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ICL Pathway *Bringing* Technology *to* Post Office Counters & Benefit Payments

Monthly Progress Report

POH-435D

ICL

November 1997

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Document Title: Pathway Monthly Report - November 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. Bennett	Managing Director		

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FUJ00058165

ICL Pathway Monthly Report

Contents:

FUJ00058165

1 Managing Director's Summary.

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FUJ00058165

Managing Directors Summary

1 SUMMARY

- Main activity this month has been to see Release 1c successfully implemented in all 205 Post Offices. This was achieved exactly on target on the 20th November and involved some 330 counter positions.
- Alongside the Release 1c work increasing energy has been used to create the New Release 2 plan and discuss all details of this with the PDA and the sponsors. The workload here has been extensive and there are still key issues to resolve in order to achieve satisfactory sign-off by the end of December.
- The PA independent review has taken considerable amount of energy. The first section dealing with the tactical issues has progressed reasonably well but the longer term handling of the strategic issues has required considerable time and effort and in the critical area of business case has not yet found the right answer.
- With the appointment of the new Post Office Client Director we are beginning to make broader contacts across the Post Office Group and connect strands of activities which can benefit ICL at large as well as strengthen the case within ICL Pathway.
- On the International front, the team was concentrated almost exclusively on the Deutsche Post bid and the follow up actions. The current indication is that the proposal has been well received technically and it is possible that we will make the shortlist by the end of December notwithstanding the fact that we are substantially non-compliant in a number of areas, particularly on timescales.

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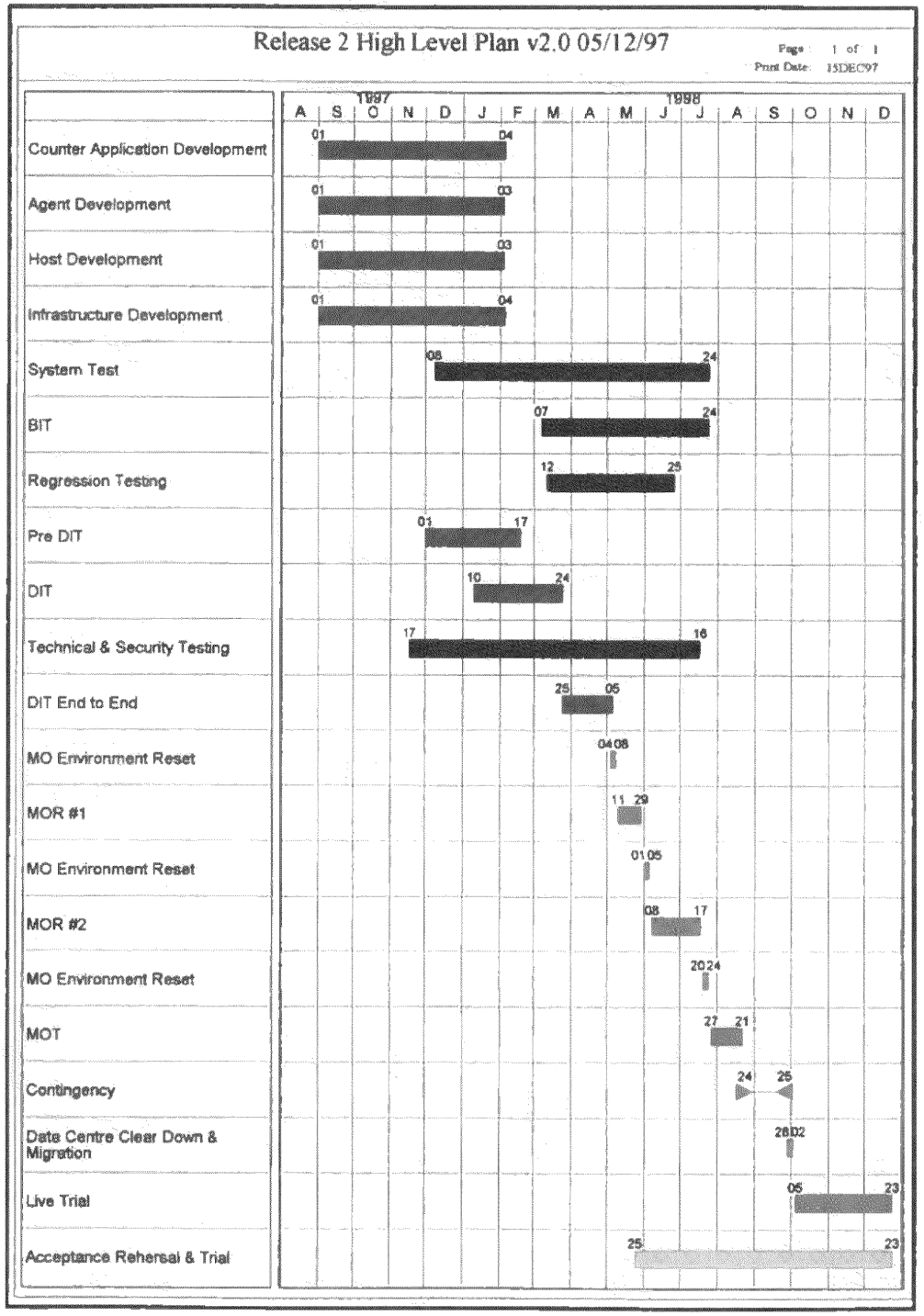
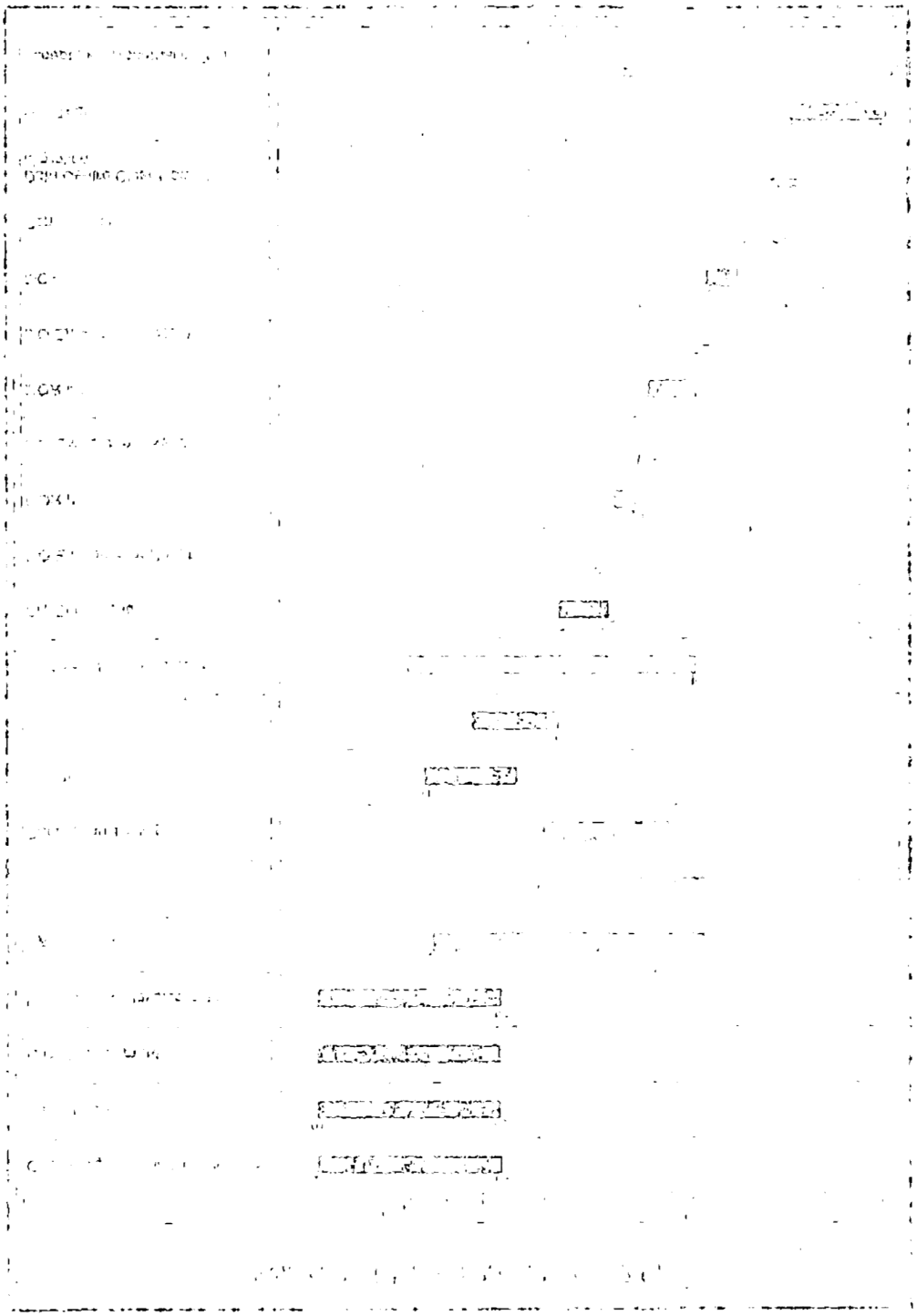
2 PROGRESS

