (ex Enterprise Solutions) who have also had some full- or part-time involvement on the Pathway project during July.
- Borrowings levels remain the one unchanging point of focus, and the project financing arrangements now proposed, following the injection of extra capital into the company, make this even more important.
- We now have to work with no overdraft facilities at all, and cash flows up to the receipt of the first acceptance payment and in the voids between subsequent stage payments will be tightly rationed and monitored.
- An approximate reconciliation between the actual and forecast borrowings levels is as follows:-

		£m
	Actual borrowings at end of July 99:	140.4
	Forecast borrowings:	284.1
	Favourable variance	143.7
Due to:	Increase in share capital	131.7
	Short-term rebates and interco cash settlements by Group	21.6
	Government contribution to costs not yet received	(8.0)
	Payment to Fujitsu for last-time buy PC components	(11.0)
	Lower project expenditure	3.7
	Other working capital improvements	5.7
		143.7

FUJ00058184

- The government contribution is due to be received this week, and will be subject to audit. The charge to BA for transition costs should be raised by early September at the latest.
- Negotiations with the 2 major subcontractors involved with the cessation of BA-related activities has continued, with Girobank discussions at an advance stage, relative to those with De La Rue. The eventual Girobank settlement is likely to be in the region of £5m.

FUJ00058184

Customer Requirements Report

FUJ00058184

Customer Requirements Report

MONTHLY SUMMARY

- *The team has been fully committed to the Acceptance activity. At the time of this report we are entering the last week of the Acceptance programme. The Hot List has been progressively reduced from over 40 to 28. POCL raised their judgement of seven Incidents to High on 6/8 and actions have been developed to address these and the others on the hot list. The Acceptance timetable for the last week has been agreed with POCL.*

DETAILED PLAN ACTIVITIES

RELEASE CSR

- Tony H reworked and re-checked the Requirements and Solutions Schedules (PA15 and PA16) the Service Definition Schedules (E01, F01, G01, H01, K01) and the corresponding POCL Responsibility Schedules (E03, F03, G05, H03) such that Codified Agreement could be signed.

RELEASE CSR+

- Tony H correlated the Service Definition Schedules, Requirements, Solutions, SADD, Release Contents Definitions for CSR and CSR+ and identified work items needed to bring deliveries in line with commitments.

CCNS / CRS / CPS

- There are now several CCNs seriously overdue and a decision has to be made on how these are referred to the CCB provided in the new contract for resolution, or use made of the CCN emergency procedure.

ACCEPTANCE INCIDENTS

- The Acceptance Incident database stands at 409 with two more known to be in transit. This represents an increase of 134 on the month with 40 coming in at the last minute.
- The Acceptance Hot list stands at 28 having been steadily reduced from a peak of 48. There are seven incidents judged as High and two judged as Medium tending to High by POCL. The Pathway judgement is one High and seven Medium.
- The Acceptance Timetable for the last week of Acceptance was agreed.
- Actions to address the hot list and the POCL Highs and High Mediums were placed at the Management Meeting of 9/8.
- POCL notified us on 6/8 they were claiming more Highs and High/Mediums. Their concerns were in the following areas:-

FUJ00058184

- Reboots (AI 298)
- Printing (AIs 300, 301)
- Failover recovery (AI 384)
- TIP Interface (AIs 342, 361, 376, 378, 41n)
- System Management (AI 372)

NEW BUSINESS

- No activity.

OTHER TEAM ACTIVITIES

- None.

CURRENT CRITICAL PROBLEMS

- Clearly Acceptance is entering a critical phase.

ISSUES

- It is essential that all the actions set at the Management Meeting on 9/8 are carried out thoroughly and on time.

