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IT Architecture – E2E Risk/Resilience Review Project Initiation Document

Project Aim:
To complete an end to end review of the IT Landscape from a risk/resilience perspective identifying gaps between both the current and future states and the business requirements of the service, producing a set of recommendations to address these.

Version	1.0	**Author**	Graham Bevan
Status	Draft	**Classification**	Internal
Date	25/04/2012	**Source of Funds**	Budgeted

Role	**Name Title**	**Date Agreed**
Project Sponsor	Lesley Sewell	
Sponsoring Director	Lesley Sewell	
Programme/Portfolio Manager	Chris Taylor	
Project Manager	Graham Bevan	
Project Assurance	Chris Furmanski	
Project Assurance	Dave Hulbert	
Benefit Owner	Neil Lecky-Thompson	

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1 Investment Committee Business Case

Source of Funds	Budgeted	**Sponsor / Project Manager**	Lesley Sewell Graham Bevan

Ultimate Authority	Chief Financial Officer

1. REQUEST

This paper seeks funding of £141k to engage an external consultancy, KPMG, to complete an architecture review of the key IT systems supporting the Post Office frontline, customers and clients to ensure the correct resilience model is in place to support the business now and in the future. This is particularly relevant in light of the service outages experienced across Horizon Online in recent months. This is a budgeted activity under IT Strategy.

Approval Request (£m)	Total	CapEx	OpEx	VR	Lease Obligation	Disposal Proceeds
BAU	**10k**	10k		-	-	-
New	**141k**	141	0	-	-	-
Total Request	**151k**	**141**	**0**	**0.0**	**0.0**	**0.0**

	NPV @ 12%	IRR	Payback	PV/I
Economics	£0.0m	0.0%	0.0 Yrs	0.0
	Green	**Red**	**Green**	**Green**

Recurring PBITDA	Steady State – Yr
£0.0m	20xx/xx

Resource Requirement	Heads	Duration *(Months)*	Cost
Skills Group (BAU budget)	1	2	£10k
External Consultant (KPMG)	3	1	97k
Supplier Resource Costs (Fujitsu Services)	5	1 (as required)	44K
Contractor (outside Skills Group)	-	-	-
Fixed Term (outside Skills Group)	-	-	-
Total Request			**151k**

2 BACKGROUND

As POL begins a journey of major transformation over the coming years it is vital that we understand the risk/resilience model for the IT Landscape and how it will evolve. This will ensure we are building on a resilient

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platform which will be capable of supporting future business requirements. Therefore IT & Change propose to undertake an external evaluation of the key IT systems and components.

The evaluation will take the form of an end to end review of the key systems (e.g. Horizon Online, Credence, Web Platforms..etc.) aligned with business priorities and measured on risk, resilience and business impact.

The review will consider the current architecture and its evolution over the next 12 months as a result of the delivery of major programmes and projects.

It will be POL led with the support of an external consultancy, KPMG. KPMG will map the risk/resilience profile of the key systems and will provide an impartial view of the architecture and external benchmarking to inform future decision making. Support from a consultancy is required to provide access to industry knowledge and benchmarking data and the expertise to undertake a review of this nature.

The review will deliver the following outputs:

- End to end architectural heat maps showing areas/components of concern for the current and future states

- A set of recommendations, informed by comparisons with comparable external systems, for the future enhancements/developments of the IT Landscape to inform the IT roadmap and future architectural decisions.

These outputs will also inform the requirements for the future supplier procurements through the IT Transformation programme, ensuring that we clearly define our platform requirements for the future.

The review will be time-boxed to four weeks, preceded by a period of pre-work to agree scope and to allow POL to gather the required inputs before formal engagement of consultancy support begins. Therefore the review will have a broad scope, however given the importance of Horizon Online this application will be analysed in more depth. This is reflected in the business case itself with £44k specifically requested for Fujitsu Services technical resources to provide subject matter expertise and input into the review.

Adoptions of any recommendations will be delivered either through future projects or through the procurement work streams of the IT Transformation programme, and are not in the scope of this project.

3. OPTIONS

Do nothing – due to the significant level of transformation being undertaken over the next 3 years the systems and interfaces of our key suppliers will change significantly. It is therefore important that we understand the risk/resilience profile of the platforms we are building on to ensure a robust IT service in the future. Rejected.