2.1 RELEASE 2 HIGH LEVEL PLAN





2.2 PROGRESS - GENERAL

- The successful go-live on Release 1c has been a major success for the whole of ICL Pathway and the service has run with relatively few teething problems since it went live. None of these have been serious but they all require careful attention. This will be even more important as the card payment population increases over the next few months. Considering the technical complexities of this release, this is an outstanding success, although has been received fairly quietly by the PDA and their Sponsors.
- On New Release 2 we have provided the comprehensive documentation set for the baseline of this release and have spent extensive amounts of time presenting, following up, describing and clarifying all the details for this plan with PDA and the Sponsors jointly and separately. Nevertheless, there are some critical content items which must be resolved before the plan can be put to bed by the end of this year and we are approaching an agreement to disagree on the roll-out timescales for this release. All parties now are comfortable to accept October 1998 for the software deliverable to be ready for live trial but the Sponsors themselves want to defer live trial until January 1999 with an attendant three month delay on national roll-out. We have written to them describing what our terms are for us to comply with their dates. This has the hall marks still of a major dispute. Notwithstanding the above, we did formally start the system test New Release 2 on target on the 8th December.
- The PA independent review was followed through with final Chief Executive's Workshop on the 8th December where the outstanding strategic risks were discussed, debated and action plans agreed. Areas of progress concern the agreement to implement a lower technology solution for 3,000 of the smallest Post Offices. This will take risk out of the programme, remove some important areas of cost from ICL Pathway and will allow us to resolve the non-ISDN issues without resource to satellite technology. We also made progress in agreeing the new management arrangements to drive the programme forward in which the prospect of PDA disappearing is achievable between Spring and Summer 1998. This will lead to an arrangement whereby discussions are conducted on a bi-lateral nature, for example between Pathway and POCL, rather than today's three way or often four way debates where gridlock prevents anything happening. Potential progress here is good but it does all depend on POCL rising to the challenge of taking a grip on their resourcing, becoming much more pro-active and demonstrating that they have drive and capability of making difficult decisions. This will not be easy.

- In this review, PA concluded that they were comfortable with the steps ICL Pathway was taking to manage our dependencies on Escher Group. However it is clear that the Sponsors don't like this assessment and will continue to press on their own initiative to continue to chase this issue. The major area of disappointment and progress was resolving how to produce a robust business case for all three parties. This requires quite a lot more work and will be escalated to Ministers early in the New Year to see which is the key direction all parties want to pursue. Whilst these discussions continue, it is vital that ICL Pathway makes solid progress on the ground and continues to achieve against targets which is now more visible for all to see.
- On the wider Post Office Group side we are making contacts in Royal Mail, HQ level and SSL and are finding ways to create a stronger vision for a Post Office initiative around the Government Services and Government.direct and to press for a better higher ground positioning. The response to this has generally been good and the opportunities during 1998 for exploitation look interesting and achievable.

3 CURRENT CRITICAL PROBLEMS

- The most important area now is to develop, discuss, agree and implement a new business plan for the programme and to win the argument that an extension of the contract is essential to see this programme gain the true returns it deserves. POCL are very much in tune with this but there is a lot to do to bring BA into the same thinking.
- It is vital we achieve a satisfactory resolution to the New Release 2 contents and plan and this will require a lot of work still during December.
- To change the management arrangement to be more workable and with a faster cycle time on decisions will require substantial change of attitude and style within Post Office Counters and a new approach to management. Of particular significance is how they respond to the appointment of a Horizon Programme Director at Board level reporting to the Managing Director. A test case here is to whether they recruit internally or buy the best in the market. The danger is that this will take too long.

4 ISSUES

- The arrangements for acceptance for New Release 2 are going to be difficult and time absorbing and much work still remains to be done.
- There are critical outstanding commercial issues to resolve around the implementation side of the programme, particularly around the difficulties within the Post Office estate on the poor physical condition of the vast majority of the Post Offices. The appetite to confront this head on within POCL has yet to be seen.
- We need to find a progressive way of advancing new products with POCL whilst at the same time seeing through the main thrust of the programme which is still 100% BA directed. The key opportunity here is to conclude the deal around the Bill Payment initiative, get this implemented during the first half of 1998 and use this as a parallel stream of development to test market new POCL products without being paced and slowed down by the torturous and time consuming tasks on the benefit payment systems. POCL can see the merits of doing this but again lack the decision and clout to make it happen.

