|  |
| --- |
|  |
| Program Closure Report |
|  |
| Program Name: Network Transition  Version Number : Version 0.4  Effective Date : 05 August 201x  Review Date : |
|  |
|  |
|  |
| For any enquiries contact [projects@afridigitalholding.com](mailto:projects@afridigitalholding.com) |

*Program Closure Report*

**Contents**

[1 Glossary of Terms 4](#_Toc24711165)

[2 Purpose 5](#_Toc24711166)

[3 Program Objectives 6](#_Toc24711167)

[4 Required vs. Actual Deliverables 7](#_Toc24711168)

[*4.1* Outstanding Deliverables Requiring Business Attention 7](#_Toc24711169)

[4.2 Cost Variance 8](#_Toc24711170)

[4.2.1 Cost Variance Commentary 9](#_Toc24711171)

[4.2.2 Schedule Variance Commentary 9](#_Toc24711172)

[5 Program Benefits 10](#_Toc24711173)

[6 Program Changes 11](#_Toc24711174)

[7 Quality Management 12](#_Toc24711175)

[8 Program Management Lessons Learnt 14](#_Toc24711176)

[8.1 Scope Management 15](#_Toc24711177)

[8.2 Time Management 15](#_Toc24711178)

[8.3 Cost Management 15](#_Toc24711179)

[8.4 Human Resource Management 15](#_Toc24711180)

[8.5 Communications Management 15](#_Toc24711181)

[8.6 Risk and Issue Management 15](#_Toc24711182)

[8.7 Quality Management 16](#_Toc24711183)

[8.8 Integration Management 16](#_Toc24711184)

[8.9 Procurement Management 16](#_Toc24711185)

[9 Governance 17](#_Toc24711186)

[10 Annexure A 18](#_Toc24711187)

**Document Control**

This document will be managed and controlled in terms of the PMO document management procedure.

**Revision History**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Version** | **Author** | **Role** | **Date** | **Revision** |
| V0.1 | [name] | IT Program Manager | dd/mm/yyyy | Document creation |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**This document has been reviewed by**

|  |  |  |
| --- | --- | --- |
| **Reviewer** | **Role** | **Date reviewed** |
|  | PMO Program Manager |  |
|  | Program Owner |  |
|  | Portfolio Management |  |
|  | Program Sponsor |  |

**Document Distribution List**

Copies of this document and all changes to it are distributed to:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Role** | **Title** | **Date** |
| **[client] Distribution list** | | | |
|  | Program Sponsor |  |  |
|  | Program Executive |  |  |
|  | Program Owner |  |  |
|  | PMO Program Management |  |  |
|  | Contract Manager |  |  |
| **[service provider]Distribution list** | | | |
|  | Senior Manager - Transition |  |  |
|  | Program Manager |  |  |
|  | Business Manager |  |  |
|  | Program Sponsor |  |  |
|  | | | |

**Document Approval**

This document has been approved by:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Role** | **Signature** | **Date approved** |
| **[client] Approvers** | | | |
|  | Program Owner |  |  |
|  | Program Sponsor |  |  |
|  | Program Executive |  |  |
| **[service provider]Approvers** | | | |
|  | Senior Manager - Transition |  |  |
|  | Business Manager |  |  |
|  | Program Sponsor |  |  |

# Glossary of Terms

|  |  |  |
| --- | --- | --- |
| Abbreviation/  Term | Meaning | Description |
| BAU | Business As Usual | Normal business operations |
| CAPEX | Capital Expenditure | Investment into capital required for a projects |
| CMDB | Configuration Management Data Base | A listing and configuration of assets in a  data base |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

# Purpose

The purpose of the Closure Report is to report to the Program Steering Committee or its proxies on how well the Program performed. The Program closure report also considers the Program triangle parameters of time, costs and scope as outlined in the Program charter.

# Program Objectives

The objectives of Network Transition Program where to migrate all telecommunications network service delivery from the Current Mode of Operation to a Future Mode of Operation based on the MSA signed in December 201x with [service provider], with the aim to achieve FMO (future mode of operation) that enables improved service levels. The service level improvements would have been enabled by the list of deliverables below that were supposed to be integrated into a whole;

1. Video
2. Voice
3. WiMAX
4. WAN
5. LAN
6. Mobility
7. IT CMDB (Database)
8. H&S desk including OSPM
9. Internet – cross functional service
10. Security - cross functional service

# Required vs. Actual Deliverables

The table below shows the status of various deliverables at time of closure

|  |  |  |  |
| --- | --- | --- | --- |
| Service Deliverable |  | Completion  Status | Comment |
| 1. Video |  | Completed | Closure report signed off |
| 1. Voice |  | Completed | Closure report signed off |
| 1. WiMAX |  | Completed | Closure report signed off |
| 1. WAN |  | Partially completed | [client] could not provide budget for customer routers to connect the WAN links |
| 1. LAN |  | On hold | Network equipment could not be provisioned |
| 1. Mobility |  | Completed | Sign off in progress for VPN’s |
| 1. IT CMDB |  | Completed | Closure report signed off |
| 1. H&S desk including OSPM |  | Completed | Closure report signed off |
| 1. Internet |  | Partially completed | Network access control, Proxy services and reverse proxy services. Dependent on LAN |
| 1. Security |  | Partially completed | cross functional service dependent on LAN |

