

30/1 To deliver for
phone call to Dina-Hin/
Alan Shepherd. 14 near
cc Basil - the
page
Dolores

Memorandum * spt to Basil/Wendy for
Paul

To: Paul Rich
cc: Bob Peaple, Wendy Powney, John Meagher, Jeremy Koulkes
From: Basil Shall
Date: 10/01/1996
Subject: **Flash Report - Urgent!! - Supplier Requirements**

Urgent
Copy to
John Law / Tim Brum/
Ken Camp / Byrn
for comment
requirements
please.
PWR

Paul,

Summary of Issues

As you know, Wendy and I are working with John and Jeremy on the Strategic Concurrence Process. We had our first Supplier visit yesterday (with Cardlink) and it became quite clear that our requirements process is lacking in 3 major areas.

- ♦ Reconciliation / Role of TIP
- ♦ Office Balance / Cash accounting process
- ♦ Interfaces with the TMS

The suppliers (Cardlink in particular) have capability in these areas, which has not been properly harnessed. John and Jeremy have done an excellent job (with no formal requirements) in keeping the supplier options open, but they are reaching a critical point of 'freezing' designs, and going firm on a single option. If we don't give them the direction (which they are desperately seeking) they are very likely to choose an option which is not in our best interests.

Could you raise these at your Cluster Group Meeting ??

Issues in more detail:

Reconcilitaion / Role of TIP

Issue	Affected area	Implication
An early commercial 'must-have' supported by Charterhouse, was to ensure that the service provider did not control the 'end to end' client product.	Commercial	<ul style="list-style-type: none"> ♦ POCL will have to rely on the BA or the service provider for accurate information for settlement. ♦ There is no generic reconciliation capability provided by the supplier. Each new on-line authorisation product will require a 'bespoke'
This was to ensure that the service provider could not cut POCL out of the transaction		

For WENDY
MRT with WENDY/
BOB KILN

Issue	Affected area	Implication
chain. Apparently we have agreed (through the TIP project ??) that reconciliation between the TMS and PAS will be done by the service provider, who will then inform POCL of the result of the reconciliation.		reconciliation process which will cost us an appropriate sum of money ♦ The benefit of continuing with the current TIP1 project becomes questionable, as a major element of their scope is now taken by the service provider. ♦ Service providers could cut POCL out of the transaction process in due course. (e.g by offering it through Petrol Stations at end of contract)

Office balance / Cash Accounting Process

Issue	Affected area	Implication
We appear to have specified that the existing cash accounting process (including stock units) will continue to be the way we control our outlets. Service providers are incurring the cost of changing standard retail software to meet our cash accounting processes which may not be required in the future.	Financial Control Relationship with Agents	♦ Dave Smith is currently reviewing the way in which we account for Outlets. The result is this work is urgently needed prior to the ITT going out. Otherwise we may be trapped into continuing with the existing cash account process, and losing the benefits of a more flexible approach. ♦ The new Accounting and Distribution Systems require a different set of information, and different controls to those imposed by the cash account. These may not be supported.

Interfaces with the TMS

Issue	Affected area	Implications
The interfaces with the TMS	Commercial	♦ Additional interfaces

Issue	Affected area	Implications
have not been fully specified.	TIP	will be required unless our requirements are cleared before the ITT is issued. These will become expensive.
This is primarily as a result of the 2 issues highlighted above, and possibly the way in which the requirements have been filtered into the suppliers (i.e. not as a complete set)	Distribution IS Strategic Concurrence	<ul style="list-style-type: none">♦ The Business Case Benefits of TIP and Distribution (and therefore their design) are dependent upon the right interfaces being place from TMS. These are being jeopardised.♦ The IS Strategy will be compromised if the appropriate information / interfaces are not available.