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B. Vaughan
for info.

ICL Pathway
Bringing
Technology
to Post Office
Counters &
Benefit Payments

Monthly Progress Report

ICL

February 1997

POH-378D

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Pathway Monthly Report

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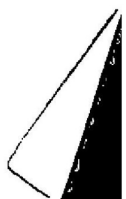

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Document Title: Pathway Monthly Report - February 1997

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		

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Managing Director's Summary

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Managing Directors Summary

1 SUMMARY

1.1 RELEASE 1

- Negotiations and discussions on the replan has again dominated much of the management time during the month. However we have now achieved a high level agreement on the commercial arrangements and a high level view of the implementation programme plan for 1997. Broadly speaking, the acceptance process will be achieved through a phased delivery of service products through the year, leading to national rollout formally at the end of November. However in parallel with this we shall implement a large number of post offices with the approved products as they go through staged acceptance. The bottom line is that by the end of the year we will have some 2,200 post offices fully automated on the complete Release 1 package covering something like 4,500 counters. Now that this plan has emerged, there is early sign that everyone is getting their own individual components locked in behind it with a sense of commitment and progress. This need to pick up speed further during the next four weeks. Quite importantly we have also been able to fix the dispute on training as a part of the replanning exercise and this now is being tested prior to the early go-live offices. There are however quite a few important issues not resolved through this process and at the top of the list at the moment is the complicated issue of migration, not just of computer systems but of manual processes and procedures. In addition the issue of counter space although being more fully investigated still needs resolution. Nevertheless, the replan work is now sufficiently well advanced that it can be parcelled up and given to the Core Negotiation Team [CNT] to write into contractual form. I expect this will take quite some time.

1.2 CONTRACTUAL ACCEPTANCE

- This is the next big issue which will dominate the landscape for the next six months. Roles, responsibilities and planning work has taken place but the real brunt of the preparatory effort needs to be handled through March. We need to be pressing PDA very hard for agreement by Easter.

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1.3 SUPPLIERS ROUNDTABLE

- The result of the replan, or more accurately the CAPS slippages with migration of benefits to cards places serious business not only on ICL Pathway but more particularly on Girobank and De La Rue.

1.4 CAPS PROGRAMME

- Confidence in the CAPS Programme is now at a low point. Not only do we anticipate difficulties with technical interface completion but the delays to migration to the payment card for all benefits beyond child benefit is now certain. What is uncertain is how long these delays will be and the only material we have is provisional. Although we are covered by the change control process for this migration, this is of little comfort. Thought is being given as to how to escalate this issue before it gets even worse.

1.5 NEW BUSINESS DEVELOPMENT

- We are beginning to see the early days of a range of opportunities to exploit and leverage the infrastructure. These vary from Government Direct to DNS to Magistrates Courts. The challenge is to bring them into our Business Development process such that we can populate new facilities in our Release 2 and Release 3 products in the first half of 1998.

1.6 RISK MANAGEMENT

- We have issued the next full risk report on the programme and this now includes not just the high level risks but the comprehensive analysis of all known risks. This at a high level shows that we start the year with some £80m worth of risk and that if we pursue our mitigation actions as currently defined, we can bring this down to £27m by the end of this year. There is the management view that there is scope within this to be more aggressive in reducing risks and this will be driven through during Q2, Q3 this year.

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1.7 STRATEGIC QUALITY MODEL

- We have just conducted our second audit on the EFQM business model which shows that substantial progress has been made over the last eighteen months on the key areas of process development, customer satisfaction and resource management. This is proving a very useful annual health check and will give us three or four major areas to focus on in 1997.

1.8 OVERSEAS POSTAL AUTHORITIES

- A lot of attention was given to Australia Post this period, although the end result was that they have signed a Letter of Intent directly with Escher for the use of Riposte for their next generation of counter automation. As it stands therefore, ICL Pathway has no involvement with this contract. Negotiations with An Post and Escher for a joint agreement on International Sales are marking time. It had been hoped that the Australia Post situation would help catalyse this. Interest is being shown by other postal authorities although on somewhat longer timescales. With a lack of any international agreement, these need to be handled with extreme care.

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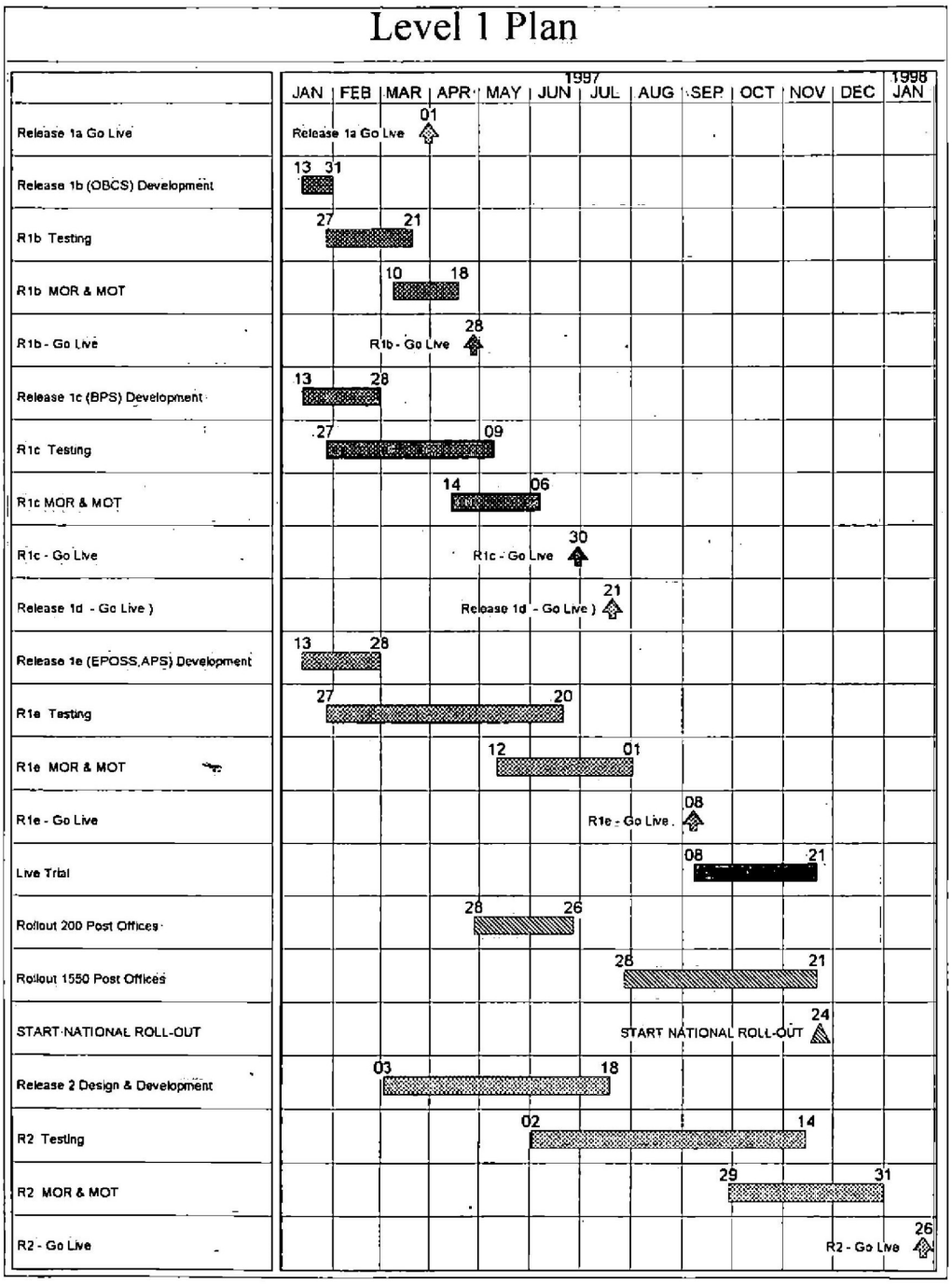
2 PROGRESS

2.1 PATHWAY LEVEL 1 PROGRAMME PLAN



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2.2 SYSTEM TESTING

- Good progress has been made on the first two elements of the Release 1 product, including the OBCS release due for shipment at the end of April.

2.3 ESCHER DELIVERABLES

- Training mode has now been delivered. Much however remains on the critical path including the critical issue of scaleability and disciplines for issuing software deltas rather than complete releases. It is not clear that Escher can issue Riposte with the scaleability we require and this may require contingency action driven by Pathway.

2.4 EDS CONTRACT

- This looks now to be resolved with the relationship being EDS contract to ITSA and ITSA contract to Pathway. This is how we wanted it many months ago and is a good out-turn.

2.5 SYSTEMS MANAGEMENT

- Progress being made with Tivioli and the baseline for the systems management product is now beginning.

2.6 MANAGEMENT OF CHANGE

- A lot of good progress on this front from the Management Awareness programmes through to the trial run of the user training programmes. Our ambition to get the Horizon programme into the broader set of post office change programmes is gaining ground and this will give us a high profile opportunity.

2.7 IGL SYSTEM

- This is now likely to continue until the end of June and the card usage will extend. It is now over 1,500 cards.

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3 CURRENT CRITICAL PROBLEMS

3.1 RELEASE 1

- The phase release strategy puts extra pressure on migration.

3.2 CAPS

- We need to anticipate further delays and determine our escalation processes now.

3.3 COUNTER SPACE

- More information available but resolution not yet fixed.

4 ISSUES

4.1 NON ISDN POST OFFICES

- There is a larger than expected number of Post Offices where ISDN does not reach. We are resolving how to provide a system using PSTN in these situations with appropriate functionality and service.

