

ICL Pathway
Bringing
Technology
to Post Office
**Counters &
Benefit Payments**

**Monthly
Progress
Report**



March 1997



POH - 379D





Pathway Monthly Report

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ICL Pathway Pathway Programme Monthly Report
Managing Directors Summary

Ref: PA/REP/0007
Version: 1.0
Date: 14/04/97

Document Title: Pathway Monthly Report - March 1997

Associated Documents:

	Reference	Vers	Date	Title	Source
[1]	PM/PRO/0002	1.0	26/09/96	Pathway Programme - Project Planning, Reporting and Control	

Approval Authorities:

Name	Position	Signature	Date
J. H. Bennet	Managing Director		



Managing Director's Summary

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Managing Directors Summary

1 SUMMARY

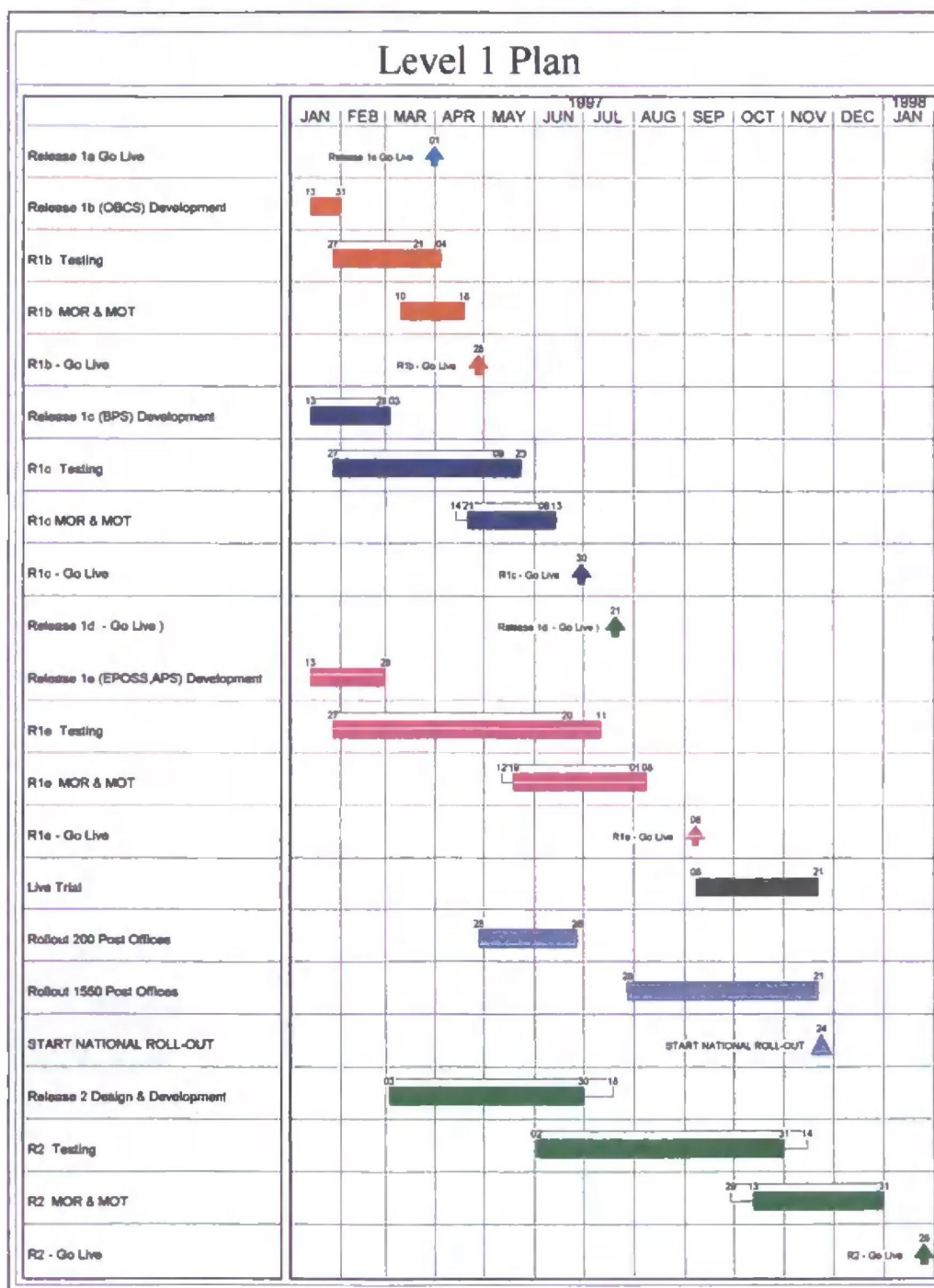
- March has been a heavy month with the focus of attention on the completion of integration and test for the early releases within the new Implementation Plan. Extra resources were focused on this area and the workload pressure has been high and good results have been achieved, although the programme remains on critical timescales.
- A major breakthrough has been the resolution of the migration issue to the satisfaction of both PDA and the sponsors. This has been achieved without increased costs on ICL Pathway. We have however still to find a way forward to overcome the lack of counterspace available in much of the Post Office network. As we approach the next delivery programme at the end of April, this issue is rapidly getting to the top of the agenda and will require quite difficult escalation before an acceptable resolution is found.
- Good work has been done on measuring counter transaction times which are fundamental to our service level agreements. The work here is looking encouraging and so far we are on course to come in within the set limits.
- IGL continues to run satisfactorily with a steady card population now of just over 1,500 card users.
- An important 'Away Day' was held between ICL Pathway management team and the PDA management team to explore how we progress in terms of openness and trust on this demanding programme. No stunning breakthroughs but a glimmer on improved understanding.
- Considerable attention has been given during the month to staff appraisals and also to constructing an improved method of reviewing and establishing the terms of contract arrangements for the substantial freelance community. This latter work has been pushed through vigorously and will prove of long term benefit to ICL Pathway.
- Arrangements are in hand for meetings with POCL and Bull to discuss how we engage with them both on the technical and architectural implications of supporting the post office Government direct initiative [Genesis 2] which is due for piloting in the summer of 1997.

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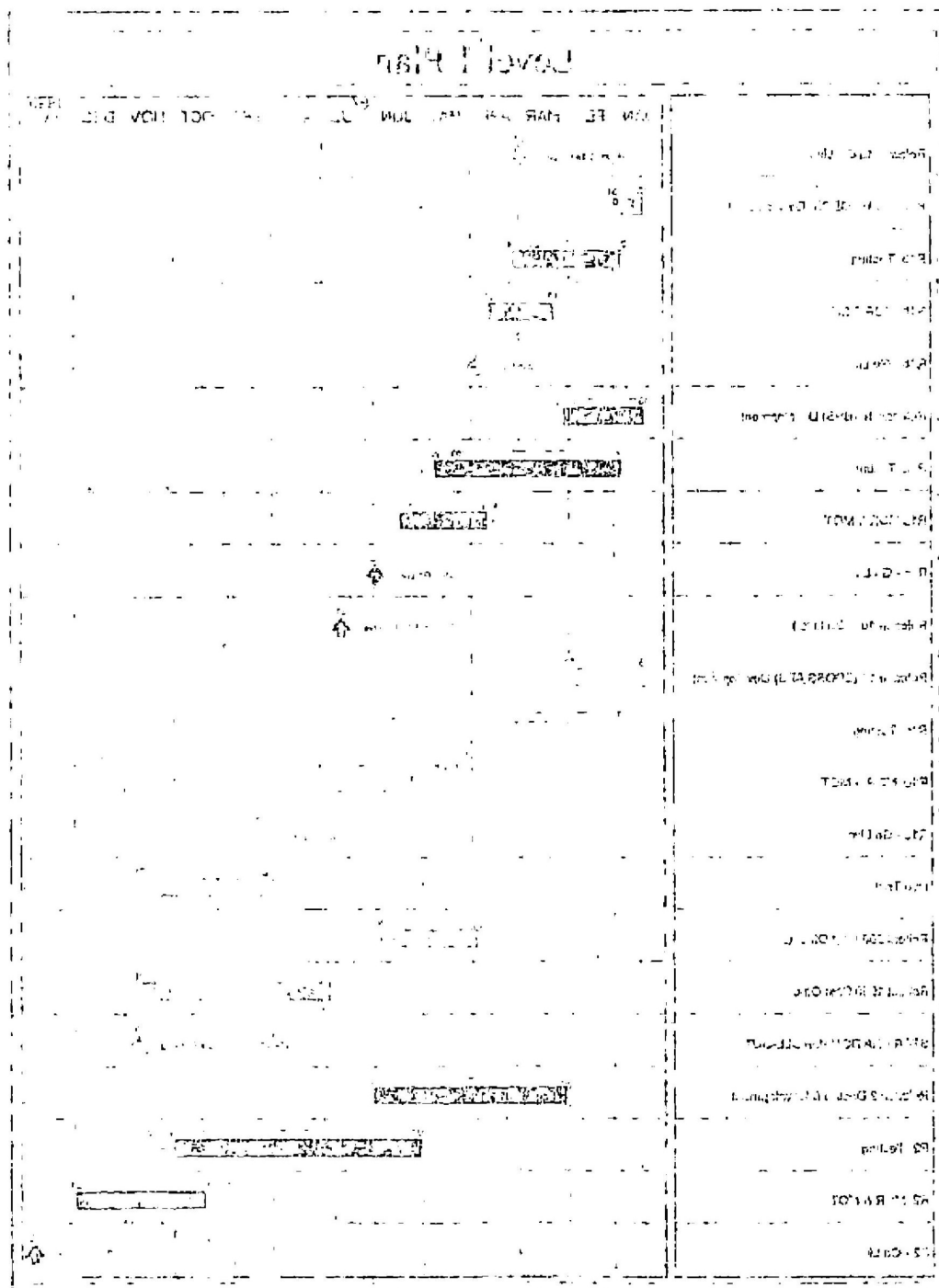
2 PROGRESS

2.1 PATHWAY LEVEL 1 PROGRAMME PLAN



2. PROGRESS

2.1 PATHWAY LEVEL 1 PROGRAMME PLAN



ICL Pathway Pathway Programme Monthly Report
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Date: 14/04/97**2.2 CAPS MIGRATION**

- Release 1a was successfully implemented over the Easter weekend, the work went well and continues to run OK. This enables the new version of CAPs 2.0 to intercept our system and prepare the way for later releases.

2.3 OBCS

- This is the Release 1b due for implementation at the end of April. Testing has moved on rapidly from system test into direct interface testing and into Model Office Rehearsal and Trial, which is now well advanced. We fully expect a final signoff and successful implementation on time.

2.4 CHANGE CONTROL FOR THE REPLAN EXERCISE

- This has now reached an advanced draft and should be signed off by all parties fairly quickly. Care is being taken to ensure that we preserve our rights should there be any further delays in the CAPs programme and to ensure that the CAPs migration plan, when firm, allows us to argue all relevant impacts on our direct costs.

2.5 BPS RELEASE

- This is Release 1c due for implementation at the end of June. This has been badly impacted by a late Riposte baseline release which has caused between two and three weeks delay. We are sharing our recovering plans with the PDA and will shortly have to determine the likely impact on scheduled dates. It also causes a knock effect on Release 1e due to the compressed timescales between these releases. A satisfactory outcome is the critical piece of work for April.

2.6 CONTRACTUAL ACCEPTANCE

- We have made good progress in preparing the ground for the acceptance process and also agreeing the functional requirements for the CAPs 3.0 Release and the Pathway Release 2 product scheduled for January 1998.

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Date: 14/04/97**2.7 FRAUD AND RISK MANAGEMENT**

- Good progress over a wide range of issues. The main concern is that the subject of extended verification procedures [EVP] which we had thought was buttoned down a month ago has reopened with a major escalation from the sponsors.

2.8 QUALITY

- A second EFQM review has been held across ICL Pathway which records significant progress over the last fifteen months. As before an action list involving all directors has been created to take the next phase forward.