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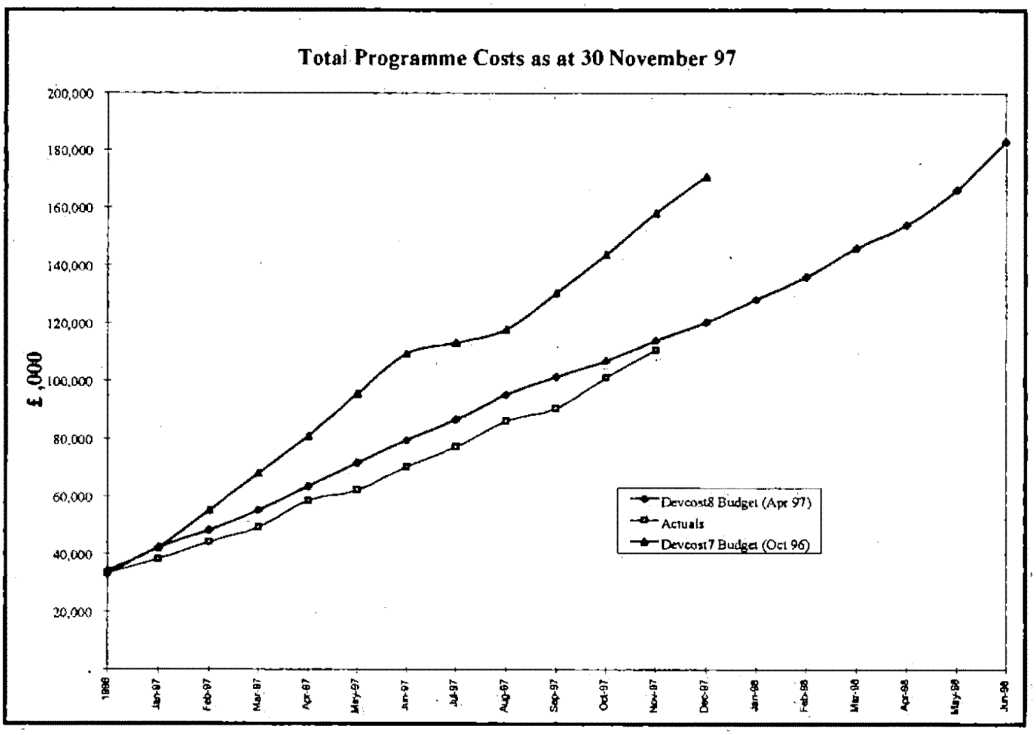
5 COSTS

5.1 TOTAL PROGRAMME COSTS



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Total Budget	32960	9005	6985	6994	8278	8174	7884	7217	8554	6229	5524	7107	6412	7845	7795	9949	8142	17105	16818
Cumulative	32960	41965	48950	55945	64223	72397	79281	86497	95051	101280	106804	113911	120323	128168	135963	145912	154054	166159	182977
Total Actuals	32960	5117	5778	5216	9158	3658	8242	6824	9033	4466	10668	9502	0	0	0	0	0	0	0
Cumulative	32960	38077	43855	49071	58229	61887	70129	76952	85985	90451	101119	110621	110621	110621	110621	110621	110621	110621	110621

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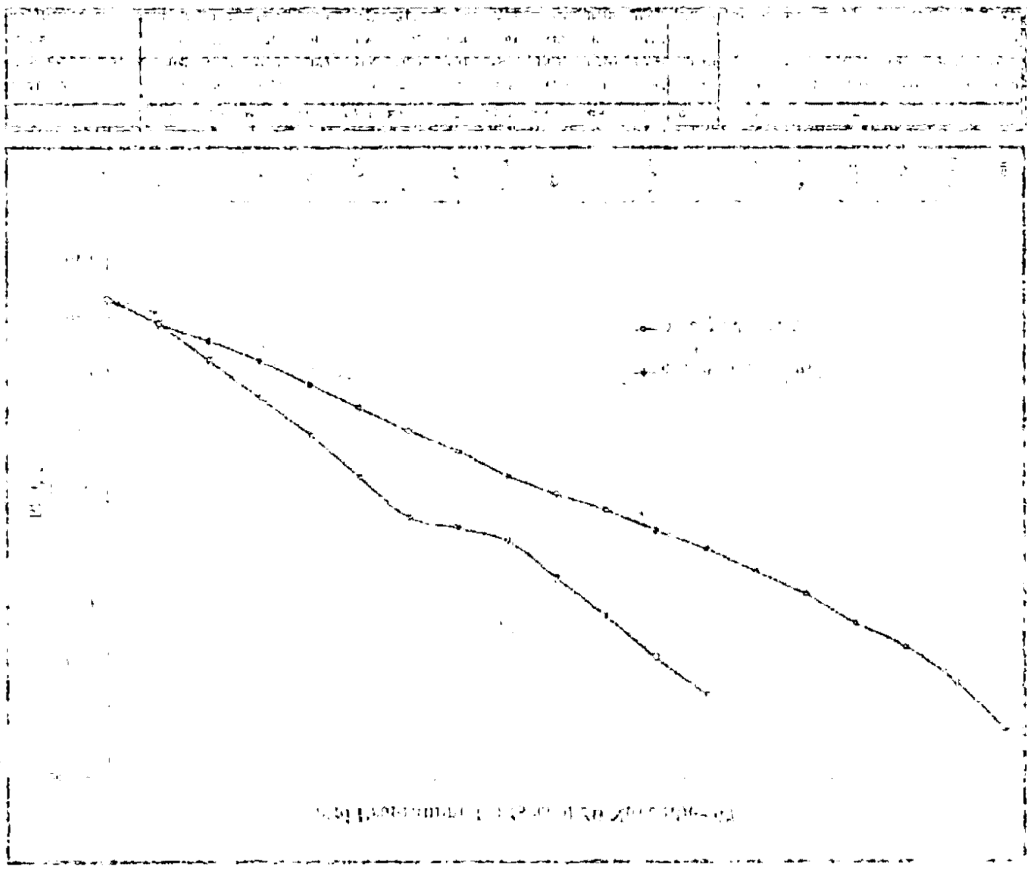