Focus solely on Horizon Online - due to service outages of Horizon Online over the last 9 months, and the importance of this one application the review could focus solely on this system. However, reviewing the resilience model of Horizon Online only may not expose areas of risk with associated systems and those of other suppliers/channels that could also have major impacts on customers and clients. Rejected.

End to End Architecture Review – This will provide a broad overview of all key systems and components (e.g. Horizon Online, Credence, Web Platforms..etc) which can be aligned to the key business processes, across suppliers and channels. By taking this approach a much more robust view of potential points of failure/risk will be exposed. Preferred option.

4 .CUSTOMER JOURNEY/MARKETING CONSIDERATION

N/A – this is a technical review of the systems architecture only and will not directly impact on any customer facing processes or transactions. Should the recommendations of this review be adopted, they will be subject to separate business cases and specific impact on customer journey and marketing considerations will assessed within these.

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5. BENEFITS

- The purpose of the reviews is to identify potential options for system improvements to either reduce the likelihood of or mitigate the impacts of service affecting incidents.

- A secondary benefit will be to rebuild confidence in the Horizon Online system, which has been adversely impacted by resent service outages.

- There are no direct financial benefits to this review as delivery of the recommendations is out of scope. Adopted recommendations will be delivered through future projects and be subject to their own cost/benefit analysis and associated business cases.

6. KEY RISKS AND DEPENDENCIES

- Controlling the scope and timescales of the project will be challenging due to the scale and complexity of the IT landscape – this will be mitigated through working with Fujitsu Services, and where appropriate other key partners, to clearly agree the scope before engaging a third party consultancy.

- Resource availability, i.e. the ability for our IT partners to free up resources from the day to day running of the service – this will be mitigated by advanced scheduling of timeslots for workshops and engagements prior to a 3rd party being engaged.

- Additional funding may be required to engage supplier resources. If required, this will be mitigated through the use of existing service management budgets where possible.

7. SUMMARY FINANCIALS

Incremental Profit & Loss (£m)	11/12	12/13	13/14	14/15	15/16	16/17+
Recurring Income [Describe]						
Recurring Cost Savings – Staff [Describe]	-	-	-	-	-	-
Recurring Cost Savings – Non Staff [Describe]	-	-	-	-	-	-
Recurring Costs - Staff [Describe]	-	-	-	-	-	-
Recurring Costs – Non Staff [Describe]						

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One-off costs (Opex) - Operating	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Gains/(losses) on disposal	-	-	-	-	-	-
One-off costs (Opex) - Exceptional	-	-	-	-	-	-
Total Incremental PBIT	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Variance from Plan	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Incremental Cashflow (£m)	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**	**16/17+**
One-off Costs (Opex): VR	-	-	-	-	-	-
Other Non-VR	-	-	-	-	-	-
Capital Expenditure (Capex)	-	-	-	-	-	-
Cash Proceeds from Assets Disposed	-	-	-	-	-	-
Total Incremental Cashflow	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Variance from Plan	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

8. KEY PERFORMANCE INDICATORS

KPI	Current	End-State	Achieving the End-state
End to End Architecture Review - A set of service/system improvement recommendations are in place	No risk/resilience baseline exists	Rsik/Resilience profiles for the IT Landscape, key systems, will be in place for the current and future (12 months) states. A set of recommendations, defined by risk, impact and scale (size and complexity to deliver) signed of by the Project Board.	This will be achieved through a series of workshops with key suppliers to identify areas of the systems that pose a risk to service.

9. SENSITIVITIES/TOLERENCES

	Sensitivity rate	Sensitivity	NPV (£m)	IRR (%)	Payback (yrs)
Project Costs	20% Growth	Worst Case			

INVESTMENT APPRAISAL (IA) COMMENTARY

[ ]

Key Considerations

[ ]

Conclusion and Recommendation

[ ]

[Name]
[Head of Investment Appraisal]
[Month/Year]

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ANNEX 1. ALTERNATIVE OPTIONS CONSIDERED

Option 1	
Complete the end to end risk resilience review using internal and supplier resources only.	This option would reduce costs. However has been rejected as the bandwidth and expertise to complete the review is not available within POL. The review also requires complete impartiality to ensure a balanced view of the systems and architecture is achieved. In addition external knowledge of comparable systems is required for benchmarking.
Option 2 – Preferred Option	
Engage an external consultancy to complete the end to end risk/resilience review	This option provides the skills to complete the review to the required quality and provides access to industry knowledge and experience for benchmarking and recommendations for improvements. It also ensures the impartiality of the review.