2.9 INTERNATIONAL PROSPECTS

- Escher have begun work with Australia Post and there are early signs that we may need to get involved. A design study for Deutsche Post now has been accepted and key meetings will take place with ICL Pathway later in April. The Japanese Ministry of Post and Telecommunications [MPT] have visited us through their agents Numera Research Institute who were impressed with what they have seen and want to return again later in the summer. Singapore Post have accepted their pilot system and rollout is now under way. Support to the ICL Singapore project now comes from our development group and this appears to be satisfactory to all parties.

3 CURRENT CRITICAL PROBLEMS**3.1 COUNTER SPACE**

- As we survey the first 200 offices the extent of this problem is becoming clearer and worse. We have formally lodged with PDA that the Post Office network is not fit for the purpose of automation and that this responsibility clearly lies with the sponsor. Difficult negotiations must be anticipated.

3.2 RELEASE 1C FOR BPS

- We have critical areas concerning access control and reconciliation which must be resolved and agreed before signoff for this Release can be achieved.

3.3 TEST RIGS FOR RELEASE 1C AND 1E

- Multiple releases have created serious bottle necks in the building and availability of test rigs to allow parallel testing to proceed at the speed necessary. Actions have been taken to resolve these bottlenecks by drawing in extra resources and the next few weeks will tell us how successful this has been.

3.4 RELEASE 2 BASELINE WITH CAPS 3.0 PRODUCT

- Lining up these two releases is critical for the ability to pay multiple benefits from January 1998. Final agreement on this synchronisation is needed within the next few weeks.

3.5 SECURITY ARRANGEMENTS FOR NORTHERN IRELAND

- Our encryption arrangements for data traffic in Northern Ireland has been deemed unacceptable to the sponsors although it is acceptable elsewhere in the UK. This remains unresolved.

3.6 PUBLIC AWARENESS CAMPAIGN

- We have a major issue with the sponsors on the customer education activities where we are planning to communicate the introduction of the payment card and the impact this has on the general public. BA want us to take this much further to explain the implications benefit by benefit. This is further exacerbated by the provisional benefit migration plan which spreads the transfer of benefits to cards some 12 months later than anticipated. This issue is certain to run for some time yet.

4 ISSUES

4.1 PHASED MIGRATION

- There are a series of difficult technical and logistic issues to resolves in terms of moving forward from the staged releases. In particular Release 1b to Release 1c is proving problematic.

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4.2 BENEFIT MIGRATION

- We still have not received the change request for the new benefit migration programme and following on from this how we recover increased direct costs.

4.3 ISDN COVERAGE

- This now needs to be escalated to BT to determine the extent of the problem before settling on how to cover the gaps in the network, either via satellite, frame relay or use of PSTN facilities.

4.4 NEW POCL PRODUCTS

- The process for agreeing new product requirements with POCL has become extended and there is a need to accelerate agreement here such that new products and hence new revenue streams can be intercepted at a Release 3 product for late Spring 1998.

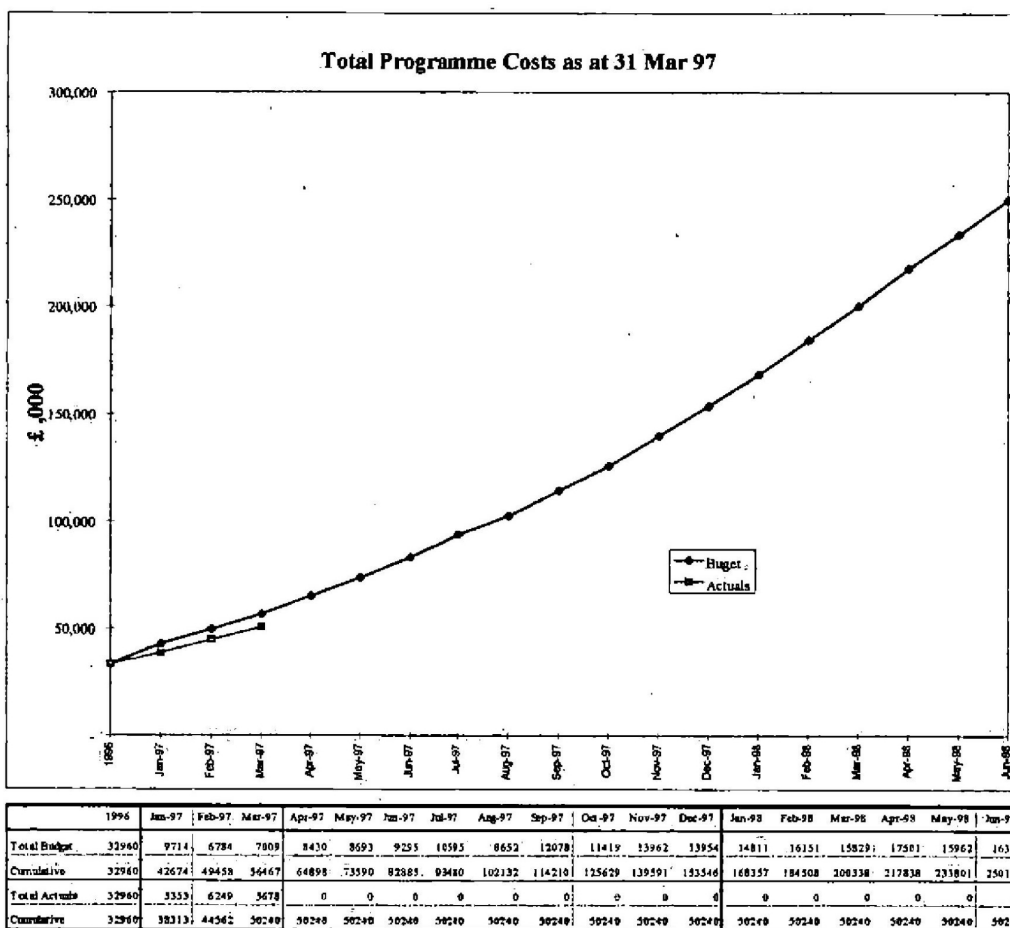
4.5 EXTENDED VERIFICATION

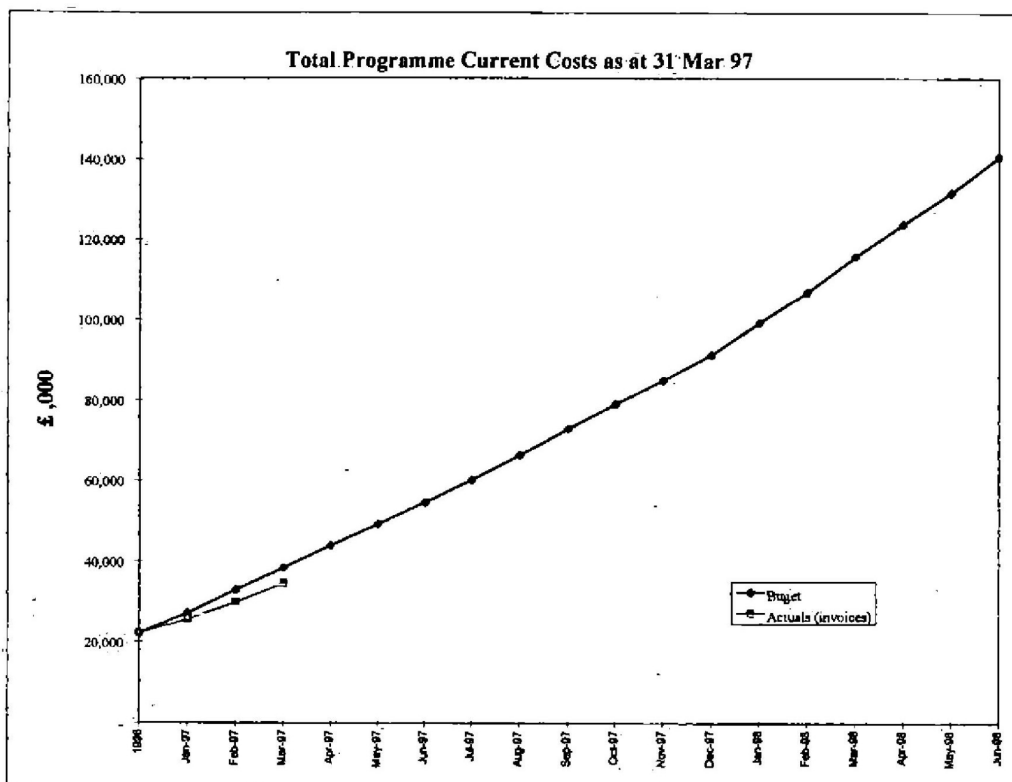
- The fact that this issue has come back on the table again is bad news and indicates that PDA are not controlling their sponsors adequately and keeping them informed and disciplined.

5 COSTS

- Project spend has increased this month as the workload on development and testing has become more complex and involved. Action is being taken to tighten down the cost base as far as we possible can but the true way forward has got to be to exploit this sophisticated infrastructure to leverage off more revenue and business to bring the returns and profitability to a higher level.

5.1 TOTAL PROGRAMME COSTS



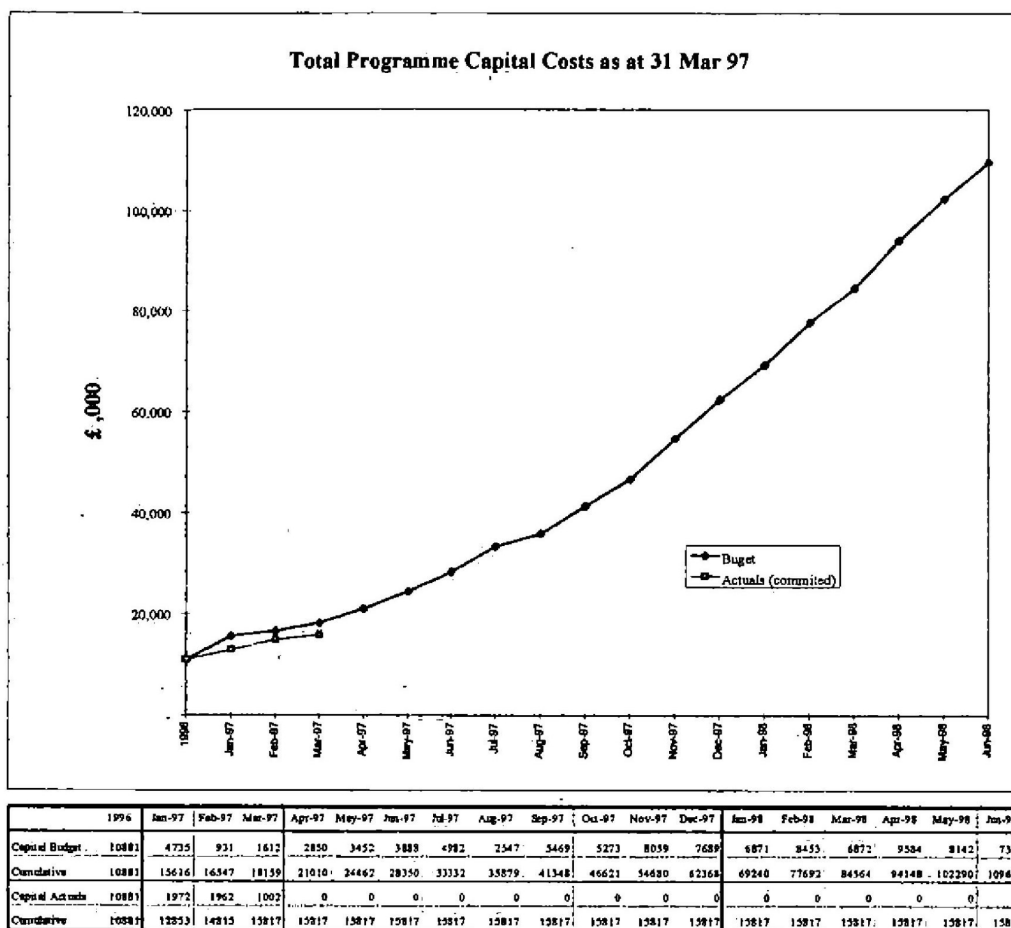
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Date: 14/04/97**5.2 TOTAL PROGRAMME CURRENT COSTS**

	1996	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Current Budget	22079	4980	5953	5386	5580	5241	5407	5612	6106	6609	6147	5903	6266	7940	7698	8957	7917	7820	8966
Cumulative	22079	27059	32911	38309	43888	49129	54536	60148	66234	72862	79089	84912	91177	99118	106816	115774	123691	131511	140477
Current Actuals	22079	3381	4287	4676	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	22079	25460	29747	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423	34423

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5.3 TOTAL PROGRAMME CAPITAL COSTS





Programmes Report.

