

Strategic Platform Modernisation (SPM): Programme Diagnostic

Board Pre-Read Report Summary

31 October 2023

Draft pending Accenture review. Not to be distributed outside of POL without agreement.



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SPM Diagnostic – Executive Summary



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EXECUTIVE SUMMARY

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Post Office Limited (POL) commissioned an independent diagnostic review of its **Strategic Platform Modernisation (SPM) Programme in Autumn 2023**, given significant delays and cost overruns.

The diagnostic has found that:

- **The purpose of the SPM programme (to replace the Horizon platform) is sound**, removing functional and commercial dependence on an end-of-life core system whilst providing a flexible platform to enable future retail initiatives. There is some misalignment amongst stakeholders regarding the specific scope of the programme, which is being addressed
- **The technology architecture is fit for purpose**, based on modern technologies that will scale to support future products and services, however some critical remediation activities have been identified. **The technical build is well underway, with a live service (Drop & Collect) and an NBIT Pilot already delivered and well received** by both the business and Postmasters
- **However, SPM is suffering in delivery execution and, without a change in course, will fail:**
 - POL does not have the required internal experience to lead and deliver a large-scale IT transformation like SPM (despite assigning some capable colleagues to the programme)
 - The current delivery model is not channelling POL's capability in a way that will deliver the programme at pace
 - Delivery team morale is low – people don't feel equipped to deliver a programme of this importance

Based on the findings of this diagnostic and Accenture's experience we recommend resetting the programme to:

- > **Clarify vision and revalidate current scope** – through scope guiding principles clearly linked back to the overall programme vision
- > **Engage an experienced IT and Change Transformation delivery support partner** – to provide the external expertise to close identified gaps whilst building POL's internal capability
- > **Agree delivery method, organisation and governance** – with clear business sponsorship and streamlined forums
- > **Re-plan and re-cost the programme to the next logical stage** – including a t-shirt sized estimate based on the chosen delivery model and method
- > **Embed data-driven management and decisioning** – from GE, through SteerCo and delegated to lower levels to allow the programme to move at pace
- > **Re-energise your teams and stakeholders** – cascade a consistent vision and plan, address ways of working, and maintain comms across and beyond the programme
- > **Implement tech remediation plan** – with consistent standards across environments, security and modern engineering approaches
- > **Embed business change and support into programme** – empower teams to identify, design and deliver the right interventions for stakeholders and BAU



KEY OBSERVATIONS

EXECUTIVE SUMMARY

THE PROGRAMME HAS SOME GOOD FOUNDATIONS BUT SIGNIFICANT CHALLENGES EXIST

- A** **Robust scope guiding principles are not in place** leading to inconsistent scope translation from the vision
- B** Post Office is playing the 'integrator' role internally despite **limited complex IT delivery capability**
- C** **Delivery methodology is not fit-for-purpose** constraining ability to deliver the solution and manage business change with confidence
- D** **Governance has been ineffective** given some unclear accountabilities and inconsistent adherence to RACI
- E** **Frequent amendments to timelines and cost forecasts** have led to concerns around delivery confidence
- F** **Limited data-driven reporting on programme progress** has prevented the ability to detect issues early
- G** **Culture has been a key blocker for overall success** impacting team morale and impeding collaboration
- H** Tech solution has been **built on a modern and stable architecture but requires some critical remediation** and consistent rollout
- I** **Change and deployment teams have been brought together** but it is not yet clear how they will be embedded into delivery

