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Monthly Progress Report

June 1997

FUJ00058162

Document Title: Pathway Monthly Report - June 1997

Associated Documents:

	Reference	Vers	Date	Title	Source
[1]	PM/PRO/0002	1.0	26/09/96	Pathway Programme - Project Planning, Reporting and Control	

Approval Authorities:

Name	Position	Signature	Date
J. H. Bennet	Managing Director		

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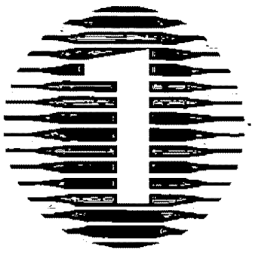

Managing Director's Summary

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Managing Directors Summary

1 SUMMARY

- This month saw the drawing together of the findings of three separate activities. The first concerned the difficulties in testing of Release 1c, the second review concerned the plans for future Pathway releases in 1998 and the third was the output and findings from the Programme Audit conducted by Mike Coombs and Andrew Boswell across ICL Pathway. This has led a programme review being undertaken and a comprehensive reassessment of the achievable outputs from now through to national rollout.
- The programme review has been presented to PDA, POCL, BA, ITSA and SSA [Northern Ireland]. The consistent response has been one of disappointment and shock that yet another slippage has come to the surface so soon after two previous replans.
- We have worked quickly to establish extra strengthening of the programme function in ICL Pathway and have announced to the customer the appointment of Mike Coombs as overall project Programmes Director together with a redefinition of the key rolls of the skills throughout the programmes group. The new team is in place and all staff have been briefed.
- A major additional management resource has been provided by Andrew Boswell, ICL Group Technical Director, and who will work nearly full time over the next three months or so in order to ensure that we have full integrity across the ICL Pathway systems, whether they be software, processes or documentation.
- The critical issue we face is to demonstrate that our plans are robust, can be and will be achieved and that we can move into a period of meeting milestones and building credibility. This will not happen quickly and will be a major task for the next few months.
- The anticipated delays have caused a serious impact on the business cases of BA, POCL as well as ICL Pathway. As a result, quite a few people have now voiced their concerns that the programme may not be viable and this has given rise to suggestions of significant contract readjustment as well as exploring the position on termination. Some of these views are clearly extreme but do underpin the crisis in confidence which needs to be addressed.

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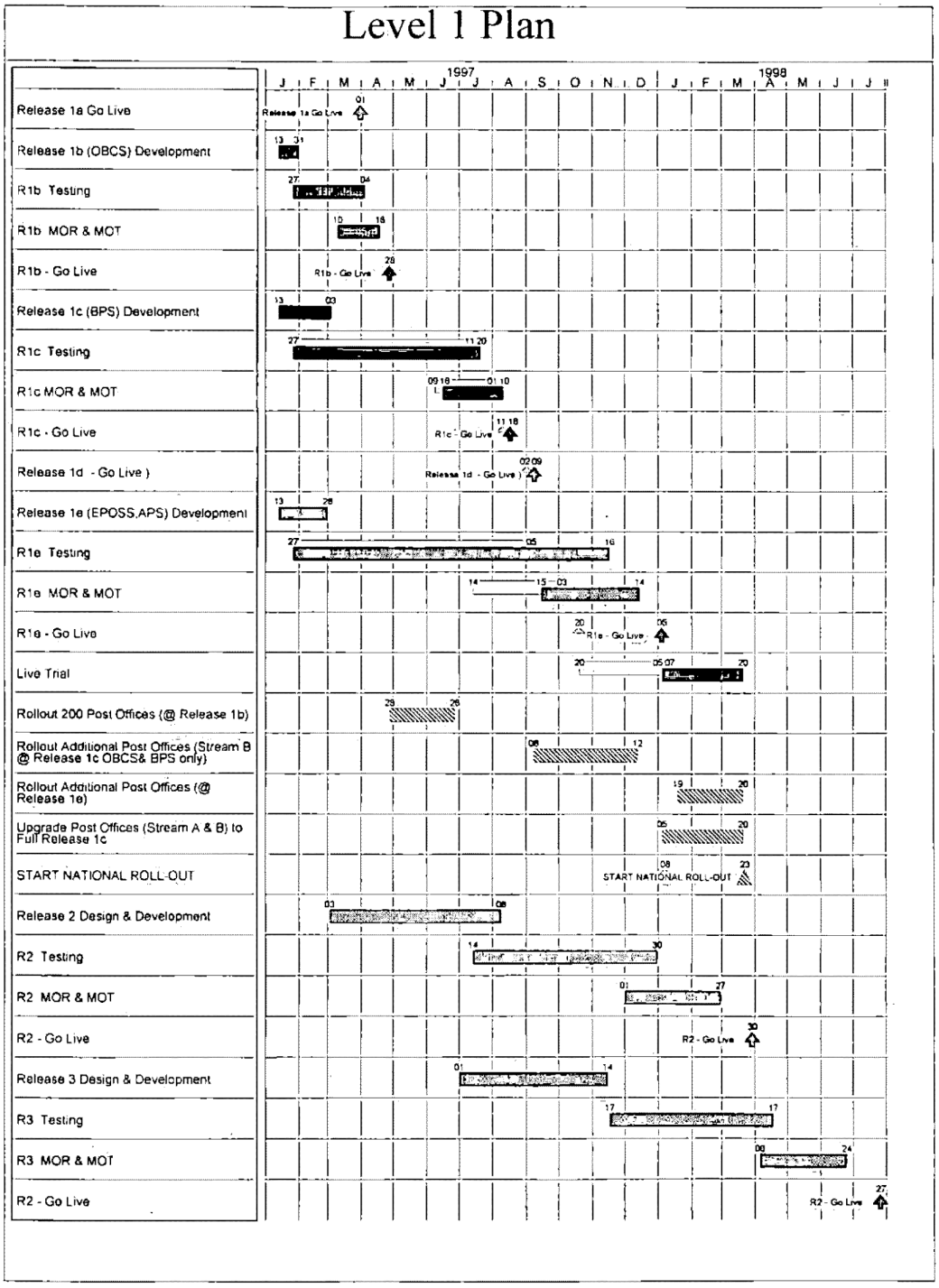
2 PROGRESS

2.1 PATHWAY LEVEL 1 PROGRAMME PLAN



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The Programme plan on the previous page indicates the latest high level dates based on the replanning exercise currently under way. The baseline (white bars) was set as of last month.

The plans for Release 2 and 3 are currently the subject of detailed review and will be included as they are confirmed.

2.2 RELEASE 1B - OBCS

We now have over 140 Post Offices live on this release and to date have handled over 300,000 transactions. A research service conducted by POCL on over a 100 of these sites has just been published and the results of which are extremely good. Ease of use of the system is the highest recorded result in the high 90's with no major concerns recorded. Across all the areas the total score is over 85%. The low end of the generally good set of scores is unsurprisingly the positioning of the equipment in the offices and early concerns for the site surveys and somewhat disappointingly the quality of POCL's support itself.

2.3 ACCEPTANCE SPECIFICATIONS

- Solid progress continues on this front with progress in the month on BES, CMS, PAS and the CAPS interface acceptance tests. A number of the POCL related tests are somewhat more difficult due to the problems in relating tests back through implementation to the requirements. There is hard work involved in putting this correct.

2.4 ICL FUJITSU RISK REPORT

This was published during the month showing that the overall risk position had declined from £56.8M at the end of April to £51.2M by the end of May through the implementation of the mitigation plans. However the delays now on the table with respect to Release 1c will mean a slow down in improvement and will take until the end of December to get back to the current forecast position.

2.5 FINANCING

The financing package with the major banks has been agreed and for this to become effective the consent of BA and POCL are needed to go ahead.

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2.6 CHANGE CONTROL

Disciplines on all sides have improved over the last month and the back-log of Change Control notices [CCNs] has been reduced. For the first time financial agreement has been reached on implementing a number of critical change requests to the tune of £0.3M.

2.7 CONTRACTING AUTHORITIES RESPONSIBILITIES

This problem which has been with us for many month is now under control, largely up to date and now requires much less effort to manage and drive through.

2.8 BUSINESS DEVELOPMENT

National Savings and EFTPOS remain the top priority new business requirements. However the account teams in POCL are very uncertain about dates and progress is severely impacted by the current programme delays. This will remain a difficult subject with ourselves, POCL and their clients until such time that we can demonstrate confidence.

3 CURRENT CRITICAL PROBLEMS

3.1 CUSTOMER EDUCATION

Although no closer together, we have quantified the gap between us and have used the change request on benefit migration to get this recorded in a change control note [CCN]. In broad terms, this is some £9M and is itself 90% of the impact of the benefit migration delays themselves. Since no-one has this sort of money, then once the arguments die down, the only answer is to fundamentally simplify the entire programme. In the meantime this whole area lies under an agreement to agree which has been formally recorded such that impacts and schedule delays caused by lack of agreement do not impact on ICL Pathway. This is commercially sound and necessary but at some stage we do have to get proper agreement so the programme can move.

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3.2 IMPACT ON SUPPLIERS

We have fully briefed our principle suppliers on the current position and not surprisingly this causes many of them serious problems, particularly where they have invested in equipment, resources and capability against a plan which has moved smartly to the right. Different mitigation actions are called for with different suppliers but this will be a tough task to get straightened out before we can move forward with confidence.

3.3 TECHNICAL ISSUES

Resolution of the non ISDN sites remains to be found, configuration management has surfaced as a major problem and concern within the programme and will have to rapidly addressed for all releases beyond Release 1c. In addition, we now face the need to reengineer the EPOS product. A contract for this has been placed with Escher for work to be done in Boston assisted by key ICL Pathway development staff. In parallel with this, essential work on scaling has to take place. Significant progress is essential on all these points over the next three months.

3.4 RELEASE 1C TESTING

The new plan shows an eight week slip and the critical component within this is Security followed closely by MIS. War Room reviews continue and are becoming better focused. They have however highlighted the need for better control over testing in Bracknell and a need for fresh and new resources to help out.

3.5 PRODUCT RELEASES IN 1998

Our proposals cover the programme audit findings and our own experience of having to reduce the number of releases and to shorten the interdependencies between the CAPS programme and ICL Pathway. Workshops are continuing on both these themes and we are holding to a robust position to avoid yet more complexity being forced into the Pathway release plans.

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4 ISSUES

4.1 DSS DEVELOPMENT RESOURCES

It is clear that CAPS is consuming more development effort within DSS than can be afforded with some 400 developers on this programme. There is increased political pressure to carry out further work on benefit development and this is putting a squeeze on this programme.

4.2 POCL CLIENTS

It is clear that POCL have major difficulties with their major clients as a result of promoting high expectations of new products very early in the roll out cycle. Keeping these clients bought into the automation programme will be hard and some may start looking for alternative approaches.

4.3 POCL SITE MODIFICATIONS

In terms of counter space and responsibilities for implementation we need to move forward from the agreement of principles into specifics.

4.4 INTERNATIONAL SALES

irrelevant

4.5 PATHWAY STAFFING

We have some 25 key vacancies across Pathway and resourcing is being attacked by both personal references helped from Group Resourcing and external search agencies. The appointment of Mike Coombs and Andrew Boswell to the team will help us rifle shot into ICL at large to fill the key management vacancies.