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Programmes Report

1 MONTHLY SUMMARY

- March was a crucial month for the Programme, we successfully intercepted CAPS 2 in IGL, moved into Model Office testing for the OBCS release due to be rolled out in April and planned to make significant progress with system testing the BPS and full EPOSS releases due to be implemented in June and September respectively. Unfortunately, the latter did not occur due to reasons explained later and I now anticipate a difficult time with the Sponsors in April as we struggle to meet our testing deadlines.
- The development, testing and integration staff continue to work long hours under considerable pressure but to their credit their commitment and enthusiasm remains. A successful implementation of the OBCS release on April 28th will do much to maintain morale.
- We resolved the migration issue which threatened to increase our implementation costs but have still to find an acceptable solution to the limited counter space issue. I am concerned that BT are failing to implement ISDN across the UK in the expected timescales. Observers believe that they could be as much as 2 years behind schedule which could obviously have serious implications on our roll out plan.
- The functional requirement for the CAPS3/Pathway Release 2 is still not agreed but development work has commenced in order to meet the deadlines. There is a small risk that rework will be necessary if the sponsors introduce changes at the last minute.
- We are working with Bull to determine the architectural and technical implications of supporting the Genesis 2 Project (Government Direct) during the July/August timeframe. The plan currently is to use our infrastructure only so as to minimise the impact on Pathway Acceptance Process. Agreement with the sponsors to relax the acceptance criteria in those post offices chosen for the pilot is essential if with are to actively participate.

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2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING MARCH 1997

WBS No	Description	Previous Completion Date	Current Completion Date	Progress Status
3.2.1	PAS/CMS - Development	03-Mar-97	26-Mar-97	Complete, Slipped due to additional activity
3.3.1.8	Revisions to EPOSS Report Formats (Reqd 693 696-1 699 808 818-2 834)	07-Mar-97	08-Apr-97	Slipped
3.3.2	EPOSS - Development	10-Mar-97	10-Apr-97	Awaiting support & design documentation
3.3.4.18	Integrated Desktop (final build)	10-Mar-97	24-Mar-97	Complete
3.4.1.4	Baseline all APS Documentation (Req. 475)	03-Mar-97	03-Mar-97	Complete
3.5.1.4	Baseline all OBCS Documentation (req. 475)	03-Mar-97	03-Mar-97	Complete
3.7.7	RDMC - Testing & Deliveries	20-Mar-97	30-Apr-97	Addition of bug fix milestones
3.8.4	TPS - Development	14-Mar-97	07-Apr-97	Outstanding Girobank FTF
3.8.6	TPS - Testing	14-Mar-97	11-Apr-97	New work requires testing
3.9.1.5	Common Charging System - Development	10-Mar-97	24-Mar-97	Complete
3.9.1.6	Contract Admin Service - Development	03-Mar-97	03-Mar-97	Complete
3.9.2	Data Warehouse - Development	17-Mar-97	11-Apr-97	Additional testing required.
5.1.7.1.5	Release Counter Configuration Build Scripts - Live Trials	18-Mar-97	04-Apr-97	Released to D2D 07/04/97
5.1.7.2.3	National Weights & Measures Certification - On Pathway Counter System	17-Mar-97	30-Jun-97	Will not be required until Rel 1c
5.2.2	TRAINING - DEVELOPMENT	28-Mar-97	07-Apr-97	Development being revised in line with the Rel 1b,1c,1e
5.2.2.4	Dry Run "Train the Trainers" Course - BA	04-Mar-97	11-Apr-97	CP awaited from BA
5.2.2.11	Dry Run User training courses - POCL	21-Mar-97	04-Mar-97	Carried out for Rel 1b
5.2.2.5	Sign Off User Awareness programme - BA	07-Mar-97	11-Apr-97	As 5.2.2.4
5.2.2.6	Sign Off "Train the Trainers" Course - BA	12-Mar-97	21-Apr-97	As 5.2.2.4
5.2.2.15	Sign Off User Awareness Programme - POCL	24-Mar-97	06-Mar-97	16/04 for 1b
5.2.2.14	Sign Off User training courses - POCL	27-Mar-97	06-Mar-97	22/04 for 1b

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WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
5.2.2.7	Courseware Masters Available (TTT)	27-Mar-97	21-Apr-97	Expected 23/04
5.2.3	RELEASE 1b TRAINING COURSEWARE	07-Mar-97	31-Mar-97	Expected 22/04
5.2.3.10	POCL/BA Dry Run Assessment of training (Rel 1b)	07-Mar-97	28-Mar-97	Occured 04/04 for 1b
5.2.3.11	Training Courseware Masters Available(Rel 1b)	07-Mar-97	04-Apr-97	As 5.2.2.7
5.2.5.7	Sign Off POCL Trg style Guide	05-Mar-97	27-Mar-97	Expected mid May in line with 1e
5.2.5.9	Sign Off BA Trg style Guide	07-Mar-97	27-Mar-97	As 5.2.5.7
5.5.1.2	Implementation SMP Baselined	05-Mar-97	26-Mar-97	Baselined 25/03/96
5.6.2.4.2	Sign Off Steady State transition Strategy	21-Mar-97	02-May-97	On Plan for 02/05
5.7.2.10.2	Sign Off ICL Pathway Migration Process 1b	28-Mar-97	28-Mar-97	Signed of by PDA 07/04
5.7.2.12.2	Sign Off ICL Pathway PO Establishment Process	14-Mar-97	14-Apr-97	Baseline 22/04
5.7.3.1.7	Sign Off WTL Site Contact Document	05-Mar-97	05-Mar-97	Currently no forecast date offered by WTL
5.5.2.7	Detailed Rollout Plan	21-Mar-97	28-Mar-97	Issued under CP446 04/04
5.7.2.22.1	PC Key Management Process	14-Mar-97	25-Mar-97	No longer required
5.7.2.22.2	Encryption Key Management Process	14-Mar-97	25-Mar-97	Part of security process will be baselined by 22/04
5.1.1.1	DSS Update Process (Reqd 927)	07-Mar-97	04-Apr-97	With PDA for resolution
5.9.6.10	Wigan Available Complete	28-Mar-97	28-Mar-97	Available for 1c MOT 21/04
5.10.6.9	Bootle Available Complete	12-Mar-97	21-Apr-97	Available for 1e MOT 19/05
5.8.7	BACKBONE NETWORK IMPLEMENTATION	11-Mar-97	21-Mar-97	Complete 04/04
5.12.3	Model Office Implementation Complete	20-Mar-97	04-Mar-97	Complete
5.12	MODEL OFFICE IMPLEMENTATION	20-Mar-97	14-Mar-97	
4.7	Electro-Magnetic Compatibility/Health & Safety Conformance Testing	03-Mar-97	03-Jan-97	Delays due to hardware revisions, PC, Lift keyboard, replanning underway.

2.2 HANDSHAKE / MANAGEMENT LEVEL EVENTS DUE TO COMPLETE DURING APRIL 1997

WBS No	Description	Current Complet'n Date
3.4.1.4	APS Reconciliation reports	07-Apr-97
5.1.4	EQUIPMENT PROCUREMENT 200 POST OFFICE PILOT - LIVE TRIAL	25-Apr-97

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WBS No.	Description	Current Completion Date
5.2.7	HELP FACILITIES	27-Feb-97
5.1.4.7	Phase 1 - Counter Configurations Available For Installation	25-Apr-97
5.7.2	ICL PATHWAY IMPLEMENTATION PROCESSES	14-Apr-97
5.6.2.3.2	Sign Off (H/D / Auto Conf. / R/O Dbase) Strategy	07-May-97
5.7.6.4	Phase 1 Script & Build	18-Apr-97
4.14.4	Rel 1e - Product Acceptance Tests	06-Apr-97

- Despite a few problems during the Easter weekend the migration from CAPS 1 to CAPS 2 was successfully achieved. The new service is running well with very few technical problems.
- The Order Book Control System (OBCS) successfully navigated business integration testing, direct interface testing and model office rehearsal with only a handful of hardware/software issues identified and fixed. We remain confident that this release will be implemented on April 28th as planned.
- At the beginning of March, it became apparent that a new version of Riposte had to be installed to satisfy the functional requirement. Due to a series of technical problems, this unplanned activity took the whole of March to successfully build and integrate. This combined with the conclusion that the Benefit Payment Release (BPS) required more technical infrastructure than original planned, conspired to seriously hamper progress. The additional effort spent on BPS had a knock impact on the EPOSS release schedule but the current view is that the size of the task has been reduced because some of the infrastructure work has been brought forward, consequently it should be possible to recover the lost time.
- The Business Requirement Definitions (BRD) for the Mails and Eftpos products continue to be revised and reissued but time is running out if they are to be included in Release 2. We are close to agreeing the CAPS 3 interface requirements but it has been necessary to commence development to maintain the deadlines. This carries some risk of rework if changes are introduced at the last minute.

3 CURRENT CRITICAL PROBLEMS

- The delays associated with the BPS and EPOSS releases must be recovered if we are to avoid a major confrontation with the Sponsors.
- The number of Post Offices with restricted counter space is significantly greater than we have been led to believe. From an initial view of roughly 3000 we could now be faced with 10000 which require considerable modification to house the equipment.

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- Sign off of the functional baseline for the BPS release has been delayed due to problems with Access Control and Reconciliation. Every effort is being made to satisfy the customers expectations.

4 ISSUES

- The phased release strategy has created additional migration problems.
- The data centres do not have the space contingency originally specified in the plans. This must be rectified.
- The Audit requirements are open to interpretation, this may cause us problems during the Acceptance Process for Release 1.
- Agreeing the process for introducing new business requirements for POCL is proving more difficult than anticipated.
- British Telecom are behind schedule with the installation of ISDN within the UK. This in turn will impact the Pathway roll out strategy.
- We have run into problems with Post Offices which are not served by ISDN i.e. those in remote locations and mobile offices. Energis are evaluating the alternatives such as PSTN, frame relay, satellite etc
- The Riposte system is designed to operate with two Correspondence Servers but only one has been installed with the IGL and OBCS systems. Plans are now in place to introduce two servers into live operation for OBCS.

5 COSTS



Commercial and Financial Report

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Commercial & Financial Report

1 MONTHLY SUMMARY

- The Replan is not yet put to bed. The Change Request has been agreed in draft form but not yet submitted to us for formal approval. There is a risk that DSS may yet balk at two conditions, both of which have been acknowledged in writing by the PDA. These are (i) that each of the new release delivery dates for CAPS into Pathway (now split into various releases aligned to the Replan and identified as CARs) remain milestone dates (delay to which would shift all subsequent contract dates to the right day by day), and (ii) that the revised CAPS Migration plan (delayed switch from books to cards) be subject to a separate Change Request which will reimburse us for additional direct costs incurred as a result of the changes. We may have to escalate quickly.

2 PROGRESS

- Replan is agreed in all significant respect except for the above points
- Migration approach agreed in outline, in principle, at no additional cost
- Scorecard mapping to MIS - a significant task
- Amount of change still required for Release 1 rapidly reducing - specifically Escher
- Counter transaction times method and results crystallising - mostly encouraging
- Significant headway on limiting the customer education exposure (generic versus benefit by benefit)
- Fulfilment subcontract agreed
- Change control process initiated for Replan with all major sub-contractors

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING MARCH 1997

There are no Release 1 or Release 2 Milestones scheduled for completion in March for Commercial & Finance.