FUJ00058184

Customer Service Report

FUJ00058184

Customer Service Report

MONTHLY SUMMARY

- The CSR (LT2) upgrade went well with all but a handful of outlets fully upgraded to LT2 before start of business day. The 'tail' were upgraded over the next 2 days with the exception of one which was experiencing communication problems which was upgraded by the end of the week. An Acceptance Incident was raised on the length of time taken to complete the counter upgrade but this has been satisfactorily explained as a combination of a fault in the current process and a one-off software problem in the delivery mechanism. Take-on of the additional 24 Post Offices were completed successfully.
- Cash account performance is improving. Fixes applied and improved call scripts have demonstrated a very positive improvement in Horizon activity during the cash account period. A new method of logging Business and Reconciliation incidents has been agreed with POCL TP where all related calls are being raised as reconciliation calls. This has raised the numbers of calls but has allowed us to provide a better service to the customer.
- Printing problems remain an issue with over 50 'printer hang' problems being raised weekly. This has been raised as an AI and is under investigation
- The performance of OSD systems management remains an issue. Progress against the SMC 'get well plan' remains slow and we are now looking at the possibility of moving elements of the systems management service to Customer Service.
- POCL have been given access to our internal call and problem management systems providing them with a high level of confidence in our service management processes.

VITAL STATISTICS

• Installed base: 323 Post Offices, 821 counters	
• *Number of Cards issued*	*51,485*
• *Number of Active Cards in use*	*25,451*
• *Total number of BES Counter Transactions*	*1,304,752*
• *BES Counter Transactions in month*	*44,328*
• *Value of Benefit Payments in month*	*£1.6m*
• *Total value of Benefit Encashments made*	*£40.9m*
• Total number of OBCS Transactions to date	10.6m
• Total number of OBCS transactions in July	1.2m
• Total number of books impounded to date	24,515
• Total number of EPOSS transactions to date	4.6m

FUJ00058184

• Total value of EPOSS transactions to date	£196m
• Total number of EPOSS transactions in July	1.9m
• Total value of EPOSS transactions in July	£87m
• Total number of APS transactions to date	581,173
• Total value of APS transactions to date	£15.7m
• Total number of APS transactions in July	251,368
• Total value of APS transactions in July	£6.5m

PROGRESS

OPERATIONS

- There have been a number of operational problems in July i.e. an agent looping over a weekend with no problem being reported. However, the principal operational issue occurred on the 27th when 2 Correspondence Servers were down. This resulted in a delay in the operational schedule, which resulted in an incomplete harvest of TIP transactions, which caused an AI. Although the cause of the problem has been identified as the inability of the harvest process to coexist with Correspondence Server replication and a fix is being produced, it has raised concerns with regard to the operations and management of the service, i.e. the inability of OSD to explain who brought one of the servers down and why no-one noticed it was down for 10 hours.
- A number of failover tests were carried out over the month. A problem was identified in the data centre failover where, following failover, we were unable to connect to HAPS. Cause of this has been identified by network design and the test will be rerun 13th/14th Aug. Issues were also found in the Host failover test. This was successfully repeated with one issue on the ref. data feed to Bracknell. Finally, problems were identified in single Correspondence Server failover. This will be re-tested.
- The success in the distribution of the post LT2 upgrade fix provided much needed comfort re: the software distribution mechanism. We shall be keeping a close watch on the performance of software distribution over the coming weeks.

SYSTEM SUPPORT

- During July there has been an increased level of PinICL's and overnight callout but with no real pattern identified
- There is concern over the provision of 4th line support and discussions are underway to reintroduce the 4th line support arrangements previously in place with development.

FUJ00058184

- Excellent progress has been made in the area of skills transfer where key members of development are spending time in the SSC. Also members of SMC are spending time in the SSC.
- Metrics - For information, the previous month has also been included;

	June	July
• Total Calls raised through SSC	410	496
• Total Calls closed through SSC	498	427
• Total Calls closed by SSC as Known Error/Duplicate Call/No Fault in Prod.	158	124
• Total Calls passed to Development	112	104
• Total Calls closed by Development as Known Error/Duplicate Call/No Fault in Prod	24	44

