



Royal Mail Internal Information

Back Office Efficiency Programme - Stock Adjustments

Project Definition Document

AUTHORS	Business Analyst	Ras Chauhan
REVIEWERS	P&BA Change Manager Network – Concept Design Authority P&BA Finance Analyst Solutions Architect HNG-X Release 2 Testing Manager Principal Testing Manager Service Delivery Legal Network	Dawn Brooks Lee James Paul Lebeter Ian Trundell James Brett Tonnvane Wiswell Andrew Price Hugh Flemington Shaun Turner
SIGN OFF AUTHORITY <i>(Note: Minimum Sign-Off Authority required is by the Back Office Efficiency Programme Manager)</i>	Back Office Efficiency Programme Manager Head of P&BA Strategy and Architecture Network Business Partner Project QA Service Delivery Legal	Martin Box Rod Ismay Peter Stanley Lynn Hobbs Ann Clarke Simon Baker Steve Beddoe Sarah White
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1 Document Control Information

1.1 Version History

Version	Date	Change Details	RFC Number
0.1	25/03/2010	Draft for formal review	

1.2 References / Related / Dependent / Parent Documents

Reference	Document Reference	Title	Version	Date
PDD Dynamic Content				
		(Initial) Business Case		
		(Initial)Project Plan		
		Risk Assessment		
		(Initial)Risk Log		
		(Initial) Issue Log		
		Project Organisation		
		Stakeholder Management Plan		
		Communication Plan		
		Project Quality Plan		
		Security Risk Assessment		
		Product Checklist		
		Product Breakdown Structure(s)		
		Product Flow Diagram(s)		
		Specialist Product Descriptions(s)		
		Commercial Terms (where known)		
Other				

1.3 Terms and Abbreviations

Term	Meaning
HNG-X	Horizon Online (system at Post Office counters)
JTT	Joint Test Team
PDD	Project Definition Document
POL	Post Office Limited
P&BA	Product and Branch Accounting

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1 Executive Summary

The Stock Adjustments project is part of the Back Office Efficiency Programme within Post Office Limited.

The objective of this project is to enhance the current Horizon Online functionality so that, where stock adjustments are made or discrepancies confirmed, the clerk will be forced to supply a reason where these breach the tolerances set within Reference Data.

The Stock Adjustments project is a key enabler for cost reduction and benefits delivery in P&BA, forming part of the Back Office Efficiency Programme.

Business case costs for this project are expected to be circa £500K.

The selection of a Stock Adjustment Reason (where adjustments or discrepancies breach the set tolerances) will apply to the Adjust Stock functionality and Confirm Discrepancies functionality on Horizon Online and enable POL to realise a number of financial and non-financial benefits. These include:

- Improved accuracy of adjustments and discrepancies
- Discourage / reduce inappropriate adjustments / discrepancies
- Improved MI to enable more effective monitoring of stock position in branches
- Reduction in POL losses due to inappropriate adjustment / discrepancies in branches
- More effective and efficient stock management in branches
- Minimise inappropriate adjustments / discrepancies
- Minimise opportunities / potential for fraud

The Stock Adjustments project delivery is scheduled to be delivered as part of HNG-X Release 2. Current implementation timeline is expected to be in the 3rd quarter of 2010

Post Office Limited will manage the project with input from Fujitsu Services Limited.

2 Introduction

The purpose of this document is to define the basis for the management and assessment of overall success of the Stock Adjustments project. As such it has two main uses:-

- to ensure that the project is sufficiently well defined to allow the Project Board to make informed and accurate choices about the company's commitment to the project;
- to act as a reference document against which the Project Board and Project Manager can assess progress, change management issues and ongoing viability questions relating to the work.

This document can only be changed by clarification of Requirements. All changes are subject to Change Control. Changes are only acceptable to the following sections:-

- Project Plan
- End-product Descriptions
- Communications Plan

3 Background

Horizon Online includes functionality which allows staff in branches to adjust stock and also confirm discrepancies identified during the Stock Unit rollover process.