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE APRIL 1997

WBS No.	Description	Current Completion Date
8.3.24	Agree all Sub-contracts	30-Apr-97

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- CNT - mostly focused on the Replan but also increasingly acting positively to broker movement on contentious issues where progress has stalled. Their resolution usually involves a commercial component. Customer education is one example now making headway. Counter space is the next major item to be addressed. The principle that counter space should be "fit for the purpose of automation" has been tabled and (subject to minutes confirming) accepted by the PDA contracts team. On Acceptance, the PDA contracts team has in principle agreed that the PDA should propose any additional tests they wish to see performed to show compliance with the Service Schedules (as opposed to Requirements) - rather than their insisting that we should do Acceptance tests by both criteria (the previous position held at operations level).
- JCCB (Joint Change Control Board). Subject to our providing adequate supporting explanation for additional costs, particularly where these are of a one-off nature, we have been given assurance of timely approval in future. It is clear that a degree of delegated authority has now been given to the PDA to approve at least low level CCNs. Where we seek changes to the Scorecard to recover additional operating costs, timely approval is likely to be much more difficult. We have the JCCB's commitment to using all reasonable endeavours to fast-tracking CCN117 (significant Requirements changes to DSS functionality proposed for Release 2) as a "Red Star Priority" item. We have notified the JCCB that work has started in anticipation of approval (there has been a great deal of prior discussion) in order to hold Release 2 timescales but that failure to confirm the CCN (including Scorecard changes) by 16th April would indeed put Release 2 at severe risk.
- Finance and Commercial Forum - mostly housekeeping - working well.
- Acceptance team joint sessions (Jim Morley leading for Commercial) - progress being made but
- Multiple phone conversations with Pat Kelsey on the Replan, CAS (DSS are still trying to sidestep any responsibility despite the CAR on them to facilitate resolution), on contentious issues as above, and generally to smooth paths wherever possible (eg. EVP and Access Control "agreements to agree").

2.4 EXTERNAL, WITH POCL, DSS

- Finance and Commercial Forum - alternating POCL, DSS, POCL etc. The main value added feature of the POCL forum is early qualification of prospective POCL new business. This is going slow and is becoming a concern. POCL client managers are under pressure to reduce costs from their clients: they are on the defensive. For no change in style of transaction and no change in client process, counter automation represents unwanted *additional* cost. Without business reengineering end to end with the clients active involvement, this is bad news for them, and they are fighting it. Grasping the opportunity to reengineer will take new attitudes and heavier weight account managers. We may have to take more concerted initiatives at senior level within POCL to change the mindset.
- DSS equivalent body is at this stage concerned only about audit trails, etc..

2.5 EXTERNAL, WITH SUPPLIERS

- The Change Control process is now underway. Suppliers have been given planning data from which to assess the impacts of the delays. The Suppliers Forum has been notified of the solid state of the Replan and committed itself to facilitating the changes. However, the indications are that we will come under pressure to recompense suppliers for moneys lost today, never mind the claw back in eight years time. As predicted last month, this is likely to be a tough round of negotiations.

2.6 INTERNAL TO ICL PATHWAY

- With the Replan bedding down, and a large numbers of Change Proposals now approved or at least clearly visible, attention has focused on proper quantification of the full financial impact this year. A series of joint programme office and financial reviews has been conducted to match all the development, build and support plans to departmental forecasts. The impacts have been extended into the Business Plan where there are knock on implications on eg. levels of support required to maintain a more complex system. The Business Plan had already been updated in anticipation of these changes and to reflect the extension of contract term, but it has now been brought up to date. The impacts on 1997 and the Business Case are both worse than previously thought.
- Quarterly targets by Departmental on headcount and sub-contract project spend will be set later this week to ensure that spend is held back as long as possible to reflect the delays in roll out. These will be designed not to adversely impact on urgent development or test and integration work, but may call for more concerted efforts to redeploy people from other areas pro-tem.

3 CURRENT CRITICAL PROBLEMS

- None critical now, a number alluded to above which could become so.

4 ISSUES

- The Replan not been put to bed contractually - possible issues of principle with DSS yet to deal with.
- Release 1e, 2 and 3 work beginning to "pile up" as effort is focused on 1b and 1c. The rapid succession of releases is a risk to both timescales and cost control: we may have one release too many in the programme between now and next April - but it is difficult to see which one could go.
- Project overspend - far more money is going on development and T&L than was originally envisaged (more than double) - due to a combination of system complexity not properly understood at Tender stage, the amount of change needed to ensure compliance with Requirements, and the increase in start up duration. As things stand, some of these additional costs will wash though the Steady State phase of the contract unless steps are taken to prevent them doing so.
- Making sure New Business/reengineered POCL products happen.

5 COSTS

- Shown below in very summary form are the cost/WBS movements relative to the post-Replan Business Case presented to Fujitsu in February as the basis for their funding support. The Business Case varied for Replan delays had previously balanced back to the original ISC case in broad terms by virtue of the contract extension. In relation to the added programme complexity identified since award of contract, the additional costs and capital had previously been offset by the inclusion of £100m of POCL revenue which had "firmed up" during Drop Down sufficiently for revenue contingencies to be released.
- Excluded are reductions in 1997 cost of sales/capital due solely to the timescale shift. The deltas are expressed as project impacts. The 1997 deltas also apply to 1997 costs and cash, but against those must be netted the beneficial (short term) impacts of delay.

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<u>£m</u>	<u>1997</u>	<u>1998-05</u>	<u>Total</u>
Additional development spend	2.5	1.0	3.5
20 additional T&I heads	2.0	2.0	4.0
Additional CFM running costs - complexity	1.0	4.0	5.0
SMC/software distribution costs - complexity	1.0	7.0	8.0
15 Pathway customer services/support heads	2.0	10.0	12.0
Communications costs - remote sites/PSTN	0.5	3.5	4.0
Customer education fulfilment line	1.5		1.5
Other costs - eg. Hambros	1.0		1.0
Savings - migration/smart cards	(7.5)		(7.5)
Interest on the above	<u>7.5</u>		<u>7.5</u>
Net adverse project cost movement	10.0	29.0	39.0

- The heavy up-front hit means that NPV and IRR are both significantly damaged.
- On the positive side, the risk register balance has been reduced by commercial action and inclusion of costs in the Business Case not previously included.
- The movements in the Business Case are in net terms significant and damaging. We will have to address them in the coming weeks through a combination of scrutinising all on-going costs (zero based budgets beyond the "Build" phase, looking at the complete end to end supply chain of support and other costs) and securing POCL/client reengineering and New Business commitments which leverage the infrastructure.



Customer Requirements Report.

ICL Pathway Pathway Programme Monthly Report
Customer Requirements ReportRef: PA/REP/0007
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Customer Requirements Report

1 SUMMARY

The major achievement has been to get the on-line CAPS business rules and interfaces agreed and defined. It has taken over half of the unit's resources this month but has demonstrated that a forceful style can be beneficial. A new SADD was published which incorporates the on-line CAPS business rules agreed.

2 PROGRESS**2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING MARCH 1997**

WBS No	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
4.9.1.12	Acc - OBCS/Formal - Live Trial	20-Mar-97	21-Nov-97	
4.9.5.2	Acc - APS/HAPS Iface/Agree Criteria	21-Mar-97	19-Mar-97	
4.9.6.11	Acc - CAPS/Formal - Model Office	21-Mar-97	01-Aug-97	
4.9.6.12	Acc - CAPS/Formal - Live Trial	21-Mar-97	21-Nov-97	
4.9.7.9	Acc - TIP/Rehearsal - Int Testing	21-Mar-97	23-May-97	
4.9.2.8	Acc - BES/PDA Agreement to Acc Spec'n	21-Mar-97	02-Jun-97	
4.9.8.8	Acc - Ref Data/PDA Agreement to Acc Spec'n	21-Mar-97	26-May-97	
4.9.13.9	Acc - POCL Infra/Formal - Live Trial	21-Mar-97	21-Nov-97	
4.9.14.12	Acc - Reconciliation/Formal - Live Trial	07-Mar-97	21-Nov-97	
4.9.15.10	Acc - Audit/Rehearsal - MO Rehearsal	21-Mar-97	20-Jun-97	
4.9.15.11	Acc - Audit/Formal - Model Office	26-Mar-97	01-Aug-97	
4.9.16.6	Acc - E2E Service/PDA Agreement to Acc Spec'n	23-Mar-97	29-Apr-97	

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING APRIL 1997

WBS No	Description	Current Complet'n Date
4.9.6.2	Acc - CAPS/Agree Criteria	27-Mar-97
4.9.7.11	Acc - TIP/Formal - Model Office	01-Aug-97
4.9.8.9	Acc - Ref Data/Rehearsal - MO Rehearsal	20-Jun-97

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WBS No	Description	Current Complet'n Date
4.9.3.8	Acc - PAS/CMS/PDA Agreement to Acc Spec'ns	02-Jun-97
4.9.9.8	Acc - MIS/PDA Agreement to Acc Spec'n	19-May-97
4.9.10.6	Acc - Help Desk/PDA Agreement to Acc Spec'n	11-Apr-97
4.9.15.8	Acc - Audit/PDA Agreement to Acc Spec'n	26-May-97
4.9.15.12	Acc - Audit/Formal - Live Trial	21-Nov-97
4.9.16.7	Acc - E2E Service/Rehearsal - MO Rehearsal	20-Jun-97
4.9.16.8	Acc - E2E Service/Formal - Model Office	01-Aug-97
4.9.16.9	Acc - E2E Service/Formal - Live Trial	21-Nov-97

2.3 POST DROP DOWN

- Just when we thought the drop down earthquake had finished along comes an aftershock: we have responded to a CR to drop down the audit requirements in Schedules A03.

2.4 DETAILED PLAN ACTIVITIES

2.4.1 CURRENT ACTIVITIES

2.4.1.1 RELEASE 1

- The Post Office Closures paper achieved sign-off.
- All outstanding PINICL's for Releases 1a and 1b were cleared. There are a small number outstanding for Releases 1c and 1e.
- The Service Agreement for EDS has been written and sent for review to PDA and to EDS (who are happy with it).
- Agreement on the MIS reports was achieved, just a few minor changes.

2.4.1.2 RELEASE 2

CAPS On-line Interface: This has been the most significant activity of the month. CR P16a, then b, were dealt with, much of the last two weeks spent developing CCN117 in response. This is now complete for review by Pathway and the PDA. It has entailed often muscular discussions with relevant Authorities and producing changes to:

The Requirements Catalogue

The Solutions Catalogue

CMS, PAS and BES Service Definitions

CMS, PAS and BES Service levels

The scorecard (Schedule A06)

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Fraud liabilities (Schedule B08)

SADD sections 3 and 4

- In addition three revision levels of the associated CAPS interfaces were reviewed, partly rewritten and comments returned. The most recent version, received Wednesday is acceptable and will form the basis for Pathway release 2.
- Further work is in hand to generate two further, smaller CCNs to cover on-line enquiries and a common data interface definition for batch and online operations.
- **"Card" Definition:** This entails overhauling the entire contract for a definition of Card which in many places means Payment Card or Temporary Token when in some places it can mean one or the other or both.
- CPs to factor the changes from CCN117 into Pathway Release 2 in the CAS and PAS/CMS areas are being raised. The on-line functionality represents the major part of this.
- The paper on business rules for foreign encashments, encompassing all the Byzantine payment rules and proxy relationships has been rewritten and is with the PDA for comment by 4th April. Simplifications, relatively speaking, to these rules which would otherwise embarrass BES have been negotiated.
- Remote Stock unit - Initial analysis of CR done. PDA have been advised that we will report back on 15/4/97.
- Quantum - Two reviews with POCL have been held. Landis & Gyr (Owners of Quantum) are concerned that the lack of a hardware based security method (i.e. a retailer smart card) will not be robust enough. Tom Parker has prepared a proposal to use a software based method and the counter peripherals as defined, for use in discussions with L&G.
- There are some worrying undercurrents here - POCL will try to make out it is our problem. L&G have limited motivation to accommodate Pathway since they already have another retail outlet via the Paypoint terminal which does support a retailer card and of course they sell the device.

