



SPM Diagnostic – Executive Summary





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**
- **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
- 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
- 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

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Appendix

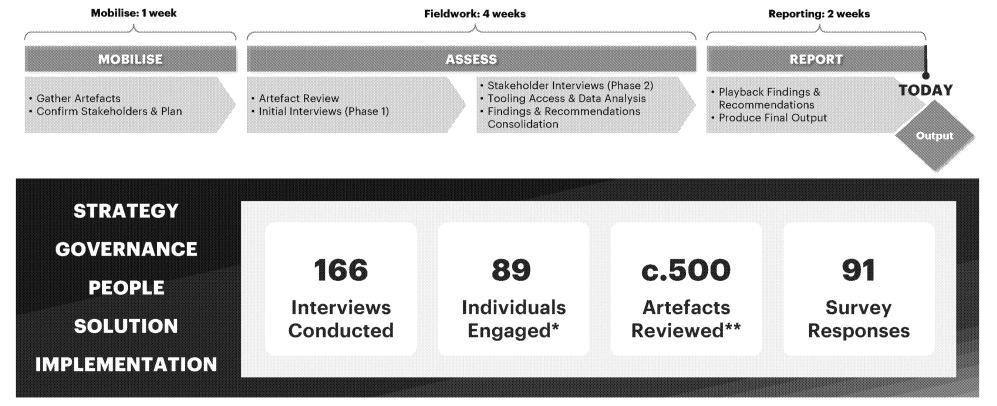
- A Approach & Methodology
- B Recommendations Summary Detail

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
- Ajay Patel
- Amit Dandekar
- Andrew Kingham
- Andy McAllister
- Anne-Marie Hearne
- Barry Johns Ben Marsh
- Ben Owens
- Brian Jones
- Chris Darriet-Jones
- Christo Caratossidis · Kate Kay
- Claire Hurrell
- Clare Mapes
- Colin Moore
- Dan Perrin
- Daniel Wood
- David Gemmell
- David Steed
- Davyd Nash
- Dipesh Chandegra Ed Harris
- Ed Spencer

- Emily Robinson
- Emma Jones
- Fiona Burns
 - Gareth Clark George Cross
 - Greg Lewis
 - Hema Kanani
 - Ian Bilclough
 - Jane Kidd
 - Jeff Mak
 - Karen Cleary

 - Kathryn Sherratt
 - Kathryn Wearne
 - Kelly Goodwin
 - Kelly Metcalfe
 - Lauren Brogden
 - Lee Hosford Liam Carroll
 - Luke Bailey
 - Mark Elmslie
 - Mark Nash
 - Marnus Marx

- Martin Roberts
- Matt Walton
- Mayuresh Sane
- Mel Park
- Melissa Gribben
- Michelle Stainsby
- Mike Braithwaite
- Natalie Cross
- Natasha Gowardun
- Nick Ravenscroft
- Nicola Marriott
- Nik Gill
- Nikki Savekar
- Nirmal Radhakrishnan Sue Saikia
- Owen Woodley
- Paul Minchell
- Pete Marsh
- Phil Newton
- Praveen Bhujade
- Reuan Williams Rob Guest
- Rob Wilkins
- Ryan Allan

- Ryan Jones
- Richard James
- Rob Frv
- Sam Jevakumar
- Samantha Swann
- · Sarah Gray
- Shelley Genery
- Simon Pearson Sophie Drury
- Steve Hepburn
- Steve McFarlane
- Steve Young
- Stuart Banfield
- Thomas Maddern
- Tim McInnes
- Vinay Swali
- Will Jenkins
- Yogesha Ramanna
- Zdravko Mladenov



Alonaside 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.