KEY RECOMMENDATIONS

EXECUTIVE SUMMARY

WE RECOMMEND “RESETTING” THE PROGRAMME TO ADDRESS THE KEY OBSERVATIONS

KEY OBSERVATIONS

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Appendix

- A Approach & Methodology
- B Recommendations Summary Detail

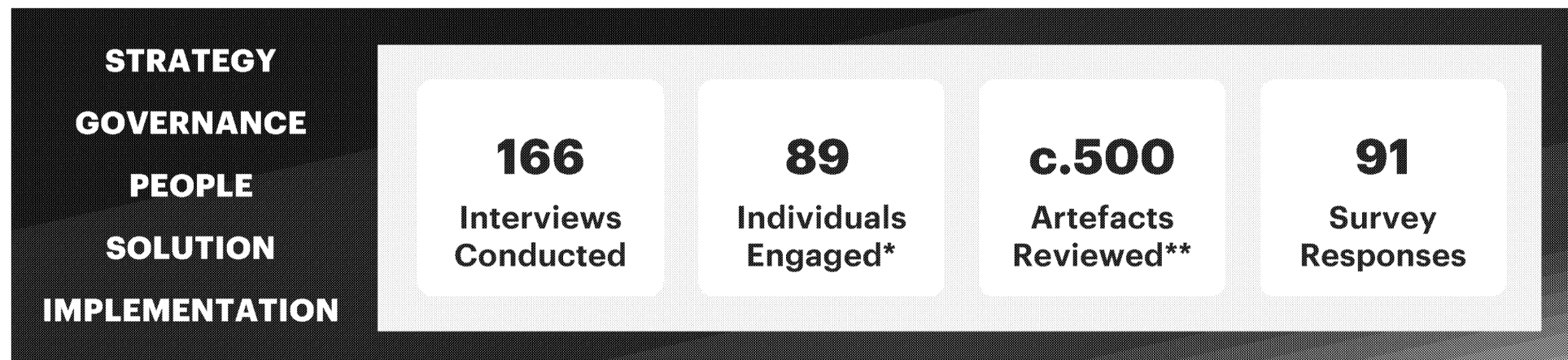
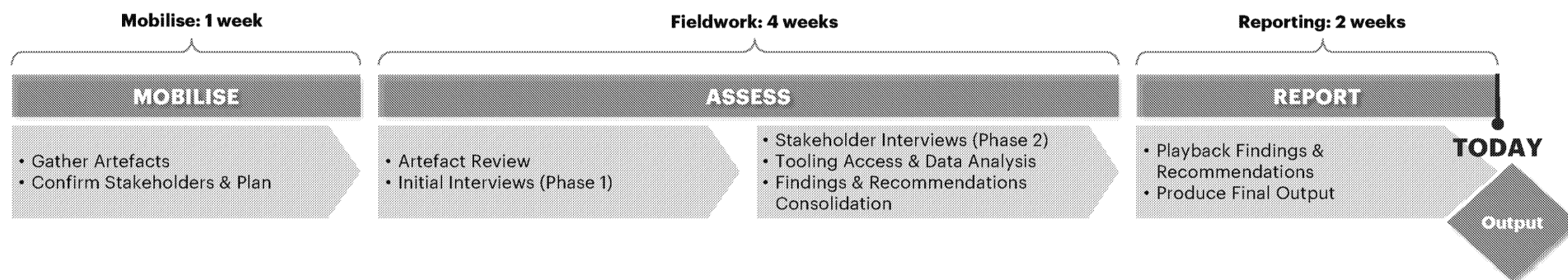


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A | Approach & Methodology

SCOPE & APPROACH

OVER SEVEN WEEKS, WE HAVE INTERVIEWED A CROSS SECTION OF THE SPM POPULATION AND ASSESSED A WIDE RANGE OF ARTEFACTS TO INFORM THIS DIAGNOSTIC REVIEW



*Across GE, STP/RTP leadership, business change, 3rd parties, and technical delivery. **Includes artefacts provided by POL, additional interviewee material, and live content within programme tools, e.g., JIRA, Confluence and ServiceNow.

SOURCE LIST

DETAILED VIEW OF STAKEHOLDERS ENGAGED AND ARTEFACTS REVIEWED THROUGH THE DIAGNOSTIC REVIEW

We have engaged a broad group of stakeholders of all levels working across the SPM Programme

This includes:

- General Executive
- Programme Leadership
- Programme Management
- Technical Delivery
- Engineering
- Architecture
- Product Management
- Commercial
- Stakeholder Engagement
- Change Management
- Assurance
- Security
- Retail Operations