2.4.1.3 RELEASE 2/3

- Work on the "Government Direct" initiative has been started in POCL and will be reviewed here in mid April.
- APPU Hardware: The IPR license transfer will be signed by Pathway in a few days. This will allow POCL to release the design and build documents and the APPU software to us. The decision about how many outlets, and who pays is to be resolved by Finance & Commercial.

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2.4.1.4 CARS

- The CARs are again right up to date. On 27/3 the customer had 65 overdue. The notable progress was getting the bulk of the Reference Data CARs completed, albeit with commitments on POCL to keep updating the files.

2.4.1.5 ACCEPTANCE

- During the month a full schedule was produced and communicated to the PDA and the first Acceptance Specifications are on the point of being published.
- Access to the database has been established and we are expecting the up-to-date test condition library to come on stream mid April.
- A new version of the BES Acceptance Specifications was produced by T&I following discussions. This covers T&I testable conditions with the original BES requirements; more work will be done to incorporate other, mostly PAS requirements which will be tested within BES.
- PAS/CMS - the PAS and CMS Acceptance Specification was reviewed, and a new version produced. Extensive test conditions are in place, which need to be reviewed in detail
- CAPS Interface - the Acceptance Specification for this area is due in April. The test conditions have largely been produced by the testing and integration teams.

2.4.1.6 NEW BUSINESS SUPPORT

- Mails BRD - New version received and now out for assessment within Pathway. POCL are placing less emphasis on the generic nature of the service, and more on Mails functionality. Pathway need to determine the development base from which our solution will be built.
- Distribution BRD - formerly Inventory Management. The draft BRD was received and turned around. The first real version is now due.
- DNS - Technical options paper received and comments made. This will result in a BRD in due course.
- EFTPOS - Discussions were held with ICL Retail and a joint workshop with POCL and their consultants, Pathway and ICL Retail will be held on 3rd April to define system and service boundaries. POCL still expect this to be in Release 2.

2.5 OTHER TEAM ACTIVITIES

- Dave H chaired the workflow standards meeting in Tokyo and was re-elected Chairman of the TC for a further year.

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- A useful day long review was held with Fujitsu, covering Pathway progress and background to the Japanese MPT activities
- A meeting with Nomura Research Institute was held to provide background to the Pathway programme and answer questions, supporting Alan Coulter.
- Support to help Transys close their bid was provided.
- A short discussion paper on the Temporary Token was produced.
- Discussions with the Accord project are about to recommence; the project is now currently staffing up in anticipation of formal bid production.

3 CURRENT CRITICAL PROBLEMS

- None.

4 ISSUES

- None

5 COSTS



Customer Service Report.

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Customer Service Report

1 MONTHLY SUMMARY**1.1 OPERATIONS****1.1.1 INITIAL GO LIVE - 2**

- The undoubted highlight of the month was the successful upgrade, over Easter, of CAPS 1 to CAPS 2 and IGL 0.2 to IGL 0.3. Although there were a few operational and technical problems in the upgrade it was successfully signed off by all parties.
- The service continues to run successfully with few technical problems.
- An escalation process between Pathway, ITSA and PDA has been agreed and implemented.

1.1.2 MIGRATION**1.1.2.1 RELEASE 1B**

- Release 1B will go live on Monday 28th April. Martin Riddell will publish the transition plan on Thursday 10 April for review with POCL.
- Operational readiness reviews (ORRs) have been scheduled from Monday 7 April to look at ICL CFM's capability and readiness to provide and manage the Horizon Systems Help-desk and Systems Management Centre.
- Further reviews will be held the following week covering Systems Operate and Pathway's 3rd and 4th line support capability.
- A major problem with software distribution and Riposte has been solved leaving no apparent outstanding operational or support issues.

1.1.2.2 RELEASE 1C

- Our main focus of attention is the migration methodology of moving from Release 1B to 1C.
- To carry out the Release 1A to 1C migration (10 IGL Post Offices) and the Release 1B to 1C migration (190 OBCS only Post Offices) over the same weekend is unacceptably high risk and so these activities will be split between two weekends around 30 June.
- Our ability to distribute software to the Release 1C environment using Tivoli is currently being tested and a decision on the technique is expected to be made by Friday 11th April.

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1.1.3 SYSTEMS MANAGEMENT

- Systems Management in terms of counter software distribution is making good progress
- Progress on software distribution to central NT configurations is less advanced although in theory there should be few differences.
- We are concentrating on the process and procedures for administering and managing software distribution.

1.1.4 SYSTEMS OPERATION

- ICL CFM continue to provide reasonable service in operating the IGL system and played their part in upgrading to Release 1A, however, I am concerned at the number of simple 'operator errors' which occur.
- They have now produced their first operations manual which is a good start but still needs a lot more work to make it Pathway specific.
- Our contract and charging arrangements with ICL CFM have been placed under closer scrutiny since it appears there may be an element of double counting.
- The issue of home working to provide support from Northern Ireland is still not finally resolved but we are now more optimistic that the security problems are not as serious as were originally voiced by the PDA. A formal response to John Dicks' letter is expected next month.

1.2 POCL SERVICES

- The POCL Card Distribution Contract will be signed off next month.
- John Dicks, Martyn Bennett and I are now agreed that there is no viable alternative to the use of PUNs at this time. I will continue to monitor the effectiveness of the process and report on any improvement opportunities as operational experience improves.

1.3 BA SERVICES

- 1557 cards have been issued to 31 March.
- Process modelling for the production of Temporary Tokens has moved forward during this month, with Oracle undertaking the design following detailed discussion of requirement.

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1.4 APPLICATION SERVICES**1.4.1 PROCESS AND PROCEDURES DOCUMENTS**

- The first issue of Release 1C PPD was on 25 March. The PDA are reviewing it and will provide their final comments on the 8th April. Issue 2 will go forward to the Model Office.
- A joint PDA/Outlet Systems/ICL Pathway workshop is to be held on 4th April to discuss sign off for both the counter procedures and the PPD documentation set for Release 1C.

1.4.2 ACCEPTANCE

- All supplier responses to the acceptance packs were received by mid March and reviewed by the appropriate Service Manager which led to some re-work.
- Denise Ivermee collated the combined Supplier and Customer Service responses on acceptance criteria and conducted a review rehearsal on 25th March which enabled her to publish the first version of the Acceptance Specification to the PDA for review.

1.5 MANAGEMENT INFORMATION SERVICES**1.5.1 SERVICE LEVEL MANAGEMENT**

- Peter has now signed off the Statement of System Requirements documentation set produced by CFM which conforms to the Contract Administration product available with Release 1C.
- All MIS for Release 1B will be manually produced by Richard Brunskill.

1.5.2 WORKLOAD VOLUMETRICS

- Further updates and refinements to the Volumetrics models.
- Peter Robinson completed the re-work during March and our suppliers have been issued with the set which now reflects the expected volumes as a result of the re-plan.

1.5.3 RECONCILIATION - IGL

- No major problems in March with the IGL daily reconciliation.
- The number of encashments on peak days continues to rise and we have now seen the tail end of the IGL card issuing process with the number of cards in circulation now at 1557.

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- As a result of CAPS failing to take into account double bank holiday payments for Easter Monday, customers were unable to make double encashments on the previous Monday - 24/03. CAPS forwarded an extra file to us during the afternoon of 24th, and we were able to get the data down to the post-office counter. Everything worked smoothly and there were no reconciliation problems.

1.5.4 RECONCILIATION - RELEASE 1

- Oracle have supplied the reports specified and they have been released into T&I. Richard Brunskill has identified the tests required.
- The PDA appear to be content with the format of the reports which are now baselined and can therefore only be modified under change-control.
- There is no formal reconciliation requirement for OBCS in Release 1B although Richard will provide the reports necessary for charging.
- Stalemate exists between Pathway and the PDA over the reconciliation requirements for APS. We continue to maintain that we are adhering to the requirement to provide information electronically. Their insistence that a hard copy reconciliation / file summary is produced for files delivered to HAPS should be subject to a formal Change Request. I am addressing this through John Dicks' team.

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1.5.5 PERFORMANCE BENCHMARKS

- Jan Ambrose continues to make good progress in establishing the performance benchmark process. She has reviewed the amended OBCS encashment transaction and receipt times with POCL's 'Efficiency and Process Support' team and provided them with revised BES transaction times, developed using Release 1C PPD Version 0.7.
- It has been agreed with the PDA that transaction times for single and two-key transaction types should be measured using the keyboard rather than the touch-screen, which is significantly slower. Transactions requiring three or more key depressions will be accessed using the touch-screen only. This presents a significant advantage to Pathway in achieving conformance to transaction performance requirements.
- It has been agreed with the PDA that the printing of the second APS receipt shall take place outside of the timed transaction and will not therefore impact overall transaction times.

1.5.6 CUSTOMER SATISFACTION

- An Implementation and Service Review has been established which will permit regular monitoring of Post Office outlets as they move from the implementation phase to operational service.
- A joint PDA/Pathway Evaluation and Satisfaction Forum has been established to monitor the various activities being undertaken to evaluate satisfaction levels during implementation and in steady state.
- A draft of the Service Visit Reply Card has been provided to the PDA for comment.

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2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING MARCH 1997

WBS No	Description	Previous Completion Date	Current Completion Date	Progress Status
6.1.1.4	Draft Temporary Token Volumetrics	03-Mar-97	11-Apr-97	Dependent on meeting planned for 10-Apr-97 ref. Business Rules..Low impact.
6.1.2.4.4	Review and Accept Card Design Tech. Spec.	27-Mar-97	11-Apr-97	Delay until proofs for last two card designs are reviewed and agreed. The card proofs are currently at Terminal House and it is the intention of Martin Johnston to try to include these cards in the Tech. Spec for approval.
6.1.2.7.9	BA Live Personalisation Data from CAPS to ICL Data Centre	21-Mar-97	10-Apr-97	Blank cards are available and await personalisation data as and when required.
6.1.2.8.1	Model Office Personalisation Data from CAPS to ICL Data Centre	27-Mar-97	14-Apr-97	Dependent on Model Office requirement.
6.1.2.10.14	Welsh Language Personalisation Data from CAPS to ICL Data Centre	27-Mar-97	10-Apr-97	Blank cards are available and await personalisation data as and when required. No slip anticipated unless through lack of need to personalise cards at that point in time.
6.1.2.14.19	Final PDA Approval of Release 1 PUN Design (Welsh)	14-Mar-97	07-Apr-97	Spelling correction to previous design but approval OK pending that correction and FAX of the final PUN to PDA for final approval.
6.1.2.18.3.8	Release 1 Delivery Service (Cards & PUNS) Procedures Review and Accept	27-Mar-97	14-Apr-97	Continues
6.1.2.18.4.3	Release 1 Delivery Service (Temporary Tokens) Procedures Review and Accept	26-Mar-97	09-May-97	Continues
6.1.2.19.3.1	BPS Functional Specification V8+ (Tony Hayward) Required out from Reqts.	27-Mar-97	01-Apr-97	Suggestion from TH that this has been superseded by existing new Oracle High Level Design spec and the SADD. To be confirmed by TH.
6.3.4.1.8	PPD - PDA comments received for PPD Introduction (1b)Draft	04-Mar-97	04-Mar-97	Complete