The functionality is primarily to allow genuine mistakes to be corrected so that the system-held stock position can be aligned with the physical stock position in a branch

However, the lack of any system controls on Horizon Online is resulting in stock data being incorrectly adjusted or manipulated unnecessarily. This results in the stock position being inaccurate and distorted – and also increases the potential for misuse and fraud.

4 Project Definition

4.1 Statement of Objectives

This project will introduce the facility to set thresholds at volume and/or value level for stock items. There will also be standard reasons defined by POL which will be available for selection for adjustments / discrepancies outside of the set thresholds

Any breaches (positive or negative) of thresholds during Stock Adjustment or Discrepancy Confirmation of each stock item can therefore be identified by the system which will then force the clerk to supply a reason.

The objectives of the project are –

- To design, build, test and implement a solution to the requirements defined for Stock Adjustments
- Provide better and improved control and monitoring of stock adjustments in branches

4.2 Critical Success Factors

The following Critical Success Factors have been identified for the Stock Adjustments project

Critical Factor	Measures of Success
The Stock Adjustments project delivery.	To agreed cost, time and quality.
Reduction of POL losses	MI relating to reasons for adjustments and discrepancies will enable P&BA to monitor and investigate unusual patterns of activity in these areas in order to improve process efficiency
Conformance & compliance	Decrease in volume of inappropriate adjustments
Accurate and timely communications and training on the amended Stock Adjustment and Confirm Discrepancies functionality	The changes to Stock Adjustment and Confirm Discrepancies are easy to understand and easy to conduct for the counter staff – and also understood by contact centres and helpdesks (e.g. NBSC) in order to provide suitable support and call resolution

4.3 Project Scope

The scope of the Stock Adjustments project includes the following:

- Enforce Reasons for Adjustment for any adjustment or discrepancies which is outside of the thresholds set
- Availability of the reasons via POL MI / Credence to enable P&BA to monitor changes made at the counter
- Reference Data changes required to support the implementation of this project
- Operational Instructions for the counter, NBSC, etc. (this will ensure that all processes / procedures / instructions are covered to handle any branch or customer queries)

4.3.1 Management Products

Project Stage/Phase	Product	Detail
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Initiation	Project Definition Document (PDD)	To define the project, to form the basis for its management and the assessment of overall success.
Initiation	Business Case	The Business Case documents the justification for undertaking the Stock Adjustments project based on the estimated cost of development and the anticipated business benefits to be gained.
Initiation	Stakeholder Matrix	The Stakeholder Matrix is there to identify project Stakeholders and their impact and influence on the project and the business.
All	Weekly Checkpoint Report	Weekly report input to Programme to identify and update Risks & Issues, giving an Overall Project summary and Milestone Tracking.
All	DRAID Log	<p>The purpose of the Issues and Risk Log is to identify each unique issue and risk and to summarise status and progress.</p> <p>Issues and Risks will be identified throughout the life of the project and will be subject to review on a regular basis.</p>
All	Project Plan	The Project Plan provides a statement of how and when the projects objectives will be achieved, showing the major products, activities and resources required on the project.
All	Communication Plan	<p>To define all parties with an interest in the project and the means and frequency of communication between them and the project.</p> <p>The Communications Plan will comprise:</p> <ul style="list-style-type: none"> • Details of all interested parties • Information required • Information provider • Frequency of communication • Method of Communication

All	Project Quality Plan	The Project Quality Plan describes how the various outputs of the project will be delivered to meet the standards of the business.
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4.3.2 Specialist Products

