
From: Moran, Regina[/O=FUJITSU EXCHANGE ORGANIZATION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=C576144C207A4679B706AC9E1FB]
Sent: Sun 19/06/2016 12:17:47 PM (UTC)
To: Bell, Gavin [GRO]
Subject: Fwd: Follow Up

Hi Gavin.

Let's discuss early next week. Please don't forward as I don't think the mail is meant to be shared.

Regina

Sent from my iPhone

Begin forwarded message:

From: Alisdair Cameron [GRO]
Date: 17 June 2016 10:41:06 GMT+1
To: "Regina.Moran" [GRO]
Cc: Rob Houghton [GRO]
Subject: Follow Up

Regina,

Thank you for your time on Wednesday, it was positive, probably overdue.

As you know the purpose was to set out our core concern: the Fujitsu relationship is not producing the quality and speed of outcome or the value to Post Office that it should be. It needs radical recasting.

I appreciated your recognition, the specific apology and the openness with which you signalled you would be prepared to tackle the issues. I really welcome that: we are committed to the relationship but it needs to work to be sustainable and that is in all of our interests.

I have six priorities. The first was not discussed in the meeting for obvious reasons. Numbers 2-6 were what we agreed to tackle together:

- (1) Leadership - One point we didn't raise is whether we have the senior leadership right. You are very busy in a big job and while I value our relationship enormously, you will never have the time to be the day to day relationship lead. Gavin is knowledgeable, experienced, thoughtful and decent but he isn't a communicator and I was very worried by the amount of things he said in that meeting that have simply not been escalated to us. My view is that now is the time for a fresh pair of eyes, someone to manage the strategic relationship and drive a different outcome more than you have the time to do or he is able to. It is very important that Rob is engaged in this as well, so we achieve good chemistry with a new CIO.

- (2) Team and culture. We agreed to have a re-launch for the combined teams, making it clear that this is a fresh start, acknowledging bad habits and setting out ways of working for the future. One aspect that stands out starkly is the need for a stronger culture of openly reporting concerns and issues. You are making changes to your team and it would be good to liaise with Rob to make sure that we have fed into that process.
- (3) Cost. The run rate is simply too high for the service we receive. We have all acknowledged that in the Trinity pricing. But we need your help now, affecting this year's outcomes, to cease unnecessary activity, remove inappropriate gold plating, focus on content over process and do what is necessary to reduce the bill without putting us at risk. It was concerning that Gavins immediate response was to ask for more. I want to re-assert that we need ideas on (1) reducing the current Fujitsu costs before (2) assessing what else we will do to reduce the overall POL cost base.
- (4) Change. The change process is badly broken and we need your involvement and support in the change process review that Rob is sponsoring. We need to get those fixes in place asap.
- (5) Governance. Similarly, Rob has outlined a new structure and approach for governance, escalation and the management of day to day disciplines, measurement etc He is implementing it immediately but any changes you have or thoughts would be welcome
- (6) Horizon Protection Plan. We agreed to stop expecting a root cause answer and carefully plan a test back to secondary, then back to primary, with a plan for a further relaxation in the change freeze after, or even potentially starting before that process is completed. We will need to share that with our Group Executive who will be understandably concerned, possibly with our Board.

We need to move quickly across these priorities and I suggest we meet again end July, before the holidays, at which time I would expect us to have made tangible progress across all six areas and be into implementation and not just getting ready. Is that OK? I'd appreciate a response ahead of that meeting.

Two tactical points were discussed that I also don't want to lose:

- Measuring and making progress in the reference data queue of 220 items (Rob)
- Agreeing a data plan so we can store the data we need around Horizon transactions by product, etc (Rob to pick up with Harry Clarke and Paul Hemsley to set the requirement).

Please let me know if this is not in line with your expectations.

Kind regards

AI

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