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WBS No	Description	Previous Completion Date	Current Completion Date	Progress Status
6.3.12.13.11	OBCS PPD - PDA Approval of Final Draft	05-Mar-97	05-Mar-97	Complete
6.4.10.4	SMC Service - Management Review Complete	07-Mar-97	14-Mar-97	Operational Readiness Review for each Release (1b;1c;1e) will be conclusion to this activity and 1b ORR due to take place 10-Apr-97.
6.4.10.6	System Management Deliverables from SORBUS complete and tested	07-Mar-97	14-Mar-97	Continues; status will be reviewed at each ORR
6.4.10.7	Commission the SMC and the associated SMC Processes	19-Mar-97	26-Mar-97	Continues; status will be reviewed at each ORR
6.4.10.8	SMC Ready for Model Office	19-Mar-97	26-Mar-97	Complete for Release 1b; status will be reviewed at each ORR
6.5.2.4.13	Agree Contingency Plan Document with PDA	12-Mar-97	09-Apr-97	Continues
6.5.4.7	Model Office Support Service Available	14-Mar-97	21-Mar-97	Complete for Release 1b; status will be reviewed at each ORR
6.5.5.2.6.8	Footscray SIS Helpdesk System Accepted	28-Mar-97	25-Apr-97	Continues
6.6.35	Agree the Operation of other Systems linked to Pathway (CAR 523/2)	18-Mar-97	18-Mar-97	Continues
6.6.37	BA POCL Agree Strategy of moving IGL sites to Live Trial	25-Mar-97	01-Apr-97	Complete;
6.6.43	Define HD Contingency Plans for loss of facilities (Reqd 889-2)	17-Mar-97	24-Mar-97	Continues; status will be reviewed at each ORR
6.6.52.9	Quarterly Customer Satisfaction Survey - PDA Approval	27-Mar-97	15-May-97	Continues
6.3.19.10	Pathway CS Acceptance Spec. to internal reviewers	17-Mar-97	28-Mar-97	Complete
6.3.19.11	Review CS Acceptance Spec. with internal reviews	24-Mar-97	04-Apr-97	Continues
6.3.19.12	CS Acceptance Spec. to PDA for review	24-Mar-97	04-Apr-97	Continues

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING APRIL 1997

WBS No.	Description	Current Completion Date
6.6.52.4.1	Service Visit Cards PDA Review	10-Apr-97
6.6.52.4.2	Service Visit Cards PDA Approval	10-Apr-97

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WBS No.	Description	Current Completion Date
6.1.2.7.11	BA Cards (Initial Batch) available	22-Apr-97
6.1.2.8.4	First Model Office White Cards available	16-Apr-97
6.1.2.12.8	PDA Approval of War Pensions Welsh Design (Reverse)	30-May-97
6.1.2.15.3	Model Office PUNS available	03-Apr-97
6.1.2.18.1.3	Review and Accept Delivery Service Process	30-May-97
6.1.2.19.7.11	PAS/CMS Helpdesk (MO) Service Available	06-May-97
6.1.3.1.1.3	Customer Service to DSS Procedures(PAS/CMS HD) (Reqt 888 and 889)	04-Apr-97
6.2.2.3	Format of MIS reports	10-Apr-97
6.2.6.4	Agree Format of Settlement Process Reports with BA/POCL	14-Apr-97
6.3.2	CAR 882/4 Ensure PO Counter Procedures are followed	01-Apr-97
6.3.5.2.16	BES Part 1 PPD - PDA Approval of Final Draft	08-Apr-97
6.3.6.15.10	BES Part 2 PPD - PDA Approval of Final Draft	23-Apr-97
6.3.6.15.11	Reqt. 874 (part), 746, 852 completed in draft	23-Apr-97
6.5.2.1.4	Review and Agree Quality Document with PDA	23-May-97
6.5.2.6.9	Review and Agree Acceptance Criteria with PDA	12-May-97
6.5.10.2.4	System Service Spares Procurement Process Complete	04-Apr-97
6.6.28	BA POCL Approve Customer Services Manual	06-May-97
6.6.50	APT Operational Procedures documented (suspended ref. D.Law 12/02/97)	16-Apr-97

3 CURRENT CRITICAL PROBLEMS

- None

4 ISSUES

4.1 SYSTEMS MANAGEMENT

- The hardware configuration for the model office at Release 1B is insufficient for operational use in terms of resilience and its isolation from test configurations. Martin Riddell is addressing this urgently.
- Although technically there should be no problems with Tivoli Systems Management's ability to distribute software, the Release management process has still to be finalised.

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4.2 COMMUNICATION

- Timely and effective internal communication is once again suffering noticeably from the high rate of progress and change within Pathway's programme.

4.3 TRANSACTION PERFORMANCE

- Current estimated times for OBCS receipt and BES Casual Agent transactions exceed the maximum contracted transaction times. Process amendments are being progressed in order to reduce these transaction times.

5 PERSONNEL

- The recruitment of new ICL staff for Customer Service is now well in hand.
- I shall be reviewing the overall staffing of the System Support Centre next month with Martin Riddell.

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6 SUMMARY IGL SERVICE REPORT - MARCH 1997

6.1 PAYMENT / ENCASHMENT BREAKDOWN

Unencashed B/F		Authorised Payments		Stops & Expiries		Encashments		Unencashed C/F		Unmatched Encashments	
No	Value	No	Value	No	Value	No	Value	No	Value	No	Value
291	8388.10	3675	110337.00	47	1198.30	2694	81525.30	1225	36001.50	0	0.00

6.2 CARD MANAGEMENT ACTIVE CARD VOLUMETRICS

(Calculated from information based upon card batches acknowledged by the Payment card helpline, as received by the post offices)

Description of Card status	Number
Cards Issued this month	18
Cards Issued to date	1557
Inactive Cardholders B/F from previous month	417
Cardholders with successful encashments during this month	1180
New Cardholders with no encashments during this month but PAS benefit available - cards not yet picked up from post office	22
Existing Cardholders with no encashments during this month but PAS benefit available - cards picked up from post office during previous month	101
TOTAL ACTIVE CARDHOLDERS	1303
Cardholders with no encashments during this month and no PAS benefit available - cards not yet picked up from post office	254
TOTAL INACTIVE CARDHOLDERS	254
CARDHOLDER BASE	1557

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6.3 HORIZON SYSTEMS HELPDESK CALLS

Call Code	Description	No. of calls during Month
2	Terminal Locked	0
3	Touchscreen Failure	1
5	Counter Printer Failure	2
6	Card Reader Failure	2
7	Barcode Reader Failure	1
8	Entire System Failure	0
9	Power Failure Prevents Use of System	1
11	PAN/PUN Request	3
13	Stop Confirmation Failure	3
14	Unable to Make a Foreign Encashment	1
15	Corrupt Data at Post Office Counter	5
16	Payment Rejection	0
17	CAPS File Error	12
18	Duplicate CAPS File	0
19	Procedural Enquiry	4
20	Reconciliation Enquiry	1
24	POCL Chesterfield Call Enquiry	0
25	Test Call	3
26	Customer Enquiry	1
27	POCL General Enquiry	3
28	DSS General Enquiry	1
29	Inappropriate Call	3
30	Duplicate Call	0
31	Wrong Number	7
32	PCHL Enquiry	1
33	Unable to read PUN at Counter	1
41	CAPS Sent Incorrect Information	1
42	Unable to Make an Encashment	2
43	Receipt Information Incorrect	2
44	Re-issue Card Invalid	0
45	PUN Does not match Card	10
46	PCHL System Failure	1

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Call Code	Description	No. of calls during Month
47	Installation Call	21
53	Training ARRANGEMENT Query	26
54	EDSC Enquiry	4
55	Unable to Read OBCS	7
56	OBCS General	1
57	Unable to Read PUN	1
	Total	132

ICL Pathway Pathway Programme Monthly Report
Customer Service ReportRef: PA/REP/0007
Version: 1.0
Date: 14/04/97**6.4 HORIZON SYSTEMS HELPDESK CALLS RECEIVED PER MONTH TO
28/02/97**

Month	Number
Sept96	10
Oct96	28
Nov96	47
Dec96	39
Jan97	70
Feb97	71
Mar97	132
TOTAL	397

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Customer Service ReportRef: PA/REP/0007
Version: 1.0
Date: 14/04/97**6.5 PAYMENT CARD HELPLINE CALLS**

Call Code	Description	No. of calls during Month
101	Lost PUN	0
103	Damaged PUN	1
104	Lost Card	1
105	Stolen Card	1
106	Damaged Card	0
107	General Card or PUN Enquiry	1
113	Non Receipt of PUN	2
120	General Customer Comments	4
121	Change of Address	1
123	Entitlement Enquiry - Inappropriate	2
124	Transition Enquiry - Inappropriate	1
125	General Enquiry	3
126	Benefit Collection	0
127	Card Encashments	2
128	Change of Name	0
129	Card Enquiry	0
207	General Card / PUN enquiry	3
210	Enquire upon Payment History	16
211	Stop Payment	0
221	Change of Address - Inappropriate	4
225	General Enquiry	3
227	Card Encashment Enquiry	0
228	Foreign Encashment Enquiry	0
301	Lost PUN	3
303	Damage PUN	0
304	Lost Card	0
305	Stolen Card	1
306	Damaged Card	2
307	General Card / PUN Enquiry	1
308	Payment Encashment Failure	1
309	Foreign Encashment Request	21
312	Batch of Cards Received	11

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Call Code	Description	No. of calls during Month
313	Non Receipt of PUN	1
318	Comment on the accuracy of information supplied	1
320	General POCL Comments	0
322	Call Relevant to SIS Helpline - Inappropriate	5
323	Benefit Entitlement Enquiry - Inappropriate	0
324	Transistion Enquiry - Inappropriate	2
325	General Enquiry	11
327	Query on Counter Payment Availability	0
328	Stock of BES Receipt Required	0
410	Enquire Upon Payment History	3
423	Entitlement Enquiry - Inappropriate	0
424	Transition Enquiry - Inappropriate	0
425	General Enquiry	19
426	Wrong Number	178
	TOTAL	305

6.6 PAYMENT CARD HELPLINE CALLS RECEIVED PER MONTH TO 28/02/97

Month	Number
Sept96	5
Oct96	83
Nov96	191
Dec96	243
Jan97	344
Feb97	463
Mar97	305
TOTAL	1634

6.7 FOREIGN ENCASHMENTS

At Post Office	23
By Pmt card H/L	31



Quality and Risk Report.

ICL Pathway Pathway Programme Monthly Report
Quality & Risk ReportRef: PA/REP/0007
Version: 1.0
Date: 14/04/97

Quality & Risk Report

1 MONTHLY SUMMARY**1.1 FRAUD RISK MANAGEMENT**

- Review Release Strategy for FRM System; a CP was submitted (10th March) for updating the FRMSD and FRM Release documents.
- Impounded Cards PUNs and Temporary Tokens; a revised document has been sent to the PDA with 10th March agreed as deadline for sign off. No feedback has been received to date.
- Extended Verification Procedures. A final version of the EVP paper has been forwarded to PDA (6th March) for review. A further 9 pages of comments have been received 26th March. This now requires escalation.
- Apportioning Fraud Liability. A contact name has been supplied; we have been unable to contact him during March.
- Fraud Incentive Reward Scheme. PDA have been chased and a first draft is anticipated 11th April.
- Internal FRM procedures:
 - Fraud incident categorisation; the workshop to develop categorisation codes has provided sufficient information for work to begin on a functional specification for the FRM database.
 - Report production and scheduling; procedure completed.
 - Report change; procedure completed.
 - Internal investigation; first draft has been circulated for comment
 - Analysis production and review; this is being reworked; due for sign off during April.
 - Internal Investigation Procedure. This is being re-written to remove references to interviews under PACE.
 - Internal Investigation of Reconciliation Fraud Events. The outline has been produced; completion is dependent on the Fraud Liability process.
- FRM Operator training. Peter Spence has completed Business Objects training. He will fulfil the role of FRM database administrator for Release 1 on.
- Girobank training is being discussed and will be implemented during April / May.
- Report formats for Release 2. These have been discussed with Oracle; and will be discussed with PDA on 9th April.