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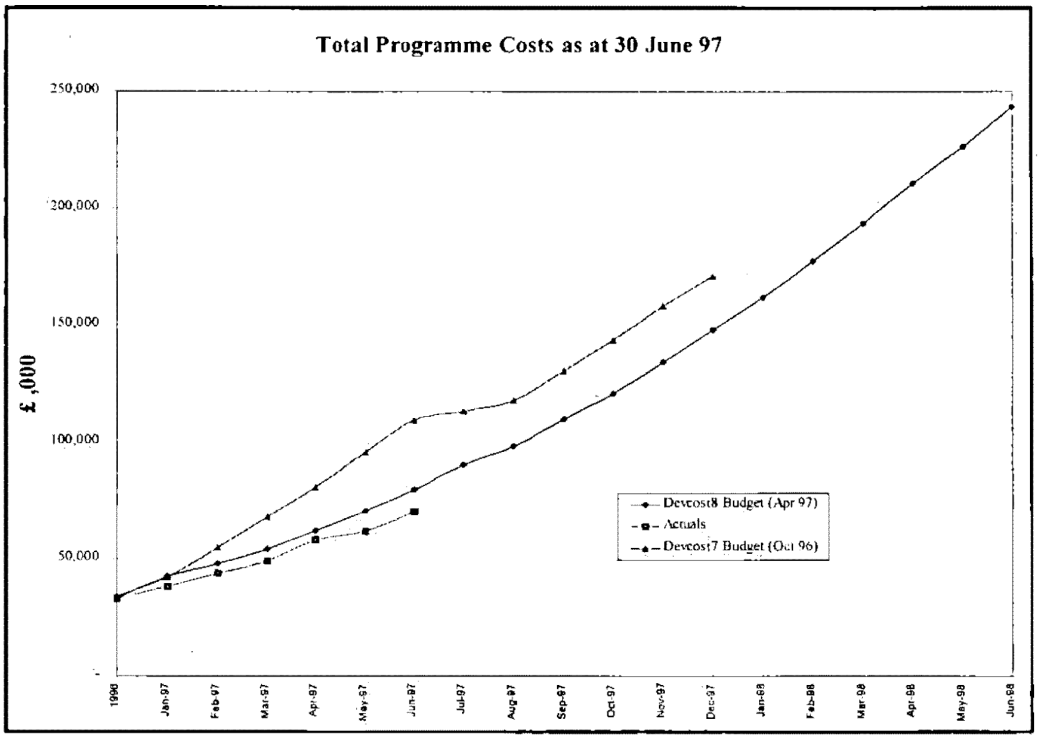
5 COSTS

5.1 TOTAL PROGRAMME COSTS



	1996	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Total Budget	32960	9524	5589	6641	8085	8227	9262	10285	8253	11527	10765	13592	13773	13888	15663	15817	17074	15823	16781
Cumulative	32960	42484	48073	54714	62799	70027	79688	89973	98227	109804	120569	134161	147935	161823	177485	193302	210376	226199	242961
Total Actuals	32960	5117	5778	5216	9158	3658	4242	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	32960	38077	43855	49071	58229	61887	70129	70129	70129	70129	70129	70129	70129	70129	70129	70129	70129	70129	70129

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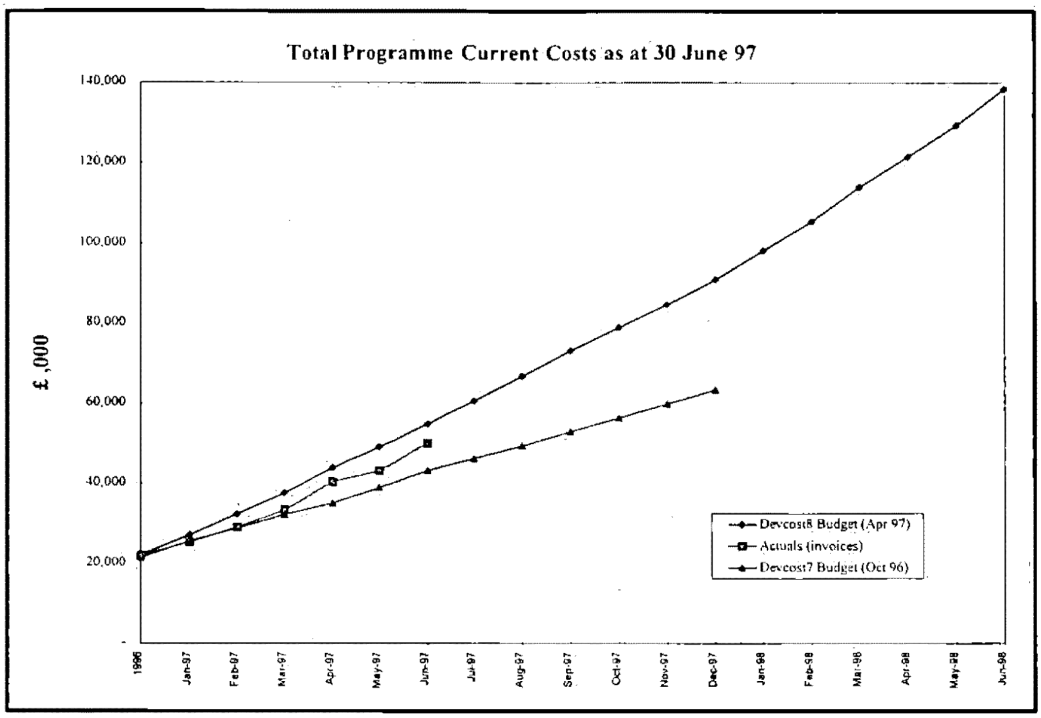
5.2 TOTAL PROGRAMME CURRENT COSTS



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Current Budget	22079	5047	5242	5232	6245	5217	5672	5787	6101	6325	5826	5809	6299	7211	7276	8691	7514	7681	9122
Cumulative	22079	27126	32368	37601	43846	49063	54735	60521	66622	72947	78773	84582	90881	98092	105368	114059	121573	129267	138389
Current Actuals	22079	3145	3816	4234	7138	2736	6851	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	22079	25224	29040	33274	40392	43128	49979	49979	49979	49979	49979	49979	49979	49979	49979	49979	49979	49979	49979

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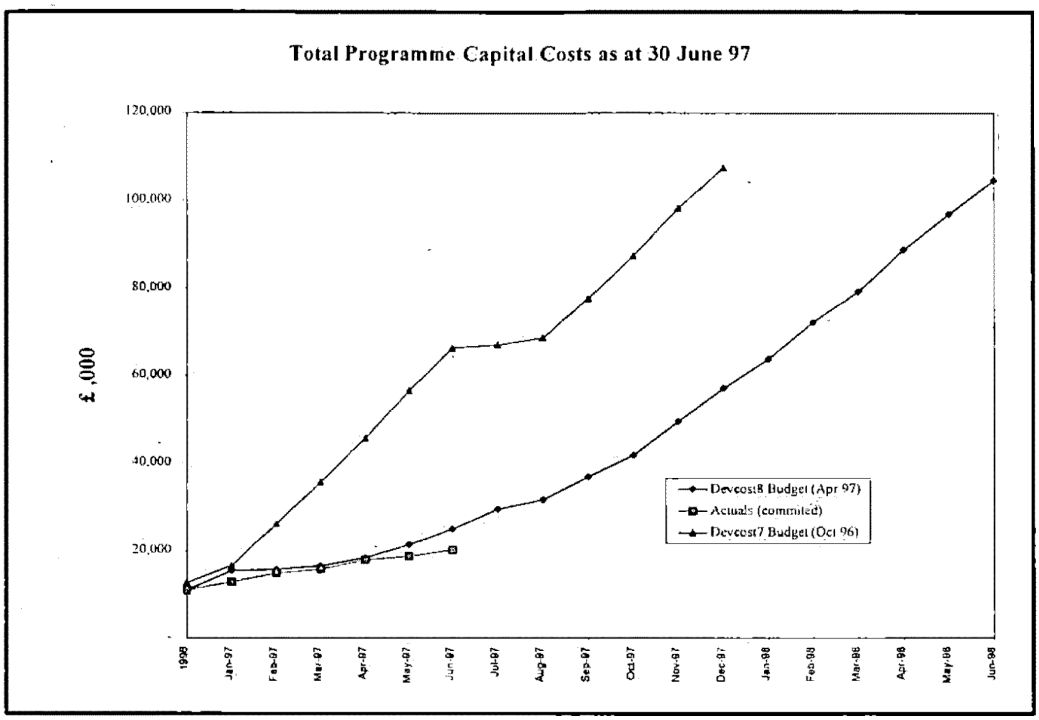
5.3 TOTAL PROGRAMME CAPITAL COSTS



	1996	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Capital Budget	10881	4477	343	809	1840	3018	3590	4398	2153	5252	4938	7784	7424	8677	8387	7126	9560	8129	7641
Cumulative	10881	15358	15705	16514	18354	21964	25554	29452	31605	36857	41796	49579	57003	65731	74117	81243	90803	98932	106573
Capital Actuals	10881	1972	1962	1802	2020	922	1391	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	10881	12853	14815	15817	17837	18759	20149	20149	20149	20149	20149	20149	20149	20149	20149	20149	20149	20149	20149

Forecast reviews are now taking place to build a new financial baseline against the proposed plan changes referred to in this report.

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Programmes Report.

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Programmes Report

1 MONTHLY SUMMARY

- The main focus for the team during June was the final stages of testing the IC release (i.e. Benefit Payment System) including business integration testing and model office rehearsal. We needed to make significant progress in this area if we were to avoid slippage to the implementation date. Unfortunately, we ran into serious difficulties with establishing the final software baseline which delayed the integration testing and created a backlog of software fixes. The problems were associated with the security solution, the MIS feeder interfaces, intercepting the latest version of the PMS/CMS system from Oracle and the recovery scripts required to operate the end to end system.
- A detailed evaluation of all the testing activities confirmed that we could not meet the agreed date and the PDA and sponsors were informed that the new delivery date for release 1c would be the 13th October 1997.
- In parallel with these developments, a series of joint workshops were being held to determine the options available for the remainder of the releases in 1997 and 1998. The first of these on 12th June concluded that version 1E (EPOS & APS) could not be released until 5th January because CAPS needed a change to be implemented in our interface software and required additional time to carry out their business testing. Further workshops confirmed that it was necessary to create two more versions of 1E before Pathway release 2 could be rolled out. These extra baselines were required to enable CAPS to continue with their PDR (personal details) load programme. We made it clear that this approach was not viable because it created too many baselines which overlapped during the development/testing stages and would delay release 2 until summer/autumn 1998 and the release containing the new POCL products would be later still.
- ICL Pathway recommended an approach which merged release 1e (EPOS/APS) with the full benefit payment system (BPS) targeted for release 2. This reduced the number baselines and simplified the overall programme. The PDA and Sponsors rejected this option because it delayed the CAPS PDR programme. It was pointed out that the rationalisation of the feeder benefit systems using CAPS represented a significant 'win' for the Benefit Agency without actually automating the benefit encashment process .
- A further alternative has now been lodged with the PDA which uses Pathway version 1c to interface with all CAPS versions up to release 3.0 therefore removing the dependency upon future Pathway releases. This is currently being considered by the Sponsors.
- Further discussions have taken place with ICL Software Technologies with a view to developing a strategic partnership. In return for providing reliable access to skilled development staff, they expect to develop several products for ICL Pathway over a number of years.

