

IN CONFIDENCECA/55/10
25/7/97

To: Stuart Sweetman
Dick Wheelhouse
David Morphy
Roger Tabor
Jonathan Evans
Rob Durrant
Scott Duncan

Copy: David Smith }
Dave Waltho } circulate
Wendy Powney } copy
Tim Brown }
Mena Rego (personal basis)
Bruce McNiven (personal basis)

From: Paul Rich

Date: 24 July 1997

SUBJECT: HORIZON: LESSONS LEARNT REVIEW FOR JOHN ROBERTS
AND SUBSEQUENT ACTIONS

1. I attach a report we put together at John Robert's request for a recent Counter's Automation Steering Group.
2. In reviewing it, John made it very clear that he expected us to use the additional time we have to ensure that the actions that flow from the lessons are tackled prior to the roll-out.
3. I have a feeling that an update on these may emerge later! We explained how accountability for taking these forward is now being spread across the team. We will be co-ordinating the progress in, say, 6 months.
4. Bearing this mind, I've annotated my best stab at those accountabilities, at CEC level, for taking the issues forward (and assuming the new implementation team is transferred back).
5. This is not to abdicate, or dilute, my own overall Horizon sponsorship accountability for making it happen, and maintaining ICL and BA relationships during it. But I do want us to try to be clear, as a lead team, where the impetus for each component of the way forward lies.
6. Could you please let me know if you disagree with my allocation - possibly at one of the next Stuart Team Meetings?

Thanks

GRO

PAUL RICH
Development Director
3rd Floor
King Edward Building
Tel:
Fax:

GRO

GRO

IN CONFIDENCE

To: John Roberts

Copy: Stuart Sweetman
Mena Rego
Scott Childes

From: Paul Rich

Date: 15 July 1997

SUBJECT: HORIZON - FOLLOW UP FROM PO BOARD PRESENTATION

1. You asked Stuart (16 June) for a report so that you could get underneath the 'lessons learned' and 'key issues' we presented to the PO Board in June, and how we are planning to take them forward up to, and during, Horizon's roll out.
2. We have put together a report (attached) which builds around each of the relevant bullet points Stuart presented then, and covers:
 - the "positives" so far
 - the "improvement areas" identified so far, and steps takenand • the outstanding strategic issues.
3. The report is deliberately fairly detailed, and is written in bullet point BER-type format, to allow easier reading, hopefully!
4. We will agenda time at the next CASG on 23 July to discuss this as requested. I suggest we focus then on any points of clarification from the lessons learnt, and discuss the key issues outstanding. We can also then agree if further communication, outside POCL, is worthwhile.
5. Could Scott please include this report then as part of his issuing CASG papers to Post Office Members?

Thank you

PAUL RICH
Development Director
3rd Floor
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HORIZON - PO BOARD FOLLOW UP

Key Lessons - Positive

- Original 10 post offices in Stroud area work well
- Three new ICL releases tested and accepted
- Bar-coding of order books now available in over 150 post offices, and running at c50k transactions/week, with c800 staff trained
- ICL Partnership document signed in March 1997
- Client take-on plan has progressed

Key Actions Taken/In Hand/Planned

- Service management structures in ICL work well and will need to be scaled up for roll out (Paul PDA + Henry)
- The concept of "release/stage management" in the PDA works well, and will need to be migrated into POCL (Paul (Henry))
- The staff training package worked well overall, and will be carried forward Jonathan
- There is an obvious real will to take the system in post offices AH (Glen)
- Customers attitude sees the system as neutral to positive so far Paul
- Thorough testing of releases must not be compromised for the sake of speed Paul
- The partnership approach works and needs to be kept separate from service delivery in the short-term Paul
- The take-on plan will need extra effort soon to reassure clients as slippage impacts on their market positions (and perhaps a more flexible attitude to pricing from ICL) (Paul (+ Dick))
- We need to improve our business requirements planning as this is migrated back from the PDA during roll out Paul (ATSG)

HORIZON - PO BOARD FOLLOW UP

Key Improvement Lessons

- a) "there are issues around our network from ICL surveys"
- a higher % of our post office estate then expected has problems in accepting the size of the kit ergonomically
 - some of our offices' electricity standards are much worse then we thought (with some health and safety issues)
 - some of the ergonomic issues revolve around the size/type of our security screens
 - there are commercial issues that arise from this between ICL/POCL; and potentially between NFSP/POCL
 - this has complicated the installation process and decelerated the progress rate of post offices equipped (see b below)
 - it is clear that, in many cases, Horizon has triggered the first close look for some time at parts of our network generally