4.2 FAL KEYBOARD

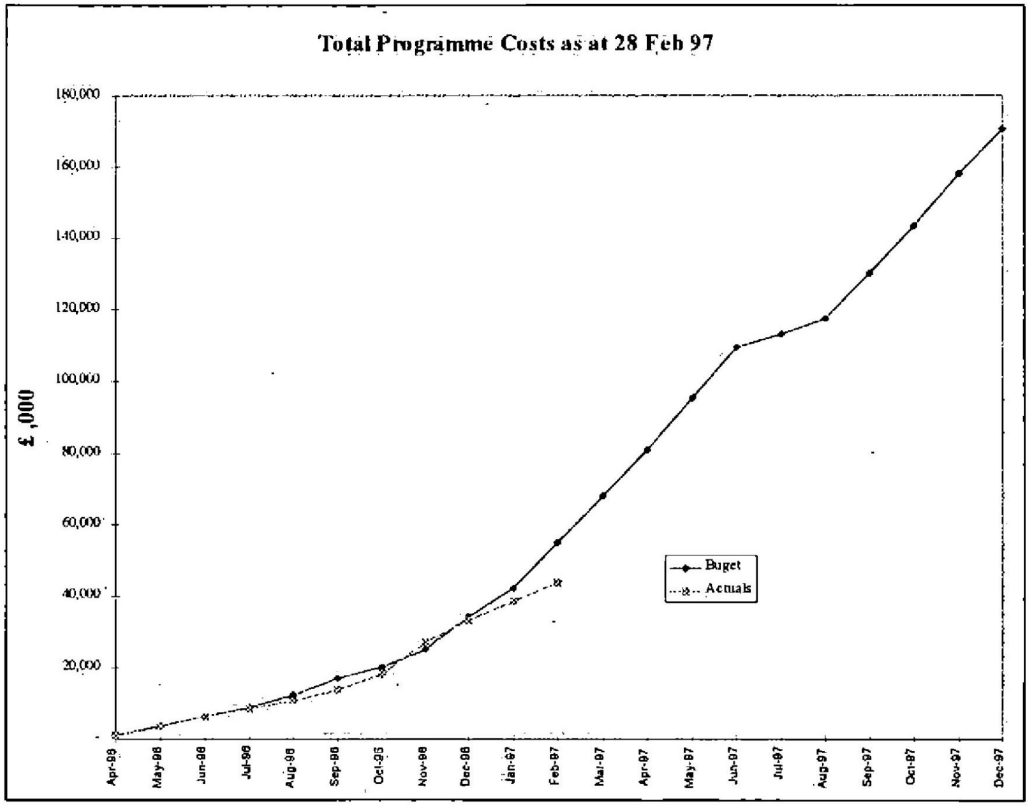
- Rework still necessary to get the spec. right.

4.3 BUSINESS REQUIREMENTS FOR RELEASE 2

- Difficulty in getting sponsors to sign up to the new business services.

5 COSTS

5.1 TOTAL PROGRAMME COSTS



	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Total Budget	977	2733	2494	2675	3229	4739	3192	5093	8855	8142	12742	13018	12851	14740	13501	3765	4565	12720	17329	14188	12695
Cumulative	977	3670	6164	8839	12068	16807	19999	25092	33980	42122	54865	67883	80733	95471	109375	113139	117705	130425	147653	158041	170735
Total Actuals	911	2494	2915	2074	2216	3244	4183	8700	6159	5354	5466	0	0	0	0	0	0	0	0	0	0
Cumulative	911	3405	6320	8394	10630	13874	18057	26757	32956	38310	43778	43778	43778	43778	43778	43778	43778	43778	43778	43778	43778

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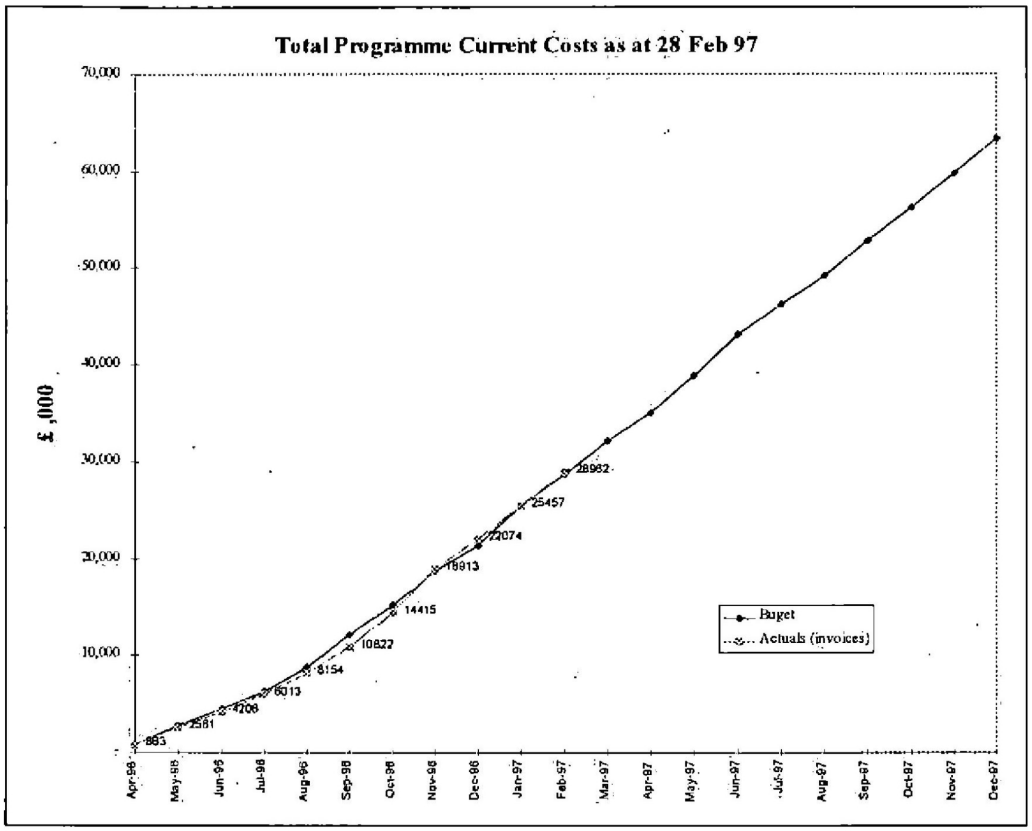
5.2 TOTAL PROGRAMME CURRENT COSTS



	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Current Budget	820	1970	1712	1758	2451	3754	3057	3493	2584	4120	3227	3454	3549	3845	4271	3059	3051	3584	3417	3501	3559
Cumulative	820	2791	4503	6270	8721	12475	15503	18702	21286	25406	28733	32186	35735	39580	43752	46811	49862	53446	56863	60364	63923
Current Actuals	883	1698	1645	1827	2141	2668	2393	4416	3167	3382	3506	0	0	0	0	0	0	0	0	0	0
Cumulative	883	2581	4208	6013	8154	10822	14415	18831	22074	25457	28962	28962	28962	28962	28962	28962	28962	28962	28962	28962	28962

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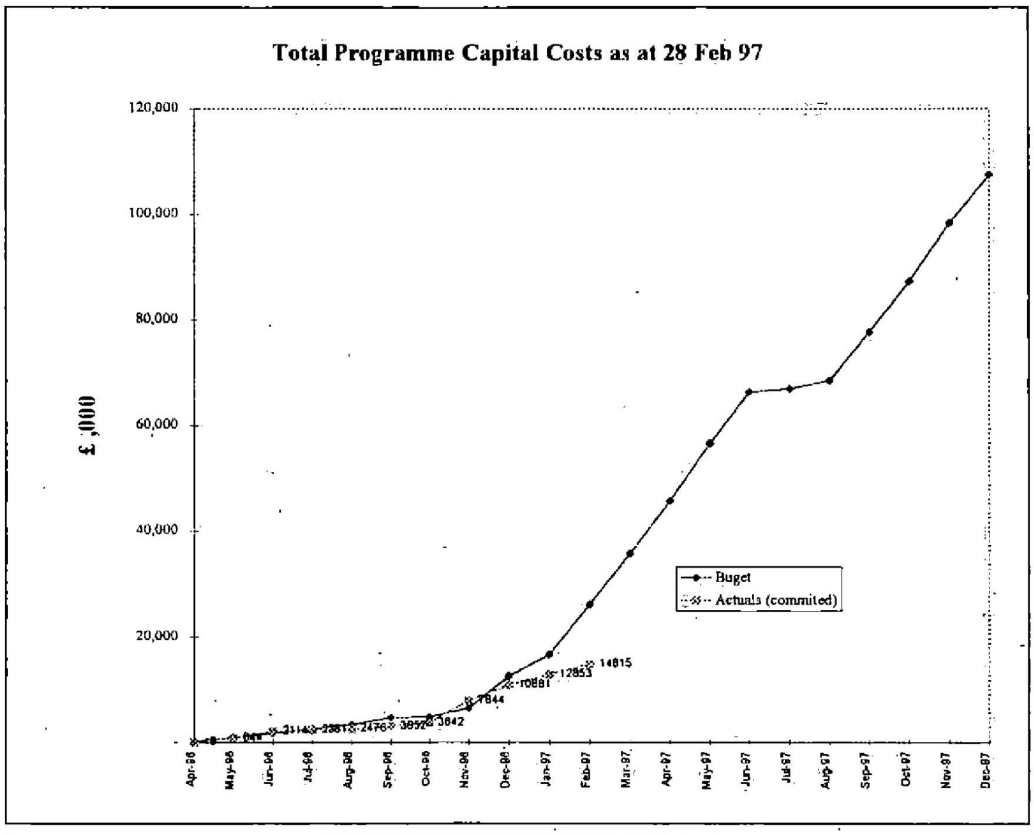
5.3 TOTAL PROGRAMME CAPITAL COSTS



	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Capital Budget	115	763	785	507	749	1345	133	1594	6203	4022	9515	9565	10002	10899	9693	706	1534	19116	9802	10887	9176
Cumulative	116	879	1662	2568	3317	4662	4797	6391	12594	16616	26132	35696	45698	56593	66223	66929	68463	77599	87411	98297	107473
Capital Actuals	48	396	1270	269	93	576	500	4200	3077	1972	1962	0	0	0	0	0	0	0	0	0	0
Cumulative	48	844	2114	2381	2474	3052	3642	7844	10881	12853	14815	14815	14815	14815	14815	14815	14815	14815	14815	14815	14815

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Programmes Report.

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Programmes Report

1 MONTHLY SUMMARY

- Although the month has been dominated somewhat by the continual re-planning discussions with PDA, causing some confusion and frustration, progress has made on a wide front and morale is increasing.
- Essentially the re-plan (Managing Director's Summary, section 2.1) means that Pathway will be releasing functionality in 3 releases (1b, 1c & 1e) with 2 additional interim releases (1a, 1d) being made to intercept CAPS.

  Release 1b - OBCS only - 28/4/97

  Release 1c - OBCS and BPS - 30/6/97

  Release 1e - OBCS, BPS, EPOSS and APS (the full Release 1 functionality) - 8/9/97

2 PROGRESS

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

In light of the recent replanning exercise the plan baseline has been reset and as such the "Previous Completion Date", or baseline completion date is the same as the "Current Completion Date".