INFRASTRUCTURE SERVICES

- A way forward has now been agreed with POCL TP on handling of Business and Reconciliation incidents discovered during reconciliation. All incidents involving any aspect of reconciliation is now raised as a reconciliation incident rather than a system incident. Although this increases the number, it also provides better visibility and focus.
- The analysis of LT2 system and service is being refined and improved with 2 weekly report being produced and shared with POCL. The first provides information on cash account performance, the second an analysis of calls logged, including printer-related incidents. In additional POCL now have full access to the problem management database. Work is complete on Internet access to the HSH. This has given POCL confidence in our ability to manage and escalate service incidents.
- Number of service calls relating to back office printing remains high. Currently we are receiving around 50 'printer hangs' calls per day. The S Cerney counter has been replaced and this is being used to diagnose the problems.
- Since the implementation of LT2 there has been a 50% reduction in system engineering calls
- This week has seen an improvement in the completion of cash account activity. Recently introduced revised call scripts are providing a benefit to HSH team.
- During the period 28th/29th July system calls reduced by 17% and procedural calls reduced by 22.9% demonstrating a very positive improvement in Horizon operation during the cash account period.

FUJ00058184

Quality & Risk Report

FUJ00058184

Quality & Risk Report

MONTHLY SUMMARY

- Acceptance - Much effort has been put into resolving Acceptance Incidents in Security and Policies and Standards.
- Security - Processes continue to be developed and refined. Manual key management is in place for CSR.
- Risk Management - Implementation of the risk management tool is underway. The NRO risk register is being updated.
- Quality - A WTplc audit has been completed and improvement recommendations made. Disaster Recovery plans are progressing.
- Audit - Security Policy Deployment Audit report has been completed. The Implementation Audit report is being drafted. Transition activities included the provision to DSS of all relevant audit data.
- Processes - The Release Management process has been outlined.
- Y2k compliance - Third party status remains an issue - both changes are outstanding. Implementation contingency planning still needs to be completed.

PROGRESS

RISK MANAGEMENT

- Development Risks - Arrangements for the introduction of the risk management tool Predict! have progressed; installation and training will be during August.
- NRO Risk Register - Updates from all the risk owners have been obtained and all risks previously owned by POCL have been transferred to a nominated Pathway Manager. There is a concern around the validity of the risk register's content, as Risk Management is still seen as an administrative burden.

SYSTEM SECURITY

CSR

- Three security Acceptance Incidents have been raised, mainly associated with physical security of the data centres. All have now been addressed satisfactorily. A Policies and Standards AI was raised regarding DPA Subject Access Request process which was modified.

FUJ00058184

- **Key management** - Role definitions and access controls have been defined and manual key processes drafted. The Key Management Application GUI has been refined and standard reporting formats agreed. Live crypto keys were issued to POCL for their HAPS disaster recovery site in Leicester.
- A Requirements document for advising ICL Pathway of physical security events at remote sites has been drafted.

CSR+

- CSR+ Release Contents Description reviewed and updated.
- Horizon System Help Desk, and Access Control & User Authentication PPD's reviewed and updated.

QUALITY

- **Policies & Standards Acceptance Test** - 19 Acceptance Incidents were raised, with 5 Criteria neither accepted nor subject to an Acceptance Incident, and are being progressed.
- **Disaster Recovery Plans** - A revised set has been received from SMH and is under review.
- WTplc Audit has been completed. The main finding is an absence of proactive management based on historical errors leading through to process improvements. The recommendation to audit early Roll Out sites is being followed through.
- ISO9001 - Following the decision by ICL Group to use BSI for producing the single ISO 9001 registration, discussions have taken place to define the way forward for Pathway. A mapping of Pathway processes against the 'One ICL' process set has been conducted, which identifies gaps - the major one being Implementation.

AUDIT

- Acceptance - Complete.
- A CP to conduct a tape silo study was approved at the PCCB.
- Some time has been spent resolving tape handling issues at the Data Centres with OSD.
- Internal audits:
  - Security Policy Deployment Audit report has been completed.
  - Implementation Audit; report is being drafted.
- **BPS transition** - Much work involved in extracting data - audit server issues.

PROCESS MANAGEMENT

- Process Development:

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- **Development Lifecycle** - No visible progress in Development - this is now an issue.
- **Release Management** - An outline process was drafted and presented. Work is now in hand to define the process fully.

- **Implementation processes** - Input has been made to the definition of processes, by directing resource at areas of greatest risk.