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2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
5.14.8	South West Acceptance	02-Jun-97	30-Jul-97	Progressing Target completion end July
5.15.8	Tyne & Wear Acceptance	02-Jun-97	~~18-Jul-97~~ 30-Jul-97	Progressing Target completion end July
1.1.1.9	Rel 1c/Test Analysis - PDA Sign Off BPS ST BTs and HLTPs	18-Jun-97	18-Jun-97	Awaiting PDA
1.1.1.10	Rel 1c/Test Analysis - PDA Sign Off MIS ST BTs and HLTPs	13-Jun-97	13-Jun-97	Awaiting PDA
1.1.1.11	Rel 1c/Test Analysis - PDA Sign Off MIS BIT BTs and HLTPs	24-Jun-97	24-Jun-97	Awaiting PDA
1.1.1.12	Rel 1c/Test Analysis - PDA Sign Off BIT BTs and HLTPs	18-Jun-97	~~18-Jun-97~~ 11-Jul-97	Awaiting PDA
1.2.1.11	Rel 1e/Test Analysis - PDA Sign Off APS ST BTs and HLTPs	19-Jun-97	19-Jun-97	Awaiting PDA
1.2.1.12	Rel 1e/Test Analysis - PDA Sign Off EPOSS ST BTs and HLTPs	27-Jun-97	27-Jun-97	Workshop setup for clarification. 2 already held awaiting comments
1.2.1.13	Rel 1e/Test Analysis - PDA Sign Off RDMC ST BTs and HLTPs	13-Jun-97	13-Jun-97	Awaiting PDA
1.2.1.14	Rel 1e/Test Analysis - PDA Sign Off TPS ST BTs and HLTPs	19-Jun-97	19-Jun-97	Awaiting PDA

2.2 HANDSHAKE / MANAGEMENT LEVEL EVENTS DUE TO COMPLETE DURING JULY 1997

WBS No.	Description	Current Complet'n Date
5.1.1.1	DSS Update Process (Reqt 927)	~~11-Jul-97~~ 30-Jul-97
5.1.7.2.3	National Weights & Measures Certification - On Pathway Counter System	~~30-Jun-97~~ 23-Jul-97
5.2.2.4	Dry Run ""Train the Trainers"" Course - BA	17-Jul-97

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WBS No.	Description	Current Complet'n Date
5.2.2.5	Sign Off User Awareness programme - BA	17-Jul-97
5.2.2.6	Sign Off ""Train the Trainers"" Course - BA	25-Jul-97
5.2.2.7	Courseware Masters Available (TTT)	25-Jul-97
5.14.7	South West Migration	30-Jul-97
5.14.8	South West Acceptance	30-Jul-97
5.15.7	Tyne & Wear Migration	~~18-Jul-97~~ 30-Jul-97
5.15.8	Tyne & Wear Acceptance	~~18-Jul-97~~ 30-Jul-97
1.2.1.15	Rel 1e/Test Analysis - PDA Sign Off BIT BTs and HLTPs	11-Jul-97

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

2.3 GENERAL

- There are now 140 outlets operating release 1B (OBCS) in the Post Office network. In addition, over 90% of the surveys schedule for the next 450 outlets are complete and all the user awareness events have been conducted. Although this is good progress, it does present us with some embarrassment because our latest proposal suggests that we limit the installations to the 200 live trial outlets only.
- The first stage of the model office rehearsal was due to commence 16th June but was delayed due to difficulties experienced by CAPS. It eventually started 24th June and has been reasonably successful. A major issue concerned the synchronisation of data received from CAPS which resulted in several PinICL's being raised against ICL Pathway incorrectly. This will be resolved before the second stage is allowed to proceed.
- Minimal progress was made in Technical and Security testing due to problems finalising the solutions. This in turn delayed the business integration testing and caused a build up of software fixes awaiting clearance. Actions have now been taken to rectify the situation but all the testing activities are being monitoring very closely.
- The new OBCS counter application which removes the need to have an EPOS shell in release 1C has been received from Escher. Plans are now in place to carry out the required regression testing before this product is made available to the customer.

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- During the month, members of the Escher team spent several days in Feltham helping to resolve software errors and implement change requests in BES. This was extremely successful and moved us on significantly with clearing many outstanding issues.
- Little progress has been made on establishing and stabilising the 1E release because release 1C continues to consume all of the available resource. The 'new' proposal will alleviate much of the pressure but we are still keen to get ahead of the game. Recent actions are intended move us forward during the next few weeks.
- We are now in possession of the Escher design prototype product 'Cashier' which will enable us to specify and therefore develop new POCL counter products which are consistent with the Riposte architecture.
- A major issue related to the migration of the manual post office accounts to the automated system have now been resolved satisfactorily. A demonstration of the facilities offered by Pathway will be given end of July.

3 CURRENT CRITICAL PROBLEM

- It is absolutely essential that the 'new' schedule for release 1c is delivered on time. Each activity in the plan is being monitored daily and the appropriate escalation is occurring when problems are encountered.
- Agreeing a new delivery schedule for 1E, 2.0 and 3.0 is still consuming several key members of the team. This combined with the failure the fill senior management positions in Programmes is having a serious impact on the management process.
- The delays to the roll-out schedule is obviously having a detrimental impact on our suppliers. This must be managed very carefully if we are to minimise the costs and limit the relationship damage.
- The situation regarding ISDN coverage and the alternatives available to us e.g. PSTN, satellite etc. continues to be a major issue. The current PSTN design using EICON is not satisfactory so an alternative approach utilising US Robotics technology is being evaluated.
- Configuration Management is still a cause for major concern within the Programme. Although many changes have been made to roles, responsibilities and internal processes, it is not expected that these will have the desired effect in the short term. Further tactical actions are necessary
- A re-engineering programme is being devised to resolve the issues surrounding the EPOS product. Plans are now being put in place to intercept the new product into the agreed testing cycle. The development work is being carried out in Boston by Escher assisted by Alan Ward and selected ICL Pathway development staff.

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This work is in parallel with the scaling enhancements and combined represent significant risk for the programme. Mark Jarosz has been despatched to Boston to help.

- The pressure which has continued unabated for several months is now beginning to take its toll. It is becoming increasingly difficult to persuade key staff to work weekends or shifts. We must address this problems as a matter of urgency.

4 ISSUES

- The AP Client migration strategy has not yet been agreed with POCL.
- The Audit requirements in the contract are open to interpretation, this may cause us problems during the Acceptance Process for Release 1E and 2.
- The 'agreements in principle' for dealing with the site modification work and the change to the position of the user awareness events in the implementation process are now the subject of a formal CCN. This will shortly be submitted to the sponsors for consideration. A positive response is essential if we are to continue with a sensible programme.
- ICL Pathway intends to swap out the counter equipment when we upgrade the IGL and OBCS (1B) outlets to BPS (1C). The process has been discussed in detail with the PDA but the impact on the offices themselves has yet to be agreed.
- Attracting and retaining high calibre staff in all areas is a major challenge for the management team.

5 COSTS

- The set up costs continue to rise as new testing hardware and specialists skilled resources are identified. The overlapping activities caused by the phased delivery put the budgets under pressure and any movement which compresses the timescales and increases the parallel work has a consequential impact on costs.

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Commercial and Financial Report

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Commercial & Financial Report

1 MONTHLY SUMMARY

- Another difficult month for the programme at large. However, we have begun to come to terms with the dominant issue of programme drift and to define the corrective actions required.
- Having proposed a new release framework and timetable, it now remains to sell them on the merits of the case and to instil the confidence that we can deliver.
- In the first instance, we have to rekindle confidence in our own abilities, believe in the new plan, and get behind it to the exclusion of all else.
- We cannot afford to be lured into alternative planning scenarios by a PDA who backed a different plan. Resisting will not be easy, but resist we must.
- Much remains to be done in terms of security testing, PinICL reduction and new EPOS cut in. Current metrics do not yet underpin the new plan, which still demands improved productivity and output rates, and the addition of critical skills.
- At some point we will need to engage with the customer on matters commercial, but the first priority is to get people believing that this plan will happen.

2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
8.3.24	Agree all Sub-contracts	11-Apr-97	12-Jun-97	

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS LEVEL EVENTS DUE TO COMPLETE JULY 1997

There are no Level 1 Management or handshake events level events due to complete June 1997

2.3 GENERAL

- Dealing with the programme issues represents real progress.

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- The financing package with the banks has been agreed: all we need now is the necessary BA/POCL consents to go ahead.
- Much of the backlog of CCNs has now been signed off and purchase orders received: value to date circa £0.3m.
- Acceptance process continues to make headway.

2.4 EXTERNAL, WITH PDA

- CNT - the primary focus has been on concluding the terms of the last Replan and on establishing best possible defence for the current one.
- The outstanding issues on the April Replan relate to Schedules A06 and B7.
- The issue on A06 revolves around when the price reductions should cut in: this is open to interpretation, and the difference is some £7m. A compromise is on the cards which would effectively split the difference.
- The B7 issue is around what dates were included in the PDA Master Plan with regard to CAPS 3.0 handshake milestones at the time of the last Replan. The principle of contract extension in the event that critical CAPS milestones are missed *has* now been agreed, as has the date for CAPS 2.2 availability.
- We continue to register "failure to agree" on customer education in tandem with the initiatives being taken by Liam Foley to break the deadlock. The December Drop Down contract gives us important protection in the event of failure to agree, a protection we have formally invoked. The effect is that we are required to carry on seeking agreement and to be reasonable, but that meanwhile we are not obliged to do anything which has not been agreed. The customer cannot oblige us to spend Pathway money on things which were not specified in the Requirements.
- Customer education is the main impact of phased benefit migration. We have now responded to the Change Request introducing phased Benefit migration has been submitted. Of the circa £10m price tag, some £9m relates to customer education: we have suggested some options which would limit the overall cost.
- With regard to programme delays, we have registered the facts that we have still not received PDA/Sponsor agreement to Release 1c Contents, that the contents list is now much more comprehensive than was originally contemplated, and that agreement to Access Control definition was received too late to include all aspects in 1c without delay.
- CAS terms are still being progressed under CNT auspices, and are still not yet resolved. However, the understanding that EDS will perform the service and that we will deal with DSS has held firm.
- As stated above, the pressure brought to bear on outstanding CCNs has begun to pay off, with the backlog now substantially cleared.
- JCCB (Joint Change Control Board). No meeting held.

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- Finance and Commercial Forum - mostly housekeeping - continues to work well.
- Acceptance process forum (Jim Morley leading for Commercial) - progress still being made despite the problems elsewhere.

2.5 EXTERNAL, WITH POCL, DSS

- Informal feedback that both sponsor organisations have been shaken by the late declaration of slippage. Both are deeply unhappy and resentful at what they consider to be short notice.
- DSS are clearly concerned at the shear size of the task still ahead on our side and also theirs: CAPS continues to consume some 300 developers and the data cleansing exercise is still to come. The BA business case has inevitably been damaged. As before, BA are apt not to include fraud savings in their cost/benefit assessments although fraud remains the main goal of Government and Treasury.
- POCL had jumped the gun with commitments to clients: backtracking will be difficult and painful for them, and may prompt some clients to lose patience with promises of future automation which never comes. (This is the third attempt at automation for POCL). Some clients will look for alternatives.

2.6 EXTERNAL, WITH SUPPLIERS

- De La Rue and Girobank are both severely impacted by the joint impacts of delay in roll out and the phased benefit migration. They are both claiming significant sums in compensation under Change Control. We continue to debate the detail but cannot rebut the substance. The delay in roll out from the new replan means that more of the impact is now attributable to up-front delay and less due to the phased benefit migration.
- Product suppliers are now about to ship volumes which were committed against old roll out plans. Such deferral as is possible under the contracts has been invoked, but it is inevitable that we will go out of the year with excess inventory.

2.7 INTERNAL TO ICL PATHWAY

- At centre stage is the new replan work and its underpinning though improved process and resource deployment. Associated work includes a thorough reappraisal of the forecast for 1997 and 1998.
- ICL Pathway Asset Co. has been established as a fully owned subsidiary of ICL Pathway Ltd. to act as the special purpose vehicle for funding.
- An assessment has been made of the probable impact of the new replan on the Pathway business case, and ICL Group appraised of it.

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3 CURRENT CRITICAL PROBLEM

- Selling the proposed new replan
- Achieving the first key milestone - 1c
- Re-establishing customer confidence
- Securing BA/POCL consents to the funding arrangements

4 ISSUES

Much as last month and the month before that:

- Getting back on track with an agreed, achievable plan (as above)
- Resourcing the plan at all levels
- Rebuilding staff morale and our own confidence
- Some important Replan (ie. *April* Replan) details still to be finalised
- BA customer education (still)
- Making DSS feel positive about this programme
- Managing POCL and POCL client expectations
- Early delivery of enhanced POCL functions
- Ensuring that we can actually install 300 post office per week

5 COSTS

- The forecast next week will concentrate on establishing a new baseline against the
- proposed new replan. The prognosis is as follows:
- 1997: Operating costs will be up slightly, and capital spend not much reduced because of prior commitments. Revenue will be down slightly (it was already very low). Cash impact neutral.
- 1998: Revenue will be down significantly, but so will capital spend. The elimination of one major release should prevent operating costs increasing significantly. The net cash impact is likely to be slightly favourable.
- 1999: Revenue will be down again, and capital spend will be up significantly. (The balance of roll out investment falling in 1999 will now be much larger.) Cash flow will be significantly adverse.
- The first priority is to establish a new roll out plan which everyone can work to.

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Customer Requirements Report.

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Customer Requirements Report

1 SUMMARY

- All of the first round of Acceptance meetings have been taken place and we are now into revising specifications mostly for agreement as the next stage. Some POCL Acceptance Test Specifications are proving difficult as expected.