ANNEX 2. KEY RISKS AND MITIGATIONS

Risk Factor	Impact	Mitigation	Mitigated Impact	Financial Impact
Supplier resource availability	M	Advanced scheduling of timeslots for workshops and engagements prior to a 3rd party being engaged.	May prolong project timescales	Increased 3rd party spend
Scope definition and creep	H	Working with Fujitsu Services, and were appropriate other key partners, to clearly agree the scope before engaging a third party consultancy.	May prolong project timescales	Increased 3rd party spend
Additional supplier funding may be required for resources to support the review.	M	Existing budgets will be utilised.	Increased costs, which may in turn prolong the project timescales due to additional governance requirements	Increased supplier spends.

ANNEX 3. PROJECT MILESTONES

Milestone	Date
Engage KPMG	30/04/2012
Detail Scope and Plan signed off	07/05/2012
Interim Report	11/05/2012
Final Report and Recommendations	25/05/2012
Review Complete	25/05/2012

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ANNEX 4. BENEFITS MANAGEMENT PLAN

There are no direct financial benefits to this review as adoption of the recommendations is out of scope, these will be delivered through future projects and be subject to their own cost/benefit analysis and associated business cases.

ANNEX 5. CONCURRENCES

Directorate/Area of Responsibility	Name, Title	Version Reviewed	Date Agreed
Project Sponsor	Chris Furmanski		
Sponsoring Director	Lesley Sewell, COO		
Programme/Portfolio Manager	Chris Taylor		
Benefit Owner	Neil Lecky-Thompson		
Role – Concurrence			
Project Manager	Graham Bevan		
Test Manager	N/A		
Finance	N/A		
P&BA	N/A		
Operations	N/A		
Marketing	N/A		
Network	Kevin Gilliland		
Compliance	N/A		
Agents Policy & Contracts	N/A		
Procurement	N/A		
Legal	N/A		
HR	N/A		
Strategy	N/A		
Group Finance (Capex>£500k)	N/A		

ANNEX 6. FINANCIAL DETAIL

Summary of one-off costs – CapEx

Costs (£k)	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	2011/12 total	2012/13 total
Consultancy	44	53												97
Fujitsu	20	24												44
Skills Group (BAU)	2.3	6.4	1.3											10
Total	**66.3**	**83.4**	**1.3**											**151**

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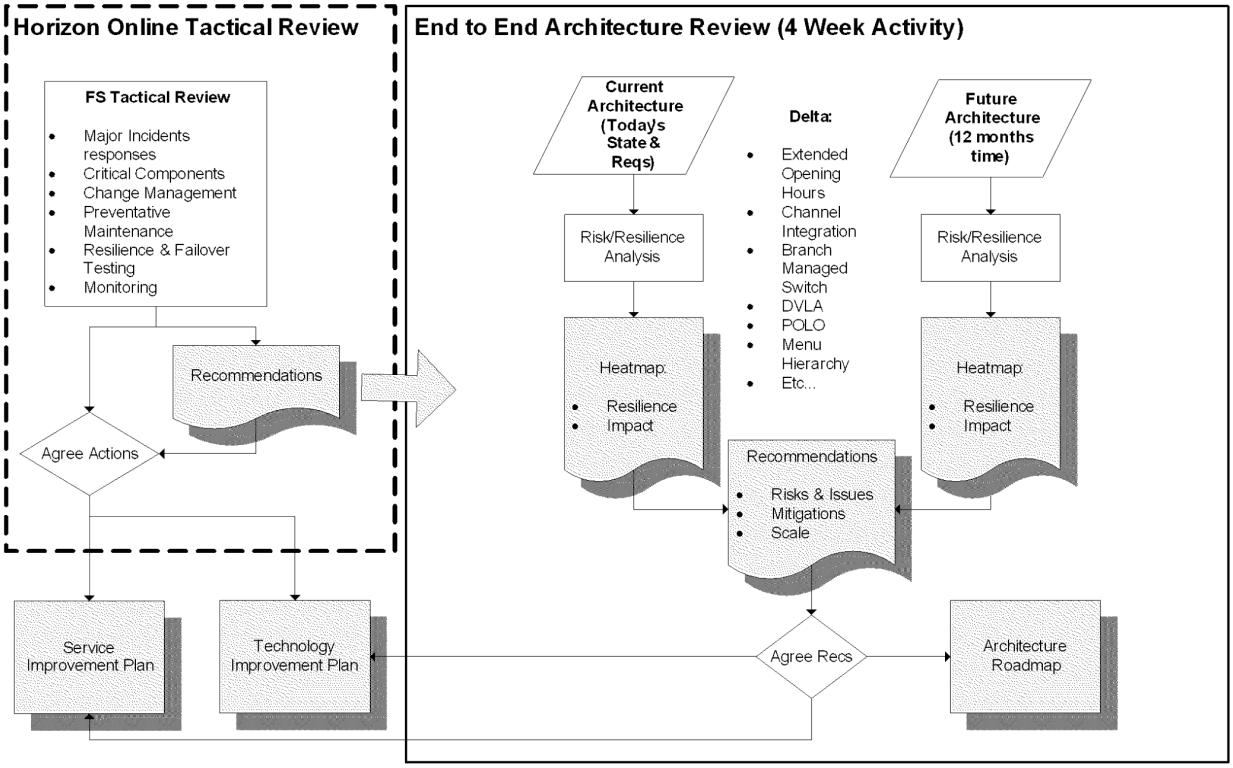
3 Change Description