YEAR 2000 CONFORMANCE

- **Pathway Contingency Planning** - Progress is being made as follows:
  - CS - on track.
  - CM - dual site servers up and running and draft contingency plan received/reviewed.
  - **Development (excluding CM)** - PI have started with their Y2K contingency planning (initial document received); outlet systems staring up; internal infrastructure - initial meetings held with Systems, OSD and Implementation to define scope and ownership.
  - **Implementation** - no apparent progress.
- **Third party status:**
  - Vendors are still changing their compliance status (presumably after their products get tested in the field). This needs following.
  - Compliance status information from WTL, Celestica, Exel, and Pearce and is still outstanding.
  - The strategy for moving from CSR through CSR/LT1, CSR LT2 and various SIPs changes the software load set that will be operational at the end of 1999 from that which was subject to specific Y2K testing; a regression test cycle needs to be committed.

ISSUES

- POCL still expect ICL Pathway to provide Witness Statements, Expert Witnesses and other fraud case and prosecution support.
- The true status of sites reported as RFI by WTplc.
- Understanding the impact of the system changes effect following the cancellation of card based payment and any Y2K vulnerabilities arising from changes.
- Getting formal sign off from our service providers, both internal and external, of their Y2K readiness (now much reduced in scope and risk).
- Managing BA and POCL expectations of systems stability during Q4 1999 and Q1 2000 in the context of the SIP plan and CSR+ target dates.
- Ensuring the year 2000 readiness of external support organisations.

FUJ00058184

- Ensuring the overall business continuity plan for Pathway provides adequate mitigation against the risks and that Y2K specifics are delta'd on top.

Business Development Report

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Business Development Report

MONTHLY SUMMARY

- POCL have re-engaged with us to start discussions on their view of the future development of the Horizon service, and how Pathway can help them deliver it.
- The sub-postmasters Balancing team has made good progress this month with a marked improvement in the sub-postmasters' satisfaction with the balancing process.
- Communications is supporting the achievement of the key milestones of Acceptance and National roll-out.
- A team from Fujitsu is now working in Feltham to help and support Pathway.

PROGRESS

SUB-POSTMASTERS BALANCING TEAM

- The Pathway recommended changes to the balancing process have been operational for most of the month and have been well received by the sub-postmasters.
- The dry run of the revised managers training event was successful with positive feedback being received from both the sub-postmasters and POCL.
- The task force created to identify and solve printing issues has been very helpful. While a few printing issues have been identified, the task force's main feedback is that many of the perceived printer issues are operational issues (e.g. wrong paper being used, user not allowing system to complete the process.)
- The list of printing 'do's and don'ts' has been well received by POCL and is to be included in the next edition of POCL's Counter News publication.
- We are considering the creation of a small cross-functional team to resolve the remaining technical printing issues.
- The software mods. made to sort out 'payments = receipts' have been successful, although there are a number of isolated incidents where there has been difficulty getting the modification to the offices.
- Analysis is currently taking place to establish the success of office balancing in the 24 new offices.
- Agreement was reached with POCL to hold a workshop to evaluate possible improvements. This was viewed as very successful on both sides with a number of positive changes being identified. POCL will be raising CRs to implement these changes.

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- The sub-postmasters perception of the system and ourselves has improved this month, helped mainly by the office visits and system changes implemented this month.
- While good progress has been made this month, we must keep up pressure on the POCL centre for change and faster response to the live operation.

MARKETING COMMUNICATIONS

INTERNAL COMMUNICATIONS IN ICL PATHWAY

- SMT events successfully run & held. Feedback positive. Actions identified concerning Acceptance and particular areas where each directorate must focus. John Bennett and attendees particularly liked the 3 event, morning interactive session format.
- Acceptance communication is taking a priority.
- This is ICL Pathway 99 has been prepared and made available.
- Codification was communicated within ICL Pathway and ICL; this involved several audiences - EMC, SMT (ICL Pathway) ICL Pathway staff, ICL staff via a CASCADE, Café VIK and an article in MSMS. The codification exercise was used to communicate the installation of the additional 24 post offices (and therefore the first week of national roll-out.
- Links are being built to strengthen the communications between FEL 01 and other sites; primary activity will focus on demo days in KID 01 and a better sharing of information.
- A demonstration of our system was held in SLH 06. The event was well attended and the objective of creating understanding about our service and successful delivery - despite what might be thought - accomplished. The event cost nothing and was useful internal PR. Other UK events will now be planned.