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
5.2.2.3	Dry Run User Awareness programme - BA	28-Feb-97	28-Feb-97	Dry Run taken place for OBCS. OBCS/BPS 04/03/97. R1e TBA
5.2.7.8	Help Facility - POCL Create Counter Procedures 1st Draft	27-Feb-97	27-Feb-97	To be -rescheduled in line with re-plan.
5.2.7.11	Help Facility - POCL Sign Off	13-Feb-97	13-Feb-97	To be -rescheduled in line with re-plan.
5.2.7.12	Help Facility - POCL Printing & Distribution	19-Feb-97	19-Feb-97	To be -rescheduled in line with re-plan.
5.1.3.7	Model Office - Counter Configurations Available For Installation.	20-Feb-97	20-Feb-97	Counters have been installed for Model Office.
5.6.2.2.3	Sign Off Migration Strategy	07-Feb-97	07-Feb-97	To be re-scheduled in line with migration.
5.7.2.11.2	Sign Off ICL Pathway PO Steady State Management	28-Feb-97	28-Feb-97	In the process of being revised in line with the re-plan.
5.7.2.21.2	Supplier Clearance/Pathway Process	28-Feb-97	28-Feb-97	Draft issued for comments
5.7.2.17.2	Define Rollout Acceptance Conditions	21-Feb-97	21-Feb-97	Definition in place, process being developed.
5.7.5.1.2	Rollout Database Available for Testing Phase 1	10-Feb-97	10-Feb-97	Testing and Phase 2 is now loaded.

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WBS No	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
5.2.1.11	Training Definition Complete - POCL/BA	28-Feb-97	28-Feb-97	Complete for 1b, 1c & 1e being finalised.
5.8.6.1	Datacentre CAPS Physical Connection Available Ver 2.0	28-Feb-97	28-Feb-97	There is a connection to CAPS. Version 2 now to be re-scheduled in line with the re-plan.
5.2.7.10	Help Facility - POCL Incorporate Comments From Pathway	10-Feb-97	10-Feb-97	To be -rescheduled in line with re-plan.
4.3.7	Reference Data (Regression Test)	06-Feb-97	06-Feb-97	Deleted - No Longer Valid
4.4.1	Product Acc Test - MIS/Common Charging System	20-Feb-97	20-Feb-97	Complete
4.4.2	Product Acc Test - MIS/Service Level Agreement Monitor (SLAM)	21-Feb-97	21-Feb-97	Complete
4.4.3	Product Acc Test - MIS/Contract Administration System	24-Feb-97	24-Feb-97	Complete
4.9.1.2	Acc - BES/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.1.4	Acc - BES/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.2.2	Acc - EPOSS/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.2.4	Acc - EPOSS/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.3.2	Acc - OBCS/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.3.4	Acc - OBCS/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.4.2	Acc - APS/HAPS Iface/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.4.4	Acc - APS/HAPS Iface/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.5.2	Acc - PAS/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.5.4	Acc - PAS/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.6.2	Acc - CMS/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.6.4	Acc - CMS/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.7.2	Acc - Help Desk/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.7.4	Acc - Help Desk/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	
4.9.8.2	Acc - CAPS/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.8.4	Acc - CAPS/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.9.2	Acc - TIP/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.9.4	Acc - TIP/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
4.9.10.2	Acc - Security/Agree Criteria	21-Feb-97	21-Feb-97	Re-scheduled to 07/03/97
4.9.10.4	Acc - Security/Agree Acc Spec'ns	21-Feb-97	21-Feb-97	Issue to PDA 21/02/97
5.2.1.6	Define User training courses - BA	28-Feb-97	28-Feb-97	Complete for 1b, 1c & 1e being finalised.
5.2.1.3	Define User Awareness specification - BA	28-Feb-97	28-Feb-97	Complete for 1b, 1c & 1e being finalised.
5.2.1.2	Define user training specification - BA	28-Feb-97	28-Feb-97	Complete for 1b, 1c & 1e being finalised.
5.1.3	EQUIPMENT PROCUREMENT 48 UNIT MODEL OFFICE	20-Feb-97	20-Feb-97	Complete
3.9.4	SLAM - Development	12-Feb-97	12-Feb-97	Complete

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WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
3.9.1.3	Fraud Risk Management (FRM) - Development	24-Feb-97	24-Feb-97	Complete - Further delivery 03/03/97
3.8.3	TPS Design	14-Feb-97	14-Feb-97	Complete - Development continues to 21/03/97
3.7.8.2	RDMC - PDA Provide Live Ref Data RDP/2	17-Feb-97	17-Feb-97	Complete
3.5.5	OBCS Development	21-Feb-97	21-Feb-97	Complete - Only o/s action on OBCS is MIS enhancemements
3.4.6	APS Development	28-Feb-97	28-Feb-97	Complete - Only o/s action on APS is MIS enhancemements
2.52	Define the procedures for the validation of Reference Data	21-Feb-97	21-Feb-97	Complete
5.7.2.21.1	Security Vetting Process	28-Feb-97	28-Feb-97	Draft issued for comments.

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

WBS No	Description	Current Complet'n Date
3.2.1	PAS/CMS - Development	03-Mar-97
3.3.1	EPOSS - Definition	07-Mar-97
3.3.1.8	Revisions to EPOSS Report Formats (Reqt 693 696-1 699 808 818-2 834)	07-Mar-97
3.3.2	EPOSS - Development	10-Mar-97
3.3.4.18	Integrated Desktop (final build)	10-Mar-97
3.4.1.4	Baseline all APS Documentation (Req. 475)	03-Mar-97
3.5.1.4	Baseline all OBCS Documentation (req. 475)	03-Mar-97
3.7.7	RDMC - Testing & Deliveries	20-Mar-97
3.8.4	TPS - Development	21-Mar-97
3.8.6	TPS - Testing	21-Mar-97
3.9.1.5	Common Charging System - Development	10-Mar-97
3.9.1.6	Contract Admin Service - Development	03-Mar-97
3.9.2	Data Warehouse - Development	17-Mar-97
4.4	MIS Testing (Rel 1c)	03-Mar-97
4.4.4	Prod Acc Test - MIS Fraud Risk Management System	03-Mar-97
4.4.5	Prod Acc Test - MIS/BPS	03-Mar-97
4.4.6	Prod Acc Test - MIS/Business Development	03-Mar-97
4.5	Prod Acc Test - PWY Data Warehouse	03-Mar-97
5.1.1.1	DSS Update Process (Reqt 927)	07-Mar-97
5.1.7.1.5	Release Counter Configuration Build Scripts - Live Trials	17-Mar-97
5.1.7.2.3	National Weights & Measures Certification - On Pathway Counter System	17-Mar-97
5.2.2	TRAINING - DEVELOPMENT	28-Mar-97

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WBS No.	Description	Current Complet'n Date
5.2.2.4	Dry Run "Train the Trainers"" Course - BA	04-Mar-97
5.2.2.5	Sign Off User Awareness programme - BA	07-Mar-97
5.2.2.6	Sign Off "Train the Trainers"" Course - BA	12-Mar-97
5.2.2.7	Courseware Masters Available (TTT)	27-Mar-97
5.2.2.11	Dry Run User training courses - POCL	21-Mar-97
5.2.2.14	Sign Off User training courses - POCL	27-Mar-97
5.2.2.15	Sign Off User Awareness Programme - POCL	24-Mar-97
5.2.3	RELEASE 1 TRAINING COURSEWARE	07-Mar-97
5.2.3.11	POCL/BA Dry Run Assessment of training (Rel 1)	07-Mar-97
5.2.3.13	Training Courseware Masters Available(Rel 1)	07-Mar-97
5.2.5.7	Sign Off POCL Trg style Guide	05-Mar-97
5.2.5.9	Sign Off BA Trg style Guide	07-Mar-97
5.5.1.2	Implementation SMP Baselined	05-Mar-97
5.5.2.7	Detailed Rollout Plan	21-Mar-97
5.6.2.4.2	Sign Off Steady State transition Strategy	21-Mar-97
5.7.2.10.2	Sign Off ICL Pathway Migration Process	28-Mar-97
5.7.2.12.2	Sign Off ICL Pathway PO Establishment Process	14-Mar-97
5.7.2.22.1	PC Key Management Process	14-Mar-97
5.7.2.22.2	Encryption Key Management Process	14-Mar-97
5.7.3.1.7	Sign Off WTL Site Contact Document	05-Mar-97
5.7.5.4	Rollout Database Intercept Into Live Trial	31-Mar-97
5.8.7	BACKBONE NETWORK IMPLEMENTATION	11-Mar-97
5.9.6.10	Wigan Available for Model Office	28-Mar-97
5.9.6.11	Wigan Available Complete	28-Mar-97
5.10.6.9	Bootle Available for Model Office	12-Mar-97
5.10.6.10	Bootle Availble Complete	12-Mar-97
5.12	MODEL OFFICE IMPLEMENTATION	20-Mar-97
5.12.6	Model Office Implementation Complete	20-Mar-97

2.3 RELEASE 1 AND ROLLOUT

- A significant number of Architectural/Design issues were resolved and documents published during the month.
- Good progress was made during February, ahead of schedule, on delivering a compatible IGL release (Pathway 1a) to CAPS to enable them to test their CAPS Release 2.0.

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- The OBCS Release (Pathway 1b) started February with baselining the software, then completing System Testing on 21st February and is currently in Business Integration Testing.
- The System Access Control has now been agreed for the OBCS release and progress is being made on the BPS release with agreement expected by mid-March. All issues seem to be near resolution.
- Pathway Releases 1c and 1e are progressing to schedule However these are dependent on the end of software development and achieving a baselined by the end of February, and therefore becoming stable, before more rapid progress in System Testing is made.
- The impact of these multiple releases on the number and planning of the required test configurations was resolved during the month.
- Agreement on ownership of migration was a serious hindrance on progress during the month (since resolved), however, good progress has been made on (1) User Awareness events signed off (2) Training mode delivered by Escher (3) Train the Trainer events having begun (4) Detailed installation plans for the first 200 Offices have been agreed (5) Meetings between Programme Managers and POCL Regional Liaison Managers proving productive in agreeing processes to be adopted during rollout
- Recruitment for Help Desk and Autoconfiguration staff has started and Linkwise have sourced key individuals
- The effect of the re-plan is now being reflected in a re-issue of the Master Plan showing key Handshake Milestones. Section 2.1 shows that good progress was generally made except in the area of agreeing Acceptance Criteria and test scripts for the key Acceptance process that will be followed for Release 1e; it is expected that good progress will be made in this area in March

2.4 RELEASE 2 AND RELEASE 3

- Senior management attention is now being concentrated on dates for Release 2 key components and therefore more focus is being brought to bear on this Release; the importance of this is heightened by the fact that Acceptance for Release 1 will not be given until Pathway also demonstrates the capability to support payment of multiple benefits and on-line functionality being delivered in Release 2.
- A key document for Release 2, the ICL Pathway CAPS On Line strategy, has been issued. Now that development work on Release 1 is easing, design work has now commenced on Release 2.
- A detailed Release 2 plan will be available during March.