Category	Deliverable	Detail
Requirements	Requirements Catalogue	Not required as will be managed through Use Cases (see below)
Design / Specification	High Level Solution Design	Being produced by Fujitsu
Design / Specification	HNG-X Use Cases	These will be documented and reviewed by POL & Fujitsu - once agreed, these will be held and maintained in DOORs
	HNG-X Help Text	To be updated and managed via Operational Support
Build / Test	High Level Test Plan	To be produced by Joint Test Team using HNG-X Use Cases
Build / Test	Low Level Test Scripts	To be produced by Joint Test Team using HNG-X Use Cases
Build / Test	Test Rig Specification	Joint Test Team / FS
Build / Test	Test Rig	Joint Test Team / FS
Implementation	Implementation and Migration Plan	To align with and be included in HNG-X Release 2 Programme plans
	POL Operational Manual	Not applicable (see HNG-X Help Text)
	P&BA Duty Instructions	Where applicable, these are to be produced jointly by P&BA and Network Team
	Service Level Agreements	Not applicable – no change
	Operational Level Agreements	Not applicable – no change

4.3.3 Architectural Impact

The implementation of the Stock Adjustments project will impact the business in the following ways:-

- System behaviour change at the Counter
- The enhanced functionality for Horizon Online will require acceptance testing prior to implementation
- The Project will be implemented at the counter in the following sequence –
 - Model Office
 - Rollout to branches

4.3.3.1 Security Assessment

A Security Impact Assessment has been undertaken by Dave King (Security). This is embedded below:



4.4 Project Approach

4.4.1 Project Management Approach

Post Office Limited, using PRINCE2 methodology as appropriate, will manage this project.

4.4.2 Delivery/Development Approach

- Fujitsu Services Limited will provide development and testing support for Horizon Online
- Fujitsu Services Limited will provide test environments for Horizon Online

4.4.3 Operational/Technical Environment

The Stock Adjustments project forms part of the HNG-X Release 2 delivery. Therefore, the operational and/or technical environment will be as for Horizon Online

4.4.4 Business Acceptance Testing Approach

This will be provided in the POL End to End High Level Test Plan. The High Level Test Plan will be produced by the Joint Test Team. The low level tests will be documented in 'Quality Centre', (the automated testing tool) which uses the DOORS Use Cases as its source. Testing progress, defect management and requirements coverage (functional and non-functional) are all monitored and managed in Quality Centre by the Joint Test Team

4.4.5 Operational Acceptance Testing Approach

This will be provided in the POL End-to End High Level Test Plan (see section 4.4.4).

4.4.6 Training Approach

The following will be arranged to introduce the service:

- Focus articles will be provided for the branch network where deemed necessary
- Horizon Online Help pages will be updated to cover the enhancements to the Stock Adjustments functionality and processes

4.4.7 User Support Approach

This will be defined as required in the Training and Communications Plans.

This approach will ensure alignment under the Branch Standards banner. Furthermore, to ensure consistency in approach, the BOEP PMO will convene a series of workshops to ensure engagement with the appropriate Training & Communications stakeholders to put in place:

- Awareness of all Release 2 projects / initiatives;
- Awareness of the timelines and delivery approach of all Release 2 projects / initiatives;
- Agree the training needs and produce a plan to co-ordinate and implement the required training;
- Agree the communications activities, the target audience and produce a plan to co-ordinate and issue the required deliverables

- Agree the resources who will “own” the agreed communications and training deliverables – plus the resources required to help the “owners” achieve the production and implementation of the agreed deliverables

4.4.8 Implementation Approach

The new functionality at the counter will be implemented as per the HNG-X Release 2 implementation plan (however, see also section 4.9.1.5 Release Management Approach)

The following is currently the high level implementation approach:

- The enhanced Stock Adjustments functionality will be available initially in the Model Office.
- Successful trial in Model Office will then lead to rollout to the rest of the live estate

A detailed implementation plan will be produced on a Release 2 basis

Milestones: (NB indicative only – dependant on HNG-X Release 2 timescales)