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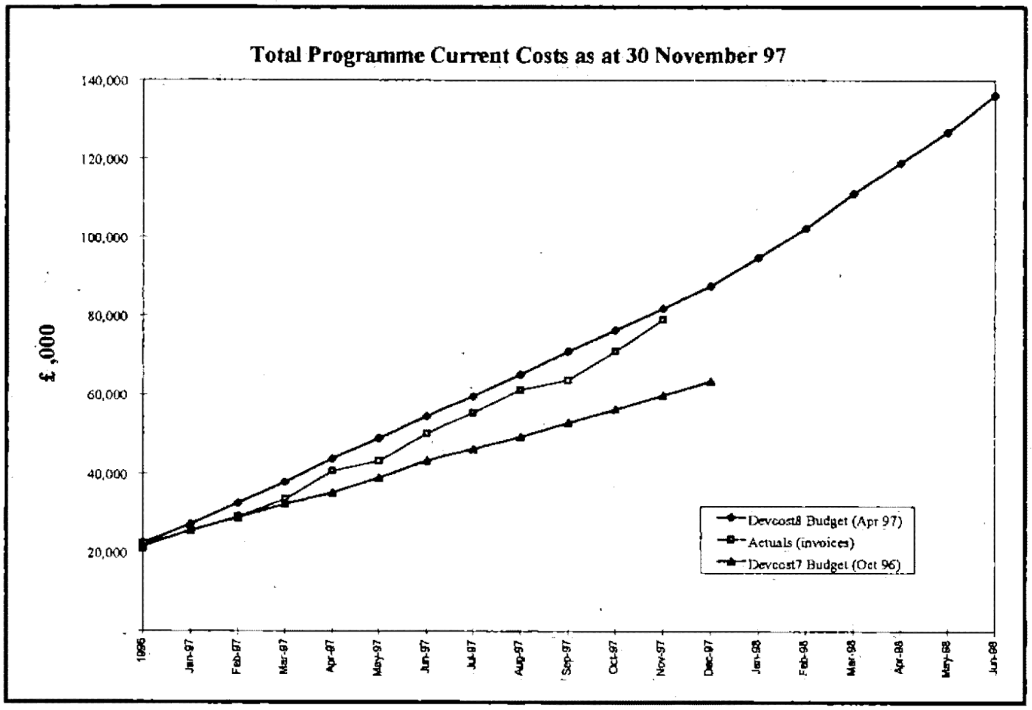
5.2 TOTAL PROGRAMME CURRENT COSTS

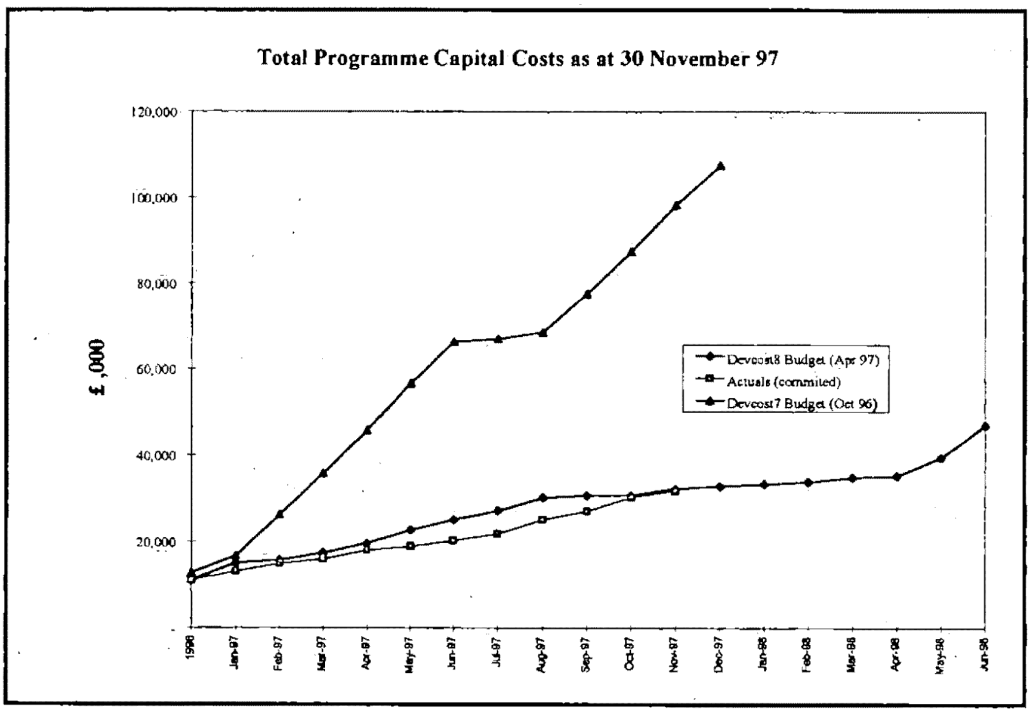


	1996	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Current Budget	22079	5026	5339	5286	5999	5125	5515	5121	5523	5766	5481	5503	5875	7315	7275	8890	7793	7897	9381
Cumulative	22079	27105	32444	37731	43729	48854	54369	59491	65013	70779	76260	81763	87638	94954	102229	111119	118912	126809	136190
Current Actuals	22079	3145	3816	4214	7138	2336	6851	5292	5767	5521	7384	8011	0	0	0	0	0	0	0
Cumulative	22079	25224	29040	33254	40392	43728	49579	55271	61038	63558	70942	78953	78953	78953	78953	78953	78953	78953	78953

FUJ00058165

FUJ00058165

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	3979	746	1708	2229	3049	2369	2096	3031	463	41	1604	537	330	320	1059	349	4208	7437
Cumulative	10881	14860	15606	17314	19543	22592	24960	27056	30087	30550	30591	32195	32732	33064	33384	34441	34790	38998	46435
Capital Actuals	10881	1972	1962	1002	2020	922	1391	1537	3266	1945	3284	1490	0	0	0	0	0	0	0
Cumulative	10881	12853	14815	15817	17837	18759	20149	21686	24947	26893	30177	31667	31667	31667	31667	31667	31667	31667	31667

- The forecast costs for delivery the programme based upon the new Release 2 time table will not be baselined until the plans are firm towards the end of December.

FUJ00058165

FUJ00058165

Programmes Report.

FUJ00058165

FUJ00058165

Programmes Report

1 MONTHLY SUMMARY

2 PROGRESS

3 CURRENT CRITICAL PROBLEM

4 ISSUES

5 COSTS

FUJ00058165

Commercial and Financial Report.

FU000058165

FUJ00058165

Commercial & Financial Report

1 MONTHLY SUMMARY

2 PROGRESS

3 CURRENT CRITICAL PROBLEM

4 ISSUES

- None of the old ones have gone away.

5 COSTS

FUJ00058165

4 Customer Requirements Report.

FUJ00058165

FUJ00058165

Customer Requirements Report

1 SUMMARY

- Release 1C has demanded considerable support work. CCN 117, which introduces on-line working, has been returned rewritten after eight months. SADD 4.1 was output. Pathway-Lite definitions for benefits were produced. POCL is planning to defer some contracted and hot-items until after Release 3.