89 INTERVIEWEES*

- | | | | |
|------------------------|--------------------|------------------------|--------------------|
| • Abigail McGeever | • Emily Robinson | • Martin Roberts | • Ryan Jones |
| • Ajay Patel | • Emma Jones | • Matt Walton | • Richard James |
| • Amit Dandekar | • Fiona Burns | • Mayuresh Sane | • Rob Fry |
| • Andrew Kingham | • Gareth Clark | • Mel Park | • Sam Jeyakumar |
| • Andy McAllister | • George Cross | • Melissa Gribben | • Samantha Swann |
| • Anne-Marie Hearne | • Greg Lewis | • Michelle Stainsby | • Sarah Gray |
| • Barry Johns | • Hema Kanani | • Mike Braithwaite | • Shelley Genery |
| • Ben Marsh | • Ian Bilclough | • Natalie Cross | • Simon Pearson |
| • Ben Owens | • Jane Kidd | • Natasha Gowardun | • Sophie Drury |
| • Brian Jones | • Jeff Mak | • Nick Ravenscroft | • Steve Hepburn |
| • Chris Darriet-Jones | • Karen Cleary | • Nicola Marriott | • Steve McFarlane |
| • Christo Caratossidis | • Kate Kay | • Nik Gill | • Steve Young |
| • Claire Hurrell | • Kathryn Sherratt | • Nikki Savekar | • Stuart Banfield |
| • Clare Mapes | • Kathryn Wearne | • Nirmal Radhakrishnan | • Sue Saikia |
| • Colin Moore | • Kelly Goodwin | • Owen Woodley | • Thomas Maddern |
| • Dan Perrin | • Kelly Metcalfe | • Paul Minchell | • Tim McInnes |
| • Daniel Wood | • Lauren Brogden | • Pete Marsh | • Vinay Swali |
| • David Gemmell | • Lee Hosford | • Phil Newton | • Will Jenkins |
| • David Steed | • Liam Carroll | • Praveen Bhujade | • Yogesha Ramanna |
| • Davyd Nash | • Luke Bailey | • Reuan Williams | • Zdravko Mladenov |
| • Dipesh Chandegra | • Mark Elmslie | • Rob Guest | |
| • Ed Harris | • Mark Nash | • Rob Wilkins | |
| • Ed Spencer | • Marnus Marx | • Ryan Allan | |

c.500 ARTEFACTS

Alongside interviews, an extensive list of artefacts were provided by Post Office for review as part of the engagement. The review has additionally included live content captured within programme tools such as Confluence, Jira, and Service Now

*Interviewees based on a list provided by POL, following a role-based ask from the diagnostic team. Also includes additional interviewees identified during the diagnostic review. Every effort has been made to engage the appropriate subject-matter experts and gather insights from a representative group across all areas and levels but, due to timescales, it was not feasible to interview every stakeholder across STP/RTP within SPM.



DIAGNOSTIC METHODOLOGY

AN END-TO-END REVIEW ACROSS THE FIVE MAJOR CAPABILITIES REQUIRED FOR SUCCESSFUL DELIVERY

→ Using a Level 1-3 framework, **detailed observations** have been captured following **quantitative** (artefact and data analysis) and **qualitative review** (interviews, surveys)

→ Each Level 3 has received a diagnostic RAG from which an overall Level 2 **diagnostic RAG** has been derived

→ Where a **capability requires intervention**, recommendations, have been captured (see appendix) and form the **basis for the summary recommendations** outlined

STRATEGY	GOVERNANCE	PEOPLE	SOLUTION	IMPLEMENTATION
LEVEL 2 CAPABILITY <ul style="list-style-type: none"> 1.1 Strategic Intent 1.2 Business Case Economics 1.3 Stakeholder Alignment 1.4 Scope & Requirements 1.5 Sequencing & Prioritisation 1.6 Delivery Model 1.7 Target Operating Model 	LEVEL 2 CAPABILITY <ul style="list-style-type: none"> 2.1 Planning 2.2 Reporting, KPIs & Metrics 2.3 Prog Organisation, Authorities & Forums 2.4 Change Control 2.5 Commercial & Contract Management 2.6 Resource Management 2.7 Vendor Management 	LEVEL 2 CAPABILITY <ul style="list-style-type: none"> 3.1 Change Strategy 3.2 Change Execution 3.3 Stakeholder Engagement & Comms 3.4 Culture & Behaviours 3.5 Skills & Competencies 3.6 Learning & Training 	LEVEL 2 CAPABILITY <ul style="list-style-type: none"> 4.1 Operations Capability 4.2 Solution Architecture 4.3 DevSecOps & Environments 4.4 Non-Functional Requirements 4.5 Data 4.6 Code 4.7 Infrastructure 	LEVEL 2 CAPABILITY <ul style="list-style-type: none"> 5.1 Design 5.2 Build 5.3 Testing 5.4 Release Mgmt. & Deployment 5.5 Conversion 5.6 Post Go Live Support 5.7 Service Introduction

NOTE: See Appendix for further detail on the diagnostic methodology.