EXTERNAL COMMUNICATION

- New stands for future exhibitions are being produced.
- Planning is underway for national roll-out communications. We have been unable to engage Post Office on this and are therefore planning to achieve feature articles and briefings. We do not want to compete with the Post Office on the News agenda - although we will issue a press release. Such planning and delivery will be made more difficult to achieve by my having no PR agency or budget.
- Following the DTI select committee hearings several articles appeared in the daily, Sunday (nationals) and trade press. Our approach is straight forward but factually correct. We will not fuel this debate - our strategy should remain focussed on communicating the positive of NRO and the NAO investigation.

FUJ00058184

POCL COMMUNICATIONS.

- POCL happy to share limited information - they are partially motivated by the confusion of their reorganisation and slightly confused by the change in the nature of the contract.
- An article was written to Sub-postmaster on the current stage of roll-out but it was not submitted on the request of POCL.
- No progress on shared external communications - hence change of approach - see above.

GOVERNMENT COMMUNICATIONS

- Attended two select committee hearings.
- Arranging a presentation to PITCOM in Fel01 in Oct.
- Arranging a presentation at a DTI event in October: have suggested to DTI that Dave Waltho of POCL speak at this and David has accepted.

MISCELLANEOUS

- Work underway to structure a business plan for ICL Pathway.
- Work underway to develop a strategy to improve the visibility of ICL in the Post Office.
- Full organisation chart of Post Office now exists for all in ICL Pathway to access.

BUSINESS DEVELOPMENT

- A series of meeting have been held with the Service Development team in POCL to discuss how and where we will work together to deliver new business.
- POCL have shared their initial view of what new services they will be looking to develop.
- POCL have agreed that all future service development needs to be progressed on an end to end basis including their own internal systems. If implemented, this should address some of the requirements/development issues we have faced to date.
- Current discussions with POCL indicate that future work is likely to be batched into a series of work packages based on the development life cycle (initial study, feasibility study, functional specification, etc.), each of which will be priced and delivered as a separate entity. This should help build POCL's confidence in the quality and value of our work, as they would receive many more tangible deliverables during the development of the end to end service.

FUJ00058184

- We have arranged a workshop with POCL where they will explain their service development strategy to ICL Pathway in more detail, and where ICL Pathway will explain our architecture to POCL in more detail. This should lead to ICL Pathway undertaking a gap analysis between what currently exists, and what POCL need to deliver their service development strategy. This in turn should lead to a number of work packages for the company.
- POCL are working with us to support the ICL bid for the Siemens Business Systems/National Savings re-engineering ITT.

FUJITSU TEAM

- Meetings have been held on the following subjects; PFI, software distribution, Tivoli, service level agreements, and Riposte.
- Further meetings have been arranged on the following subjects; Riposte, security (KMS), roll out database, OBCS, and IESE.

INTERNATIONAL

- The transfer of the project to ICL Namibia continues with the completion of the July deliverables. Pathway resource is being allocated to them at cost to ensure the success of the product deliverable to the customer.
- Workshop successfully held with Deutchse Post on 19th July to formulate some specific work packages where we can help. Work packages have been drafted and forwarded to them for evaluation.
- We believe that Escher has signed a contract for the supply of Riposte directly with CTT in Portugal, and that the contract with Siemens is still being negotiated. CTT via ICL Portugal have asked us to host a one-day visit to Feltham in September. As stated last month, there is still a small chance of ICL getting back in the frame for high value consultancy but it is not something that any Pathway effort is being expended on.
- Discussions continue with Escher to get an exclusive teaming agreement in place for sub-Saharan Africa.

WEIGH SCALES CCN

- Weigh Scales connection CCN202b formally submitted following amendments to 202a (and its withdrawal). This paves the way for the recovery of costs, and some 20% or so margin, incurred during the installation of live trial offices with scales and for National Rollout.