3.1 Scope and Exclusions

Sections 1 & 2 of this PID cover the request for funding for the E2E Architecture review to be undertaken by KPMG. Section 3 and beyond cover the full scope of work of the project, which includes the tactical review of Horizon Online being undertaken by Fujitsu Services. This review is in response to the number of service outages that have been experienced in the last 9 month period, it is being completed by Fujitsu at there expense and therefore was not included in the business case section of this document.

3.1.1 In Scope



3.1.1.1 Fujitsu Tactical Review

A/C/D/E/AA – Service Resilience and Recovery Catalogue (SRRC) Reviews
A review of the existing SRRC documents in light of the recent major incidents to identify any areas of weakness or opportunities for improvement. This will cover the following areas:

- Branch & Central Networks
- Platforms Virtualised and Platforms Discreet Storage

In addition a review of the Reference Data and LST environments will be undertaken, again highlighting areas of weakness or opportunities for improvement.
The feasibility of using the SRRC document structure for applications will also be looked at, to establish if this provides any benefit by formally documenting application resilience in this format.
A separate review will look at how the SRRC documents are used on an ongoing basis to identify how these can be more effectively leveraged to support BAU incidents/developments. This will be delivered through the Joint Service Review Forum.

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Deliverable	POL Review	Recipient
Updated SRRC document for the Branch & Central Networks	Ian Trundell Antonio Jamasb	Joint Service Review Forum
Updated SRRC document for the Platforms Virtualised and Platforms Discreet Storage	Ian Trundell Antonio Jamasb	Joint Service Review Forum
Actions resulting from the SRRC reviews	Ian Trundell Antonio Jamasb	Joint Service Review Forum
Review of the Resilience of the Ref Data Environment	Andy Corbett	Joint Service Review Forum
Review of the Resilience of the LST Environment	James Brett	Joint Service Review Forum
Report on the viability of using the SRRC document structure for applications	Ian Trundell Peter Stanley Gary Balckburn	Joint Service Review Forum
Report on how the SRRC documents can be better leveraged in the future	Adam Parker Tony Jammasb	Business Continuity Service Review
Strategic recommendations resulting from the SRRC reviews		Project Board
Summary reports on SRRC Reviews		Project Board

F - Audit of the Network Design

An audit of the current Network Design by a Fujitsu independent subject matter expert (Vince Cochrane) and Cisco Systems will be undertaken to establish the root cause of the recent outage caused by the ACE Blade failure. This will include establishing opportunities for improved monitoring of the service.

Deliverable	POL Review	Recipient
Actions for improvements to the Network Design	Ian Trundell Antonio Jamasb	Joint Service Review Forum
Summary report for the Network Audit Design		Project Board

G - Audit of the Storage Area Network Design (SAN)

Two independent audits of the current SAN design will be undertaken. An audit will be completed by a Fujitsu SME, and a second external audit will be completed by EMC. The audits will look at the physical configuration, active standby, potential issues not covered by business continuity testing etc. The audits will run in parallel but independent of each other to ensure impartiality. The results will then be considered together and a combined set of recommendations produced.