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3 CURRENT CRITICAL PROBLEMS

- Now that we are adopting a phased Release strategy the Migration activities at the counters and in the Data Centres becomes more difficult and requires dedicated resource to ensure this area is de-risked and driven through.
- Escher have been asked to provide deltas (incremental changes); it is imperative to the success of the Project that this happens.
- CAPS are likely to miss delivery of a key design document - due 14/3/97. This will impact release 2 schedule.

4 ISSUE

- The PSTN solution for the Post Offices not served by ISDN has made good progress during the month however issues still remain. We have a tactical solution to satisfy the requirements for the first 200 offices and the strategic solution is expected to be available from EICON in April.
- It is now certain that we will have to replace the keyboards that will have been installed in the first 200 Post Offices some time before the end of June. This will mean a re-visit by the engineers to swap the replacement
- Although all development was planned to be completed by the end of February, there are still extra software releases entering T&I in the early weeks of March.
- Significant frustration is being experienced by Pathway in getting POCL to make progress on new Business requirements for Release 2.
- Documentation text production and agreement is being hampered by a convoluted sign-off process in the customer domain.

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5 COSTS

During February a total review of the budget to align with the re-plan was started. This will be complete in time for the March report. The attached tables show that

5.1 CURRENT COSTS

Overall the Actual Current spend for Programmes (Architecture/Design, Development, Testing & Integration, Implementation and the Programme Office) at the end of February, was in line with the Budget.

Programmes		Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Current	Budget	318	1671	1324	1337	1458	2672	2316	2743	2045	3287	2053	2632	2772	2269	2431	2488	2484	2896	2815	2335	2835
	Cum	318	2189	3513	4850	6717	9390	11726	14469	16514	19806	21859	24491	26608	28877	31498	33986	36471	39367	42202	44537	47372
	Actuals	585	1282	1192	1275	1305	1901	2140	3633	2193	2513	2233	0	0	0	0	0	0	0	0	0	0
	Cum	585	1867	3059	4252	5602	7504	10044	13696	16289	18802	21033	21033	21033	21033	21033	21033	21033	21033	21033	21033	21033

5.2 CAPITAL COSTS

The Actual Capital commitment costs show a significant underspend when compared to Budget. This variance is largely explained by the fact that commitments for Capital spend for the rollout of Counter Configurations has been delayed because of the re-plan. The re-alignment of this commitment profile will be shown in the March report.

Programmes		Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Capital	Budget	68	714	760	877	602	1276	123	1355	3576	4012	5156	5363	5962	10135	9596	704	30	9136	9812	9136	9136
	Cum	68	782	1542	2418	3021	4296	4421	5776	11352	15364	20559	25922	31884	42021	51616	64321	64352	73488	83300	92635	101771
	Actuals	42	701	1269	142	86	573	165	4137	2971	1938	1893	0	0	0	0	0	0	0	0	0	0
	Cum	42	743	2012	2154	2240	2813	3178	7315	10286	12224	14117	14117	14117	14117	14117	14117	14117	14117	14117	14117	14117

5.3 TOTAL COSTS

Programmes		Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97
Current + Capital	Budget	386	2385	2084	2214	2471	3947	2461	4098	7621	7299	11285	12196	12239	12404	12027	3194	2514	12032	12647	11971	11971
	Cum	386	2771	5055	7269	9739	13686	16147	20246	27870	35170	46455	58633	70854	83291	95314	98509	101023	113055	125701	137672	149643
	Actuals	627	1983	2461	1417	1391	2474	2305	7810	5164	4451	4124	0	0	0	0	0	0	0	0	0	0
	Cum	627	2610	5071	6447	7842	10317	11222	19032	24196	28647	32771	32771	32771	32771	32771	32771	32771	32771	32771	32771	32771

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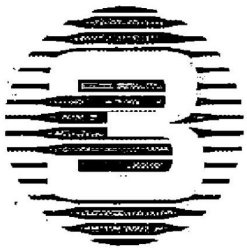

Commercial and Financial Report

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Commercial & Financial Report

1 MONTHLY SUMMARY

- The overwhelming focus for the month has again been the Replan, and our attempts to conclude a reasonable commercial arrangement aligned to a workable programme plan. Although the formal Change Request is still in the pipeline, a deal has now been struck which should hold. This includes resolution of the Training issue.
- One level down, we still have a number of issues to resolve (eg. counter space, customer education), but progress is being made.
- We have at last got ourselves into a position from where we can resist requirements creep effectively. Notably, a robust position taken on added DSS functionality for Release 2 has already paid dividends.

2 PROGRESS

- Replan
- Training cost recovery
- Minor items (but points of principle) - Flying logo and Feltham lease resolved
- Concerted pressure on PDA/ Sponsors to deliver against Contracting Authorities Responsibilities (CARs) is paying off
- Our handling of Change Request 16A (CAPS Release 3 functional spec.)

In light of the recent replanning exercise the plan baseline has been reset and as such the "Previous Completion Date", or baseline completion date is the same as the "Current Completion Date".

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
8.1.16	Agree Funding Strategy	21-Feb-97	21-Feb-97	

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

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

2.3 EXTERNAL, WITH PDA

- CNT were not part of negotiating the Replan. The commercial people in the PDA were positively excluded from all discussion. Yesterday's CNT was dedicated to a description by the ICL Pathway commercial team to the PDA Head of Procurement and POCL's and DSS' lawyers of what had been agreed and what the considerations had been in getting there. The purpose was to establish common ground from which they could write the Change Request.
- The gulf between the PDA programmes people and their commercial people is extraordinarily wide and quite dangerous. All too often, their programmes people carry on as though they have authority to act only to hit a veto at the eleventh hour. The commercial arm can veto a Change Request or cause the shape of Live Trial to be amended - and they have done. Increasingly, the ICL Pathway commercial team finds itself filling the vacuum in communications on their side. Used well, this does give us advantage, but the relationship has become unstable.
- CAS resolution has moved a step closer following a CNT sponsored meeting between ICL Pathway, PDA commercial, ITSA commercial and EDS. It was acknowledged that the trading relationship should be ICL Pathway to ITSA (purchase of machine time) and ITSA to EDS, against a work specification set out by ICL Pathway.
- The Commercial and Financial Forum continues to deal efficiently with practical matters in the charging arena. It looks like we have secured the contract for supplying the DSS with Customer Receipts. The business will be committed single supplier for three years minimum. It is reasonable margin and was not included in the Business Plan.

2.4 EXTERNAL, WITH POCL, DSS

- Recent realignment of responsibilities within POCL has strengthened the roles of the key Financial and Commercial people we deal with. That is good news. Activity on New Business is picking up, but is as yet sporadic.
- DSS is, by comparison, impenetrable.

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2.5 EXTERNAL, WITH SUPPLIERS

- The priority task ahead is to re-baseline, under Change Control, all supplier plans to align with the Replan. This will require considerable effort and understanding on all sides.
- The point to make to on-going service suppliers generally is that the term of the Main contract has been extended by seven months. This will enable ICL Pathway and suppliers alike to recoup the early life losses being incurred now because of the delays.

2.6 INTERNAL TO ICL PATHWAY

- Strenuous effort has continued to lock down outstanding CARs and Agreements to Agree, to respond to a wave of Change Requests, and to complete the internal Change Proposals needed to bring all aspects of our solution fully into line with the many detailed reference documents. This against the background, until a few days ago, of an unstable planning base.
- There are signs that the tide is turning in our favour on each of these.

3 CURRENT CRITICAL PROBLEMS

None.

4 ISSUES

- Outstanding contractual/operational hang outs
- Containing and offsetting the over-spend
- Making sure New Business happens quickly

5 COSTS

See separate section for consolidated position.

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Customer Requirements Report.

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Customer Requirements Report

1 SUMMARY

- The service agreement with EDS was successfully negotiated. Release 2 definitions, particularly for Temporary Tokens and CAPS On-Line working were progressed urgently Acceptance work was started. CAPS is clearly out of control.

2 PROGRESS

2.1 POST DROP DOWN

- All applicable CCNs have now been factored into the SADD Version 2.1 texts and the salient CRs required for Version 2, particularly P16a's expected replacements for Temporary Tokens and CAPS On-line Operations are in course of being added.
- The final CR team's Agreement to Agree (R753 Archiving Policy) has been addressed: a paper has been sent to the PDA for agreement.

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING FEBRUARY 1997

In light of the recent replanning exercise the plan baseline has been reset and as such the "Previous Completion Date", or baseline completion date is the same as the "Current Completion Date".

WBS No.	Description	Previous Completion Date	Current Completion Date	Progress Status
7.1.32	Co-operation in agreeing arrangements for use of APPUs CAR 556/4	14-Feb-97	14-Feb-97	Complete

We have now reached agreement on the transfer of the APPU design and build documentation and access to the firmware. A proposal has been put to POCL for them to bear the cost of APPU hardware since the target number of outlets has now risen considerably.

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

- There are no Release 1 milestones scheduled for completion in March, however 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.

2.4 DETAILED PLAN ACTIVITIES

2.4.1 CURRENT ACTIVITIES

2.4.1.1 RELEASE 1

- A service agreement describing the way in which EDS will operate the CAS and OAS functions was prepared and reviewed positively by EDS. A PDA/EDS/Pathway tripartite negotiation on 21/2 concluded favourably: EDS will supply service for CAS/OAS operation as part of their service agreement with ITSA and we will have an agreement with ITSA. The service description detailing failure scenarios will be reissued to EDS on 10/3.
- DSS cancelled the meeting arranged to progress the address data cleansing programme.
- Twenty PINICLs were cleared and none is outstanding.
- The document defining Post Office Closures was prepared and formally signed off by the PDA.
- A development version of (BPS) MIS reports is now demonstrable in Dublin.
- Oracle has delivered BPS Accounting & Reconciliation reports. A CP to produce a daily file summary is required.
- There is potential issue concerning the acquisition and distribution of BPS Reference Data. It needs to join the POCL Reference data stream at some point.
- We are trying to remove R791 (Notifications of Attempted Infringement of Restricted Post Office). It is no obvious value.
- Changes for the Release 1 Welsh PUN were incorporated.
- Customer Services have asked for some changes following IGL experience: some 6% of customers turn up at their post office with neither PUN nor ID. We propose to highlight and strengthen the words on the PUN telling people what to do.
- We have raised a CP for Ithaca to support the full Welsh character set.
- The Audit Trail Functional Specification was output at Version 2.0, and PDA notified that the period for review was closed.