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Date: 14/04/97**1.2 RISK MANAGEMENT**

- A risk review has been conducted during March, which identified the following:
 - Migration of Manual Post Offices is no longer a risk as the approach proposed by Pathway has had broad agreement.
 - Technical support of the system is a new risk. This relates to homeworking from CFM Belfast. PDA have indicated that the Red Pike encryption algorithm may be inadequate. This is being followed up with CESG.
 - Fraud investigation costs. Following some comments from BA fraud investigators, regarding the obligation for DSS to investigate all suspect frauds, Schedule B08 is being reviewed to ascertain Pathway's potential exposure.

1.3 SYSTEM SECURITY

- Access Control Policy. A formal response to Version 0.6 has been received from the PDA and a review was held on 25th March. We (Pathway) are treating the ACP 0.6 as if it has already been baselined. The PDA have been reviewing Section 8 of the ACP (OPS Domain) in isolation, and a demonstration of the Riposte 'in-office-access' capabilities took place on 12th March. This served to highlight the deficiencies in the product. As a result, nineteen issues were raised predominantly relating to access control in the OPS domain and particularly where the access controls do not reflect BS7799. A formal session was held with the PDA in Borough High Street on 26th March where the issues and their status were progressed. Development actions are underway to assess the extent of the changes required. A full development impact analysis of the ACP is also underway. The objective is to submit a Pathway impacted and baselined to the PDA for review and sign-off during the week beginning April 14th.
- Mapping of Access requirements to Roles / Profiles (a very large task) is being undertaken for each component by the relevant supplier.
- The Security Functional Specification has been updated to take into account of:
 - Energis inter-campus link.
 - Data Warehouse solution.
 - Virus protection requirements.
 - Cryptography changes.
 - Improved alignment with the Access Control Policy and the Technical Environment Definition (TED).

It is being reviewed internally before submission to PDA for sign off.

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- Change proposals for 3 major components of the security solution have been submitted and deferred; Token Authentication (SecureID), Access Management (COSManager) and Link Encryption (Zergo). Modifications to the CP's are being made for resubmission.
- Release strategy. Security release contents for R1b have been agreed with Jeremy Folkes (PDA). The Release 1c contents definition agreement is subject to Pathway providing assurance around access control, particularly BS7799 password quality, in OPS.
- Implementation of the required UNIX / Oracle environment(s) in the Data Centres. Fundamental to the security and audit that we envisage for the Sequent / Oracle environment is the COSManager product. Sequent's proposal for the product has been rejected and BAP is tasked with a) reviewing Sequent's pricing and b) identifying alternative products.
- Further discussions have taken place to address IT Security Breaches, their management and escalation. PDA is to provide a 'template' of the record definition currently used to escalate IT security events to UNIRAS. Considerable effort is required to analyse and define Pathway event management.
- Key Management System development, including standards, processes and procedures is being undertaken as a matter of priority by TSC. It is intended that we meet with CESG during April to discuss technical and commercial aspects of supply key generation material.
- A Telephone Caller Identification process for Help Desks and all callers (POCL and BA) has been agreed with PDA.
- System Firewalls. Sun Firewall 1 software is being proposed for file transfer links eg De La Rue. For faster links eg CFM, Sorbus, Feltham dedicated hardware is required. The threat and proposed solutions are to be reviewed.
- Security Card Production. These identity cards are required for all Pathway / representative staff who have access behind the Post Office counter eg for surveys, installation, maintenance. These are being produced under the control of Pathway security, and logged on a database. A process for the production, logging and management of the cards is being developed.
- Site security Audits.

Girobank. CFM have been tasked with producing a process for power down, maintaining security and ensuring continuity in the event of an alarm. Girobank have committed to provide dedicated 'fire-fighters'; an alert process needs to be developed and SLA's agreed.

Lytham St Anne's. Visit report to be issued early April.

Farnborough. A preliminary visit was made,; no access to the machine room was permitted. Jeremy Folkes will provide escort.

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- Quantum Card. The security of the Landis & Gyr card is dependent on hardware which cannot be supported by the Pathway solution. Alternative (software) approaches have been considered and a paper sent to L&G for consideration. A meeting is planned week beginning 7th April to discuss.
- Delivery of Post Master memory cards. Procedures are being developed with Implementation.

1.4 INTERNAL SECURITY

- Internal virus control procedures are being developed; they are dependent on successful implementation of the Feltham servers.
- Logical access control for internal PC's is being reviewed. Windows 95 does not provide adequate security; alternative solutions are being sought.
- Security Awareness. A session has been developed for Customer Services and is planned for April. Other methods of raising Pathway staff awareness are being considered.

1.5 QUALITY

- Supplier Quality Plan Review; CFM plan reviewed and comments fed back.
- Customer Review. Initial meetings attended with PDA / Customer Service / Management of Change to develop an approach to measurement and evaluation of customer satisfaction.
- Quality Assurance; Change Control. There has been a very high level of activity this month, with 73 CPs reviewed and commented upon. There are still CPs being raised internally where a Change Request should have been received first; such CPs are being rejected. Proposed implementation dates for many changes are totally unrealistic and are pushed back.
- Quality Assurance; Documentation. Main areas of focus this month have included:

FRM Procedures.

PO Counter Processes and Procedures.

EDSC Operational Manual.

Acceptance Test Specifications and the related Test Conditions.

Disaster Recovery Plan.

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- Self Assessment (Strategic Business Model). A Self Assessment exercise has been conducted with the Senior Management Team. The overall Score was 542 compared with 11/95 score of 372. This reflected improvement in all areas, except Leadership, especially Processes and Business Results. Detailed comments from attendees Workbooks extracted, reviewed, and summary of key points circulated. An Action Plan has been developed with each of the management team taking responsibility for an improvement area. I suggested to the SMT that Self Assessment could be used at a Departmental level as a basis for identifying areas for improvement, leading on to action plans and Departmental / Personal Objective setting. The suggestion was taken up by Customer Services and a Self Assessment carried out with the CS management team. Results have been summarised and circulated.

1.6 PROCESS MANAGEMENT

- Process Audits. The Development Process Audit has been completed. A report has been drafted and circulated for comment prior to issue. A number of strengths were observed including the formal Incident Management System (PINICL); control of information into Configuration Management and Joint Working with customer representatives to evaluate counter solutions. The major aspect needing attention is the documentation required under two broad categories; Design Specifications and Test Documentation. A full report will be issued early in April, and a corrective plan agreed.
- New Product / Service Introduction. A meeting with John Meagher has resulted in some apparent easing of the PDA logjam.
- Reference Data Management process development. An acceptable Pathway process has been developed, which is currently being technically validated, before being despatched to PDA and Customer Services for review.
- Customer Requirements processes / CAR's. A draft process has been despatched to PDA for review.
- Upgrade Online Standards. Release 5 completed.
- Roll Out / Implementation. Assistance and documentation is being provided to the Implementation team as required.
- Configuration Management. Work on developing these processes has begun.
- Development Method. This has been significantly updated and a draft reissued for comment. It will form the basis of Release 6 of the On Line Help Standards.
- Project Crack the Whip. A project to improve Pathway's internal document and email control has been initiated.

1.7 CRISIS MANAGEMENT AND INSURANCE

- Nothing to report.

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Date: 14/04/97**1.8 STAFF**

- Nothing to report.

1.9 ACCEPTANCE

- Barry Procter / Martyn Bennett now have responsibility for Test Management of:

End to End Service; initial thoughts against test criteria circulated

Security (which includes contingency); Acceptance Test document draft circulated for review.

1.10 KEY MEETINGS

- Nothing to report.

2 PROGRESS**2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING FEBRUARY 1997**

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
9.1.2.14	Agree Fraud Incentive Reward Scheme	10-Mar-97	11-Apr-97	PDA due to send first draft, 11/4/97.
9.3.1.1.1	Access Control Policy complete and agreed	07-Mar-97	27-Mar-97	Final version for review 14/4/97. To be agreed by end April.
9.3.1.1.4	Re-issue and agree Security Functional Specification	27-Mar-97	27-Mar-97	SFS reissued for internal review. Final version to PDA by mid April. Sign off by mid May.
9.1.1.2	Develop Disaster Recovery Procedures	27-Mar-97	30-Apr-97	

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING MARCH 1997

There are no Release 1 or Release 2 Milestones scheduled for completion in April for Quality & Risk.

3 CURRENT CRITICAL PROBLEMS

- John Dicks is progressing the problem associated with the use of the Red Pike algorithm for encrypting 'RESTRICTED' traffic in Northern Ireland. A formal response is anticipated from CESG 4th April.

4 ISSUES

- All CP's raised to satisfy the requirements of the Security Functional Spec. and the Access Control Policy are being deferred. They are being revised and resubmitted.
- EVP Requirement. Latest comments from PDA / CA review indicate that Contracting Authorities have not been kept up to date on the evolution of the requirement with PDA. Sign off must be achieved by end of April, and therefore it is being escalated to CNT.

5 COSTS

- No relevant information is currently available in sufficient detail to report on costs against budget for February.

Business Development Report.



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Date: 14/04/97

Business Development Report

1 SUMMARY**1.1 GENERAL:**

- Major progress achieved on **Migration**. The contractual obligation was ICL Pathway's but this had not been budgeted. However we had budgeted for post installation training visits. We have now managed to combine the two and sub-contract the migration activity back to POCL. Their costs for this activity will be £2.1million while our budgeted training visits were £5.0million thus representing a significant and welcome saving to ICL Pathway.
- **Training** programme is now getting locked down. We have endeavoured to identify up to £2.0million saving off the £8.0million extra training cost built into the re-plan budget. However this has proved impossible and while efforts continue, the saving to be gained from use of POCL premises and such like is highly unlikely to hit £1.0million.
- Efforts continue to alleviate the '**fitting kit on the counter problem**'. The team will visit An Post next week to discuss practicalities with them as they hit similar problems. We will use the 190 Live Trial sites to better identify the real scope of the problem. However, I am having our team get the 'mind-set' right, i.e. let's find ways of fitting the kit on the counter rather than accepting that it won't! The principal hit on any related costs may be ICL Pathways so it is imperative that we find effective solutions to this issue.
- **Communications** continues to be a tough one. As we get into a finer level of detail, it is becoming apparent that the sponsors have not been updated on the finer details of our solution. This has caused a major discussion with the PDA which has identified the size of the problem. As a result, a meeting was arranged for Friday last, 4th April with representatives from BA to present the ICL Pathway solution. This meeting has served to better identify the gaps in expectation and the various sponsor organisations have retreated to consider the perceived gaps. They will feedback by Friday 11th.
- An ICL **Retail** briefing for POCL was postponed by POCL at the last minute due to the unavailability of some key people. This will be re-arranged for later in April or early May.
- Department of National Savings (DNS) have issued an RFI OJEC notice for a significant part of their business operations. I have been working with several parts of ICL, principally CFM (Neal Bagshaw) to see how best ICL can respond to this OJEC. It has now been agreed that CFM will front the response and we will continue discussions as to how to best utilise the ICL Pathway infrastructure and POCL in the detailed response later.

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- Post Office have also issued a tender for a telephony based **help desk** system. CFM have also picked this up with help from ICL Ireland who have won a similar contract recently with Telecom Eireann. Both of these latter two demonstrate what is achievable if different parts of the one ICL talk to each other and better understand the potential added value of the ICL Pathway position and our relationships.
- **Business Development** activities continue but not to the level of final commitment that I would like. This is mainly due to the length of the various processes within POCL and their clients. We continue to look for ways of slimming down these processes.
- I have been involved with briefing sessions with Dave Miller and Wendy Goldstraw, **Regional General Managers** for South West and Scotland respectively. This was a PDA sponsored activity through Bruce McNiven. The main issues that arose from these were the pressure on the regions that the automation programme is bringing and the lack of a co-ordinated approach from POCL Strategic Head Office (SHO) regarding other areas related to the programme, e.g. Comms., Retail Development.
- Contact has been made with Andrew Neill of ICL **Financial Services** who has recently joined ICL from Unisys. His experience in Payment systems and Electronic Commerce could be very useful to us as we head down the smart card route. A meeting has been set up to appraise him of the ICL Pathway service.
- The consultancy contract with Robert Atkins has been terminated as of 31st March.