Deliverable	POL Review	Recipient
Actions for improvements to the SAN Design	Ian Trundell Peter Stanley	Joint Service Review Forum
Summary report for the SAN Design		Project Board

H - Audit of the Bladeframe Configuration

An audit of the Bladeframe configuration will be completed by an independent Fujitsu SME external to the Post Office account to identify any areas of weakness or opportunities for improvement

Deliverable	POL Review	Recipient
Actions for improvements to the Bladeframe Configuration	Ian Trundell Peter Stanley	Joint Service Review Forum
Summary report for the Bladeframe		Project Board

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Configuration		

K - Review of Change Processes and Procedures

A review of the change processes and procedures for OBC Reference Data, Operational Change and release Notes will be undertaken to identify any areas of weakness or opportunities for improvement

Deliverable	POL Review	Recipient
Actions for improvements to the Change Processes and Procedures	Andy Corbett Andy Jacques Antonio Jamasb	Joint Service Review Forum
Summary report for the Change Processes and Procedures		Project Board

L - Review of Use of the Model Office in Future Testing Activities

A review of the use of the Model Office in future testing activities will be undertaken to identify any areas of weakness or opportunities for improvement

Deliverable	POL Review	Recipient
Actions for improvements to the use of the Model Office in future testing activities	Andy Jacques Tony Atkinson Phil Jeary	Joint Service Review Forum
Summary report for the use of the Model Office in future testing activities		Project Board

M - Review the Action Plan resulting from the Recent Audit of Release Processes

An audit of the Fujitsu release management processes has recently by completed by a Fujitsu SME. The findings from this audit will be available shortly and will be reviewed in light of the recent major incidents to identify any areas of weakness or opportunities for improvement. The resulting improvement plan will be shared with POL.

Deliverable	POL Review	Recipient
Release processes improvement plan	Graham Bevan	Joint Service Review Forum
Summary report on the process improvement plan for Horizon releases		Project Board

N - Review of the Change Request Documentation

A joint POL/Fujitsu review of the change request documentation supplied to Fujitsu will be undertaken to provide provision in the document for POL to specify information to enable Fujitsu to understand the desired business solution and the criticality of the service and impacts of any incidents of unavailability. This will allow assessment of the required resilience levels to be included in the service designs.

Deliverable	POL Review	Recipient
Revised Change Request form	Ian Trundell	Joint Service Review Forum

P - Review Opportunities to Reduce the Time Required to Regress Reference Data

Reducing timescales for regressing reference data will improve the response times to deliver reference data related fixes to the network in the event of an incident. A review of the architecture will be undertaken to establish if an 'on demand' TWS schedule that produces a new reference data feed after a correction has been made in RDMC can be introduced.

Deliverable	POL Review	Recipient
Actions for improvements to reference data regression timescales	Ian Trundell	Joint Service Review Forum

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Summary report for improvements to reference data regression timescales		Project Board

R - Provide Fujitsu with Visibility of the POL 18 Month Forward Schedule of Change

Ensure that the Joint Service Review Forum has visibility of the POL 18 month forward schedule of change and that this is refreshed on a regular basis.

Deliverable	POL Review	Recipient
POL 18 Month Forward Schedule of Change	Andy Jacques	Joint Service Review Forum

T – Review of the End of Service Life (ESOL) Roadmaps

A review of the existing ESOL documents in light of the recent major incidents to identify any potential issues or opportunities as kit nears the end of its service life.

Deliverable	POL Review	Recipient
Actions to manage issues identified by the ESOL review	Peter Stanley Andy Jacques	Joint Service Review Forum
Recommendations for improvements/mitigations for issues identified as a result of the ESOL review	Peter Stanley Andy Jacques	Project Board

U - Revisit the 2012 Business Continuity Test Plan

The existing business continuity test plan for 2012/13 will be revisited in light of the recent major incidents to indentify any areas of weakness or opportunities for improvement.