2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

- Dates which are dependent on the first post 1c Release schedule have been shown as no forecast. Program-based Acceptance tests are expected to be undertaken from early September when the counter applications from Escher will have been incorporated.

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
4.9.13.8	Acc - POCL Infra/PDA Agreement to Acc Spec'n	23-Apr-97	23-Jun-97	27 Jul-97 forecast
4.9.10.8	Acc - Help Desk/PDA Agreement to Acc Spec'n	25-Apr-97	22-May-97	2-Jun-97 actual
4.9.16.8	Acc - E2E Service/PDA Agreement to Acc Spec'n	29-Apr-97	28-May-97	22-May-97 actual
4.9.9.10	Acc - MIS/PDA Agreement to Acc Spec'n	08-May-97	04-Jun-97	2-June-97 actual
4.9.12.15	Acc - POCL/DSS Impl/PDA Agreement to Acc Spec'ns	09-May-97	29-May-97	18-May-97 actual
4.9.7.7	Acc - TIP/Issue Acc Spec'n to PDA	12-May-97	12-May-97	12-May-97 actual
4.9.1.10	Acc - OBCS/PDA Agreement to Acc Spec'n	19-May-97	30-May-97	30-May-97 actual
4.9.7.11	Acc - TIP/Rehearsal - Int Testing	23-May-97	23-May-97	No forecast
4.9.5.10	Acc - APS/HAPS PDA Agreement to Acc Spec'ns	26-May-97	04-Jun-97	20-Jul-97 forecast
4.9.8.10	Acc - Ref Data/PDA Agreement to Acc Spec'n	06-Jun-97	20-Jul-97	20-Jul-97 forecast
4.9.14.9	Acc - Reconciliation/PDA Agreement to Acc Spec'n	06-Jun-97	20-Jul-97	27-Jul-97 forecast
4.9.15.9	Acc - Audit/PDA Agreement to Acc Spec'n	06-Jun-97	20-Jul-97	27-Jul-97 forecast
4.9.12.14	Acc - POCL/DSS Impl Pathway/BA/POCL Quality Review	22-May-97	22- May-97	Complete

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WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
	(Rollout)			
4.9.1.8	Acc - OBCS/Receive PDA Comments on Spec'n	21-May-97	23-May-97	Complete
4.9.4.8	Acc - EPOSS/Receive PDA Comments on Spec'n	28-May-97	2-Jul-97	Complete
4.9.5.8	Acc - APS/HAPS Receive PDA Comments on Spec'n	26-May-97	3-Jun-97	Complete
4.9.7.8	Acc - TIP/Receive PDA Comments on Spec'n	28-May-97	5-Jun-97	Complete
4.9.8.8	Acc - Ref Data/Receive PDA Comments on Spec'n	28-May-97	29-May-97	Complete
4.9.9.8	Acc - MIS/Receive PDA Comments on Spec'n	26-May-97	29-May-97	Complete (nil return)
4.9.12.10	Acc - POCL/DSS Impl Receive PDA Comments on Spec'n	13-May-97	21-May-97	Complete
4.9.12.11	Acc - POCL/DSS Impl Pathway/BA/POCL Quality Review (User Training)	15-May-97	14-May-97	Complete
4.9.14.7	Acc - Reconciliation/Receive PDA Comments on Spec'n	28-May-97	2-Jun-97	Complete
4.9.15.7	Acc - Audit/Receive PDA Comments on Spec'n	28-May-97	10-Jun-97	Complete
4.9.16.6	Acc - E2E Service/Receive PDA Comments on Spec'n	19-May-97	23-May-97	Complete
4.9.12.12	Acc - POCL/DSS Impl Pathway/BA/POCL Quality Review (Marketing)	20-May-97	No forecast	(Was 20-May-97)
4.9.12.13	Acc - POCL/DSS Impl Pathway/BA/POCL Quality Review (Services)	20-May-97	20-May-97	Complete

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING JULY 1997

WBS No.	Description	Current Complet'n Date
4.9.4.10	Acc - EPOSS/PDA Agreement to Acc Spec'n	27-Jul-97 forecast
4.9.3.10	Acc - PAS/CMS/PDA Agreement to Acc Spec'ns	20-Jul-97 forecast
4.9.2.10	Acc - BES/PDA Agreement to Acc Spec'n	20-Jul-97 forecast
4.9.6.10	Acc - CAPS/PDA Agreement to Acc Spec'n	20-Jul-97 forecast
4.9.11.10	Acc - Security/PDA Agreement to Acc Spec'n	20-Jul-97 forecast

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WBS No.	Description	Current Complet'n Date
4.9.3.12	Acc - PAS/CMS Rehearsal - MO Rehearsal	No forecast
4.9.10.9	Acc - Help Desk/Rehearsal - MO Rehearsal	No forecast
4.9.6.12	Acc - CAPS/Rehearsal - MO Rehearsal	No forecast
4.9.11.12	Acc - Security/Rehearsal - MO Rehearsal	No forecast
4.9.8.11	Acc - Ref Data/Rehearsal - MO Rehearsal	No forecast
4.9.5.12	Acc - APS/HAPS Rehearsal - MO Rehearsal	No forecast
4.9.4.12	Acc - EPOSS/Rehearsal - MO Rehearsal	No forecast
4.9.12.16	Acc - POCL/DSS Impl/Rehearsal - MO Rehearsal	No forecast
4.9.13.9	Acc - POCL Infra/Rehearsal - MO Rehearsal	No forecast
4.9.14.11	Acc - Reconciliation/Rehearsal - MO Rehearsal	No forecast
4.9.15.11	Acc - Audit/Rehearsal - MO Rehearsal	No forecast
4.9.16.9	Acc - E2E Service/Rehearsal - MO Rehearsal	No forecast
4.9.9.12	Acc - MIS/Rehearsal - MO Rehearsal	No forecast
4.9.2.8	Acc - BES/Receive PDA Comments on Spec'n	04-Jun-97 actual
4.9.3.8	Acc - PAS/CMS Receive PDA Comments on Spec'n	09-Jun-97 actual
4.9.6.8	Acc - CAPS Receive PDA Comments on Spec'n	09-Jun-97 actual
4.9.11.8	Acc - Security/Receive PDA Comments on Spec'n	16-Jun-97 actual
4.9.13.6	Acc - POCL Infra Receive PDA Comments on Spec'n	16-Jun-97 actual

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

2.3 POST DROP DOWN

- It is now proposed that responsibility for operating CAS is transferred from ICL Pathway to DSS, to overcome difficulties in reaching a satisfactory tripartite agreement with DSS and EDS. The CAS Service Description was updated to include on-line operation and enables EDS to estimate the cost of operating the service. This requires protecting Pathway's interests if we were to incur SLA penalties should EDS/DSS be deficient in operating CAS.

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2.4 HIGH LEVEL HANDSHAKE MILESTONES/ACTIVITIES

- None.

2.5 DETAILED PLAN ACTIVITIES

2.5.1 CURRENT ACTIVITIES

2.5.1.1 RELEASE 1

- Further reviews of outstanding 1c/1e PINICLs were made during the month and a classification agreed with Development. Most positively, the most important BES ones will be cleared via Escher. Some PINICLs required CPs to establish conformance.

2.5.1.2 RELEASE 1/2

- PDA and sponsors have assembled full written comments on version 3.0 of the SADD and we are working through them with PDA to distinguish those for PDA and Pathway attention.
- The B2 section of the SADD, which is the contractual repository for interfaces, has been substantially extended to incorporate new material on the interfaces in the end-to-end application services for TIP/Reference Data, APS and OBCS.
- It is expected that we will provide details of the Oracle tables interfacing the host PAS/CMS services, and probably also those to TIP, RD, APS and OBCS, to the appropriate agents within TMS. However, we intend not to provide the full Agent design specifications, which include substantial Pathway IPR. In addition the TMS (Riposte) API specification will be required to meet Requirements 469 and 470.
- Various changes and new detail have been added in response to PDA comments on version 3.0.
- The large number of comments/questions (there were 154) from PDA Technical Assurance were responded to: very few changes to the SADD are required and none is of any consequence. In addition, a rather similar list of questions from the same source (there were a mere 62 of these) but positioned as seeking information was responded. This response was rather robust and may cause a ripple.
- CCN117 was revisited to identify what transaction data needs to be logged within CAS. No simple, complete solution was identified but a simplifying proposal was made.
- The position on milk tokens within a benefit encashment was also reviewed and a number of inconsistencies in recording and reporting were identified (BES, Agent, Oracle).

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- Tony H has fixed the issue of getting DSS reference data into the system. He has had a version of CAS developed (CP586) which will take reference data from DSS. This product, which is contained in CAS.300, enables a download process to be initiated manually by EDS. It has been delivered to Pathway and meets the needs of Releases 1C and 1E. PDA will be responsible for agreeing the CR as this is an ITSA, not CAPS, responsibility.

2.5.1.3 RELEASE 2/3

- Design is now getting on top of the smart AP products. The outstanding issues are now down to Quantum and APPU/Smart Key
- The size of the APS Client Take on activity is getting larger. POCL now have almost 200 external Clients to whom we are required to connect.
- The Change Request to incorporate Remote Stock Unit is with Design.
- The Government Direct project has become a more attractive proposition, with the abandoning of demos and a concentration on real requirements in which we can make a contribution in a more manageable timescale.

2.5.1.4 CARS

- These are up to date and now little traffic.

2.5.1.5 ACCEPTANCE

- This has again been the principal activity.
- The last Acceptance Specification Reviews were completed. As anticipated the POCL-oriented ones have been difficult because of difficulties in traceability - relating test back through implementation to requirement. We now have to rework all the Acceptance Test Specifications and drive them forward for agreement. In order to get them to a position from where we can drive for agreement, we have had to incur commitments to add tests, produce new Test Plans and originate technical papers.

  The BES Acceptance Specification Review went better than expected, reliance on new "learned papers" was reduced, new tests are in preparation, and Acceptance Specification revised.

  CMS, PAS and CAPS Interface Acceptance Test Specifications all elicited low level changes and new tests have been originated.

  The Audit, Reconciliation, Reference Data and TIP Acceptance meetings all concluded with feasible ways forward. That for EPOSS now requires a lot of rework, but is expected to be easier for the non-IT POCL sponsor representatives to sign up to at the end.

- A second revision of the APS specification was issued.

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- A first POCL Infrastructure review only completed half the comments and play has been suspended for a week. To pass muster on this we will need good technical documentation at the system component level

2.5.1.6 NEW BUSINESS SUPPORT

- Another revision of the SAP-ADS BRD was received clarifying the requirement and responding to our initial price. This was seen as an order of magnitude too high. They have now split the requirements into mandatory and desirable. We must now look seriously at the real costs of developing grades of service. POCL view this as being simple extensions to EPOSS; we view this as an outlet stock management system.
- The final version of the National Savings BRD was output. A useful technical review was held with POCL and NS.
- POCL professed mild annoyance that the Insurance BRD was not given priority. Our initial response was submitted.
- There are a large number of entries on the POCL Client Take-on Plan. We have to find ways of organising these into groups to avoid treating each Client as a unique and costly opportunity.
- The EFTPOS Statement of Requirement is being reviewed by Design.

2.6 OTHER TEAM ACTIVITIES

- irrelevant
- The design study has progressed to an outline design, timescales and costs. End-to-end data integrity is of major concern to DPAG and a considerable time was spent describing the Pathway solution in this area. A significant amount of report writing remains to be done (in German) and ICL Germany will continue to need substantial follow up support from ICL Pathway.
- A number of detailed technical and design questions will need to be addressed in the future, including the relationship between the Pathway solution and the use of Escher Cashier Script and Asset Manager. An initial outline design for the external authorisation transactions (Postbank) was derived but will need further discussion and refinement (including possible support for PIN Pad devices by the Peripheral Broker). We are being hampered by the lack of design documentation particularly in relation to EPOSS.
- DCH gave a presentation on ICL as a system integrator to the Black Forest Group conference, drawing on examples of secure messaging systems.
- irrelevant

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3 CURRENT CRITICAL PROBLEMS

- None

4 ISSUES

- We are now dependent on technical documentation being available for use during the Acceptance sequence.
- If DPAG is qualified as a major sales opportunity it will need substantially more bid effort, including Pathway support. FJ/ICL Germany is essentially a PC sales organisation whose main interest is to displace SNI as supplier of 20K PCs. The DM300m opportunity includes hardware, software, implementation, rollout, training, but excludes support and operations.