FUJ00058184

Implementation Report

FUJ00058184

Implementation Report

MONTHLY SUMMARY

- All Implementation programme milestones were achieved during the reporting period and the project remains in a satisfactory state of readiness to start National Rollout. A further 24 outlets were installed during the month as part of the work required to achieve acceptance. All of the installations were completed with no major concerns arising. POCL were praiseworthy of the installation of these outlets at a difficult time in the programme and also after having been planned at short notice.
- Preparations for National Rollout are progressing well, outlets for the first week of rollout have had their ISDN lines installed and equipment builds for these outlets will commence from 9th August.
- Concern remains over Incomplete site preparations by Workplace Technologies (WT). To ensure this does not impact rollout, WT are continuing with the Pathway plan of corrective and preventative actions. WT and their sub-contractors have provided additional resource for these activities. We have been given WT's commitment to audit and correct all of the first 1800 outlets in the programme in sequential order such that they are all in a fit state for installation at least 2 weeks prior to installation date

PROGRESS

- Recruitment against the agreed Implementation headcount profile remains on track. Current team size is 95 and will peak at 105 during September this year. Recruitment for the vacancies continues to make progress with the exception of IP2 vacancies where POCL-initiated office moves have hindered progress.
- The infrastructure programme, preparing outlets for installation, continues to make good progress and in the last week of July the highest ever number of outlets modified in one week was achieved (129). This week also marked the last full week of outlets entering the infrastructure programme through standard scheduling. From this point in the programme onwards the infrastructure programme will source outlets from the suspensions list. Consequently, future weeks of infrastructure outlets entering the programme are likely to be less efficiently scheduled due to the reduced ability to optimise geographical locations. Total numbers achieving RFI status in any one week are also likely to reduce each week from here on as a further consequence of entering the infrastructure programme tail. It is imperative at this stage of the programme the POCL recognise the urgency in releasing suspended outlets back into the programme.

FUJ00058184

- Readiness for National Rollout remains the highest priority for Implementation at this time with particular focus on ensuring the programme milestone to install 1800 outlets in early November is achieved. Preparations are at an advanced stage and the rollout team is using checklists to identify areas where actions have yet to be completed or where items may have been missed. Contingency plans have been prepared to minimise aborted installation activity through on-the-day rectification activity. Readiness also includes the availability of a workable solution for outlets where the standard Horizon desktop solution is unsuitable. For a large majority of outlets in this category, a trolley solution has been designed. Progress on the trolley solution had stalled during the spring and summer of this year but has recently been revived. Efforts are being made to agree the trolley design with POCL by the end of August.

- Installation activity in July was focussed on the addition of 24 further outlets into the live environment. These installations were added for the purpose of evaluating the effectiveness of the LT2 software release and improvements in training courses in response to Acceptance Incident 218. The installations were completed successfully with a 99% success rate. One further outlet will be installed prior to National Rollout, on the 27th August, at the Borough High Street site, an ALPS outlet. This outlet will be installed ahead of schedule at the request of POCL and will enable Pathway to prove the installation and migration processes for ALPS outlets, de-risking the future programme.

- POCL have now agreed to release the first 12 weeks of outlets into the installation cycle (16-week process). Week 2 of NRO, the next full week of installations due to start on 31st August 99, has now reached the ISDN installation stage and 43 sites have completed this phase to date. Equipment builds for week 2 will start in the week commencing 9th August.

- Training preparations for NRO are also progressing well with all mainstream courses for managers, assistants and HFSOs having been approved for use in National Rollout following live trial revisions. Improvements to these courses have included agreed revisions to training workbooks and Quick Reference Guides which are now being rolled out on future training courses. Desktop training platforms for students attending training courses are now being rolled out to ICL training services based on the LT2 software release to enable the NRO training programme to commence from mid-August. Finally on training, revisions to the UAE and MIB events have been completed with the removal of references to the benefits payment card.

- Implementation support to the clearance of acceptance incidents has made reasonable progress and all Implementation-related incidents are on track to be cleared. All rollout acceptance incidents were cleared by 6th August. The only implementation acceptance incidents remaining open are on training. All work on training acceptance incidents has been completed and awaits POCL evaluation to confirm that the changes have been effective for students in the live environment.