1.2 MARKETING COMMUNICATIONS

1.2.1 CUSTOMER EDUCATION

- The most significant event this month has been the negotiation surrounding customer education and our basic approach. These negotiations are happening later than is desirable, but the fact that they are happening is progress. The difficulties being experienced are a symptom of the way the requirements were constructed with us (ICL Pathway) having joint management responsibility and ownership of the budget (via the scorecard). The PDA have consistently refused to accept joint management and hence the current impasse: they would rather issue edicts than jointly plan and implement.

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- To recap, the PDA want a benefit by benefit approach: they refuse to accept that communication should surround the change of instrument of payment. The approach they require can not be implemented as the audience can not be discretely segmented. The PDA argue that we have already agreed to this - there is good evidence to show we have not. They might be beginning to realise the absurdity of their request and we must now guard against them causing us to extend the duration of the advertising.

1.2.2 SPECIAL INTEREST GROUPS

- Plan completed covering all key deliverables and production schedules. Chrissie is making good but slow progress with the Preston part of the PDA to gain agreement.

1.2.3 PRESS PLANNING

- Most key deliverables have been drafted: no PDA agreement as yet.
- No further progress on their acceptance of our crisis communication plan and how they relate to our processes.

1.2.4 INTERNAL COMMUNICATIONS

- Another good month especially on the POCL/NFSP side - work done on information flows to the regions as well as the start of work on the communication of changed processes.
- Corporate Presentation on 'This is ICL Pathway' still scheduled for late April.
- We are working on a series of activities to formally demonstrate the equipment to all staff (not IGL or gamma) in May.
- Dress down day raised £200 for red nose day.
- A quiz night is to be arranged.

1.2.5 MISCELLANEOUS

- Helpdesks/Helplines - a real issue in terms of their co-ordination and specifically with reference to their use for customer education. Anna has now input to their briefing questions and circulated these to Girobank.
- Anna will shortly be seeing other key suppliers with Martyn Bennett to play into their current plans for crisis management & to ensure they fit with our crisis approach. Anna will also explain our approach to group. And additional focus will be given to promotion of our media profile.

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- French Thornton's findings have identified major barriers to the overall change that the regions are attempting and it seems likely that some programmes (not Horizon which remains the number 1 priority) will be dropped.
- A lot of work has been done on the User Awareness events which have gone very well. Attendance has been exceptionally high (95% +), awareness at the beginning of the event has also been very high (all credit to the internal awareness programme) and comments have been very encouraging e.g.
"I'll feel much happier driving home than I did driving down here"
- The initial lead on Help Desk rationalisation has become a firm opportunity. Post Office Group have placed a European Journal entry for the hardware and software to equip two 300 seat helpdesks. Discussions with Post Office Group reveal that it is for SSL who are building their capability to bid for internal and external business. ICL Ireland are keen to be involved in a bid and the details have been passed to Sorbus and CFM.
- The Regional User Satisfaction Managers are doing valuable work. The Red Amber Green initiative which identifies potentially problematic Post Offices is particularly successful, having been adopted by both North East and South West. In total 25 offices have been identified with various problems eg space, resignation and bad attitude. Further work will reveal what can be done within existing budgets and what may need to be discussed further with the PDA. The Information Flow project identifies what can be done to ensure all parties receive the information they require as effectively as possible. Both of these projects are highly valued by the RLMs.
- Two meetings of The Evaluation and Satisfaction Forum have taken place attended primarily by Bruce McNiven and Dave McLaughlin from the PDA and Peter Burden, Dave Fletcher and Steve Cowburn from ICL Pathway. It has been agreed that the Forum will take a broad view of all satisfaction and evaluation issues whilst not replicating work done on SLAs or on contractual matters. The Forum is attempting to identify all measurement and evaluation streams that the various parties are planning with a view to reduce duplication and therefore costs for all those involved. This will also ensure that users will not repeatedly be asked to provide similar information. Key Indicators of Satisfaction will be adopted and a balanced scorecard approach has been proposed.
- After successfully managing the Management Awareness programme Mike Neal has returned to ICL Consultancy. He has been a valuable member of the team.

1.3 BUSINESS DEVELOPMENT

- Client Launch Day programme for key clients is progressing well with buy-in being received from all clients. Seniority of audience from Royal Mail particularly pleasing.
- Based on the lengthening Partnership Projects list, POCL has appointed a Business Development Manager to work on new business opportunities. Our aim is that this individual will work closely with ICL Pathway to identify, scope, and progress all the new business opportunities that automation-enables. The key difference is that previously all new business opportunities were progressed by the account teams who already had full time jobs managing the existing clients.
- Approach to Day 1 scorecard initial set-up and subsequent management has been agreed at a working level with POCL. Once the results of the detailed work in this area (Mark Wilcox) have been agreed, it will be progressed as a change proposal via the joint Commercial & Finance forum.
- The processes which POCL have in place to:
 - Identify and document client requirements,
 - Obtain buy-in from the account team and client,
 - Identify and agree benefits to both POCL and client,

are not performing well. Accordingly, we have begun discussions with POCL which we (ICL Pathway) hope will put in place more robust processes with increased support and control from the senior management within POCL.

- The resources which POCL have in place to map and re-engineer the existing processes with their clients are stretched, and the work is typically being undertaken by the account teams without the full time support of professional process engineers. Accordingly the requirements which we are receiving are of very varied quality, and require much "to and fro-ing" between ourselves, POCL, and the client. On that basis, there may be a need to get our analysts and process experts involved up-front to ensure that well specified requirements are received, and that time and resource is not wasted in the development period.

1.4 MANAGEMENT OF CHANGE

- The Management Awareness programme is nearly complete. By the end of March, 18 events have been completed. The events have been very well received and have succeeded in their objective of "passing responsibility for the change" to the regions. This can clearly be seen by the activities of the RLMS and the concerns being voiced over RNM workload.

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Date: 14/04/97**1.5 CLIENT MANAGEMENT**

- The ICL Showcase at the Raddison Hotel at Heathrow occurred from 10th - 12th March and the ICL Pathway stand was visited by the majority of the attendees despite its slightly out of the way location and received very favorable reaction.
- The ICL Retail briefing event for Paul Rich set for 25th March was postponed the day before by Paul Rich. A new date later in April is being sort.
- The meeting with Pat Kelsey and Robin O'Connor at Bird & Bird took place on 5/3/97 with Tony Oppenheim. The PDA agreed to contribute £7.2K to the costs incurred over the BA flying logos issue of last August.
- Further contact continues with Microsoft including on the support services. Briefings from Alan Ward and Dick Long will be conveyed.
- Discussions with Sequent concerning our joining their stand for the PittCom event on Wednesday 21st May will be held very shortly and the resultant activity schedule produced. This is an opportunity to show new MP's our system at little cost and risk.
- The War Pensions designs were finally delivered to De La Rue Card Technology on 26th March some 12 days later than the 14th promised at Bird & Bird on 5th.
- The Post Masters' Memory Card (PMMC) needs to have its design created and approved by the end of April in order to achieve delivery to Pathway (D2D?) by the end of June. The PDA have already agreed that their say in this is more limited so it may not be as daunting as previous experience might have lead us believe.
- Temporary Tokens is in area that needs coordination and Robin O'Connor has asked Martin J. to remain involved.

2 PROGRESS**2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING MARCH 1997**

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
10.6.1.22	Full approval of creative proposals from Minister	24-Mar-97	08-Apr-97	Delayed due to comms. discussions
10.6.1.24	Approve Rollout Creatives	24-Mar-97	08-Apr-97	Ditto
10.6.1.27	Communication Steering Committee comments on plan/proposals	24-Mar-97	08-Apr-97	Received
10.6.2.7.4	Radio - Final script approval Client sign off	28-Mar-97	14-Apr-97	Delayed - new date pending

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Date: 14/04/97**2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO
COMPLETE DURING APRIL 1997**

WBS No.	Description	Current Completion Date
10.6.1.24	Approve Rollout Creatives	24-Mar-97
10.6.2.1.15	Leaflet - Repro client signoff	05-May-97
10.6.2.5.3	Audio - Scripts approved	18-Apr-97
10.6.2.5.5	Audio - Slipcase creative approved	28-Apr-97
10.6.2.8.4	Press Ads - Client approval	16-Apr-97
10.6.2.10.3	Computer Disk - Client approval	30-Apr-97

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

3 CURRENT CRITICAL PROBLEMS

None

4 ISSUES

- The current situation on the Communications programme is the biggest issue. This is going to be a tough one to crack but I am confident of maintaining the ICL Pathway baseline.
- The fitting the kit on the counter is still a concern. I do not really see this getting sorted until after the 190 live trial sites have been surveyed. We will then have a much better view of the scope of the problem.
- The acceptance of the baseline dates for new releases is still causing concern. I am raising this with Paul Rich so that he can top down let his team know of the criticality of these dates.

5 COSTS



International Sales Report.

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International Sales Report

1 SUMMARY

- Escher have had a team in **Australia Post** for 2 weeks in March to begin detailed work on their implementation. Some holes are already beginning to emerge in areas that are not within Escher's domain of expertise and it is likely that they will soon request assistance from us.
- Our proposal for a design study at **Deutsche Post** (led by Fujitsu ICL Germany) has been accepted in principle and details are now under negotiation. As part of the study a senior delegation will visit us on 22-23 April.
- We continue to develop interest from the **Japanese Ministry of Post and Telecommunications (MPT)** along with the Fujitsu account team. MPT have appointed the Namura Research Institute as consultants. NRI visited us on 21st March, were impressed with what they saw and wish to return in the summer.
- We are still awaiting a decision in **Bulgaria** on our joint bid with British Postal Consultancy Services, An Post and ICL Bulgaria, following a change in Government.
- **Singapore Post** have given acceptance for their pilot system and we commenced roll-out on 27th March. The ICL Singapore project team have praised the support given by Dick Long and his team without which they would not have been able to achieve this milestone.
- Negotiations for a joint agreement on international sales with An Post and Escher are marking time.

2 PROGRESS

There are no handshake milestones affected by international sales.

3 CURRENT CRITICAL PROBLEMS

None.

4 ISSUE

- The Australia Post demands on Escher are already coming into conflict with ICL Pathway's demands. We must be extra vigilant to ensure that our needs are clearly understood and our milestones are achieved.



Organisation & Personnel Report.

Organisation and Personnel**1 MONTHLY SUMMARY**

- The proposal for a Freelancer Management initiative was accepted by Programmes and worked up into a set of deliverables and milestone plan. Roll out has begun with communication to managers and team leaders of freelance staff, resulting in unanimous support. Individual discussions with freelancers, during early April, will enable total roll out of this major piece of work by the middle of that month.
- An Organisation management Review of Programmes has resulted in a plan to reorganise top level management in Development and T&I. Changes will be implemented on a transitional basis over the next two to three months
- The joint PDA/Pathway management away day was run during early March. Focusing on the enhancement of relationship between the two management teams, the day was reasonably successful with actions and an implementation timetable being agreed
- A significant feature during the month was the impact of the ICL Management Executive's Group-wide focus on headcount control, requiring the submission of detailed manpower projections. Management of headcount and pay costs is crucial to the Pathway business case and, as in other ICL businesses, will come under strong scrutiny from the Group centre throughout 1997 and beyond
- Melanie Lyng has made a strong start as Personnel Operations Manager

2 PROGRESS

- There are no handshake milestones affected by Personnel

3 CURRENT CRITICAL PROBLEMS

None

4 ISSUES

- The Freelancer Management Initiative is a challenging project which carries significant risk to the Programme if the implementation turns adverse. This is the most important piece of work for Personnel during the coming few weeks