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2.4.1.2 RELEASE 2

- Over 60 Change Proposals were reviewed this month. We have raised five Release 2 Change Proposals. Oracle expect another 12 will be needed. Some are to correct declared non-compliance's at Release 1, but most are to implement established contractual Release 2 functionality.
- Tony H has achieved a level of agreement between BA Business Processes and CAPS over Foreign Encashment business rules, but in doing so has found another limitation in the BES implementation: it cannot support a payee with multiple roles for the same payment. It may be possible to insist on precedence rules for payee roles which would involve a minor change to Oracle, and leave BES alone.
- The CAPS On-Line/Temporary Token issue has been the single most significant activity involving all members of the team.
- The Temporary Tokens Usage paper was reissued to support PDA internal review and as a basis for Customer Services to obtain sample documents and costs from De La Rue.
- A paper describing the business principles embodied within the Pathway BPS solution was produced and discussed with PDA/DSS as an aid to clarifying the preferred approach to on-line business operations. Unfortunately this was not factored in to CR P16a which was clearly the product of a committee that could not decide what it wanted.
- CR P16a was reviewed and comments and cost estimates returned to PDA who now advise that P16b will be issued based upon the business rules provided earlier and removing, in effect for convenient discard, the batch interface changes and programmatic on-line enquiries requirements.
- A proposal on the scorecard implications of on-line working was produced and reviewed with the Finance Director. The currently proposed business rules are now grouped broadly in line with the likely scorecard charge lines.
- An approach to handling the commercials of EVP for carded agents was agreed.

2.4.1.3 RELEASE 2/3

- POCL cancelled the Inventory Management meeting.
- Change Request 0004 to introduce support for a remote stock unit on an outlet parent/child has been passed to P&I for impacts.

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2.4.1.4 CARS

- Highlight of a busy month was declaration of critical CARs for which all in Pathway contributed - many thanks. To the extent CARs may have contributed to progress, the pressure on Reference Data looks to be paying off. The CARs' bureaucracy is bang up to date. The creation of a new, Release-related set of dates for old "Ongoing" CARs is now the enticing prospect.

2.4.1.5 ACCEPTANCE

- It has proved difficult to get everyone on the team connected to the Access database for this activity. Target dates were set such that we should be able to give PDA some work to do at Easter, but we will need to make strong progress during March.
- The PAS/CMS and CAPS Acceptance Criteria specifications are being largely rewritten by Testing. Current versions were based on out of date test conditions. However rapid progress is now expected.
- Some progress was made with APS and work has started on OBCS. POCL Infrastructure yet to start.
- A start has been made on BES acceptance test specification. The current document also requires substantial update/rewrite to bring it into line with the acceptance criteria and test conditions.
- Other Test Manager contributors to this activity are at a comparable level of progress.

2.4.1.6 NEW BUSINESS SUPPORT

- The Mails BRD business case remains on hold within POCL. Pathway needs to determine the base from which Mails will be produced.
- The Talexus BRD has been split into two: the interface specification for the Key has now been provided as a Token technology Specification; a revised detailed BRD for Talexus functionality is promised for 10/3.
- A price indication was provided for Project Beekeeping (Restricted).
- POCL has decided that unless Transys funds the ticket issuing hardware there is no business case.
- POCL have issued the EFTPOS Merchant Acquirer ITT but we have not been notified of the likely service scope. A meeting with ICL Retail has been set up for mid March .
- Pathway is preparing a workable design for Mobiles.
- Dave H's trip to FJ Japan was prepared, including a briefing on the visit to Pathway of Mr Takahashi from Nomura Research Institute, later in March.

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2.5 OTHER TEAM ACTIVITIES

- The backlog of CAPS documents was lodged with library.
- Two versions of a paper on introducing the Euro were produced.

3 CURRENT CRITICAL PROBLEMS

None.

4 ISSUES

- It is clear that CAPS is in many ways out of management control. The alignment of the CAPS programme to the replan attempted on 24/2 demonstrated that CAPS has momentum (and inertia) of its own. CAPS has refused to allow me to work through the data cleansing plans with the Andersen hired hands.

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Customer Service Report.

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Customer Service Report

1 MONTHLY SUMMARY

1.1 OPERATIONS

1.1.1 INITIAL GO LIVE - 2

- The service continues to run successfully with few technical problems.
- Improvements have been necessary in the areas of escalation management, support and reconciliation.
- An escalation process between Pathway, ITSA and PDA is being designed and will be agreed next month.
- It has now been agreed to use the reference machine for both problem replication and testing. This is not ideal since it causes delays due to the setting and resetting time for two different environments and also prevents parallel activity when more than one fault is being diagnosed. I will be pressing for separate reference and test rigs to be built for Release 1b.
- The potential overpayment problem we encountered at King Stanley PO, where expired payments were re-activated, resulted from an indexing problem already predicted by Escher and for which a repair had already been produced. Delays in the support process meant that the repair was not available for application until the day of the incident. Actions are in place to speed up the process of testing and implementing software repairs.

1.1.2 MIGRATION

- An outline migration strategy has been published and the Release 1b to 1c migration exercise, which has been scheduled for June, will be reviewed and signed off in March.
- A CP has been submitted proposing to relocate IGL and Release 1b hardware from Feltham to Wigan in order to minimise the migration risk.

1.1.3 SYSTEMS MANAGEMENT

- Tivoli is now undergoing counter build ready for model office.
- The testing of software distribution scripts and event management is continuing in Bracknell. Once testing has been completed it will be possible to distribute software (i.e. fixes) to the counter. A full evaluation is underway to determine if there are any issues which would prevent software distribution to be used for the Release 1b to 1c upgrade.
- Work has started on the software release management process.

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1.1.4 SYSTEMS OPERATION

- The Release 1b operational day design , the Maestro schedule, the high level resilience design, Sequent failure information and strategy for backup and restore have all now been produced.
- The first draft of the CFM Operations manual has been produced but needs further work with detailed procedures for normal running and recovery. A final delivery of operational procedures and scripts to Test and Integration is planned by 14 March.

1.2 POCL SERVICES

- The POCL Card Distribution Contract has not yet been signed off and I shall inject a further small delay pending the outcome of an internal Pathway review of the benefits to our solution of PUNs.
- Peritas will now establish a training helpdesk with a separate telephone number and have agreed that this will be subject to the same measures, standards and controls in place for the Payment Card Helpline.
- The roll-out helpdesk will use the same telephony and infrastructure as the Horizon System Helpdesk (note new name for SIS Helpdesk).
- The development of Pathway's overall support strategy is now well advanced and is expected to be published and approved by 14 March.

1.3 BA SERVICES

- 1539 cards have been issued to 28 February
- The continual re-plan activity continues to cause serious concern to both De La Rue and Girobank. Girobank are formally seeking to re-negotiate their contract since 1997 predicted volumes have now fallen below the 70% threshold.
- The PDA have identified late changes in the PUN wording for the Welsh language component.
- Our experience from IGL is that significant numbers of Customers do not fully understand the need to use the PUN to collect their Card and are disposing or losing it. This adds further impetus to our review of PUNs.
- There has still been no progress by PDA on War Pensions Card design, however activity is planned for March.
- A follow up meeting with the PDA and DSS to review address data quality has been arranged for March.
- Good progress has been made with RML in defining the contingency processes for collections from the De La Rue contingency site at Sittard in Holland.

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- Discussions are being held with Girobank on the service for the processing of returned cards and PUNs. A Product Description and CP have been produced.
- A Product Description and CP have also been produced for Girobank to manage the supply of books of Emergency Temporary Tokens to BA Offices.
- IGL cards are now planned to be replaced at Release 1c.

1.4 APPLICATION SERVICES

1.4.1 PROCESS AND PROCEDURES DOCUMENTS

- The PPDs are now being produced to meet the appropriate release (i.e. 1b, 1c and 1e). We achieved delivery of Release 1b final drafts into the PDA on time. Final comment from them is due on 5 March leaving us 2 days to turn them around and publish by close of play on 7 March. The next phase will be to get official sign off from the PDA after model office.
- A workshop to agree solutions to the Horizon PPD Release 1b Environment issues was held on 19 February. Good attendance from both Pathway and the PDA resulted in good progress. Agreement was reached on issues which had been preventing the Operating Infrastructure PPD being completed.
- The PPDs are now being used in earnest to ensure consistency across Pathway training procedures and documentation.
- A plan for the Release 1c PPD document set is in place and will be published early in March.

1.4.2 ACCEPTANCE

- Acceptance Packs were sent to the Suppliers mid January specifying the work they needed to perform. Good responses, requiring only minor re-work were received from De La Rue and Girobank. The response from Sorbus was late, not to the required standard and requires major re-work. No response has yet been received from CFM.

1.5 MANAGEMENT INFORMATION SERVICES

1.5.1 SERVICE LEVEL MANAGEMENT

- Progress with CFM on the requirements for SLA Management systems continues to be disappointing. I have asked Bill Hillyard to secure more business analysts to help CFM accelerate the production of key documentation.

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1.5.2 WORKLOAD VOLUMETRICS

- Updates to the Volumetrics have been received keeping Peter Robinson busy in maintaining his models.
- Extensive re-work will be necessary during March once the re-plan has been finally agreed.

1.5.3 RECONCILIATION

- IGL reconciliation continues to perform successfully. The volume of payments is now starting to increase.
- A few instances of corrupt data being delivered to counters was experienced during February. Foreign encashments proved a problem in the early part of the month where the payment was showing only on the nominated offices terminal. A patch was successfully applied mid-month to fix this problem which has not recurred.
- Oracle have now released the BES Release 1 reconciliation reports. They will be input into the testing environment in early March.
- APS reports are now on the critical path and the exact format required must be agreed by 5 March.
- Work is continuing to gain agreement on the error matrix detailing unmatched encashments which may arise. Requirement 891 states we have to resolve any encashments which have not matched to valid payments within 5 days. Customer Service will be undertaking the investigation and resolution process. We have yet to agree the financial liability issues between Pathway, BA and POCL.
- The reconciliation processes will be published by 12 March for agreement with the PDA.

1.5.4 PERFORMANCE BENCHMARKS

- Jan Ambrose has made good progress in establishing the processes for performance benchmarks. Meetings have been held with POCL 's Efficiency and Process Support team to review the OBCS transaction model and also with the BA to agree the BES transaction model.
- A paper and a scoping document have been produced jointly with POCL describing benchmarking activities and plans.
- A free-standing performance benchmark environment, independent from Test and Integration, will be established initially focusing on counter transaction times.