Deliverable	POL Review	Recipient
Revised Business continuity test plan for 2012/13	Tony Jamasb Peter Stanley	Joint Service Review Forum

V – Raise POL awareness of the Level of Resilience and Disaster Recovery that is built into the Horizon Online System

This action will be delivered in two streams. Firstly through Fujitsu engagement with key business users through the Joint Review Forum, and secondly through the delivery of the End to End Strategic review, which will engage senior business stakeholders.

Deliverable	POL Review	Recipient
A series of presentations to stakeholders	Joint Service Review Forum Project Board	TBC

W - Understand the number of incidents that have resulted in system failovers in the last 6 months that have not impacted service

Fujitsu will report the number and nature of successful failover incidents in the last 6 months to provide visibility of successful failover incidents to demonstrate where the system is operating to design.

Deliverable	POL Review	Recipient
Report of successful failover incidents	Dave Hulbert	Project Board

X – Review the Monitoring Design

A review of the current monitoring design will be undertaken to identify any opportunities for improvements to the existing toolset.

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Deliverable	POL Review	Recipient
Actions to manage issues identified by the monitoring design review	Peter Stanley Ian Trundell Dave Hulbert Gary Balckburn	Joint Service Review Forum
Recommendations for improvements/mitigations for issues identified as a result of the monitoring design review	Peter Stanley Ian Trundell Dave Hulbert Gary Balckburn	Project Board

Z – POL Access to Fujitsu Transaction Stats

Establish if it feasible for the POL Service Management Team to directly access the Fujitsu system that reports on transaction statistics, and if this would provide a useful tool for the POL Service Management Team.

Deliverable	POL Review	Recipient
A decision on the viability of POL access to access transaction stats reporting.		Joint Service Review Forum

3.1.1.2 End to End Architecture Review

A four week review will be undertaken by an external consultancy of the key components of the IT architecture affecting frontline users, customers and clients. It will deliver architectural heat maps, indicating areas/components of concern leading to a set of recommendations, informed by comparisons with comparable external systems, for consideration by POL.

The review will be aligned to the key business drivers as outlined in the IT strategy, the scope of which will be derived from the business processes and transactions supporting the strategy. The review will be limited to the current architecture and how that will evolve over the next 12 months, taking into account the roadmaps for known business requirements for major change initiatives, e.g. extended Opening Hours and Channel Integrations.

Attached is an initial scoping document for reference:#

POL Resilience v5.doc

3.1.2 Out of Scope

3.1.2.1 Fujitsu Tactical Review

- The delivery of any actions through the Joint Service Review Forum – any actions that are agreed through this forum are classed as BAU and will be delivered as such.
- The delivery of any agreed recommendations put to POL as a result of the various Fujitsu reviews – any recommendations that POL decide to take forward will be delivered through the creation of new projects.

3.1.2.2 End to End Architecture Review

- It is not proposed that a review of Service Levels is in scope for this work. Though the end to end review recommendations may affect supplier SLAs, should they be adopted, it is not proposed that this project undertakes a mapping of current SLAs against business expectations of the service. Defining the future business requirements for service levels is being completed by the IT&C Transformation programme. It is proposed that the outputs of

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the end to end reviews are provided to the IT&C Transformation programme to facilitate the discussions with the business areas in defining the future requirements.

- The delivery of any agreed recommendations put to POL as a result of this review – any recommendations that POL decide to take forward will be delivered through the creation of new projects.

3.2 Constraints

- Availability of supplier resources to support the review activities(Note that if Horizon development is required there will be constraints re the Release schedule/roadmap)

3.3 Acceptance Criteria

- The proposed actions and recommendations from the reviews will be subject to acceptance by the POL subject matter experts review and sign-off by the relevant governance body, e.g. Project Board, Joint Service Review Forum etc.

3.4 Impact Analysis

- N/A – the reviews will produce actions for delivery through BAU channels or recommendations for acceptance only. Should the recommendations be accepted then separate projects will be commissioned to deliver them which will subject to their own impact analysis.