FUJ00058184

IMPLEMENTATION WEEKLY STATISTICS

(For week ending 31st July 1999)

INFRASTRUCTURE PROGRAMME

Activity	This Week	Cumulative
RGM letters issued	345	16,326
MIB events held	5	336
MIB attendees	283	15,629
Site surveys undertaken	331	13,012
Site re-surveys required	126	4,976
Site re-surveys undertaken	113	4,511
Site modifications done	129	2,903
Site preparations done	211	6,321
Sites RFI	211	6,321

INSTALLATION PROGRAMME

Activity	This Week	Cumulative
User Awareness Events Held	5	30
UAE Attendees (Outlets)	188	205
ISDN Lines installed	0	323
Training Events Held	0	364
Trained Users	0	1,302
Sites Installed	0	323
Sites Migrated	0	323
Live NR2 offices	0	323

FUJ00058184

CURRENT CRITICAL PROBLEMS

- This month there is only one area of critical concern and this relates to the number of sites reported by Workplace Technology (WT) as "Ready For Installation" which may still be incomplete despite their reported status. WT are making progress against the action plan imposed on them by Pathway in June although progress has only been limited to date. Consequently, WT have been requested to commit further resource to the corrective action plan and to focus their efforts, sequentially, on the first 1800 NRO sites. These steps will ensure that the installation of the first 1800 sites is not at risk, whilst the action plan starts to pick up pace following the addition of further resource. In order to motivate WT further, they have been informed that Pathway will be much stricter in assessing invoices and no payments will be made where work or completion packs are outstanding.

ISSUES

- Last week the infrastructure programme cut the final full week of outlets into the infrastructure process. There are currently approximately 3,500 outlets that remain to be processed through the infrastructure programme and only 400 are immediately available for scheduling. POCL and Pathway are currently working together to release outlets from suspension into the programme. It is believed that POCL regional management need to take action to release these sites and Pathway are pressuring the POCL Horizon team to achieve this.
- The Rollout database is vital to the success of the national rollout installation programme but there are still a number of software bugs in the current live version 2.5 and version 2.5 will not be available until December this year. Management of priority software bugs is enabling scheduling to continue and manual processes are available as a contingency measure. However, resolution of these issues is fundamental to the success of rollout and every effort is being made to bring forward their completion.
- The level of outstanding help desk calls with the Rollout help desk is currently higher than we would wish and is taking a lot of effort to reduce. The Field management team has been instructed to execute an action plan to reduce the level of unresolved calls to an acceptable level prior to the commencement of National Rollout. This will be done through the utilisation of field staff (PLMs and TEs) prior to the commencement of national rollout activity.
- Following the re-structuring of POCL, office accommodation for our regional teams will be considerably reduced and will become untenable as our team expands in numbers. Consequently the four regional teams are in the process of moving to ICL sites. This comes at a difficult time although it is hoped that most will be complete prior to the commencement of NRO.

FUJ00058184

- Linked to the above issue is a further concern relating to recruitment of field staff for the IP2 region. The two positions remaining to be filled in IP2 are required for National Rollout, although it is not critical for the early weeks of the programme. The doubt over POCL office accommodation in this region has only just been resolved and consequently it has been difficult to recruit while uncertainty over geographical location remains. Agreement has been reached with POCL over accommodation and it has been decided that the Pathway IP2 field team will work from the ICL office in Kidsgrove. This will enable recruitment activity to proceed although it will be restricted by the restriction on recruitment from A &TC resources.
- There is still a need to meet the requirements for outlets requiring luggable solutions or where ISDN solutions are not available. Progress has been made on the design of the trolley solution as described earlier in this report.

COSTS

- Further progress has been made in this reporting period in establishing a financial baseline for the Implementation project. Budget control processes have been defined and are in the process of being documented.
- Clarification of the true impact of version 12 of the rollout schedule from ICL Training Services has been attained and the first meetings to re-negotiate the Training Services contract have taken place. It is anticipated that this should be concluded during October.