SUMMARY OBSERVATIONS RAG RATING

14 “LEVEL 2” CAPABILITIES ASSESSED AS RED - WHERE SIGNIFICANT INTERVENTION IS RECOMMENDED

LEVEL 2 CAPABILITY RAG RATING

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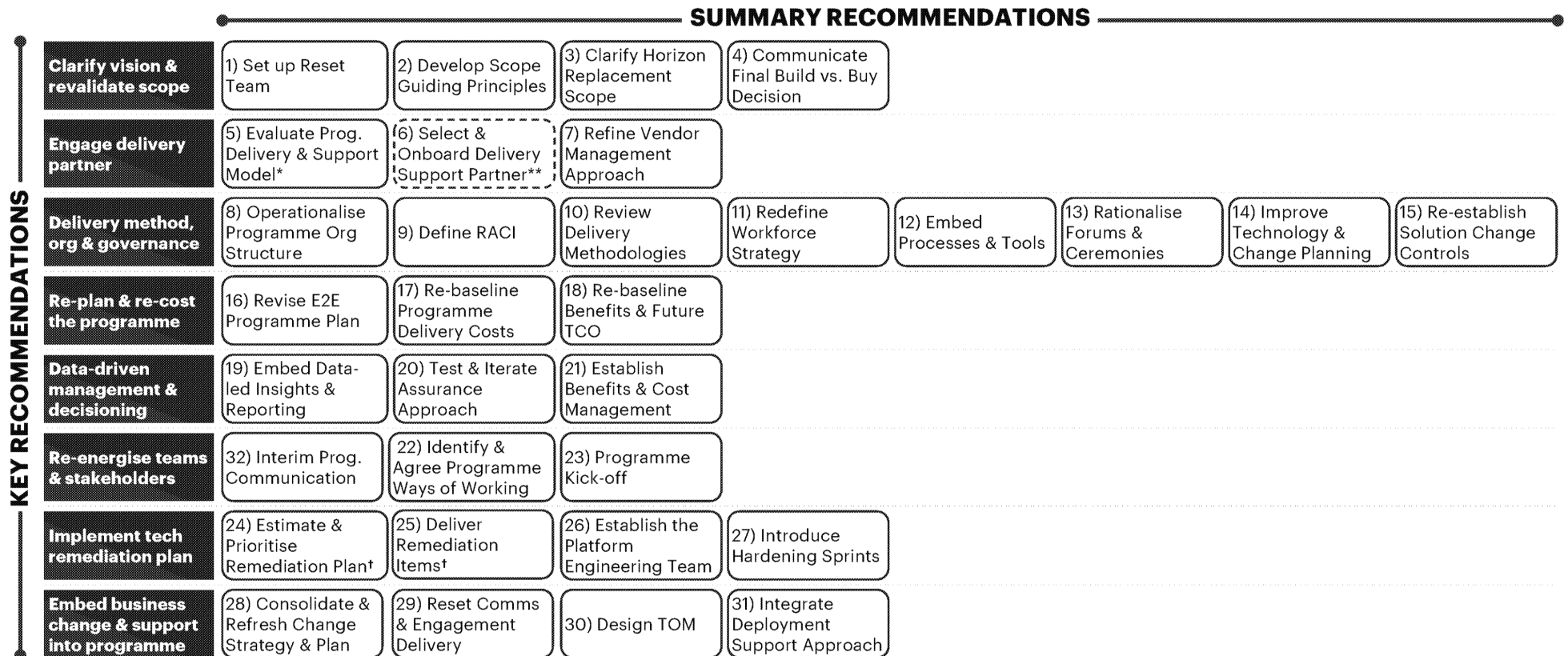
NOTE: See Appendix for observations per Level 1 capability and the diagnostic methodology.