2 PROGRESS

2.1.1 RELEASE 1

- Live support for Release 1C has included: resolving correct post office addresses; problems arising from failure in XPERT (the EDS product at the CAPS/CAS boundary); duplicate encashment problems; ISDN line outages; reporting encashments back to CAPS; reconciliation reports; and liaison with ITSA and EDS on Reference Data. In addition a number of PinICLs have been cleared, and live running problems resolved. Two urgent CPs have been raised to rectify issues in Release 1C.
- Tony H output *BPS Reference Data at Pathway Release 1C.*

2.1.2 RELEASE 1 / NEW 2

- The CAPS baseline document sets for use at Release 1C and New Release 2 were formally agreed with the PDA together with the file layout versions to be used for every file at all stages in the migration from 1C to New 2. This matches the definitions in *Interface Version Control* in which CAPS accepts responsibility for the "glueware" which maintains compatibility of interface files during this migration.
- The Temporary Tokens usage document was completely updated, issued and re-issued incorporating comments. Final proofs of the tokens have been received from De La Rue.
- The PDA has returned CCN 117, rewritten eight months after the original was provided to them. A note summarising issues with the rewrite was produced. There is no alternative but to go through the whole CCN117 documentation again.
- We have reviewed the End-to-End processes for change of nominated post office produced by consultants for the sponsors. Whilst there are some useful points covered, they dodge the issues of nominated post office operation during benefit roll-out when a mix of electronic and paper payments exists.

- The Counter Hardware Design Specification was revised. A new baseline will be produced this month.

2.1.3 RELEASE NEW 2 / 3

- Version 4.1 of the SADD was produced and output. This factored in all the required PDA and sponsor comments which arrived too late for 4.0, and all Release Contents Definition exclusions/inclusions which affect the steady state definition. There is a PA Consulting action list commitment to produce Version 5.0 at the turn of the year.
- A paper, *Community Offices - New Paradigms*, was produced: this investigated what requirements could/should be supported for a Pathway-Lite product definition to handle the bottom 3000+ offices in an economic fashion. The low end workload data and costing were brought up to date and competitive material on personal digital assistants assembled. All aspects of BPS functionality were dealt with and the paper is now on hold pending policy decisions.
- CPs were produced for all known required changes to PAS/CMS at New Release 2, together with CCNs for Restricted Post Office infringements and Pathway Initiated CMS End of Interest.
- BES processing to maximise an encashment to approach £1,000 has had to be suppressed as PAG, the DSS accounting section, cannot handle the gaps in payment sequences.
- A list of all possible statuses and events for card batches, cards and Temporary Tokens was produced. There are particular difficulties in handling the interactions of closures and changes of nominated post office during rollout. The Workload Compendium from the PDA issued this month estimated that the rate of changes of nominated office will be three to four times higher than previously advised.
- Further information on low end volumes was passed to design in support of the selection of alternative communications access methods to ISDN.

2.1.4 CARS

- The PDA have yet again changed their representation. The paperwork was brought up to date.
- The principal task for December is to mark up those as yet undelivered CARs which are the more urgent for New Release 2.
- The switch from old to New Release 2 has logically undone a number of CARs in the AP area. New Release 2 will not support direct-to-Client transfer of AP data (except possibly for new Clients). A number of important CARs were signed off in July on the basis that old Release 2 would do this.

2.1.5 ACCEPTANCE

- Four High Level Test Scripts for R2 were reviewed. In general the quality is good. Two more remain to be completed. A large amount of Acceptance Test material remains to be reworked.
- DCH is producing a BES counter transaction structure against which the BES acceptance criteria can be placed. If this can be completed and agreed with PDA it should greatly simplify the relationship between tests and acceptance criteria.

2.1.6 NEW BUSINESS SUPPORT

- Logistics Feeder Service (LFS): This is now issued at Version 13. It incorporates answers to all our Drafting Notes. A meeting with the LFS team to discuss how we will use Reference Data and what New R2 EPOSS does is planned for this month
- National Savings (NS): No activity - waiting for a Release 3 timetable and scheduled by POCL as post Release 3.
- EFTPOS - POCL have yet to confirm functionality. POCL have scheduled this as post Release 3.
- Sundries: Papers were produced for a Housing Benefit Service, Household Budgeting Service, and Social Banking.
- Dave C attended an iFORMS event at Microsoft. There will be a follow up event this month at Pathway.
- Dave C also attended the ICL Smart Card Interest Group to ensure Pathway correctly positioned within new ICL/FJ/Amdahl SmartCity VISION group.
- Dave H attended several POCL meetings, as part of the PA Consulting actions, to identify the extension required to Pathway's Data warehouse to handle TIP (routine POCL accounting).
- Dave H Amber Teamed the response to the POCL ITT for call centre management.

2.2 OTHER TEAM ACTIVITIES

2.2.1 INTERNATIONAL SALES BIDS

- The Requirements team contribution to the German Post Office bid was completed and planning activities started to establish a demonstration and proving capability following short listing. Brian H continues to be dedicated to German Post Office.

2.2.2 OTHER

- Dave H chaired the October meeting of the Workflow Management Coalition technical committee and also presented a paper at the Giga workflow/BPR conference.
- The team provided business/technical support to ICL Financial Services.

3 CURRENT CRITICAL PROBLEMS

- None

4 ISSUES

- The Change Control process has become hopelessly protracted and uncertain: CCN117 was returned rewritten after eight months, and the rewrite does not represent improvement or progress, mostly tinkering with commercial terms to squeeze us for a few more nickels and dimes.
- The POCL mindset on Release 3 contents is particularly disappointing and internally focused. It does not include EFTPOS, DNS, or Banking services.
- The dropping of Client interfaces for AP at New Release 2 could be used as a stopper for Acceptance.

5 COSTS

Customer Service Report.

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FUJ00058165

Customer Service Report

1 MONTHLY SUMMARY

- November saw the successful implementation of Release 1C, a major milestone for ICL Pathway. The migration from Release 1A (IGL) and from Release 1B (OBCS) went remarkably smoothly as did the implementation of the latest version of CAPS (Congo 4.1).
- Release 1C is now fully operational in more than 200 offices and we are already seeing payment cards being processed through the system for new customers receiving Child Benefit.
- Our hardware and network infrastructure and support service processes are now being challenged more rigorously and, in general, the release is proving to be robust with few problems.
- In November there were 32 visits by ICL Sorbus engineers and for the first time we received 100% return of the Service Visit Reply Card. More than 93% of replies were positive.

2 PROGRESS

2.1 OPERATIONS

- Very successful migration exercise from Release 1A and 1B to 1C.
- The CAPS upgrade (Congo 4.1) exhibited more problems mainly on the CAPS activities.
- A Duty Manager roster is being introduced which will improve our management and response to operational problems around the clock.
- The RED Alert on Tivoli is now in 'monitor' stage. We have a fix from Tivoli which is on Phase 3 test and which will form the basis of a general release from Tivoli after a period of verification testing in their test environment. The PDA has agreed an extension to the current workaround arrangements for Release 1C.