Activity	Date
Requirements (Gate 3A)	20/04/2010 (planned – TBC)
Design & Plan (Gate 4)	TBC once Release 2 Level 2 plan produced
Build & Test (Gate 5)	TBC once Release 2 Level 2 plan produced
Deploy (Gate 6)	TBC once Release 2 Level 2 plan produced
Go-live	TBC once Release 2 Level 2 plan produced

4.4.9 Decommissioning Approach

Not applicable

4.4.10 Other Approach

4.4.10.1 Contingency Approach

In the event of problems or issues arising which would severely compromise the time, cost and quality elements for this project, then the functionality would need to be descoped from HNG-X Release 2. Descoping from Release 2 would mean that the Stock Adjustments functionality would continue to operate (via Existing Reversals) as per current live implementation.

Subsequent discussions would then need to take place to determine whether the functionality is still required – and if so, the actions needed to resolve the problems which would allow it to be included in a later HNG-X Release.

4.5 Exclusions

Not applicable.

4.6 Assumptions

- Budget is available to fully support the project scope.
- Timescales as defined in the project plan are acceptable and achievable.
- Business as Usual areas will support the project where required (for example, Reference Data, Testing, etc.)
- The project will close and be handed over to BAU on go live (i.e. current BAU areas / processes involving support, monitoring and reconciliation will continue for the enhanced functionality)

4.7 Constraints

- The project must be sufficiently resourced.
- The Project must be completed in time to meet the HNG-X Release 2 implementation / rollout window.
- The project must at all times remain financially viable, operating within the agreed budget.
- The suppliers must support the joint test plan.
- Any overlapping impacts from other projects (e.g. testing resource and environments).

4.8 Key Interfaces & Dependencies

4.8.1 Related Projects and Programmes

The Stock Adjustments project will be delivered as part of HNG-X Release 2

4.8.2 Concurrent Interference

Not applicable.

4.8.3 Serial Interference

Not applicable.

4.8.4 Physical, Economic and Environmental Issues

Not applicable.

4.8.5 Legal Compliance

Not applicable – there are no new legal compliance considerations to be taken into account for this project.

4.9 Project Control

4.9.1 Reporting and Monitoring

The Stock Adjustments project will put in place quality assurance points for all key deliverables. The Project Manager & the PMO representative will manage these quality assurance reviews. They will establish the project review processes and guidelines at major milestones. The following governance structure will be put in place at the onset of the project to monitor project slippages, major changes in project scope or design, and to provide quality assurance:

Meeting	Details
Project Management	Regular project meeting comprising Project Sponsor, Project Manager & Work stream Leaders to monitor progress against milestones, costs, quality & risks.
Project Board	Regular board meetings to monitor progress against business case.
Quality Assurance	Periodic meeting with Project Assurance to monitor project quality.

Weekly Highlight / Checkpoint Reports will be produced

The following governance structure will be put in place at the onset of the project to monitor project slippages, major changes in project scope or design and to provide quality assurance reviews.

Project Team Meetings: These meetings will be chaired by the Project Manager at Post Office Limited and attended by representatives from Post Office Limited, Logica and Fujitsu Services

Limited. The project sponsor will attend this meeting when available. These meetings will cover off key actions, updates from each parties, risks, issues and dependencies and a review of the project plan.

Project Board Members

Title	Company	Name
Back Office Efficiency Programme Manager & Sponsor – CHAIR	POL OPS	Martin Box
Stock Adjustments Project Manager	POL OPS	Claire Hurrell
Business Partner – HR & Finance	POL C&IS	Ann Clarke
Chief Architect	POL C&IS	Peter Stanley
Project Quality Assurance Principal – Finance	POL C&IS	Simon Baker
Network Co-ordination Advisor	POL Network	Shaun Turner
Finance Analyst	POL P&BA	Deborah Holmes
Principal Lawyer	POL Legal	Sarah White Hugh Flemington
Product Account Manager	POL P&BA	Matt Hibbard
PMO	POL C&IS	Tony Baines