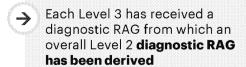




DIAGNOSTIC METHODOLOGY

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)





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

LEVEL 2 CAPABILITY 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

Œ(OVERNANCE
EVEL	. 2 CAPABILITY
	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

PEOPLE LEVEL 2 CAPABILITY	
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	

SOLUTION
LEVEL 2 CAPABILITY
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

IMPLEMENTATION
LEVEL 2 CAPABILITY
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

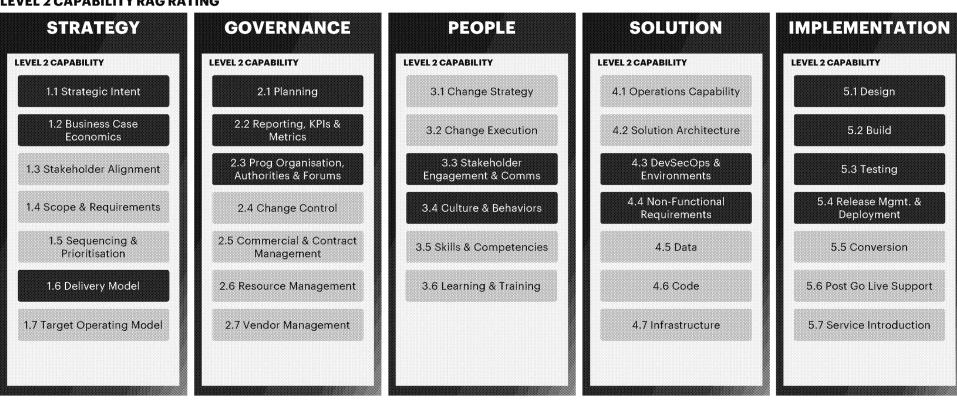
NOTE: See Appendix for further detail on the diagnostic methodology.



SUMMARY OBSERVATIONS RAG RATING

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

LEVEL 2 CAPABILITY RAG RATING

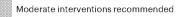


NOTE: See Appendix for observations per Level 1 capability and the diagnostic methodology









B | Recommendations Summary Detail

RECOMMENDATIONS SUMMARY

EXECUTIVE SUMMARY

THE KEY RECOMMENDATIONS ARE AN AGGREGATION OF SPECIFIC ACTIVITIES

	• SUMMARY RECOMMENDATIONS ————————————————————————————————————									
Clarify vision & revalidate scope	1) Set up Reset Team	2) Develop Scope Guiding Principles	3) Clarify Horizon Replacement Scope	4) Communicate Final Build vs. Buy Decision						
Engage delivery partner	5) Evaluate Prog. Delivery & Support Model*	6) Select & Onboard Delivery Support Partner**	7) Refine Vendor Management Approach							
Delivery method, org & governance	8) Operationalise Programme Org Structure	9) Define RACI	10) Review Delivery Methodologies	11) Redefine Workforce Strategy	12) Embed Processes & Tools	13) Rationalise Forums & Ceremonies	14) Improve Technology & Change Planning	15) Re-establish Solution Change Controls		
Re-plan & re-cost the programme	16) Revise E2E Programme Plan	17) Re-baseline Programme Delivery Costs	18) Re-baseline Benefits & Future TCO							
Data-driven management & decisioning	19) Embed Data- led Insights & Reporting	20) Test & Iterate Assurance Approach	21) Establish Benefits & Cost Management							
Re-energise teams & stakeholders	32) Interim Prog. Communication	22) Identify & Agree Programme Ways of Working	23) Programme Kick-off							
Implement tech remediation plan	24) Estimate & Prioritise Remediation Plan†	25) Deliver Remediation Items†	26) Establish the Platform Engineering Team	27) Introduce Hardening Sprints						
Embed business change & support into programme	28) Consolidate & Refresh Change Strategy & Plan	29) Reset Comms & Engagement Delivery	30) Design TOM	31) Integrate Deployment Support Approach						

*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

THE KEY RECOMMENDATIONS ARE AN AGGREGATION OF SPECIFIC ACTIVITIES

SUMMARY RECOMMENDATIONS

Clarify vision & revalidate scope

1) Set up Reset Team: Formation of programme team to own and embed the programme reset

2) Develop Scope Guiding Principles: Reestablish strategic direction (incl. success metrics) and reset scope guiding principles

3) Clarify Horizon Replacement Scope: Identify and communicate 'likefor-like' vs. process improvement scope for horizon replacement, ensuring clear traceability from vision to implementation (e.g., HIJ/CIJ) 4) Communicate Final Build vs. Buy Decision: Agree path forward for Build vs. Buy decision and establish auditable documentation as necessary