2.2 RELEASE MANAGEMENT

- Since the start of MOT, we have raised 65 release notes and applied 67 software fixes to the live system. There are a further 54 PinICLs in work-in-progress.
- The main problem area is with the Data Warehouse and associated MIS applications which had not completed testing during MOT.

2.3 BUSINESS SUPPORT

- A report detailing all BPS exceptions is now being published weekly.
- A secure area within the IGL computer room has been established to provide the Business Support Unit with access to the live system.
- There have been 11 cases encountered where duplicate transactions could have been made. In all but 3 cases this was avoided and the root cause of each case is now well understood. Avoidance actions are in progress.

2.4 CUSTOMER SATISFACTION

- 16 visits in the Management Care Visit programme have now been conducted. Feedback remains encouraging.
- The percentage of returned service visit reply cards rose to100% with the percentage of satisfied responses steady at 93.5%.
- The results of a telephone survey of the IGL sites that moved to 1C revealed some positive comments and some concerns. The issues raised by the survey are being progressed.

2.5 SYSTEM SUPPORT

- Diagnostic skills and overall knowledge of the systems continues to improve.
- The move to BRA01 is delayed by lack of communications link installation and increased requirement for security fail-safe access control system.

2.6 MANAGEMENT INFORMATION SERVICES

- Disappointingly inconsistent results output from the Data Warehouse development at Release 1C. This has been escalated but little can be done in time for the next Service Management Review meeting.

3 CURENT CRITICAL PROBLEMS

- None

4 ISSUE

- Quality of output from Data Warehouse.

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5 PERSONNEL

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6 SUMMARY IGL / 1B / 1C SERVICE REPORT - NOVEMBER 1997

- Detailed information will be issued as a separate document as soon as the data is available from the Data Warehouse

FUJ00058165

Quality and Risk Report.

FUJ00058165

Quality & Risk Report

1 MONTHLY SUMMARY

- FRM progress. Initial attempts to produce FRM reports have been frustrated by inadequate build of the FRM pc's at Bootle and delays in loading of the data warehouse. EVP issues continue to be raised - the latest is that it is possible for EVP to be asked more than once per customer session.
- Risk Management. Several risk reviews have been conducted, including resilience and recovery, Help Desk Authentication, Pathway 'Light' solution.
- System Security. The status of the CRA on Tivoli event harvesting has been reduced; a solution is being tested. Discussions continue with PDA regarding security exclusions for NR2. Issues are still the provision of digital signing for AP and Authentication of Help Desks to Post Offices in fallback.
- Quality. R1c implementation has involved a large number of failures of hardware. Analysis is in hand and will be reviewed with subcontractors in December.
- Audit. The first Mid Stage Quality Audit has been conducted (of Design for NR2). An internal QMS audit of the PIT process and a DQA were also held. Definition and refinement of audit requirements with BA and POCL continues, with a good working relationship developing. The major issue is confidentiality of information between the two parties. Internally, I have a concern that the Audit design is late, which may impact implementation for NR2.
- Year 2000 Conformance. Reviews of all suppliers continues, including product and service suppliers and is being monitored via a risk register. POCL are still insisting that they require Pathway to be compliant by the end of 1998, which is not a contractual requirement. Joint Liaison meetings with PDA, POCL and DSS are revealing activities which may impact Pathway.

2 PROGRESS

2.1 FRAUD RISK MANAGEMENT

2.1.1 RELEASE 1C

- The Business Objects FRM PCs located at Bootle have been patched to produce reports. They still need rebuilding to the full CM build script. Attempts to produce the November reports have initially failed due to the data warehouse being a number of days behind in loading encashment details. This has now been rectified but does raise concern over the ability to produce the FRM trend reports to agreed timescales.
- The Internal Investigation Procedure is now complete. The Investigation of Reconciliation Fraud Procedure will involve Security, FRM and Reconciliation teams and processes are being defined.

2.1.2 RELEASE 2

- PDA have requested a change to subdivide FRM reports by BA/DSS regions. A solution has been put forward as a CCN with full costings. All other reports have now been agreed and are being developed. An internal change request has been raised to enhance the EVP reporting as in the RCD.
- PDA agreed to produce a proposal for the Fraud Incentive Reward Scheme by April 1997. A three page letter has been received from Stuart Riley. This does not provide any detail of how the scheme would operate and implies no responsibility for the running of it. There is still a considerable amount of work to be carried out before any scheme can be implemented.
- A significant problem has been identified in that EVP can be asked more than once per customer session in certain circumstances. A logical argument can be put forward; that it is caused by the partitioning of the services, but it is likely to cause grave concern within the PDA and Sponsors. A position paper is being prepared for the PDA.
- Further revisions of the liability and reconciliation matrices are underway.

2.2 RISK MANAGEMENT

- The Fujitsu report due to be issued on 28 November has been rescheduled for the end of December 97 due to the moving baseline of the NR2 plan.
- A risk review of the resilience and recovery strategy for NR2 has started with weekly meetings being held to ensure that all areas requiring recovery procedures are identified.

- A risk assessment of the Help Desk Authentication (to Post Offices in fallback) is underway, although the volumetrics for NR2 are currently unreliable.
- An initial fraud risk assessment of the Pathway 'Light' solution has been carried out.
- An analysis has been carried out of the potential for providing additional services associated with the use of Pathway data for targeting claims fraud.

2.3 SYSTEM SECURITY

- Version 2.4 of the SFS and 1.3 of the ACP are with the PDA for sign off, after detailed internal review.

2.3.1 RELEASE 1C

- Key material for the protection of links to SSC (Bracknell) and Oracle and Sequent have been received from CESG.
- Activity continues regarding the Customer Red Alert for Tivoli event harvesting. The initial 4 week work around has been extended. A solution to the core problem is being tested. The CRA has been reclassified to 'Monitor' status.
- There has been an outbreak of viruses in C2 (Feltham), associated with a floppy disk on a hot desk pc. It has been contained and reported.

2.3.2 RELEASE 2

- Discussion s continue with the PDA regarding the security exclusions for NR2. The exclusion of AP Signing is causing 'considerable disappointment' although we are strongly maintaining the position that it is not required contractually at NR2.
- Continuing effort goes into attempting to define and agree a solution to authentication of Help Desks in fallback (for R1c as well as NR2). This is likely to be a significant issue for acceptance of the security solution.
- Specification of requirements for a secure Sequent platform and SecurID tokens is underway.
- The TSC design for Key Management has been reviewed.

2.4 QUALITY

- Requirements of ISO 9001 and Pathway Quality Policies have been reviewed the Implementation team.
- The Security Vetting Questionnaire has been updated at the request of HR, to reflect current responsibilities and operation of the process reviewed.