Project Team Members

Title	Company	Tbc
Stock Adjustments Project Manager	POL OPS	Claire Hurrell
Stock Adjustments Project Business Analyst	POL C&IS	Ras Chauhan
PMO	POL C&IS	Tony Baines
Stock Adjustments Testing Manager	POL C&IS	James Brett
Stock Adjustments Business Change Manager	POL	Tbc
Service Delivery representative	POL SD	Andrew Price
P&BA Finance Analyst	POL P&BA	Paul Lebeter
Stock Adjustments Solution Architect	POL C&IS	Ian Trundell
Reference Data Systems Manager	POL C&IS	Matt Warren / Andy Corbett
Fujitsu HNG Design Authority	Fujitsu	Gareth Jenkins
Fujitsu Release 2 Programme Manager	Fujitsu	David Hinde

4.9.1.1 Automated Tools

Microsoft Project will be used to create & maintain the project plan.

For testing purposes, there is no automation tool for this functionality. This is because the functionality requires appropriate adjustments to be made and discrepancies to be generated to determine that only appropriate reasons are requested where thresholds are breached.

4.9.1.2 Risk & Issue Management Approach

Issue & Risk logs will be maintained in line with the Post Office Limited project standard formats. They will be reviewed weekly at the Project Management Meeting. Escalation of Issues and Risks will be by Business Assurance / Project Board / Project Sponsor

4.9.1.3 Configuration Management Approach

The configuration of all project documentation sits within the Central Programme Management Office.

Configuration includes the identification and control of products, the referencing of documents is based on the Post Office standard stages and all completed documents will sit on the PMO Configuration Library.

Documents in progress, team meeting notes etc will be stored electronically on the IT Projects Library Database which is managed by the Central PMO.

The electronic Project File will be regarded as the master and any documents that cannot be held electronically will be placed in the physical project file.

Configuration Management relating to software (and PINPad firmware where necessary) is handled by Fujitsu Services Limited as part of their standard contractual obligations.

4.9.1.4 Change Management Approach

A central Change Control process is managed through the Business Change Control Board, which meets each Monday

All changes will be documented on a change request form and passed to the Programme Management Office, who will log the changes requested and pass then to the Business Change Control Board for a decision to be made

4.9.1.5 Release Management Approach

The Stock Adjustments project is to be delivered as part of HNG-X Release 2 which will be controlled by first deploying to the Model Office (if required and technically feasible), followed by a full rollout to the network. Where technical feasibility dictates that this is not possible (i.e. this is only a code drop), then implementation will be via a "big bang" approach.

This will be included as a Risk and managed and monitored via that mechanism

4.9.1.6 Project Quality Assurance Approach

The project manager is responsible for overall assurance; a quality plan will be produced including lessons learned and knowledge sharing.

4.9.1.7 Financial Management Approach

Financial management will be managed via POL internal finance team. A financial analyst will be responsible for producing monthly MI reports ensuring the agreed budget within the business case is adhered to and all costs remain within tolerance. Any cost issues that risk the project going outside agreed tolerance must be managed via the exceptions process and raised to the Project Sponsor.

4.9.1.8 Knowledge Management Approach

PSO will distribute the Lessons Learned to identified recipients and enter the details on the central Lessons Learned log.

At project completion, the Project Manager will produce an End Project Report, which will include a Lessons Learned Summary, which should be filtered from the central Lessons Learned Log

4.9.1.9 Project Filing Structure

A central 'team' drive will be created that can be accessed by all members of the project team. This drive will include a document baseline directory, which in turn has sub-directories for documents such as requirements specifications, risks and issues, change requests and plans.

4.9.1.10 Exception Process

If, as part of the regular planning process, it can be forecast that there will be a deviation beyond the agreed tolerance levels, the Project Manager will produce an Exception report for the Project Sponsor, including an analysis and options for the way forward and identifying a recommended option. The Board will then decide the way ahead and may require the creation of the Exception Plan.