FUJ00058184

Organisation & Personnel Report

FUJ00058184

Organisation & Personnel Report

MONTHLY SUMMARY

- There was continued focus on people related cost down initiatives. The new control processes, which were introduced in June, were monitored to ensure effective operation. The 1999/2000 bonus schemes were communicated to employees. Targeted recruitment activity continued, especially in support of Implementation and accommodation was secured to ensure that the regional Implementation teams were based in the most efficient locations.

PROGRESS

- Appointments in July:

External Recruits	5
Transfers	1
A&TC	13
Linkwise	0
Freelance	0
Temporary	4 (Industrial Trainees)
Total:	23

- Known joiners:

External Recruits	3
Transfers	1
A&TC	0
Linkwise	0
Freelance	0
Total:	4

- Offers outstanding:

External Recruits	4

FUJ00058184

PROGRESS

- The 1999/2000 incentive schemes were agreed and communicated to all employees. The schemes were explained to Managers and commitment sought for specific objectives with targets related to Key Performance Indicators to be agreed with employees by mid August. Members of the personnel department will support managers in this task and ensure that all employees have "SMART" objectives agreed by this deadline. In general feedback about the schemes was positive from both managers and employees.
- The various control mechanisms introduced as part of the "Cost Down" process needed monitoring and bedding down within the business to ensure effective operation. This involved considerable work and there is still some way to go to ensure compliance within the necessary deadlines. However, given the scale of change, good progress has been made by managers.
- A Resourcing Manager has been appointed to help Pathway achieve its Cost Down objectives. Norman Phillips has specific expertise in Flexible Resourcing and will report directly to John Bennett. His main tasks will be to identify and implement staff related cost savings to an agreed level and to change the proportion of permanent to freelance staff working in ICL Pathway in favour of permanent employees. In doing this he will work closely with managers across the whole of ICL Pathway. He will also use his expertise to help ensure all staff are utilised with maximum effectiveness.
- Work in D Block in FEL01 is progressing. The cabling will commence shortly allowing the space to be occupied. This will allow the communal areas currently occupied by ICL Pathway employees to be released.
- Accommodation for the regional Implementation teams was identified in GLO06, KID01 and GLA01. Work is in hand to make the necessary arrangements to allow occupation. This will ensure the Implementation teams have appropriate accommodation to allow them to work effectively in their regions. Agreement was also reached to secure space at BRA01 for the Security Team.

ISSUES

- Securing the necessary cost savings whilst protecting the capacity of ICL Pathway to meet its business objectives.

FUJ00058184

Post Office Client Report

FUJ00058184

The Post Office - Client Director's Report

MONTHLY SUMMARY

- Work in promoting Pathway's capability for citizen-based Smartcard services continues, with a bid incorporating this capability for Northern Ireland.

MODERN GOVERNMENT

- Pathway capability in Smartcards has been proposed as part of the ICL bid for the Northern Ireland Health Service Patient Identifier Card. Initial requirement is for a printed card, with future option for electronic. A submission drafted by Mike Jenkins has been agreed by Post Office and included in the ICL bid.

1999 BUSINESS

- Business figures not available this month.

CURRENT CONTRACTS

TECHNICAL RESOURCES SUPPLY/ICL ONSITE CONTRACT

- The conversion rate of quotations into contracts is improving. The transfer of contract ownership from CE to OSD is still being negotiated.

NEW BIDS

SERVICE MANAGEMENT TOOLS

- Following selection of shortlisted suppliers ICL, IBM, DMR and completion of reference visits, PO have invited ICL to negotiate a contract. A first order, for consultancy/design, is expected to be placed under existing contract.

SPICE

- "Securing the Post Office's Integrated Commercial Environment": a broad ranging invitation covering Customer Contact, Customer Relationship Management and data warehousing. The RFI response was submitted 11th June. The ITT, which was expected to be issued to selected suppliers 2nd August, has been delayed until late August.

FUJ00058184

LAN NETWORKS

- Supply, service and maintenance of components for 2,000 LANs, mainly around CISCO equipment. Following some anxiety a bid was delivered by MC at the last minute. This failed to make shortlist.

HELP DESKS

- The ad is now in the Journal and John Bell has done most of the work required for the first response. This bid will be owned by OSD.

COST DOWN

- No change.