- Initial feedback from R1c implementation shows a large number of hardware failures. Analysis of "failed" units is in hand at the Verification Centre to provide a basis for reviews with the sub-contractors, and will be reported in December.
- The ICL Policy Framework has been reviewed with the conclusion that detailed activity is not be appropriate for Pathway this year. Estelle Clark has confirmed that this approach is acceptable.

2.5 PROCESS MANAGEMENT

- On-Line Standards have been upgraded to Version 11.
- End-2-End New Business Processes continue. The two documents, NSI process and BRD PD have been updated with those comments deemed to be material. The documents have been returned to PDA for another review cycle. (This activity has now achieved its first anniversary!)

2.6 AUDIT

- The first Mid Stage Quality Audit (of NR2 Design) has been conducted, indicating only partial take up of standards and processes and little evidence of activities and individuals. Recommendations have been made for improvement.
- Internal QMS Audits The PIT process has been reviewed with PIT manager to clarify our approach to Process Audits.
- A Delivered Quality Audit has been carried out in NE region during R1b to R1c migration. 2 offices were attended during equipment installation; and 3 others visited during the same day as installation to obtain feedback.
- Work continues to identify the requirements for Release 2. Workshops with the PDA and sponsors have been conducted and have identified requirements for bulk and investigative audit.

2.7 YEAR 2000 CONFORMANCE

- Investigation and monitoring of the product suppliers plans for compliance continues. Issues have been identified with BMC Patrol, Sequent, NDL. The ownership of products needs clarification.
- Service Providers. Initial contact has been made with DLRCT, Thomas De La Rue and GiroBank and we now have their agreement to provide the compliance information. The initial assessment is low risk.
- Service Providers (Roll out). Compliance statement has been received from WTL.

- A Risk Register has been established to provide a monitor of progress towards supplier compliance.
- The Stage Management Plan is now ready for sign off at the next meeting of the PathwayY2K Steering Committee.
- Paul Rich (POCL) is still of the view that compliance in 1998 will only be achieved by Pathway if it becomes an acceptance item. This is using a sledge hammer to crack a nut: the way ahead is to involve POCL people with Y2K awareness in the testing programme, so that POCL can assess our status.
- An awareness session has been held with development; further sessions with design and TSC are scheduled.
- Joint Liaison Meetings with PDA, POCL and DSS. are beginning to become more fruitful, at least in revealing the previously undeclared activities going on with DSS/POCL systems and which must impact on Pathway. That this information was not made visible by the PDA is a concern. This meeting however needs to move up from the low level tactical position to take a more strategic view of the business impacts.

3 CURRENT CRITICAL PROBLEMS

4 ISSUES

- The audit design, and by association Security Event Management, for NR2 is late. This is causing concern about the extent of the implementation for NR2.
- Risk Management is still suffering from a surfeit of ad-hoc queries which is impacting core activities.
- Acceptance of NR2 security exclusions in particular AP Signing and definition of an acceptable solution to the authentication of Help Desks in fallback continue to be issues.
- PDA are still claiming that providing support from Belfast requires a Change Request. Our concern is that this will set a precedent and all sites will require such, and is therefore being forcibly rebutted.
- Paul Rich (POCL) is still of the view that compliance in 1998 will only be achieved by Pathway if it becomes an acceptance item.
- The effectiveness of the Change Management Process is an issue in particular the quality of Change Proposals and involvement of key people in the process.

5 COSTS

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Business Development Report.

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Business Development Report

1 SUMMARY

- The Bill Payment initiative is continuing to grind along. We are inundated with technical people. It is very difficult to spot the decision maker. I realistically do not expect any decision until well into January.
- The uncertainty about dates is still continuing to hurt. It is very difficult to go to POCL's clients and discuss requirements with no expectation of an implementation date. However I am hopeful that the latest round of discussions will give something concrete to aim at.
- There remains a serious issue regarding recovery of the business case. Simply re-engineering transactions will not achieve the business we need, hence the need to focus in some key areas that will drive significant volume, e.g. generic banking and bill payment.
- I remain unconvinced about POCL's ability to drive through some of the business change necessary with their clients. Increasingly I see us being drawn into direct discussions with the clients. There is a very tight line here and we need to exercise care but it is a vital line to take in the protection of our business.
- We have, I believe, now convinced POCL that Social Banking is a potential major plank on which new government will be driven. BA will certainly go down this track. Our challenge is to ensure that we help them get there. The SEP on 15/16 Dec will help test POCL's resolve to do this.
- Government.direct is continuing and gathering momentum as the white paper nears. Post Office Genesis.direct is not making progress. I have now had feedback from three members of the 'consortium', all of whom are disappointed with the lack of progress. The real problem is that no-one is driving it. There is an opportunity for ICL to step in (carefully).
- Customer Education will shortly move back to BA CAPS from the PDA. This is a good move and will enable direct contact with the main sponsor rather than trying to operate at arms length through the PDA.
- Implementation issues continue to run on. The main activity revolves around Migration and Training each of which has possible commercial impact.

2 PROGRESS

2.1 BUSINESS DEVELOPMENT

- The Billpay initiative continues to make slow progress. We are being inundated with requests for technical documents all in pursuit of assurance that the system is fit for purpose. Programme plans have been submitted. We have undertaken a detailed risk assessment. The technical people have seen a demonstration of the system. The PDA are involved but not in a negative way.
- What is really needed is a big push from the business (POCL) to just get on and do it. I am discussing the business case with Paul Harris. I believe the APT option is now too hard. We must keep the pressure on, otherwise this will not happen. If we get this project to fly, then that presents a parallel stream on which to build without the BA stranglehold which otherwise will cause POCL product to slip well out.
- Generic banking discussions have taken place with our international colleagues. The requirement for a generic product is vary similar. Given that the German need is to implement something on the banking side sooner than UK, Brian Hauxwell is taking the lead on this and is bringing some of his former work into play. I see this as covering the longer term requirements of National Savings, A&L/Girobank and such as Lloyds/TSB and the Co-op Bank.
- Other BRDs are still viewed as work in progress. However due to date slippage, the current position is:

  LFS: viewed as the most urgent by POCL and needed for Release 3.

  EFTPOS: not yet fully defined but they will now run a stand alone pilot for evaluation. That will not be complete until August '98 therefore it is unlikely to get a signed off BRD until after that date.

  National Savings: The BRD originally expressed requirements aiming at an April '98 date. Given the latest dates, it is highly likely that NS will wish to review those requirements in the light of other changes to their business.

  Alliance & Leicester: want to see their requirements fulfilled in Release 3 but are waiting on dates before confirming any detailed requirements.