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- In addition to the analysis of application times recorded in the transaction journals, we intend to employ performance measurement techniques based upon the analysis of high resolution video film of the physical processes. Contact has already been made with potential suppliers for competitive evaluation in early March.

1.5.5 CUSTOMER SATISFACTION

- Initial proposals on Customer Survey activities have been drawn up and reviewed with Steve Cowburn (Management of Change). They will next be discussed with the PDA.
- Work has begun on putting together a set of acceptance criteria that will need to be achieved before an Outlet is transferred from Implementation phase (responsibility of Implementation team) to Operational Service (responsibility of Customer Service)
- Peter Burden attended a Management Awareness Event and a Postmasters Road show in POCL Midlands Region. This enabled meeting a range of POCL Regional Management as well as future users of the Pathway solution and helped with understanding concerns and issues.
- Peter also attended an Implementation Team Roll-out Workshop. A number of supplier related issues are being followed up.
- The revised Service Visit Reply Card has been discussed with ICL Sorbus. A few issues arose which need to be considered. Thereafter the Card will be reviewed with the PDA.

2 PLAN PROGRESS

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

In light of the recent replanning exercise the plan baseline has been reset and as such the "Previous Completion Date", or baseline completion date is the same as the "Current Completion Date".

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
6.5.5.2.6.4	Stevenage 09 SIS Helpdesk System Accepted	28-Feb-97	~~28 Feb 97~~ 07-Apr-97 30-May-97 21-Jul-97	This will be accepted via operational readiness reviews @ 1b, 1c,1e at the end of MOT.
6.2.2.4	Executive Information System (EIS) Available	03-Feb-97	~~03 Feb 97~~ TBA	TBA from P.Robinson, Marked as complete in error
6.2.1.15	Service Level Agreements - Review	28-Feb-97	~~28 Feb 97~~	TBA from P.Robinson,

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WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
	Timescale		TBA	Marked as complete in error
6.2.1.13	BA/POCL MIS Reporting Requirements	28-Feb-97	28-Feb-97	Complete
6.6.33	Contingency Procedures for BPS (CAR 746/2)	28-Feb-97	~~28-Feb-97~~	Cont. Procs. Written for 1b complete by 13/03/97; will progress towards 1c update by 15/06/97
6.1.2.19.6.5	Wigan PAS/CMS HD Service Available (Cold Contingency Service {equip. but not manned})	21-Feb-97	~~21-Feb-97~~ 31-Mar-97	Delayed by contractual issues to 31/03/97
6.1.2.14.6	Final PDA Approval of PUN Design (English)	10-Feb-97	~~10-Feb-97~~ 17-Mar-97	Last minute changes resulting in modification to design. Revised proof produced for approval
6.1.1.3	Agreed CARD/PUN Volumetrics with PDA	28-Feb-97	~~28-Feb-97~~ 21-Mar-97	Awaiting formal rollout plan to finalise Volumetrics.
6.1.1.1	Automation of Benefits by CAPS - Agreed Plan	14-Feb-97	~~14-Feb-97~~ TBA	Ongoing

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

WBS No.	Description	Current Complet'n Date
6.1.1.4	Agreed Temporary Token Volumetrics with PDA	03-Mar-97
6.1.2.4.4	Review and Accept Card Design Tech. Spec.	27-Mar-97
6.1.2.7.9	BA Live Personalisation Data from CAPS to ICL Data Centre	21-Mar-97
6.1.2.8.1	Model Office Personalisation Data from CAPS to ICL Data Centre	27-Mar-97
6.1.2.10.14	Welsh Language Personalisation Data from CAPS to ICL Data Centre	27-Mar-97
6.1.2.14.19	Final PDA Approval of Release 1 PUN Design (Welsh)	14-Mar-97
6.1.2.18.3.8	Release 1 Delivery Service (Cards & PUNS) Procedures Review and Accept	27-Mar-97
6.1.2.18.4.3	Release 1 Delivery Service (Temporary Tokens) Procedures Review and Accept	26-Mar-97
6.1.2.19.3.1	BPS Functional Specification V8+ (Tony Hayward) Required out from Reqts.	26-Mar-97
6.3.4.1.8	PPD - PDA comments received for PPD Introduction (1b)Draft	04-Mar-97
6.3.12.13.11	OBCS PPD - PDA Approval of Final Draft	05-Mar-97
6.3.19.9	Pathway CS Acceptance Spec. to PDA	17-Mar-97
6.3.19.10	Review CS Acceptance Spec. with PDA	24-Mar-97
6.3.19.11	CS Acceptance Spec. agreed with PDA	24-Mar-97
6.4.10.4	SMC Service - Management Review Complete	07-Mar-97
6.4.10.6	System Management Deliverables from SORBUS complete and tested	07-Mar-97
6.4.10.7	Commission the SMC and the associated SMC Processes	19-Mar-97

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WBS No.	Description	Current Completion Date
6.4.10.8	SMC Ready for Model Office	19-Mar-97
6.5.2.4.13	Agree Contingency Plan Document with PDA	12-Mar-97
6.5.4.7	Model Office Support Service Available	14-Mar-97
6.5.5.2.6.8	Footscray SIS Helpdesk System Accepted	28-Mar-97
6.6.35	Agree the Operation of other Systems linked to Pathway (CAR 523/2)	18-Mar-97
6.6.37	BA POCL Agree Strategy of moving IGL sites to Live Trial	25-Mar-97
6.6.43	Define HD Contingency Plans for loss of facilities (Reqt 889-2)	17-Mar-97
6.6.52.10	Quarterly Customer Satisfaction Survey - PDA Approval	27-Mar-97

3 CURRENT CRITICAL PROBLEMS

3.1 RE-PLAN AND CAPS MIGRATION STRATEGY

- Imminent application by Girobank to re-negotiate their contract for Helpdesk services - in the balance is the contract between CFM and Girobank for the Wigan and Bootle data centres.

3.2 TRANSACTION PERFORMANCE

- Impact on APS transaction times as a result of printing two receipts rather than using two-part stationery.

4 ISSUES

4.1 SYSTEMS MANAGEMENT

- A question still remains on the ability of Tivoli systems management to carry out everything required for the counter upgrade. A full evaluation is being carried out in early March. It is likely that a site visit will be required for the upgrade because of the requirement to replace the keyboard.
- Ability of Tivoli to perform the software distribution role in terms of performance and scaleability. We are awaiting a report on the visit by CFM to Tivoli in the US.
- Validation of software distribution scripts. This is awaiting approval by Product Managers. Ron west is continuing development and testing in Bracknell.

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- The current release plan and the Model office requirements indicate the need to provide systems management for 3 environments rather than 2. This will be much more complex and error-prone than we would like.
- The strategy for Correspondence Servers is still unclear and is impacting production of recovery and disaster standby procedures.

4.2 CHANGE CONTROL

- The high volume and arrival rate of change proposals is seriously impacting Customer Service staff and our suppliers workload. A longer lead time is required to process these effectively.

4.3 MANAGEMENT INFORMATION SYSTEMS

- Severe difficulty in obtaining raw data from applications to input to the SLA management system.
- Release content for Release 1c MIS may be seriously deficient.

5 PERSONNEL

- The Customer Service OMR was concluded successfully and I intend to move ahead with agreed changes in organisation structure, recruitment and team responsibilities in early March.

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6 SUMMARY IGL SERVICE REPORT - FEBRUARY 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	201
Cards Issued to date	1539
Inactive Cardholders B/F from previous month	489
Cardholders with successful encashments during this month	992
New Cardholders with no encashments during this month but PAS benefit available - cards not yet picked up from post office	53
Existing Cardholders with no encashments during this month but PAS benefit available - cards picked up from post office during previous month	77
TOTAL ACTIVE CARDHOLDERS	1122
Cardholders with no encashments during this month and no PAS benefit available - cards not yet picked up from post office	417
TOTAL INACTIVE CARDHOLDERS	417
CARDHOLDER BASE	1024

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6.3 HORIZON SYSTEMS HELPDESK CALLS

Call Code	Description	No. of calls during Month
2	Terminal Locked	1
3	Touchscreen Failure	1
5	Counter Printer Failure	3
6	Card Reader Failure	1
8	Entire System Failure	1
11	PAN/PUN Request	15
15	Corrupt Data at Post Office Counter	9
16	Payment Rejection	1
17	CAPS File Error	1
18	Duplicate CAPS File	1
19	Procedural Enquiry	2
20	Reconciliation Enquiry	3
24	POCL Chesterfield Call Enquiry	2
25	Test Call	11
26	Customer Enquiry	4
27	POCL General Enquiry	3
28	DSS General Enquiry	1
29	Inappropriate Call	1
30	Duplicate Call	1
31	Wrong Number	1
32	PCHL Enquiry	2
44	Re-issue Card Invalid	3
45	PUN Does not match Card	3
	Total	71

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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
TOTAL	265

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6.5 PAYMENT CARD HELPLINE CALLS

Call Code	Description	No. of calls during Month
101	Lost PUN	3
104	Lost Card	2
106	Damaged Card	2
107	General Card or PUN Enquiry	7
113	Non Receipt of PUN	4
120	General Customer Comments	1
121	Change of Address	6
123	Entitlement Enquiry - Inappropriate	2
125	General Enquiry	4
126	Benefit Collection	4
127	Card Encashments	3
128	Change of Name	1
129	Card Enquiry	1
207	General Card / PUN enquiry	5
210	Enquire upon Payment History	28
211	Stop Payment	1
225	General Enquiry	10
227	Card Encashment Enquiry	3
228	Foreign Encashment Enquiry	1
301	Lost PUN	2
303	Damage PUN	1
304	Lost Card	1
307	General Card / PUN Enquiry	6
308	Payment Encashment Failure	4
309	Foreign Encashment Request	13
312	Batch of Cards Received	85
313	Non Receipt of PUN	3
320	General POCL Comments	3
322	Call Relevant to SIS Helpline - Inappropriate	2
323	Benefit Entitlement Enquiry - Inappropriate	1
325	General Enquiry	11
327	Query on Counter Payment Availability	8

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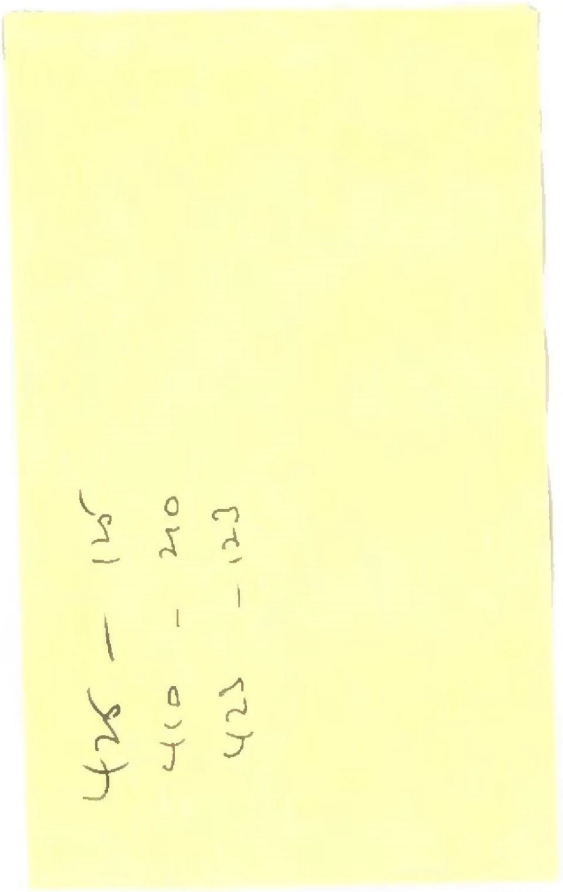
Call Code	Description	No. of calls during Month
328	Stock of BES Receipt Required	2
410	Enquire Upon Payment History	3
423	Entitlement Enquiry - Inappropriate	1
424	Transition Enquiry - Inappropriate	1
425	General Enquiry	37
426	Wrong Number	191
	TOTAL	463

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
TOTAL	1329

6.7 FOREIGN ENCASHMENTS

At Post Office	13
By Pmt card H/L	21



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Quality and Risk Report.