B | Recommendations Summary Detail

RECOMMENDATIONS SUMMARY

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THE KEY RECOMMENDATIONS ARE AN AGGREGATION OF SPECIFIC ACTIVITIES



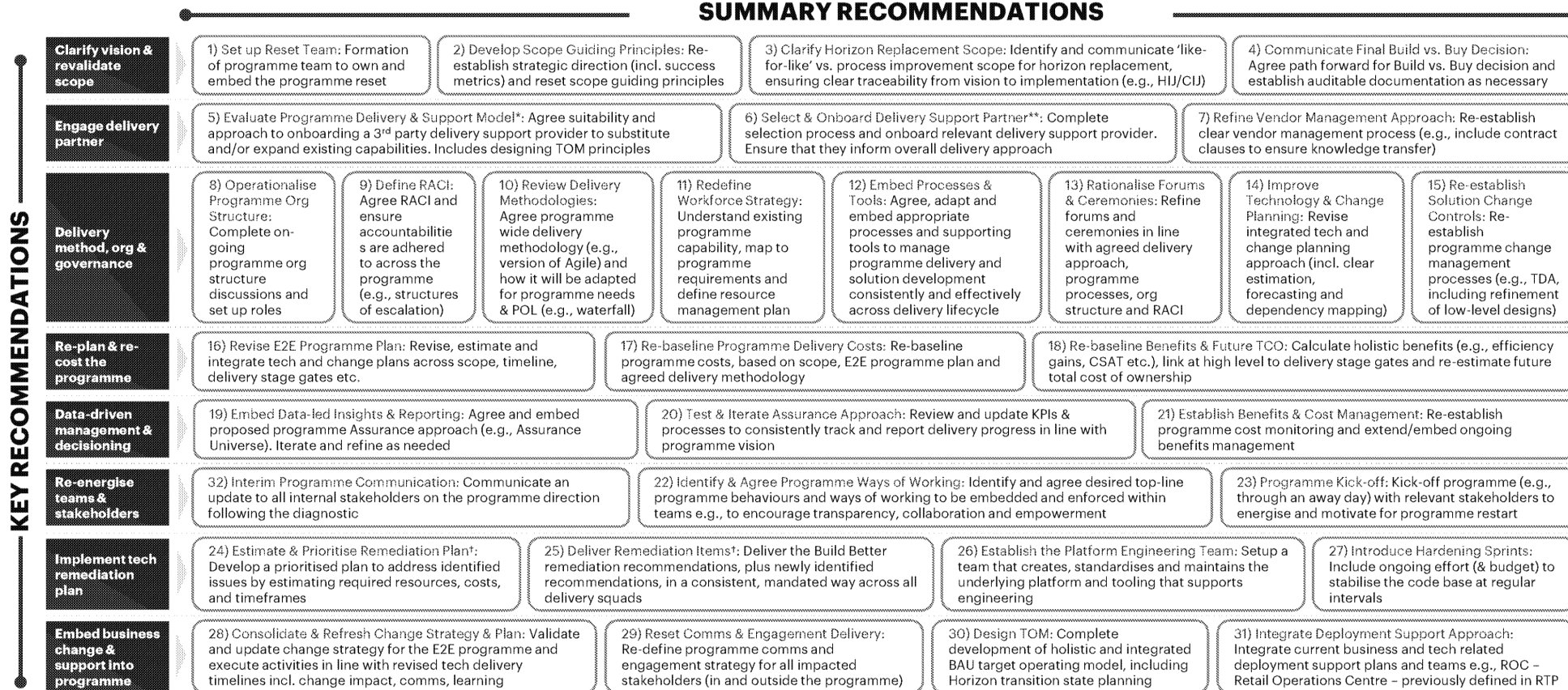
*Delivery Model decision impacts subsequent recommendations. **If applicable. †Some of these activities are currently progressing as part of 'Build Better' initiative.

RECOMMENDATIONS SUMMARY DETAIL

EXECUTIVE SUMMARY

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SUMMARY RECOMMENDATIONS



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