3.5 Resource Profile

Skills Group Resource

Job Title	Blended Day Rate	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Full Year
Business Analyst	410													0.00
Business Change	290													0.00
Programme Manager	520													0.00
Project Manager	430	6	15	3										10,320.00
PMO	310													0.00
Project Architect	0													0.00
Tester	310													0.00
Total		6.00	15.00	3.00	-	-	-	-	-	-	-	-	-	10,320

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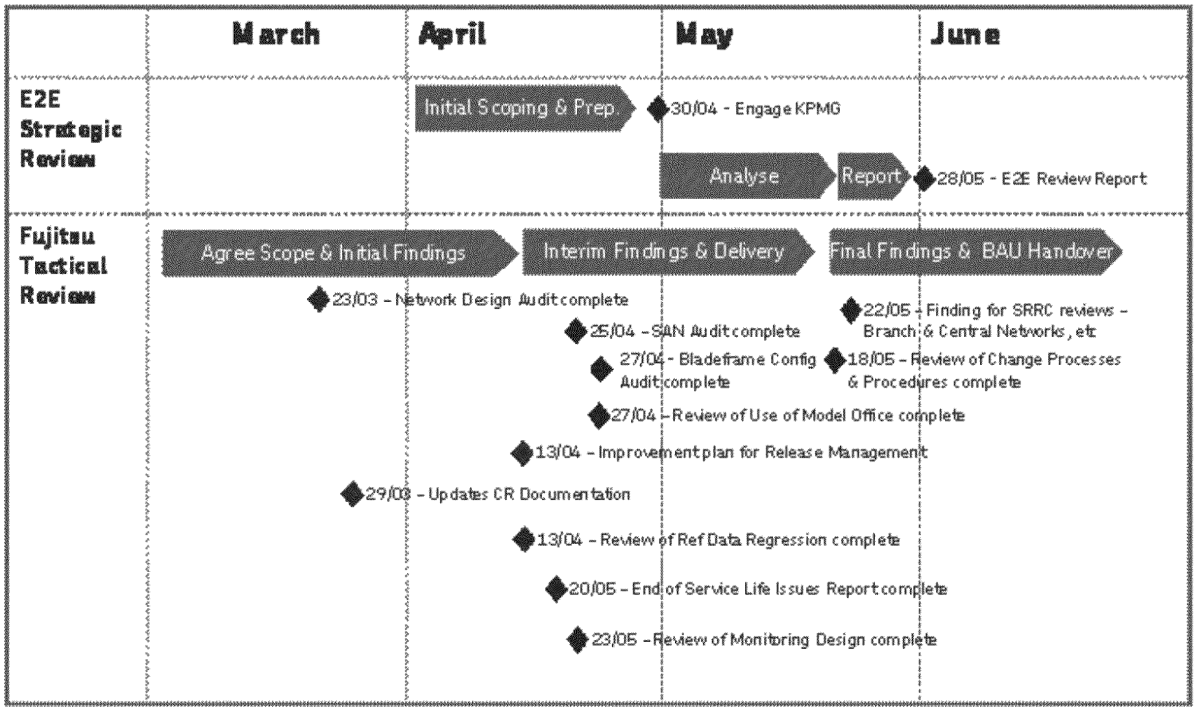
4 High Level Plan



4.1 Planning Assumptions

- Supplier resources can be made available to support the reviews
- A project manager will be available 3 days per week to manage the activities
- Budget will be made available to engage an external consultant