Key Actions Taken/In Hand/Planned

- specific work to identify the problems earlier has been taken as part of a new installation process to be used for roll out
- ICL has stepped up its contacts with electricity companies throughout the UK in anticipation of a need for closer working
- POCL is reviewing its policies around the deployment of security screens and counter lay out as part of putting a dedicated resource for operational procedures in the Network Department. Health and safety contractual liabilities are being also reviewed
- principles between ICL and POCL have been agreed as to cost liability if there are ergonomic issues
- a review of the functionality needed for small offices will take place in POCL to see if this should influence kit size
- senior NFSP people have been involved deliberately in visiting trial sites so they can "own" some of the problems and solutions
- the number of post offices to be installed so far has now caught up through extra efforts by ICL, and PDA and POCL
- we need to review how we will manage outlets in the line differently, in an automated world, as part of POCL's planned organisational review

23/7

Lead
CEC
Munster

Jonathan

Jonathan
(PDA)

Jonathan

Jonathan

Paul

Paul

Jonathan

Paul no
(PDA) →
JonathanDwight
Murphy

HORIZON - PO BOARD FOLLOW UP

Key Improvement Lessons

- b) "there is a need for a better installation process"
- the installation process - from making staff aware to the office being surveyed, people trained, kit installed, ancillary services in place, and service running - proved too short
 - there was poor co-ordination of ICL's sub-contractors locally, leading to confusion and deceleration
 - there was a need for better communication locally between ICL, its sub-contractors, POCL regions and the PDA
 - there was confusion about how far POCL's "network transformation" issues should be integrated with Horizon installation
 - as release dates slip, individual offices could find themselves "de-selected" because they had been chosen on the basis of different functionality assumptions

Key Actions Taken/In Hand/Planned

- a lot of work has resulted in a new agreed, and longer (26 weeks from original 12 weeks) process with a clearer definition of responsibilities, and allowing for more offices modifications; this will be used for roll out Jonathan (+ PDA)
- ICL has taken action to put in place a local co-ordinator of its sub-contractors, and a person to check "user satisfaction" for POCL locally Paul (PDA)
- communication is improving but still needs to be stepped up; investigations are in hand IS to see if we can share operational databases with ICL to ensure a consistent set of data about offices Jonathan (+ PDA) (+ Paul)
- CEC has decided that Horizon installation will take priority over network transformation, but it should be done in such a way to enable these principles later; a set of Horizon guidelines around what needs to be allowed for physically and electronically has been prepared for issue to subpostmasters thinking about investing in offices prior to receiving Horizon Jonathan
- we have agreed with BA that we will transfer back the internal communication around roll out planning into POCL to allow greater information to our offices as plans change Jonathan

HORIZON - PO BOARD FOLLOW UP**Key Improvement Lessons**

- c) "there is a need for more informed operational planning"
- inadequate attention had been paid to understanding the impact on regional resource - especially the RNM - needed to install and support Horizon
 - there was a lack of skills locally to plan for the deployment and integration of change initiatives in Regional Plans with business-as-usual
 - centrally-driven projects across the businesses did not understand capacity impact on regions, either individually or in aggregate
 - the result was an over-burden on some key regional source with no clear direction or point of authority for prioritising activities

Key Actions Taken/In Hand/Planned

- a complete data gathering exercise has been undertaken to understand the strain on RNM's time 23/7
lead (ET
member?)
Dave M
- CEC decided some key guiding principles to put in extra and dedicated regional resource, separate from the RNM line, during Horizon roll out and preparation Jonathan
(Paul for
budgets)
- Heads of Management Process in each region have been trained and brought into Horizon integration planning Dave M
- a review of central projects, with some being stopped, has been undertaken by CEC to free more resource locally Dave M
- a better focus on regional resource impact has been introduced into the next planning round process Dave M
- a new Horizon national implementation team will be set up in the Network Department to co-ordinate installation activity, transferred from the PDA prior to roll out Jonathan
(+ Paul)
- extra regional support and funds has been MaPEC-approved for the Horizon business case Paul
(+ Roger)

HORIZON - PO BOARD FOLLOW UP

Key Improvement Lessons

- d) "we needed a better idea of connections to our other new systems"
- there was no adequate programme management in place in POCL to understand the integration and migration issues of PO's other automation projects with Horizon
 - there was a risk because end-to-end operational procedure mapping had not been undertaken to test whether Horizon's new processes were replacing them adequately
 - end-to-end programme technical assurance and impact analysis/change control processes within POCL were not in place systematically
 - a process for accepting releases and that within POCL is not systematically in place

Key Actions Taken/In Hand/Planned

- a transformation change management team is now in place, with skills transferred to it from the private sector, and with supporting POCL project manager/process owner sub-groups now in operation
- a programme migration path, with dependencies identified, has been agreed by all CEC project sponsors
- end-to-end procedure maps have been drawn up, and shared with ICL and the PDA
- change control and technical integration processes have been initiated and will need to be scaled up as roll out begins
- end-to-end testing procedures will need to be transferred from the PDA, and supplemented as release planning migrates back to POCL after the system is accepted
- a process for live trial acceptance is being devised to ensure collective ownership across POCL functions

23/7
head CEC
Members?