5 COSTS

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Customer Service Report.

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Customer Service Report

1 MONTHLY SUMMARY

1.1 OPERATIONS

1.1.1 RELEASE 1A (IGL-2)

- There were few problems with the operational running of IGL. The service continues to run successfully.

1.1.2 RELEASE 1B

- A total of six software fixes have been applied successfully to the live estate in late June. These include the switching on of Maestro, two data centre fixes and two counter fixes. Both the process and the actual installations were successful.
- The counter fixes addressed the ISDN card and OBCS stop file problems both of which were highly visible to the customer and the cause of some serious concern.
- The software fixes applied to the counter systems marks a milestone in our systems management capability in that this was the first real application of software distribution using Tivoli SMS. The regression path was also tested successfully.

1.1.3 RELEASE 1C

- Work continues to develop the Release 1a and 1b to Release 1c migration plan.
- Model Office Rehearsal has started and the operational requirements on our suppliers have been identified. De La Rue are already providing cards but full service from other suppliers is not planned until MOR2.

1.2 BA & POCL SERVICES

- New phone numbers for the Girobank Helpdesk have been identified as per the changes initiated by OFTEL.
- Tenders for the "Freepost service" and "Temporary Tokens Supply service" are awaited from Girobank.

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1.3 CUSTOMER SATISFACTION

- Results from the four Release 1b POCL Focus Events show that the overall views of the system are good and confirm that there is considerable goodwill from sub-postmasters towards the Horizon system.
- The communication, user awareness, support and training were all highly regarded. Concerns however were expressed on some aspects of the on-site Post Office work - e.g. having survey, site prep and installation on the same day of the week, late arrival of workers, and the presence of too many managers - action plans have been produced to address issues raised.
- The next POCL Research Services activity is a telephone survey of some 100 Post Offices - results will be available in July.
- The level of satisfaction with service visits remains high (90% of answers on the Feedback Cards express satisfaction) with some very positive comments having been written.
- On the few occasions that there is a negative comment, these are followed up through the service supplier - engineer arrival time features most.
- A new issue is that sub-postmasters are expressing concern over their phone bill for having to ring the Horizon System Helpdesk - this has been discussed with the PDA.

1.4 RELEASE MANAGEMENT

1.4.1 PROCESS AND PROCEDURES DOCUMENTS

- The Release 1c PPD set was been issued and comments received back.
- The Release 1e PPD set is currently awaiting review by the PDA. A sample section of the EPOSS PPD has been produced in the new format required for Release 1e. We are awaiting feedback from the PDA.

1.4.2 RELEASE AUTHORISATION AND DISTRIBUTION (RAAD)

- The RAAD forum is in place and meets weekly or as required.
- The process for Software Fixes is in final draft. Its aim is to ensure that changes to the live environment are controlled, auditable and have acceptable risk.
- The process covers the activities of the RAAD Manager, the RAAD Forum and those of each affected unit (SMC, SSC, CFM ops/ 3rd line, Development, T&I, CM) which are necessary before the RAAD Manager will accept the change.
- The processes for each unit have been agreed and the final version is in circulation for acceptance.

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- A management report detailing all scheduled Software Releases is published weekly.
- The name 'Release Authorisation and Distribution' has been introduced to differentiate this activity from the Release Management Process which covers change control and amendments to the contractual 6-monthly releases.

1.5 MANAGEMENT INFORMATION SERVICES

1.5.1 SERVICE LEVEL MANAGEMENT

- This month's meeting was postponed by the PDA however, work has continued to develop the reports format and review structure.

1.5.2 WORKLOAD VOLUMETRICS

- Continual changes in the programme have required us to make new predictions for workload volumes.

1.5.3 RECONCILIATION

- No problems in June with the IGL daily reconciliation although an encashment was repudiated by the BA. This has proved to have been caused by a post master not following fallback procedures and issuing a manual receipt when the receipt printer had failed. Both the fallback and the training processes will be reviewed to determine if this problem may be avoided in future.
- Transaction volumes for OBCS have now exceeded 300,000 since Release 1b commenced in early May.
- The fallback and recovery processes for Release 1c has been agreed.
- A working interface has been established with CAPS Process Definition (Newcastle) and with POCL (Chesterfield).

1.6 PROCESS MANAGEMENT

1.6.1 OPERATIONAL PROCESSES

- Construction of Release 1c support processes commenced using earlier 'steady-state' process models as a starting point. Top level end-to-end process views have been constructed to provide a framework for Release Management and third line support functions

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- The support processes have now been aligned with the Service Code of Practice (SCOP) we agreed with the PDA. This action will provide a compatible overall solution and ensure that common terminology is used by all parties.

1.6.2 BPS PROCESSES

- BES and APS counter transaction times were reviewed with POCL "Efficiency and Process Support" representatives and agreement was reached on times attached to manual activities.
- A working level interface has been established with CAPS Process Definition (Newcastle) and joint development/validation of Pathway/BA reconciliation processes progressed and the latest BA business models obtained.
- The Payment Card Helpline (Bootle) was provided with an overview of the proposed reconciliation process. The new process involves additional PCHL activities. The proposed process also introduces a new call type to the Horizon Systems Helpdesk. A Change Request will be submitted following a process walk through on 2nd July.

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2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
6.1.1.4	Draft Temporary Token Volumetrics	16-Jun-97	27-Jun-97	Complete at high level and reviews continue.
6.1.2.4.4	Review and Accept Card Design Tech. Spec.	02-Jun-97	~~30 Jun 97~~ 15 Jul 97	Continues
6.1.2.7.9	Release 1c BA Live Personalisation Data from CAPS to ICL Data Centre	05-Jun-97	~~05 Jun 97~~ 14 Aug 97	Continues
6.1.2.7.11	Release 1c BA Cards (Initial Batch) available	09-Jun-97	~~01 Jul 97~~ 11 Aug 97	Continues
6.1.2.8.1	Model Office Personalisation Data from CAPS to ICL Data Centre	05-Jun-97	05-Jun-97	Started and continues through Model Office
6.1.2.8.4	First Model Office White Cards available	09-Jun-97	09-Jun-97	Complete
6.1.2.10.14	Welsh Language Personalisation Data from CAPS to ICL Data Centre	05-Jun-97	~~05 Jun 97~~ 14 Aug 97	Continues
6.1.2.14.9	Final PDA Approval of Release 2 PUN Design (English)	30-Jun-97	~~30 Jun 97~~ 30 Sep 97	Continues. Design change for PUN is pending
6.1.2.14.22	Final PDA Approval of Release 2 PUN Design (Welsh)	30-Jun-97	~~30 Jun 97~~ 30 Sep 97	Continues. Design change for PUN is pending
6.1.2.15.3	Model Office PUNS available	20-Jun-97	~~18 Aug 97~~ 30 Jun 97	Complete
6.1.2.18.3.8	Release 1 Delivery Service (Cards & PUNS) Procedures Review and Accept	13-Jun-97	11-Jul-97	Continues
6.1.2.18.4.3	Release 1 Delivery Service (Temporary Tokens) Procedures Review and Accept	09-Jun-97	07-Jul-97	Continues
6.1.2.18.6.3	Delivery Service Monitoring Facility available (through HD @ Rel2)	26-Jun-97	~~30 Jun 97~~ 11 Jul 97	Continues
6.1.2.20.1.4	Customer Service to D.S.S Process Issued	19-Jun-97	17-Jul-97	Continues
6.2.2.3	Format of MIS reports	30-Jun-97	14-Jul-97	Continues
6.4.10.4	SMC Service - Management Review Complete	06-Jun-97	04-Jul-97	Continues
~~6.5.2.4.11~~	~~Agree Contingency Plan Document with PDA~~	~~11 Jun 97~~	~~09 Jul 97~~	Deleted activity; No requirement to agree with PDA covered by

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WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
				Acceptance
6.6.33	Contingency Procedures for BPS Relative to 1c(CAR 746/2)	16-Jun-97	18-Aug-97	Continues
6.6.37	BA POCL Agree Strategy of moving IGL sites to 1c	06-Jun-97	21-Jul-97	Continues
6.6.43	Define HD Contingency Plans for loss of facilities (Reqt 889-2)	09-Jun-97	~~09-Jun-97~~ 15 Jul 97	Continues
~~6.6.46~~	~~Document BA (BPS) Processes (suspended until July)~~	~~30-Jun-97~~	~~07-Jul-97~~	Temporarily suspended activity
~~6.6.50~~	~~APT Operational Procedures documented (suspended ref. D.Law 12/02/97)~~	~~04-Jun-97~~	~~02-Jul-97~~	Temporarily suspended activity

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING JULY 1997

WBS No.	Description	Current Complet'n Date
6.1.2.7.11	BA Cards (Initial Batch) available	~~01-Jul-97~~ 11 Aug 97
6.1.2.10.14	Welsh Language Personalisation Data from CAPS to ICL Data Centre	~~03-Jul-97~~ 18 Aug 97
6.1.2.11.14	War Pensions Personalisation Data from CAPS to ICL Data Centre	03-Jul-97
6.1.2.12.14	War Pensions Welsh Personalisation Data from CAPS to ICL Data Centre	03-Jul-97
6.1.2.14.9	Final PDA Approval of Release 2 PUN Design (English)	~~30-Jun-97~~ 30 Sep 97
6.1.2.14.22	Final PDA Approval of Release 2 PUN Design (Welsh)	~~30-Jun-97~~ 30 Sep 97
6.1.2.17.1.3	Temporary Token Process Issue1 Review and Accept	21-Jul-97
6.1.2.18.1.3	Review and Accept Delivery Service Process	01-Aug-97
6.1.2.18.3.8	Release 1 Delivery Service (Cards & PUNS) Procedures Review and Accept	11-Jul-97
6.1.2.18.4.3	Release 1 Delivery Service (Temporary Tokens) Procedures Review and Accept	07-Jul-97
6.1.2.19.7.11	PAS/CMS Helpdesk (MO) Service Available	01-Aug-97
6.1.2.20.1.4	Customer Service to D.S.S Process Issued	17-Jul-97
6.2.1.13.1	BA/POCL MIS Reporting Requirements	07-Aug-97
6.2.2.3	Format of MIS reports	14-Jul-97

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WBS No.	Description	Current Complet'n Date
6.4.10.4	SMC Service - Management Review Complete	04-Jul-97
6.5.2.6.6	Review and Agree Acceptance Criteria with PDA	04-Jul-97
6.6.28	BA POCL Approve Customer Services Manual	25-Aug-97
6.6.37	BA POCL Agree Strategy of moving IGL sites to 1c	21-Jul-97
6.6.58	SLA Commences	18-Aug-97

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

3 CURRENT CRITICAL PROBLEMS

- None.

4 ISSUES

- The re-plans and subsequent knock-on to volumetrics continue to critically impact our Suppliers and our relationships with them.
- Concerns over the quality of DSS address data continue to affect the service Royal Mail are prepared to offer.
- Progress on the installation and connection of Girobank Helpdesk software for R1c has been very slow. Familiarisation and documentation has begun using one PC but Girobank are rebuilding the other two.

5 PERSONNEL

- Personnel is to run a Sunday Times advert for outstanding CS vacancies although internal sources continue to be actively trawled.
- Mik Peach joined on 23 June and takes on the management of our System Support Centre.
- Paul Westfield joined on 2 June and takes on the management of our Information Systems and Process Engineering team.
- Brian Ford and Janet Beard have transferred to CS from Programmes and now report to Paul Westfield.
- Martin Molloy joined on 23 June to assist Peter Burden in managing the ICL Sorbus and ICL CFM contracts.
- Helen Pharoah took over from Caroline Freer on 30 June. Following a one week hand-over, Helen will be responsible for the production and day to day management of the PPD set.