4.2 Test Requirements

N/A

4.3 Implementation Requirements

N/A

4.4 Lessons Learned

N/A

5 Project Management Strategy

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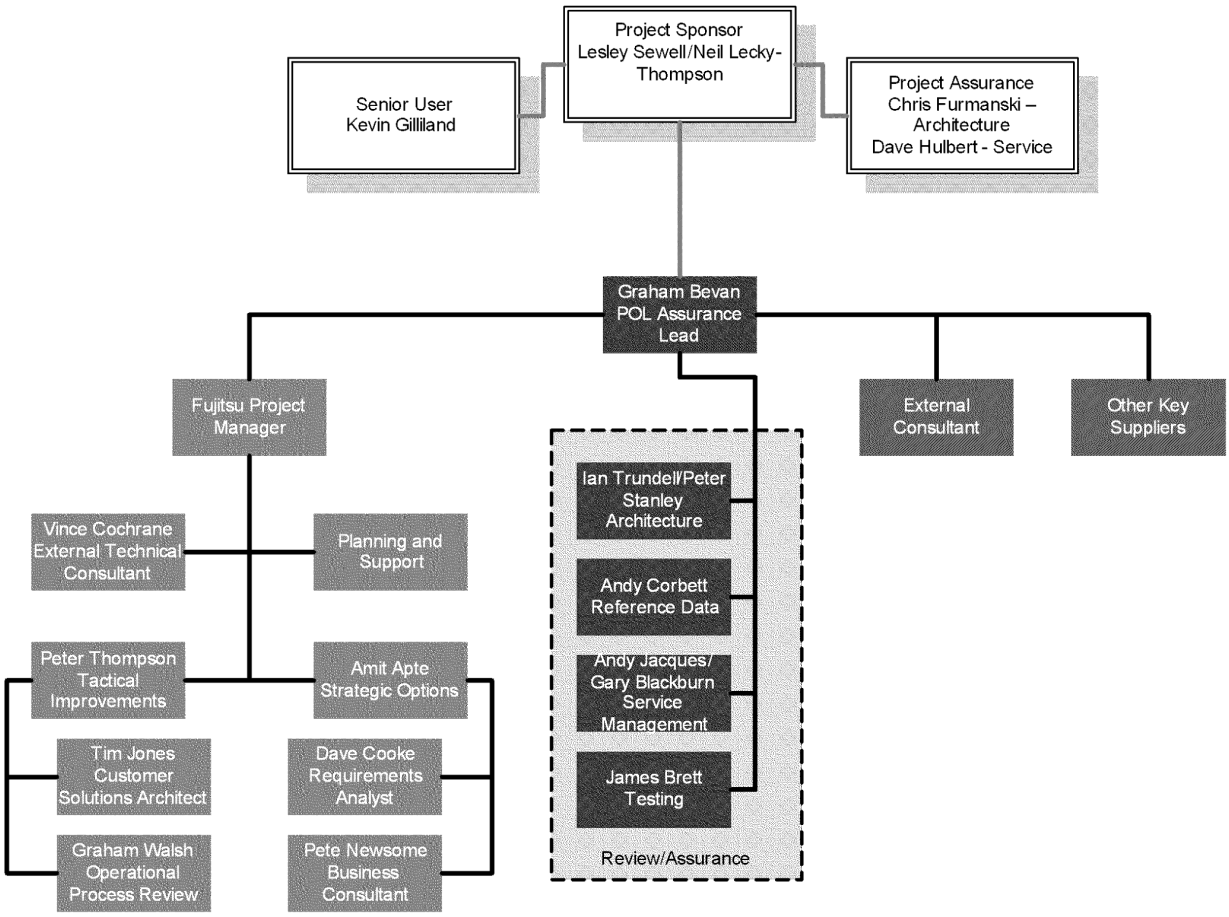
5.1 Project Organisation

5.1.1 Project Management Team Structure



5.2 Quality Management Strategy

- Quality reviews of the outputs will be undertaken by POL SMEs and recommendations reviewed by the Project Board.

5.3 Configuration Management Strategy

- The project will follow the POL standards for configuration management.

5.4 Risk Management Strategy

- Due to the short nature of this project there will not be a requirement for a separate quality management strategy. Communication Strategy

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5.5 Project Controls

- The project will follow the POL standards for project controls.

6 Document Control

6.1 Version History

Version	Date	Change Details	Author
0.2	12/04/2012	First Draft	Graham Bevan
0.3	16/04/2012	Updated financials	Graham Bevan
0.4	16/04/2012	Updated Financials (inc FS Costs) and E2E Scope doc attachment	Graham Bevan
0.5	16/04/2012	Minor change to the Request Section following feedback from Neil Lecky-Thompson	Graham Bevan
0.6	17/04/2012	Removed reference to the FS Tactical review from business case (sections 1&2) to simplify the request – feedback from Neil Lecky-Thompson	Graham Bevan
0.7	17/04/2012	Updated following comments from Varun	Graham Bevan
1.0	25/04/2012	Updated to reflect revised project milestone plan and milestone date	Graham Bevan

6.2 Change Control

Changes to this Project Initiation Document shall be requested in writing to the Project Sponsor. Any significant change will require this document to be modified by the Project Sponsor, re-reviewed/approved, and if the change causes the project to exceed the approved tolerances, re-approved by the Post Office Executive Team.

6.3 Referenced Documents

Nr.	Title	Version	Date	Document Ref.	Location
1.	*V0*				
2.	Your text here				

7 Appendix D Terms & Abbreviations

Term	Meaning
	Your text here