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Quality & Risk Report

1 MONTHLY SUMMARY

1.1 FRAUD RISK MANAGEMENT

- Review Release Strategy for FRM System; a CP is required 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.
- Extended Verification Procedures. A final version of the EVP paper has been forwarded to PDA for review.
- Apportioning Fraud Liability. A contact name has been supplied; work will begin during March.
- Internal FRM procedures:

  Fraud incident categorisation; a workshop is being held with PDA for 6th / 7th March to agree categorisation codes

  Report production and scheduling; final draft has been circulated for comment

  Report change; final draft issued for comment

  Internal investigation; first draft has been circulated for comment

  Analysis production and review; final draft has been circulated for comment

1.2 RISK MANAGEMENT

- A full Risk Report has been prepared and submitted to Fujitsu. This has included an additional 15 to calculate the total exposure. To summarise, the projected total exposure based on the replan will reduce from £81 million in January 1997 to £27 million by the end of December 1997. This is higher than the original exposure calculation:

  All risks included.

  New risks have been identified from the replan, which have not been sufficiently investigated yet to identify sufficient mitigation actions.

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1.3 SYSTEM SECURITY

- Access Control Policy. ACP version 0.6 has been distributed for formal review by PDA, and internally. The PDA have been reviewing Section 8 of the ACP in isolation. The ACP cannot be completed at this time as some parts of the technical solution are not complete or stable. An attempt will be made to sign off the unfinished ACP subject to further agreement on unstable areas.
- An updated version of the Security Functional Specification has been produced to reflect recent changes; Energis, cryptography, virus control. A CP is to be raised and approved before despatch to PDA for approval.
- Security release contents for R1b and R1c have been agreed with Jeremy Folkes (PDA) subject to Steve Warwick and Alan Ward providing written assurance around OPS.
- Security Audit requirements. Peter Harrison has circulated a new version of the Audit Policy for internal review.
- Security development. Significant support has been given to Programmes during February to establish control of security developments. In order to achieve this, a Security Components document has been created to describe the various hardware, software and network elements which make-up the Pathway solution. For each element, the security to be applied is described and the release in which it is required. Regular review meetings are now being held with Development to monitor progress and progress actions.
- Key Management. A further redesign has had to be considered as a result of shortcomings in the card reader in the lift keyboard.
- Disk file encryption products. TeamCrypto has been selected as the preferred product and performance evaluation is being undertaken at Bracknell (TSC).
- A further meeting took place between Pathway, Sequent and CFM to co-ordinate the implementation of the required UNIX / Oracle environment(s) in the Data Centres.
- Firewalls. An internal firewall meeting took place. Alan Ward's team has assumed responsibility for specifying products on agreed network links. We have agreed to sponsor an 'independent' review of the network with the following mandate:

  To determine and report on the vulnerabilities within the Pathway network environment and at its extremities;

  To identify and report on appropriate firewalls and/or other security measures to mitigate the vulnerabilities identified in 1

  From which Pathway can formulate a policy for the deployment of appropriate equipment and facilities.

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- Horizon Security passes; a process has been developed and implemented by which the production of Horizon Security Passes to enable Pathway third parties access to PO Counters is co-ordinated by the Pathway Security function.
- Girobank physical security; CFM are pursuing the feasibility of Vesda smoke detectors allied with dedicated fire-fighting Girobank personnel as a solution to the ongoing fire suppression issue in Bootle and Wigan. BAP has proposed that penalties should be considered if adequate fire suppression is not provided.

1.4 INTERNAL SECURITY

1.5 QUALITY

- Complaints / Escalation Process has been circulated in draft form for comment.
- Quality Policies have been reviewed as basis for input to On Line Standards.
- Progress and Plans for documentation definition and implementation have been reviewed with Customer Services and Business Development. Some slippage is apparent; but plans are still consistent with completion of process definition documentation by the end Q2 97.
- Strategic Business Model. Familiarisation with Optionfinder Self Assessment package has been undertaken. A self assessment workshop has been conducted with a group of Pathway managers as a dry run. A workshop with the senior management team took place on 3rd March. The results will provide a useful contrast of perspective and will be reported next month.

1.6 PROCESS MANAGEMENT

- Process Audits. The Development Audit is now 90% complete, with one major area outstanding. The results will be reported next month.
- Release Management. We consider that the process is complete.
- New Product / Service Introduction. We are still encountering delays with PDA.
- Reference Data Management process development. Definition of the process within the Pathway boundary has begun. PDA are undertaking a number of internal workshops.
- Customer Requirements processes / CAR's. An initial meeting with PDA has kicked off development.
- Process Definition Standard. Now in Online Standards as a Product description.

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- Upgrade Online Standards. Release 4 completed.
- Planning / reporting processes (PRINCE). Work has started on defining Product Descriptions.
- Project Crack the Whip. A project to improve Pathway's internal document and email control has been initiated.

1.7 CRISIS MANAGEMENT AND INSURANCE

1.8 STAFF

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

- Girobank. A meeting was held with Girobank management responsible for FRM, in order to discuss performance during 1996 and strategy for 1997. 'Catch up' actions were agreed to provide documents required by Pathway. The replan and implications were discussed in terms of reduced workload. I agreed to produce a workplan for 1997 and discuss early April before initiating any contract negotiations (this was viewed realistically).
- PDA. A review of Security and FRM was conducted with Gareth Lewis and Jeremy Folkes, at which requirement, documentation, development and test issues were discussed. This will be a regular (monthly) forum.

2 PROGRESS

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

- There are no Quality & Risk Release 1 milestones scheduled to complete during February.

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

WBS No.	Description	Current Complet'n Date
9.1.1.2	Develop Disaster Recovery Procedures	27-Mar-97
9.1.2.14	Agree Fraud Incentive Reward Scheme	27-Mar-97
9.1.2.16	Agree process for Fraud Liability	27-Mar-97
9.3.1.1.1	Accesss Control Policy complete and agreed	27-Mar-97
9.3.1.1.4	Re-issue and agree Security Functional Specification	07-Mar-97
9.3.2.1	Analyse Special Risks	27-Mar-97

- 9.1.2.14 - Agree Fraud Incentive Reward Scheme, Very unlikely to achieve; PDA very slow in accepting responsibility
- 9.1.2.16 - Agree process for Fraud Liability, Very unlikely to achieve; PDA very slow in accepting responsibility.
- 9.3.1.1.4 - Re-issue and agree Security Functional Specification, Revised target to end March.

3 CURRENT CRITICAL PROBLEMS

- CESG have informally advised us (and PDA have officially confirmed) that the Red Pike algorithm is inappropriate for encrypting 'RESTRICTED' traffic to and from people's homes in Northern Ireland. The secure solution proposed for CFM technical support from home relies upon Red Pike. We must seriously and urgently consider alternative arrangements for providing Sequent/Unix & NT support out-of-hours support from mainland UK.

4 ISSUES

- The work load, particularly for Risk Management, FRM and Security continues to grow. I am now recruiting two additional staff - a Risk Administrator and Security Analyst (within headcount budget).
- Siting of the FRM / Security secure area is still under consideration.

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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Business Development Report

1 SUMMARY

1.1 GENERAL

- Replan activities being finalised now allows us to make progress again, especially in relation to detailed costings and plans for the advertising and PR work.
- Although training is 'wrapped up' in the replan commercial proposal, we continue with Peritas and POCL to look at ways of ameliorating the additional cost of the extended training.
- Migration continues to be another irritating hang-out. I believe there is a way forward and a meeting on 7/3 will progress this.
- Business Development initiatives continue. Magistrates Courts has been identified by the ICL account team as a potential revenue earner across the Post Office counter.
- Management of Change continues to progress. Good work with the POCL management of change programme. Also significant input into training, user awareness and evaluation.
- Management Awareness events have received very good feedback and have been a success.

1.2 MARKETING COMMUNICATIONS

1.2.1 CUSTOMER EDUCATION

- ICL Pathway's recommendations for customer education were submitted on 15 January. Feedback was received, albeit partial. The activity of submitting the recommendations revealed the extent of the PDA disagreement with our customer education planning (and therefore costing) assumptions.
- A contractual meeting to discuss the variances is scheduled for 6.3.97.
- Until this meeting is held all of the PDA team are refusing to meet and plan communication. However, now that the next stage of the implementation is clarified, some progress will be made with the PDA in terms of setting real deadlines by which information is needed. The real challenge is to get the PDA to agree any timeplans and to identify how the various sub-groups add value to the CWG or CSC. I have raised this issue with Mena Rego and am arranging a meeting with her to discuss. The real challenge is to influence the BA side.

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- We will now proceed with detailed costings for the communication programme for the rest of 1997 now that re-plan is bedding down and the specifics of the 2,200 offices are known. We are also costing the impact of CAPs delays. We will also cost the extension of the McE & FD contract.

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1.2.2 SPECIAL INTEREST GROUPS

- Plan completed covering all key deliverables and production schedules. Chrissie is trying to get PDA 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.
- We intend to up the ICL Pathway profile independently of the PDA: We will be targeting the business, quality and trade press. Target start date is June.