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- Arrangements are being made to transfer the responsibility for Operational Testing of live service systems to CS from Programmes T&I. A new team will be established reporting to Martin Riddell.

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6 SUMMARY IGL / 1B SERVICE REPORT - JUNE 1997

6.1 BENEFIT PAYMENT ANALYSIS

6.1.1 PAYMENT / ENCASHMENT BREAKDOWN BY VALUE - JUNE 1997

Unencashed B/F	Pmts Rec'd	Stops & Expiries	Encashments	Unencashments C/F
£31,727.75	£109,839.45	£669.50	£113,521.40	£27,376.30

6.1.2 PAYMENT / ENCASHMENT BREAKDOWN BY VOLUME - JUNE 1997

Unencashed B/F	Pmts Rec'd	Stops & Expiries	Encashments	Unencashments C/F
970	3541	27	3560	924

6.1.3 PAYMENT / ENCASHMENT BREAKDOWN TO 30/6/97 - BY MONTH

	Payments Received		Stops & Expires		Encashments Made	
Month	Number	Value	Number	Value	Number	Value
96/09 Sept	30	£530.00	0	£0.00	19	£372.20
96/10 Oct	150	£3,048.30	4	£62.80	132	£2,634.00
96/11 Nov	630	£16,987.50	7	£123.40	550	£14,920.20
96/12 Dec	1769	£52,024.40	22	£423.60	1468	£43,241.60
97/01 Jan	2096	£62,726.60	21	£462.20	2161	£64,688.70
97/02 Feb	3675	£110,337.00	47	£1,198.30	2694	£81,525.30
97/03 Mar	3339	£102,626.30	56	£1,300.80	3599	£109,528.90
97/04 Apr	4530	£124,614.65	65	£1,671.85	4497	£124,587.95
97/05 May	3336	£103,320.95	31	£1,048.30	3212	£96,697.85
97/06 Jun	3541	£109,839.45	27	£669.50	3560	£113,521.40
Total	23096	£686,055.15	280	£6,960.75	21892	£651,718.10

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6.1.4 PAYMENTS / ENCASHMENTS BREAKDOWN TO 30/06/97 - BY QUARTER

	Payments Received		Stops & Expires		Encashments Made	
Quarter	Number	Value	Number	Value	Number	Value
96/3	30	£530.00	0	£0.00	19	£372.20
96/4	2549	£72,060.20	33	£609.80	2150	£60,795.80
97/1	9110	£275,689.90	124	£2,961.30	8454	£255,742.90
97/2	11407	£337,775.05	123	£3,389.65	11269	£334,807.20
Total	23096	£686,055.15	280	£6,960.75	21892	£651,718.10

6.1.5 PEAK ENCASHMENT DAYS TO 30/06/97

Date	Day	Number	Value
97/06/16	Mon	351	£12,010.82
97/06/23	Mon	355	£11,839.55
97/06/02	Mon	357	£10,993.55
97/06/09	Mon	361	£13,615.40
97/03/17	Mon	362	£12,714.30
97/04/21	Mon	388	£11,256.80
97/04/07	Mon	407	£10,719.50
97/04/14	Mon	459	£13,255.20
97/03/24	Mon	468	£14,645.80
97/05/19	Mon	612	£20,907.00
97/04/28	Mon	694	£19,739.50
	Days	11	

6.2 FOREIGN ENCASHMENT ANALYSIS

6.2.1 FOREIGN ENCASHMENTS BY TYPE TO JUNE 1997

Type	Number
Foreign Encashments made at Post Offices	22
Foreign Encashments made by Payment Card Helpline	110
Total	132

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6.2.2 FOREIGN ENCASHMENTS TO 30/06/97 - BY MONTH

Month	Number
96/10 Oct	4
96/11 Nov	8
96/12 Dec	14
97/01 Jan	16
97/02 Feb	34
97/03 Mar	54
97/04 Apr	62
97/05 May	55
97/06 Jun	132
Total	379

6.3 HORIZON SYSTEM HELPDESK CALL ANALYSIS

6.3.1 CALLS RECEIVED TO 30/06/97 - BY MONTH

Month	Number
96/09 Sept	10
96/10 Oct	28
96/11 Nov	47
96/12 Dec	39
97/01 Jan	70
97/02 Feb	71
97/03 Mar	132
97/04 Apr	239
97/05 May	735
97/06 Jun	966
Total	2337

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6.3.2 CALLS RECEIVED TO 30/06/97 - BY QUARTER

Quarter	Number
96/3	10
96/4	114
97/1	273
97/2	1940
Total	2337

6.4 PAYMENT CARD HELPLINE CALL ANALYSIS

6.4.1 CALLS RECEIVED TO 30/06/97

Month	Number
96/09 Sept	6
96/10 Oct	83
96/11 Nov	191
96/12 Dec	243
97/01 Jan	344
97/02 Feb	463
97/03 Mar	305
97/04 Apr	402
97/05 May	306
97/06 Jun	401
Total	2744

6.4.2 CALLS RECEIVED TO 30/06/97 - BY QUARTER

Quarter	Number
96/3	6
96/4	517
97/1	1112
97/2	1109
Total	2744

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6.5 OBCS TRANSACTION ANALYSIS

6.5.1 TRANSACTION VOLUMETRICS - JUNE 1997 (ALL TRANSACTIONS)

	Accepted	Impounded	Invalid	Unreadable	Total
Encash	203907	1125	1	164	205197
Issue	16112	63	1	63	16239
Non-Barcoded	9257	0	0	0	9257
Re-direct	648	0	1	4	5
Receive	20309	115	15	65	20504
Total	250233	1303	18	296	251202

6.5.2 TRANSACTION VOLUMETRICS - JUNE 1997 (FOREIGN TRANSACTIONS)

	Accepted	Impounded	Unreadable	Total
Encash	29441	261	56	29758
Issue	304	2	2	308
Receive	4342	27	15	4384
Total	34087	290	73	34450

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6.5.3 ACTIVE CARD VOLUMETRICS - IGL

Month End	Beneficiaries (Active Cards)
30 Sep 1996	14
31 Oct 1996	76
30 Nov 1996	253
31 Dec 1996	578
31 Jan 1997	830
28 Feb 1997	1124
31 Mar 1997	1289
30 Apr 1997	1281
31 May 1997	1155
30 Jun 1997	1285

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Quality and Risk Report.

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Quality & Risk Report

1 MONTHLY SUMMARY

- FRM progress. Fraud Liability Apportionment definition and negotiation with PDA continues to take up considerable effort. There was also considerable debate over the list of identity documents for card issue. The issue that there will be no targeting of EVP for Release 2 has been raised and some concessions will probably have to be made. Training and installation of equipment for Girobank continues to plan.
- Risk Management. A Risk Report for Fujitsu has been produced. Work has begun on a BRD Risk Process.
- System Security. The SFS and ACP are being updated to take into account solution changes. Security Audit / Event Management is receiving much attention, with definition of requirements and design ongoing. Documentation of Security processes has made good progress. Work on Access Control products continues, with roles definition for COSManager and the SecurID change approved. Considerable effort has also been provided to support testing of security by Bracknell, which has made very little progress and is a major risk.
- Quality. Subcontractor Quality Plans and reviews continue. The main issue arising during the month concerned Exel, with an audit of some of their installation procedures, and the subsequent discussion of improvement needs with them.
- Process Development has resumed; progress is being made in Customer Requirements, Reference Data Management, End to End New Business and Commercial processes.
- Process Audits. Audit Report and Improvement plans for Development and T&I are being completed and discussed; main areas of concern include documentation and test records.
- Audit. General audit requirements and design are being addressed; experience of external companies sought.
- Considerable work again this month on Acceptance Specifications. The Security Acceptance Specification reviewed by PDA and some minor amendments are to be made.

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2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status
9.1.1.2	Develop Disaster Recovery Procedures	.	30-Jun-97	Delayed due to higher priorities; will be replanned
9.1.2.16	Agree Process for Fraud Liability	.	30-Jun-97	Delayed; agreement of liabilities taking more time than planned.
9.3.1.7.3	Review and Agree Audit Policy	.	30-Jun-97	Delayed; will be replanned.

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING JULY 1997

WBS No.	Description	Current Complet'n Date
9.3.2.1	Analyse Special Risks	31-Jul-97
9.1.2.22	All Mitigation on WBS	31-Jul-97
9.3.1.1.4	Re-issue and agree Security Functional Specification	31-Jul-97

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

2.3 FRAUD RISK MANAGEMENT

- The Extended Verification Process Requirement. A letter has been sent to the PDA stating that there will be no targeting method for EVP in R2. First reactions suggest that Pathway will have to make concessions in that EVP is available for all Temporary Tokens and some form of EVP is made available for Carded Casual Agents.
- Review of FRM Release strategy. Confirmation is now required PDA that the equipment to be used for FRM report receipt by the PDA will be funded by the Contracting Authorities.
- Training for Girobank. The hardware for Girobank staff has been installed; Business Objects will be installed 2/7/97 and a test database on 8/7/97.
- Internal FRM procedures:

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Fraud Incident Categorisation. Final review is being undertaken.

- Fraud Liability Apportionment. Considerable time has been spent in defining the first draft liability matrices which have been sent to the PDA and comments have been received. The PDA review has identified that Card Issue liability rests 100% with Pathway. The sub contract with POCL for card issue does not provide at this stage facility to transfer this risk. Negotiations continue in this area.
- Further areas of work continue to be identified. A particular requirement is a document detailing the rules for the charging for investigation (both reconciliation and repudiation). This is expected to be a significant amount of work.
- A critical problem in the Card Issue area arose. There was a dispute with the PDA over whether the list of ID documents to be used for card issue was sufficient to allow all Customers to collect the card without undue effort. This has now been resolved with Pathway accepting the additional fraud risk associated with the weaker documents being included in the list.
- In recompense for accepting this additional risk the BA will supply Pathway with the year of birth as an additional EVP item. To prevent the sensitivity factor (eg OAPs not wishing to give YOB) only the final digit of the YOB will be used.
- Procedures for impounded cards. PDA formal review comments were received 5/6/97. These have been reviewed and a response formulated.
- Fraud Incentive Reward Scheme. The PDA has been chased on a number of occasions. The document has still not been received by Pathway.

2.4 RISK MANAGEMENT

- Pathway Risk Report, Version 4.0 for Fujitsu was produced. The key conclusions were:

  The removal of two risks and successful implementation of relevant mitigation actions has reduced the impact / probability of 9 other risks.

  As a result, the current risk exposure has reduced from £56.8 million at the end of April 1997 to £51.2 million at the end of May.

  The previous estimate of exposure was a fall of £14 million associated with the implementation of Release 1c. The delay from the end of June to mid August 1997 has caused in increased risk profile of £8.7 million.

  The reduction of risk exposure on implementation of Release 1c is now estimated at £12.4 million. This higher exposure is not fully recovered until December 1997.

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- A first draft of Release 2. A formal review of the risks was carried out with the management team 23/6/97.
- BRD Risk Process; work is progressing - a major objective for July

2.5 SYSTEM SECURITY

2.5.1 DOCUMENTATION

- Security Functional Specification. Version 2.2 of the SFS has been issued for internal review. A CP will need to be raised for this version prior to despatch to the PDA (as Version 3.0) for official review.
- Access Control Policy. Work continues to revise the ACP in the light of changed system solutions.
- The Post Office document "I.T. Equipment Room Security Standards" has been received and reviewed. It describes PO standards for Data Centres and is the benchmark against which the PDA will audit Bootle and Wigan.

2.5.2 CRYPTOGRAPHY

- New IGL Rambutan keys (DEKs & KEKs) have been received from CESG to refresh the initial IGL key values. (Since IGL has been extended, the initial keys are in danger of imminent expiry)

2.5.3 SECURITY MANAGEMENT

- An Audit/Security Event Design meeting was held with CFM-Sorbus and a high-level design has been agreed utilising Tivoli as the security event management solution.
- The initial definition of security events has been refined.
- Barry Procter visited Simon Royal, the IT Security Manager at Camelot, to discuss security event management and PACE certification. As a result a draft PACE certificate for Pathway has been produced.
- Good progress has been made on documentation of the security processes including Password & User id Controls, Physical Access to Pathway Sites and SecurID & PIN Management.