2.2 CUSTOMER EDUCATION

- The Customer Education strategy plan is still being reviewed by the programme. We have not been a given a date for response. The move to CAPS of customer education will help.
- A Special Interest Group (SIG) event will now take place in the South West region on 15th December and one in the North East in early '98. This is contrary to the original steer given by the PDA and seemingly was driven by ministerial request/demand.
- All collateral has been produced and is available through the fulfilment line. We are currently testing the effectiveness of the fulfilment line through internal demand processes.
- There have been a number of rumblings in the press arena, one article in Computing, incorrect and harmless. There has also been a leak to the Guardian which is being tackled at the moment. The basic approach with press activity is to keep heads down.

2.3 CUSTOMER RELATIONS

- The role of the Pathway Liaison Manager (Jacqui & Greg) continues to be of significant benefit. They are acting as 'eyes and ears' in the regions but importantly have also developed a very good relationship with the subpostmasters. They are filling a serious gap in ensuring that the users are happy with the system and able to use it correctly. This role is not accepted by POCL as they operate at arms length and this type of effort is handled either by Help Desks or by the Retail Network Manager who also has potentially 50 other offices to look after and a myriad of other tasks.
- Several meetings have taken place with the Federation of Subpostmasters and with the individual Regional General Managers to ensure that they are up to date with the programme as otherwise channels of communication are at best slow and potentially inaccurate.
- Martin Johnston is continuing the major task of sorting out the Agreements to Agree. This has remained a full time task.

3 CURRENT CRITICAL PROBLEMS

- Closing the Bill Payment initiative!

4 ISSUES

5 COSTS

International Sales Report.

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International Sales Report

1 SUMMARY

1.1 DEUTSCHE POST AG

- We have been selected by Deutsche Post as one of the shortlisted suppliers to enter into the 'demonstration phase'. This will commence on January 5th 98. The tests will be carried out at Deutsche Post's IT Headquarters in Damstadt. This demonstration phase will continue until 13th March 98, there will then be a 6 week period for decision making with final contract award at the end of April 98.

1.2 HUNGARY POST

- We were also shortlisted by Hungary Post. The next phase of their procurement is a demonstration of the proposed systems in Budapest. We were due to commence this work last Monday 8th Dec 97. However it was postponed due to a yellow flag being waved by Digital and Samsung, neither of which could pass the base set of mandatory requirements set out in the 'capabilities' documentation. We are told the demonstrations will now take place in January 98.

1.3 DENMARK POST

- Meetings were held this month to discuss a way forward with Danish Post. They have selected Riposte as their base platform and are setting up a two Post Office Pilot which is intended to go live next month. Their next phase is to issue an ITT during April 98 for the outsourcing of the major implementation phase and it is here they have been seeking our assistance. The outsourcing contract will be awarded in Jul/Aug 98.

1.4 SWEDISH POST

- We were invited to present our capabilities to Swedish Post this month. They are in early stages of defining their Architecture for the future so the meeting was very timely. Following this we are intending to hold a two day workshop in order to demonstrate the technologies that are available today and discuss how they can be applied to the business.

1.5 JAPAN

- Earlier this month I held a video conference with our colleagues in Tokyo. There have been some fundamental changes in the government structure and a statement that the Post will be privatised. This opens an opportunity for us to engage in conversation with MPT. In order to bring our Fujitsu colleagues up to speed I have given them a 'discussion paper' that I wrote for MPT when I was with IBM earlier this year.

1.6 THE COUNTER AUTOMATION TOOLSET (CAT)

- During our bid for DPAG it became necessary to develop some differentiators from SNI who are also bidding a Riposte solution. As such we looked at all of the skills, developments and IPR that have been gained within Pathway over the past 2 to 3 years and hence the CAT evolved. CAT represents a range of product and services that are essential to any large scale counter implementation. This range of services is now being 'productised', if you require further information please contact me.

2 PROGRESS

- There are no handshake milestones affected by international sales.

3 CURRENT CRITICAL PROBLEMS

- Resourcing for the DPAG demonstration phase.

4 ISSUE

Organisation & Personnel Report.

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Organisation and Personnel

1 MONTHLY SUMMARY

- The Programmes management team is now at full strength with all key resourcing activity complete

2 PROGRESS

- Chris Wannell has now joined as technical integration manager
- Resourcing within the current climate of ICL Group-wide constraints has continued to be achieved without adverse affect on the Programme. The need to fully document justifications for hiring new staff continues to be critical and line management must adhere to the process established

3 CURRENT CRITICAL PROBLEMS

- The Investing in people Performance Management framework for 1998 has been launched with the senior management team
- Work on pay planning for 1998 is progressing with Group remuneration and benefits
- Final work on a managers guide to employment issues is completed and implementation is planned in the New Year
- Group Resourcing have established a new approach which is based on outsourcing from the Hay Group. How this will interface with ICL Pathway is being established, particularly in terms of account management

4 ISSUES

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Post Office Client Report.

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The Post Office - Client Director's

1 MONTHLY SUMMARY

- The principal activity this month has been progressing the PA Audit follow-up work under the heading "reinforcing the business case", in preparation for the second MDs workshop 8 Dec.
- Progress has also been made in developing new bid opportunities for call centres and desktop supply and services.

2 PROGRESS

2.1 PATHWAY

- Following the first MDs workshop, the BA/POCL/ICL Pathway group researching the opportunities to reinforce the various parties' business cases produced papers on Claimant Fraud, Household Budgetting, Housing Benefit, Stakeholder Pensions and Government Services. The scoping, by both BA and POCL, of the real business opportunity was in each case limited.
- Following discussions with Basil Shall, we are re-opening the dialogue with Post Office Group on genesis.direct, their version of a government.direct pilot. Shall and Ian Gair the genesis.direct PM are visiting Feltham on Dec 11th. We are also reviewing the Microsoft work on iFORMS on Dec 9th.

2.2 OTHER ACTIVITIES

- The outsourcing /JV of the IBM Huthwaite data centre has, as expected, gone to Bull.
- The One Stop Shop Desktop bid, which false-started earlier this year, has now been re-advertised in the European Journal. This opportunity has been tracked by Mark Newall, Tplc account manager for The Post Office, who is leading the response. The content of the ITT is expected to commence with supply of desktop PCs, extending to a range of services including technology refresh, desktop service, break-fix maintenance, education and training.

- The Customer Contact Centres ITT turns out to be closer to an RFI, leading to uncertainty whether they have already selected preferred partners. We have put together a bid team based around Call Centre technical and bid skills in ICL Ireland and in Kainos, together with specialist telephony hardware from Lucent technologies and specialist software from IBM Callpath and Graham Technologies. We are positioning ICL as the systems integrator and prime contractor, based on a track record of building similar systems for Telecom Eireann, Lombard & Ulster division of NatWest and ScottishPower.
- A new Journal ad has appeared for supply of architecture and tools for Desktop service management. CFM have appointed a salesman to progress this one.