1.2.4 INTERNAL COMMS

- As our involvement here is less clear (contractually) than elsewhere, progress is less certain. However, Andrea has met with all key contacts to start a systematic approach and has been invited on to their sub-group on BA comms.
- All sponsor publications are now received and have been analysed in terms of audience, frequency and copy deadline. As a result, a list of stories, (with relevant timings and the magazine for which they are suitable) which convey our key messages, has been drawn up: we hope to get the PDA to accept these as "a good idea" for which they can claim credit!
- The matter of how BA & POCL intend to communicate the procedural changes of the Card is quite complex: PDA Comms are barring our involvement, but as this is a training issue we are talking to training from the perspective of how sponsor training can be supported by internal comms.
- Starting to talk to sponsors etc about Internet profile.
- Am still awaiting feedback on the involvement of the Sub-fed.

1.3 BUSINESS DEVELOPMENT

- First Client Launch Day in Marketing Suite - revised agenda which works well, and has tangible outputs and deliverables.
- Top team approval of Strategic Partnership document. In addition, a number of useful discussions and follow-up meetings came out of Hedsor session.
- Selection of Business Development Manager progressing.
- Progress on Mails (although slow and painful - we now understand reasons for delay and are addressing), smartkey, bee-keeping, and scorecard mappings.
- EFTPOS requirement progressing. ITT for merchant acquirer issued by POCL. We are costing the development impact.

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- Household budgetting has surfaced pushed by the Water Services Association and by BA who are keen to get rid of their Direct Deduction free service.

1.4 MANAGEMENT OF CHANGE

- The Management Awareness programme is nearly complete . By the end of February, 17 events out of a planned 18, in this phase, will have been completed. The events are undergoing continuous improvement and all have been very well received. Following Stuart Sweetman's statement at the PSC that he " now owns the events" I have agreed with Mena Rego and Bruce McNiven that we will issue an invoice to Bruce who will handle it.
- We have been asked to run a Management Awareness event in Chesterfield. We are discussing terms and conscious that this will be a difficult audience.
- The Management of Change Strategy has been accepted by Lesley Lawson and Chris Robinson (French Thornton) as the Horizon part of the overall POCL Change Management Strategy (which is not yet documented). It is a document that itself will undergo change but will satisfy the action received at the Partnership Workshop for a jointly agreed Management Of Change Strategy.
- Dave Smith will take over Ian Gibbard's old position under the title of Head of Automation Transformation from April 97.
- French Thornton's findings include the fact that Retail Network Managers currently have planned demands on their time equalling 140% of actual time available. They are therefore reviewing with Stuart Sweetman the RNM's role.
- A lot of work has been done on the User Awareness events, and following the dry-run with PDA I am quietly confident that they will be successful. Ongoing work will undoubtedly be needed.
- Due to work on Help Desk rationalisation, a large opportunity with Help desk provision has been discovered with Post Office group perhaps totalling 30 million calls per annum. Steve Muchow is the key contact.
- The concept of Regional User Satisfaction managers has been discussed with all the RLMs. As a consequence 2 mini-projects have started:

  Greg Couper is working on Information Flow with the RLM for North-East. The objective is to understand what information the POCL regions eg the Regional General Managers, Liaison Managers and Retail Network Managers will require to play their part in the project effectively.

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Jacqui Haxton is working on Red/Amber/Green with the RLM for the South West. The objective is to develop a process which identifies those Post Offices that will need extra help to ensure they are successful (Amber). Red offices will include serious contractual issues that can only be resolved by POCL and Green offices are those which should pass smoothly through the Implementation Process without needing any further attention. Jacqui will also document the regional structure and responsibilities as well as working closely with an RNM working group for Live Trial.

- A meeting has been organised between Bruce McNiven and Dave McLaughlin from PDA and Steve Muchow, Peter Burden, Dave Fletcher, Dave Groom and Steve Cowburn to discuss Evaluation and User Satisfaction. The objective is to define our joint approach and understand roles and responsibilities.
- An Horizon demonstration video has been agreed verbally with Bruce McNiven (written confirmation in hand). This will be used by RLMs and RNMs to illustrate system capability. £15K has been agreed as an outline figure pending firm quotations.

1.5 CLIENT MANAGEMENT

- The main event requiring the Pathway exhibition stand was the POCL Regional event on Sunday 23/2. This was extremely well received and "over-the-top" thank-yous have been received from Fiona Anderson (RLM).
- A further meeting with Microsoft was held where the Riposte system was explained to Richard Wilderspin. He is going to visit FEL01 (14:30 9/4) for a demonstration of the system.

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- Cards: War Pensions variants remain outstanding although the consultants were appointed in Nov 96. Tangible designs for DLR to work on were promised for the end of the month but, in the event, they are now promised for 14/3. Given that DLRCT receive the designs on 14/3 then approval should be completed by the end of June (23/6 current target).

1.5.1 NFSP

- Colin Baker has agreed to pay the outstanding invoice of £2.5K in early April. Sorbus are currently bidding for their h/w & s/w support contracts. However, they (Sorbus) may decline the s/w unless they can avoid some old applications which are still running.

1.5.2 FUTURE EVENTS

- Preparation is complete for the ICL Showcase (3 day) event at the Radisson Hotel 10-12/3.
- Plans are underway for the Paul Rich et al briefing on 25/3 by ICL Retail.

1.5.3 CARDS & TOKENS

- Activities on the War pensions will continue for some months. However, activities on the temporary tokens (secure paper/hologrammed....) and the postmasters' smart cards will ramp up during the coming months.
- Develop BA contacts. Martin Johnston is initially visiting Bev D'Alessio & John Down 7/3 to see how we might progress this and a general interchange of views.

1.5.4 STOP PRESS

- Pat Kelsey has agreed to pay £7.2K towards the card redesign work of last September. A major achievement in that this is additional to any contractual obligations and an admission that they have been a contributor to re-work on our part.

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
5.2.2.3	Dry Run User Awareness programme - BA	28-Feb-97	28-Feb-97	Complete

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

WBS No.	Description	Current Complet'n Date
10.6.1.24	Approve Rollout Creatives	24-Mar-97
10.6.1.27	Communication Steering Committee comments on plan/proposals	24-Mar-97
10.6.2.7.4	Radio - Final script approval Client sign off	28-Mar-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

- Migration and "going live" are still a key area of concern. A letter from Bruce McNiven clearly states the PDAs understanding of the contract that migration is a Pathway responsibility. This could have serious resourcing and cost implications. Strategy now adopted and meeting taking place Friday 7th to discuss.
- Delivering User Satisfaction is a responsibility that is not clearly understood. The implementation teams are not focusing primarily on it, whereas the service teams are expecting it. It is imperative for both teams and ICL Pathway in general that User Satisfaction is actively managed and delivered. Funding will be an issue.
- Political/sensitive nature of all client re-engineering is becoming clear; presentations to DNS Union Reps, presentation to Chesterfield. Needs careful management and will require increasing support from MarComs (PR management) which is not in current MarComs resource/budget plans. This represents the most likely route for project leaks if we do not work closely with clients PR areas.
- Re-plan activities have been leaked by Girobank the supplier to Girobank the client. We need to plug this leak for MarComs (PR management), BusDev (Involvement on Bee-keeping as a partner), and credibility reasons. Richard Banks is raising re-plan impact at his meeting with Stuart Sweetman on 19/3, and if Stuart Sweetman deduces that there is an ICL Pathway leak he (or Paul Rich) is likely to discuss/write to JHB, who accordingly needs to be briefed. That said, we need to plug this leak sensitively, otherwise Girobank the client will stop telling us what they have heard from Girobank the supplier.

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5 COSTS

- Business Development continues to operate within budget taking into account the deferred expenditure due to the re-plan.
- I have also undertaken a full review of the '97 budget with Finance and Programmes group to ensure accuracy with the overall plan. This has not uncovered any major discrepancies.

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International Sales Report.

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International Sales Report

1 SUMMARY

Australia Post have signed a letter of intent with Escher to use Riposte for their next generation of counter automation. They have an aggressive programme of implementation with full roll-out planned by January 1999 to overcome critical year 2000 issues in their current systems and support their business development plan. As part of an overall trend towards insourcing IT, Australia Post will manage this project themselves supported by existing development staff from Unisys. As part of the contract Escher will conduct a design study during March and it is planned that ICL Pathway will be involved in this, which may lead to further consultancy work.

Negotiations for a joint agreement on international sales with An Post and Escher are marking time whilst the full implications of the Australia Post deal are worked through. A review of our position has been scheduled with a Pathway International Sales Board on 7th March and with Keith Todd on 14th March.

Our proposal for a design study at Deutsche Post (led by Fujitsu Germany) is progressing well and they plan to visit us in 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 and they will visit us on 21st March.

We expect a decision on our joint bid with British Postal Consultancy Services, An Post and ICL Bulgaria by the end of March, following a change in Government.

2 PROGRESS

There are no handshake milestones affected by international sales.

3 CURRENT CRITICAL PROBLEMS

None.

4 ISSUE

The Australia Post's demands on Escher are likely to conflict with ICL Pathway's demands. We will need to be extra vigilant to ensure that our needs are clearly understood and our milestones are achieved.

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Organisation & Personnel.

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Organisation and Personnel

1 MONTHLY SUMMARY

- During February the Personnel function moved into an important transition period. Melanie Lyng joined as Personnel Operations Manager, which together with the existing outsourced service providers, brings the team up to strength. This will ensure the continued delivery of a quality Personnel service whilst key initiatives are now developed and implemented to tackle the significant HR and OD issues facing Pathway.
- There have been some notable successes in transferring key players to the Pathway payroll. These people are long term internal contractors/consultants who attract very significant cross charges to Pathway.
- A proposed framework for the management of Pathway's contractor (freelancers) resource has been submitted to Programmes for consideration. The proposal was jointly developed with Higher Skills and demonstrates the successful movement towards a partnership approach with this key staff supplier.
- The Pathway Management away day at Hedsor proved to be very productive, despite the distraction of critical replanning negotiations running in parallel. The output from the day is now documented and follow through will be established during March.
- An organisation review of Customer Service was held and structural changes will be implemented in this Function during March.
- There has been considerable activity relating to the design and management of the joint PDA/Pathway management away day to be held in early March. The event will focus on creating opportunity to enhance the relationship between the two organisations and consultancy support will be provided by Steve Carter.

2 PROGRESS

- There are no handshake milestones affected by Personnel

3 CURRENT CRITICAL PROBLEMS

None

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4 ISSUES

- The implementation of a contractor management strategy is essential if Pathway is to avoid significant resourcing issues in the latter half of the year. As mentioned above, a proposal has been submitted and this needs to be urgently converted into a set of deliverables.