2.5.4 SECURITY SOLUTION

- Jeremy Folkes, Dave King and Gareth Lewis of the PDA paid an initial visit to the Bootle and Wigan Data Centres (See Issues below).
- The procurement and installation of the firewalls identified in the Network Security Report is in progress.
- A workshop was held with Oracle to review and agree the roles matrices for Release 2.

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- A workshop was held with Sequent and CFM to review and agree the roles for COSManager. Subsidiary workshops are still taking place to create and populate the roles.
- The CP for Security Dynamic's 'SecurID' one-time passcode device was approved for 1e.
- During June, considerable effort has been in support of testing of security by Bracknell:

  A workshop was convened to urgently review and rework the original TSC NT configuration scripts. AMP Systems have been contracted to build new scripts for all Data Centre NT Boxes.

  Considerable effort has been spent on outstanding PinICL's and as a result a new PinICL stack has been created 'Security Policy'.
- Specific queries from the Post Office regarding the security environment for National Savings have been addressed.
- Various ongoing PDA issues have been addressed and resolved, others persist and will be tackled as and when resources permit.

2.6 INTERNAL SECURITY

- Proposals for the physical security of FEL01 have been revisited and improvements suggested. With Pat Reid to progress with Group Security.

2.7 QUALITY

- QMS Documentation. Support has been given to a review of the Change Control process; a modified process was agreed; to incorporate a Design input to all CPs prior to wider distribution for impact analysis. This should reduce delays arising from incomplete information.
- Plans have been received from WTL, Ithaca, Welch Allyn and Microtouch and reviewed. The Energis contract has been executed using an Energis pro forma contract which requires operation "within an ISO 9001 framework" without specific requirement for a Quality Plan. This is considered acceptable for the services they provide within an existing operating network. Quality Plan requirements have been reviewed with the contractor employed by Sorbus to complete their plan.
- Sub-Contractors Reviews. Action has been taken as a result of the DQA Report reviewed with Exel. A mini-audit of their instructions concerning vehicle security and the related training records was carried out and the DQA action closed. Actions arising from the DQA Report and the POCL Research Report (see below) were reviewed with WTL and incorporated in the Issues Working Group action list. A Quality Plan was expedited via the Quality Manager.

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- Customer Review. POCL Research Services presented their report of initial feedback on Horizon implementation from four focus group sessions to the User Satisfaction Forum. The overall conclusions are:

  overall view of system good, considerable goodwill towards automation

  communications, user awareness events, support and training are highly regarded

  activity in offices least favourably viewed: late arrival of workers, too many managers and poor communication between groups.

  Pathway have accepted actions against 6 of the 10 Recommendations with POCL / ITSA actioned on the remainder.

- Quality Assurance - Documentation. Review of Acceptance Test Specifications has completed. Consistency of presentation by different authors was reviewed and differences highlighted for attention during the revision / issue cycle. Review meetings with the PDA teams were chaired for APS, TIP and Reference Data ATS.

- In addition there has been renewed activity on reviews and revisions of contract related documentation:

  Schedules A02

  Process for review of Controlled Documents

  PDA listing of Controlled Documents

  ITSA documentation of Reference Data and Equipment Indicator processes

  Draft POCL contract for card issue

- Other reviews included:

  Release 2 Risk Assessment

  Draft PACE Certificate

2.8 PROCESS MANAGEMENT

- Process Audits (D/I/T). Development Audit Report and Improvement Plan was reviewed in the light of the reorganisation of Design / Development. Documents have been revised and issued (at last). The Test & Integration Audit Report and Improvement Plan preparation is in hand. There has been slow progress addressing gaps in test records.

- Develop Customer Requirements Processes/CARs. A written reply from PDA has finally been received, which, contrary to the verbal agreement given twice beforehand, queried elements of the process. The principle that CARs will have a life after Release 2 has been established. To be taken up with John Dicks.

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- Reference Data Management. Progress on the Change Catalogue has been good. V0.6 has been received and responded to and a follow-up session held to discuss queries. Discussions have started with the Implementation group about outlet changes and AP client changes and with Development about icons and menus which may change as a result of EPOS product changes.
- Upgrade On-Line Standards. Release 7 was made on the 1st July introducing changes to the Development Method for Release 2, T & I processes for Release 1e and introducing a new Employment Termination process.
- Commercial. Work on the Purchasing Process has started.
- End-2-End New Business. Comments have been received and the process and BRD product description are currently being updated. A session PDA has been held resulting in a better understanding by both sides as to what the process is attempting to achieve.
- Develop Release Management. 45 comments have been received spread between the process and the RCD, which are currently being reviewed.

2.9 AUDIT

- General Audit Requirements are being developed, building on the work that has already been done for Security Audit. Audit design is being reviewed to provide an interim solution for Release 1c, which will enable information to be stored and retrieved (even if by relatively manual methods), and experience gained on the likely alarm and reporting requirements.
- Camelot and HPS were visited, with the main objective of discussing their experience and set up of audit.
- Audit schedules and processes are being developed in order to ascertain resource requirements.

2.10 CRISIS MANAGEMENT AND INSURANCE

- No progress this month.

2.11 STAFF

- Lindsey Gibson joined Pathway on 30th June as Risk Administrator.

2.12 ACCEPTANCE

- The Security Acceptance Test Specification. has been reviewed. A small number of mainly minor amendments have been agreed and it will be released as V1.0 for sign off early in July.

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2.13 SUPPORT ACTIVITIES

- None

3 CURRENT CRITICAL PROBLEMS

- Security testing in Bracknell is significantly behind target, due to rig and configuration script problems. The management of the function is not very proactive or responsive, and considerable effort is being put in to support the activity. It is very high risk that could influence delivery timescales.
- There is a potential extreme resource shortfall to complete activities for Releases 1c, 1e and 2.

4 ISSUES

- Auditing has not yet been enabled on the Sequent machines. Sequent have given an assurance that reconfiguring and recompiling the Dynix kernel will not adversely affect previous test results; however there is still a concern that the performance and capacity issues have not been addressed. **It is vital that all audit events are logged now.**
- The physical security work agreed for Bootle and Wigan in January of this year has not been completed. Structural work, critical to the segregation of the Wigan Data Centre, is likely to be undertaken whilst production services are running. The PDA are preparing a report on their visit which I will circulate when I receive it.

5 COSTS

- No relevant information is currently available in sufficient detail to report on costs against budget for May.

Business Development Report.

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Business Development Report

1 SUMMARY

1.1 GENERAL:

1.1.1 CUSTOMER EDUCATION:

- As predicted last month, no approval for direct mail was forthcoming from the CAPS Board. This has actually left the PDA somewhat embarrassed. However, we have now submitted the Change Requests so the full financial impact is understood. Next moves are a meeting with PDA (3/7) to ensure full understanding of our proposal to be followed by a commercial meeting to discuss apportionment of additional costs. I do believe that BA are attempting to get Pathway to foot the bill on this one, as they themselves have not budgeted for it - basically it dropped down a deep hole. A further meeting with Commercial arranged for 8/7.

1.1.2 BUSINESS DEVELOPMENT:

- Progress is severely impacted by programme delays. Account teams are uncertain about dates - this means they cannot communicate accurately to their clients. National Savings and EFTPOS continue as the top priority items. We have managed to raise the Mails profile such that Director level discussions are taking place to agree a way forward. Mails became clagged because of internal politics. We must get an agreed project plan again that we can relay in confidence.

1.1.3 MIGRATION

- We have managed, I believe, to bring the Migration issue back on track following the letter from PDA suggesting that the agreed approach would necessitate additional funding of £4.5m. The latest approach will involve modifications to an already developed software tool and some additional notebooks (potentially brought forward from the mobile office lot).

1.1.4 USER AWARENESS

- User Awareness and its positioning in the programme continues to be an issue. We now have an agreed Pathway position and have worked out a campaign plan to sell to PDA and POCL.
- Presented a User Awareness event to the Executive Council of the Federation of Sub-postmasters in Malvern. A very successful event gaining their total support for the importance of the event.

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- We attended the Government Computing '97 exhibition in Westminster on 18/19 June as part of the ICL stand. Demonstrations of the Pathway system were very well received.
- BBC Radio Gloucester interviewed Dave Miller, Reg Barton and myself for a follow-up piece on an IGL office. Overall broadcast proved very positive but realistic.
- Attended the ICL presentation to National Savings (OJEC notice response). Very positive feedback received and potential for POCL and maybe Girobank to play into the overall response.

2 PROGRESS

2.1 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE FOR COMPLETION DURING JUNE 1997

WBS No.	Description	Previous Complet'n Date	Current Complet'n Date	Progress Status

The Communications plan for Release 1 is currently on hold.

2.2 LEVEL 1 MANAGEMENT OR HANDSHAKE EVENTS DUE TO COMPLETE DURING JULY 1997

WBS No.	Description	Current Complet'n Date
10.6.2	Advertising Media Preparation	23-Jun-97
10.6.2.10.3	Computer Disk - Client approval	26-Jun-97
10.6.2.1.15	Leaflet - Repro client signoff	16-Jun-97

Work is continuing on Release 2 and handshake and Level 1 milestones will be included within this report on completion of the integrated Release 2 plan.

2.3 MARKETING COMMUNICATIONS

2.3.1 CUSTOMER EDUCATION

- The new approach to communication has received both PDA and sponsor endorsement. In addition, ICL Pathway has been requested (is expected) to communicate subsequent benefit migration.

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- The implications of the new communication requests are now receiving full commercial consideration within ICL Pathway and the PDA.
- The commercial impact of the benefit migration change request, the branding and special need requirements is circa £12 million: this is in addition to the current scorecarded budget (£8.4million of this total is the cost of increased BA demanded, direct mail required for the communication of subsequent benefit migration)
- It is likely that the PDA will not be in a position to proceed with the communication proposals as they currently stand. A period of intense negotiation is expected and it is probable that the time this takes will impact the delivery of any communications in 1998.
- The working relationship with the PDA is improving but still shows a tendency for them to request we pay for items not obviously covered in our solution; collateral to employment services offices is the latest manifestation. It is very helpful if there is a quick "commercial arbitration" within ICL Pathway to establish if their request is fair (regardless of whether budgeted for).
- Minor success this month on getting all customer education deliverables to show (and visibly carry) an ICL copyright; achieving agreement to no advertising in 1997: and acceptance of a leaflet (rather than a low-quality factsheet) for special interest group initial communication.

2.3.2 SPECIAL INTEREST GROUPS

- Work is embryonic on sorting the events required for 1997 - two drop-ins in each region (NE & SW) to happen in mid-to late August: planning can only start when 97 roll-out is agreed. This year we will also produce the stands (for drop-ins) and one issue of the national newsletter.

2.3.3 PRESS PLANNING

- A press pack aimed at all POCL regions has been produced.
- Key activities for 1997 will be in organising the regional briefings. It is also important that all regional teams of the BA & POCL organisations get to meet each other and understand the programme. If we achieve success here we can avoid journalists playing "both ends against the middle" in negative situations.
- So far we, in ICL Pathway, have studiously avoided any press coverage on our activities. In so doing we have avoided any mention in the external/media domain of any project variances.
- This profile (whether coverage is ICL Pathway or ICL generated) will be maintained until the roll-out is agreed and we have a proven approach and position to communicate. I do not see this situation changing in 1997.

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2.3.4 INTERNAL COMMUNICATIONS

- Good progress sustained. Headway beginning to be made in POCL as to how the NFSP are handled.
- The issue of clarity over the next stage means that communication is necessarily limited: it is not healthy for this situation to continue for a prolonged period of time as POCL & BA staff will become confused and rumours may start.