Paul

Paul
(ATSG)

Paul

Paul

Paul

Paul

HORIZON - PO BOARD FOLLOW UP

Key Improvement Lessons

- e) "there is a need to review enabling organisations"
- the PDA's scope in delivering all elements of the programme, and managing ICL Pathway's service, delivery proved too wide to ensure the right accountabilities
 - BA and POCL's own field implementation was under-prepared
 - there was no clear point of authority within POCL for deciding operational business change
 - ICL Pathway's own organisation appeared stretched managerially and technically
 - the end-to-end overall programme processes and outputs sometimes lacked clarity in responsibility and prioritisation
 - the PDA Board structure is facing change and a continuity gap as its Chairman (Alec Wylie) is retiring soon from SSA
 - too much delivery, across functions, was expected of POCL's Horizon sponsorship team rather than commissioning and ensuring activity
 - POCL's service management capability is not yet fully scoped

Key Actions Taken/In Hand/Planned

- a review of the PDA's scope by separate consultancies for BA and POCL (but brought together in their findings) has resulted in an agreement to change the PDA's future/focus, to be migrated in phases, from a delivery role to an assurance one
- a transition plan to take back functions (eg release planning) from the PDA into POCL is being finalised
- both BA and POCL have agreed to take back field implementation into sponsor organisations, and structures are now being finalised
- CEC decided to create an authority for operational change in the Network Department
- ICL undertook its own internal review of Pathway and has added new senior resource for programme and technical planning
- work is in hand to define the end-to-end programme processes as part of the PDA review's transition planning
- an end-to-end independent programme assurance review, open to all three parties, is planned to take place shortly
- a much greater collective responsibility, and division of tasks, is apparent across POCL functions backed up by aligned Horizon objectives
- benchmarking to other PFI-supplied organisations to understand service management is underway as part of POCL's organisation review

Lead
CEC
Members

Paul
(with
Wesley)

Paul
(with
Wesley)

Jonathan

Jonathan

Paul

Paul
(PDA
Board)

Stuart
(+ Paul)

Stuart

Paul &
(with
Wesley)

HORIZON - PO BOARD FOLLOW UP

KEY ISSUES OUTSTANDING

Issues

① Robustness of ICL Pathway programme

Actions/Implications

- Plan has slipped further since PO Board update
- End-to-end programme review urgently needed, and is planned
- ICL has made some structural changes which should help
- Extra PO technical help brought in to assure plans
- Collective nerve needed to ensure no compromised on quality for sake of speed and to retain programme focus

23/7
head
CEC
Members?

Paul
Strat
(Paul)

Paul

Paul

AU!

② POCL - strategic planning

- POCL's CEC strategy workshop confirmed with business units, that Horizon remains central to our business strategy
- A strategic review of how we could do Horizon quicker/cheaper, without disturbing Contract A with BA/SSA, is planned

Strat
(AU!?)

Paul
(with Dave)

③ POCL - managing change

- POCL is organising itself, in phases, to be ready to operate in a new automated world

Dave M

④ ICL - relationship management

- We are sticking to our partnership approach, and being tough on service delivery in parallel
- We may need to continue this at ICL/Fujitsu levels and look again at how we approach the marketplace together, in the light of the delay, to restore our competitive position

Paul

Paul
(with Dick?)

HORIZON - PO BOARD FOLLOW UP

Issues

- ⑥ DSS - political issues
- ⑥ Post Office - political issues

Actions/Implications

- We continue to agree to prioritise BA products onto the system first, despite the impact on our competitive position with our other clients
- We understand other policy options (eg termination) may be being considered in DSS as contingency options. We need to confront this early politically
- We need to get closer to the new social policy agenda arising from Labour's advisors/ministers to ensure the PO has the right positioning to defeat any new ACT-type threats that may run
- Commercial freedom exploitation critically depends on automation for POCL

23/7
head CCL
Members

Paul

Shuart
(with
AJR?)Shuart
(with AJR)
Jenny C.

Dick

10/07 '97 15:00 FAX 071 250 2960

CHIEF EXEC PO

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Erja closed.

b/f 23,

MEMORANDUM

TO: Stuart Sweetman

FROM: John Roberts

DATE: 16 June 1997

SUBJECT: HORIZON PROJECT

Following your presentation to the Board on the current status of Horizon, I would like to further my understanding of the lessons learned during the live trials.

Could you please prepare a report covering how these trials will be reviewed and how we intend to assimilate and communicate the learning points prior to roll out. This could then form the basis of a discussion at the Counters Automation Steering Group.

GRO