Engage delivery partner

5) Evaluate Programme Delivery & Support Model*: Agree suitability and approach to onboarding a 3rd party delivery support provider to substitute and/or expand existing capabilities. Includes designing TOM principles

6) Select & Onboard Delivery Support Partner**: Complete selection process and onboard relevant delivery support provider. Ensure that they inform overall delivery approach

7) Refine Vendor Management Approach: Re-establish clear vendor management process (e.g., include contract clauses to ensure knowledge transfer)

Delivery method, org & governance

8) Operationalise Programme Org Structure: Complete ongoing programme org structure discussions and set up roles

delivery stage gates etc.

following the diagnostic

9) Define RACI: 10) Review Delivery Agree RACI and Methodologies: ensure Agree programme accountabilitie wide delivery s are adhered methodology (e.g., version of Agile) and to across the how it will be adapted programme (e.g., structures for programme needs of escalation) & POL (e.g., waterfall) 11) Redefine Workforce Strategy: Understand existing programme capability, map to programme requirements and define resource management plan

12) Embed Processes & Tools: Agree, adapt and embed appropriate processes and supporting tools to manage programme delivery and solution development consistently and effectively across delivery lifecycle

13) Rationalise Forums & Ceremonies: Refine forums and ceremonies in line with agreed delivery approach, programme processes, ora structure and RACI

total cost of ownership

14) Improve Technology & Change Planning: Revise integrated tech and change planning approach (incl. clear estimation, forecasting and dependency mapping)

18) Re-baseline Benefits & Future TCO: Calculate holistic benefits (e.g., efficiency

gains, CSAT etc.), link at high level to delivery stage gates and re-estimate future

15) Re-establish Solution Change Controls: Reestablish programme change management processes (e.g., TDA, including refinement of low-level designs)

Re-plan & recost the programme

EY RECOMMENDATIONS

Data-driven management & decisioning

Re-energise teams& stakeholders

Implement tech

remediation

change &

programme

olan

24) Estimate & Prioritise Remediation Plan+:

Universe). Iterate and refine as needed

28) Consolidate & Refresh Change Strategy & Plan: Validate and update change strategy for the E2E programme and execute activities in line with revised tech delivery

17) Re-baseline Programme Delivery Costs: Re-baseline programme costs, based on scope, E2E programme plan and agreed delivery methodology

> 20) Test & Iterate Assurance Approach: Review and update KPIs & processes to consistently track and report delivery progress in line with

teams e.g., to encourage transparency, collaboration and empowerment

programme vision

22) Identify & Agree Programme Ways of Working: Identify and agree desired top-line programme behaviours and ways of working to be embedded and enforced within

21) Establish Benefits & Cost Management: Re-establish programme cost monitoring and extend/embed ongoing benefits management

> 23) Programme Kick-off: Kick-off programme (e.g., through an away day) with relevant stakeholders to energise and motivate for programme restart

Develop a prioritised plan to address identified issues by estimating required resources, costs, and timeframes

16) Revise E2E Programme Plan: Revise, estimate and

integrate tech and change plans across scope, timeline,

19) Embed Data-led Insights & Reporting: Agree and embed

proposed programme Assurance approach (e.g., Assurance

32) Interim Programme Communication: Communicate an

update to all internal stakeholders on the programme direction

25) Deliver Remediation Items†: Deliver the Build Better remediation recommendations, plus newly identified recommendations, in a consistent, mandated way across all 26) Establish the Platform Engineering Team: Setup a team that creates, standardises and maintains the underlying platform and tooling that supports engineering

27) Introduce Hardening Sprints: Include ongoing effort (& budget) to stabilise the code base at regular intervals

Embed business support into timelines incl. change impact, comms, learning

29) Reset Comms & Engagement Delivery: Re-define programme comms and engagement strategy for all impacted stakeholders (in and outside the programme)

30) Design TOM: Complete development of holistic and integrated BAU target operating model, including Horizon transition state planning

31) Integrate Deployment Support Approach: Integrate current business and tech related deployment support plans and teams e.g., ROC -Retail Operations Centre - previously defined in RTP

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