2.4 BUSINESS DEVELOPMENT

2.4.1 EFTPOS (DEBIT CARD ACCEPTANCE)

- Commercial meeting taken place to review our commercial proposal and address concerns that we were trying to get too involved in POCL's business. POCL now comfortable with our motives. Pricing has been requested based on full on-line authorisation for each transaction (with no 'hot-card' file). In addition we have been asked to undertake a study to determine the potential for sub-postmasters to use parts of the horizon infra-structure to offer EFTPOS services for their private retail business - these transactions would need to be ring-fenced from their POCL business. POCL are keen to have a trial and the project manager is pushing for the use of non-horizon kit. Delays to roll-out of Horizon strengthen his case for not waiting for Horizon and rolling out a network of separate kit. We are actively campaigning against the short-term nature of this initiative.

2.4.2 SAPADS (INVENTORY MANAGEMENT)

- Our initial pricing proposal is seen as being too expensive by POCL. Accordingly they are reviewing their requirements to identify what is mandatory and what is only desirable. In addition, they have confirmed (verbally so far - this will be followed up in writing) that our Management of Change activities should be confined to only producing text for updates to the Horizon procedure manual. This will remove a major element of cost from our proposal. The up-side of this re-work is that they are aware that they can no longer expect functionality in April '98 which clearly would have been next door to impossible to deliver.

2.4.3 NATIONAL SAVINGS

- The content and structure of letters of intent between National Savings and POCL, and POCL and ICL Pathway, are being agreed with sign-off expected from the Board of National Savings in early July. Joint analysis and process work is continuing to progress well. Key problem here is providing National Savings with a date for when their requirements can be delivered. Clearly this is subject to re-plan.

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2.4.4 INSURANCE

- An initial BRD response has been made. All other work on this requirement has been scaled down pending POCL confirming commercial viability.

2.4.5 GENERIC BANKING

- Alliance & Leicester remain committed to the re-engineering process, however the key player from POCL has fallen ill, and there is frustration that the processes is going backwards in his absence. While the scoping of this area is between POCL and A&L, ICL Pathway is being involved and is seen as a key player in the process up-front, not just to deliver - this is encouraging. Again, A&L are getting mixed reports on the current status of the programme, and are nervous about the impact on their re-engineering activities.

2.4.6 MARKETING SUITE

- Clients and POCL are very keen to see the EPOS functionality in Release 1E, and it is likely that POCL will soon be pushing to set up a new wave of demonstrations to re-assure clients that the programme is progressing well.
- 10 events have been held in the marketing suite this month including 4 Client Launch days, 3 Client Launch Preparation days, and a POCL workshop on EPOS. In addition, three external presentations have been made (Parcelforce, Royal Mail, and POCL's Retail Development Centre).
- Our presentations continue to be well received by all clients.

2.4.7 NEW BUSINESS PLANNING.

- All new development is currently on a client by client basis - we need to take a longer term view, and agree a plan of work with POCL which will put in place generic blocks of functionality which can be used by many clients and will reduce the time to market for new clients/products. The current 9 month 'sign-off to delivery' cycle does not give POCL the flexibility they need to respond to changing market conditions. POCL, Business Development, Customer Requirements, and Programmes are working together to understand the feasibility of this approach.
- The partnership meetings have kicked off again with a view to progressing the partnership senior management action plans, and the partnership projects (which represent the majority of the new/new business). Household budgeting is receiving a lot of attention, and we need to start taking a view as to how this functionality can be delivered.

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2.4.8 GENERAL.

- As mentioned last month, our credibility with clients and Account Teams within POCL is currently very much tied to our ability to manage the introduction of Release 1. There is a clear need for all information about the project which is circulated within POCL to be controlled and distributed from the top with as positive a note as possible. This is as big an issue for POCL's senior management as it is for ourselves, as their business case is also dependant on the clients and Account Teams embracing automation.

2.5 MANAGEMENT OF CHANGE

2.5.1 EVENTS

- Management Awareness events have now been completed with the first in the South East run this month. The other 2 for the SE and the final one for the SW are under discussion.
- Following the Chesterfield event, a follow up meeting was attended by John Dicks and I which will result in a further visit to Chesterfield to follow a weekly cash account through the process at Chesterfield.
- There have been a number of Federation events run including a large one at Exeter for 140. Whilst we are reducing these events, they continue to be very well received reflecting the desire for early knowledge and early sight of the equipment (or in this case the carcass only).

2.5.2 REGIONAL USER SATISFACTION MANAGERS

- A review with PDA, POCL and the implementation and customer service teams in ICL Pathway has unanimously agreed the ongoing need for this role. More work has been done on role definition and the role has been renamed Pathway Liaison Manager reflecting the new broader scope. Recruitment plans for 5 more regionally based managers to supplement Greg Couper and Jacqui Haxton are now on hold pending re-plan.

2.5.3 FRENCH THORNTON

- The proposals for a POCL National Implementation Manager and Regional Implementation Managers should be resolved at the meeting on the 8th and 9th July with the RGM's. Also under discussion will be the reporting structure into Mena Rego, Paul Rich and links with other automation projects. Similarly, the Special Task Force arrangements should be made at this time. This is a critical piece of work to sort out how POCL owns and manages the implementation rather than the PDA on its behalf.

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2.5.4 SATISFACTION FORUM

- POCL Research Services delivered and discussed their first output from focus groups regarding user satisfaction with the implementation process. The full report is available but the summary stated that user awareness and training had been very well received whilst survey, preparation and installation had a few issues. All of these issues have been addressed with Barrie Davies and are being resolved.

2.6 CLIENT MANAGEMENT

2.6.1 ACCEPTANCE SPECIFICATION REVIEWS

- These continued during the period with involvement in:

  Reconciliation
  PAS/CMS
  CAPS Interface
  EPOSS
  POCL Infrastructure

- Of note was the MIS Acceptance Specification which was signed off without change and so no meeting!
- Some of these were only the initial sessions, for instance the POCL Infrastructure held on 3/7/97 started at 11:00 and finished at 19:00 with a new date to finish the 31 or so issues outstanding.

2.6.2 NFSP EXECUTIVE COUNCIL

- The briefing to the NFSP Executive Council took place on Monday 16th June in Malvern. Barry Davies, Lorraine Holt, Jacqui Haxton and Peritas carried out the presentation and demonstrations.
- The single message which emerged from dinner with the General Secretary (Colin Baker) and the President (John Peberdy) was one of communications, or rather lack of. There is a lot of interest and enthusiasm for the project but improved communications will help a lot. Colin Baker noted that his communications lines with POCL have not been maintained. He comments on this in this month's *Sub Postmaster* journal. Next week's meeting with Colin Baker and his two Assistant General Secretaries (Liam Foley and Martin Johnston) will enable us to consider how the issue can be changed for the better.

2.6.3 GOVERNMENT COMPUTING 18/19 JUNE

- Pathway were part of the ICL theme within the *Informed Society* with our demonstration illustrating the "high street." Wendy and Helen were the mainstays for the two days. John Wolfe was delighted with our contribution and particularly with the professional manner of Wendy and Helen.

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2.6.4 CARDS

- Following closely on the sign off of the War Pensions' cards last month, all the cards saw the first changes to their text during this period. The first instigated by OFTEL was raised by Pathway to establish the new Helpdesk telephone numbers which will be introduced from 1/7/97. These changes, affecting all five cards had barely been approved by the PDA when they raised a CRN (P47) to change the text on the reverse which affected four (all but NI). De La Rue Card Systems have been most responsive and produced the proofs which were signed off on 26/6. Costs input to the CRN amount to £1100 from DLRCS and £1000 from Anna Campopiano for the communications side.

2.6.5 TEMPORARY PAYMENT CARD

- The design of the text layout, line images and security features (including the Welsh variants) have been approved by the PDA and we now move to the more knotty problem of getting the colour mix correct. I would hope that this will be very close to final approval by the end of July.

2.6.6 POST & TELEKOM AUSTRIA AG

- This opportunity came to a head with the OJEC notice appearing (in German) and requiring our *Statement of Interest & Capability* to be delivered to Vienna by 27/6/97. Subsequent activity revolved around getting Rod Scott's statement re insolvency etc. "notarised" and the certificate couriered out. Similarly with getting a statement from Barclays Bank.
- I have heard today that we have successfully qualified to be invited to tender with three other parties.
- Following the success of our participation at Government Computing we are very likely to be requested for a demonstration stand at a briefing being set up for labour MPs in relation to the HMCE PFI bid. Peter Naughton from Bruce Naughton Wade is also being used by Yatin Mahandru.
- SINGAPORE: We hosted a visit from Lee Ching Chen, Deputy Director, Computer Services from Singapore Post.

3 CURRENT CRITICAL PROBLEMS

- Getting a re-plan date that we then stick to and deliver to is top priority. Business Development is dependant on us delivering the early stage products. We have delivered IGL and Release 1 but are now missing out. This leaves the account teams in a difficult position and we trying hard to manage the news channels - witness twice last week clients were told by POCL that there was anything from a four to a twelve month slip! Unfortunately they didn't say against which baseline.

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4 ISSUES

- Customer Education plods on. I believe we are getting closer and the point will come shortly where decisions MUST be made. I do not see BA coming up with appropriate funds, so we will have to look at cutting the programme. There has already been a slight indication of that in reference to one TV blast rather than two.

5 COSTS

- To be provided at summary level only by the Programmes Office.

International Sales Report.

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Organisation & Personnel Report.

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Organisation and Personnel

1 MONTHLY SUMMARY

- Following the recent organisation reviews there has been a significant increase in recruitment requirements, whilst at the same time good progress has been made in resolving outstanding high profile vacancies in Customer Service. There are still, however, currently twenty live vacancies across ICL Pathway
- It was mentioned in last months report that shortfalls in the Group Resourcing process had been exposed by the level of activity. Major effort has gone into addressing this over the last few weeks. Group Resourcing have responded positively to requirements and have worked with Personnel to implement solutions, including the short term provision of Daniel Osmer on a full time basis to ICL Pathway and a commitment to enhancing the recruitment techniques employed.
- A Search & Selection organisation, Barratt Webb, has been engaged by ICL Pathway to resource the business critical roles of Development and Test & Integration Manager

2 PROGRESS

- There are no handshake milestones affected by Personnel

3 CURRENT CRITICAL PROBLEMS

- Resourcing the Development and Test & Integration Manager roles is high priority and whilst permanent people are being sought, the roles will be filled by interim management. Initial delays in the Group Resourcing process have undoubtedly impacted hard on the Programme

4 ISSUES

- As soon as the result of replan activity becomes clear, it is essential that the full impact on Manpower Planning is ascertained
- Throughput in Personnel remains very high and steps are being taken to manage the level of activity most effectively

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International Sales Report

1 SUMMARY

- We are now in the final stages of our design study for Deutsche Post AG which is planned to be delivered on 21st July. Activity this month centred on a one week joint working session with Fujitsu ICL in Germany involving David Hollingsworth (full-time) and Alan Ward (part-time) from our side. A party of 10 from came to the UK for an update from us and a visit to 2 IGL offices on 26th June. This was well received but new people that DPAG have brought into the project have missed previous presentations and discussions will take some time to get fully up to speed.
- Our joint proposal with Escher/An Post/ICL Denmark to Post Denmark has succeeded in getting us onto a shortlist of 2 along with NCR. The next stage is development of a demonstration which is to be completed in July.
- We have responded to an RFI from Post and Telekom Austria who wish to pre-qualify likely suppliers prior to issuing an ITT w/c 7th July. Sterling work by Martin Johnston resulted in a credible document being submitted in very short timescales. I plan to use our German team to assist in resourcing the next stages if we are successful.
- Australia Post have issued an RFP for Architecture Definition and Management. They want a team of up to 15 to work in Melbourne from July 97 - December 97. This is not the way that we had proposed working with them during their visit in May and I have declined to bid. They understand this but want to keep an ongoing dialogue with us.
- Little progress has been made in progressing the Heads of Agreement signed with Escher and An Post to work towards a joint venture. We need to define some concise, short term, achievable steps that everyone can identify with and work towards them if this vision is to become a reality.

2 PROGRESS

- There are no handshake milestones affected by international sales.

3 CURRENT CRITICAL PROBLEMS

- None.

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4 ISSUE

- Although our approach to the above joint opportunities with Escher and An Post has been agreed in principle we currently have no commercial agreements to support proposals that we are now making. We need to get these in place or we shall be exposing ourselves and other parts of ICL and Fujitsu to commercial risk.