## Outstanding Deliverables Requiring Business Attention

The key outstanding deliverables are as below

|  |  |  |
| --- | --- | --- |
| **Tower** | **Description** | **Proposed Way Forward** |
| LAN | This deliverable was only built up to approximately 2% under an approved budget of R20 mill for equipment. An additional R477 mill for equipment was required by [service provider] to take the deliverable to FMO.  Under directives of the Executives, the team carried out a cost optimization analysis to reduce the above cost to R202 mill for equipment. Since this was not in the original contract a change request was processed and approved to add this tower to the program.   * A business case was developed to raise the capital of R202 mill * The business case failed to pass validation due to unclear cost definitions in the MSA | To include LAN equipment requirements and related improved functionality into the [xxx] business case that [client] are developing. |
| WAN | The service provider’s MPLS is complete however the portion that integrates [client]’s LANs required equipment | To include LAN/WAN equipment requirements and related improved functionality into the [XXX]business case that [client] are developing. |
| Internet | Proxy services and reverse proxy services  ISE, DHCP, Microsoft TMP, F5, Cisco Prime Infrastructure tool and Cisco Provisioning tool. | 3 internet links to be migrated as part of BAU  (state) |
| Security | Network Access Control | NAC will be included in the scope of [XXX]business case as part of DNA solution |

## Cost Variance

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Planned Budget** | **Actual Budget** | **Variance** |
| Contracted Program Cost | R 225 mill | R 225 mill | R 0 |
| Additional cost approved by Special Resolution in a Steering Committee as Capex (R 20 mill) and Opex (R 10 mill) for LAN | R 30 mill | R 10 mill | R 20 mill |

### Cost Variance Commentary

The positive variance of R20 mill was a balance after procurement of a portion of LAN equipment. Thereafter no additional equipment was purchased because the amount was not accrued into the following year hence was written off.

### Schedule Variance Commentary

[explain reasons why planned costs changed]

The program was initially planned to be executed within a one year period up to 30 June 201y. This timeline got extended to date.

Delays were caused by protracted negotiations on costs of R225 mill and how this amount was meant to be broken down into the various program deliverables.

Further delays were caused by [client]’s refusal to approve a change request to extend timelines of the program. Reason being this change, if approved, was going to attract an additional R17 mill by the service provider.

# Program Benefits

For a program and especially IT program of the nature of Network Transition where all deliverables have a dependency on each other, the main benefit(s) could only be realized once all the deliverables were fully functional and supporting each other.

The key benefit was service level improvement. This benefit however could not be realized given that the transition of some of the critical towers (LAN and integration of LAN to WAN) could not be completed.

# Program Changes

|  |  |  |  |
| --- | --- | --- | --- |
| **Change Description** | **Impact on Budget** | **Impact on Schedule** | **Impact on Scope** |
| LAN infrastructure optimization | Additional R 202 mill required | Extended timelines | Additional scope as we were going to introduce a 10th deliverable which was not in the contract |
| Extension to the program end date (v3.1) | Additional R 17 mill required | Extended timelines | No change |

# Quality Management

To whole program required integration of all the deliverables for the quality to be realized and measured. The following three were the main quality objectives to have been achieved and measured.

* New architecture standards
* Improved Service Levels associated with stricter penalties
* Variable billing with reduced spend

Refer to Annexure A, 10.3 for detailed quality requirements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Product delivered** | **Benefit Realised** | **Quality Criteria Met** | **User Rating** | **Quality Rating** |
| 1. Video | Not realized due to some incomplete deliverables (LAN, WAN) | Yes – as per acceptance criteria in Annexure A 10.3 | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. Voice | Not realized due to some incomplete deliverables (LAN, WAN) | Yes – as per acceptance criteria in Annexure A 10.3 | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. WiMAX | Retains its original intended benefits because there was no transition and integration on it | No changes | Not applicable in current mode | Not applicable as there were no changes |
| 1. WAN | Not realized due to some incomplete deliverables (LAN, WAN) | No – customer routers not provisioned due to budgetary constraints | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. LAN | Not realized due to some incomplete deliverables (LAN, WAN) | No – infrastructure not provisioned due to budget constraints | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. Mobility | Not realized due to some incomplete deliverables  (LAN, WAN) | No – VPN not yet signed off | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. IT CMDB | Not realized due accuracy of the network devices not truly reflected for FMO | Yes but CMDB still records equipment and software in current mode | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. H&S desk including OSPM | Not realized due to some incomplete deliverables | Yes – as per acceptance criteria in Annexure A 10.3 | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. Internet | Not realized due to some incomplete deliverables | No – migration has not taken place due to delays in security (Palo Alto) | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |
| 1. Security | Not realized due to some incomplete deliverables | No – due to NAC not deployed because of LAN dependency | Not applicable in current mode | Not applicable as the critical aspects of the network is operating in current mode |

# Program Management Lessons Learnt

|  |
| --- |
| 8.1 Scope Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | * This aspect was not well articulated in the contract. Transition v/s Transformation work were not clearly distinguished and this gave rise to several contentions between the [client] and the Vendor * The program charter could not be signed due to unclear scope v/s cost | To involve PMO whenever such critical transition contracts are negotiated | |
| 8.2 Time Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | Almost impossible to manage since equipment requirements for LAN transition of R500 mil came in later after signing the contract and [client] had no budget for the equipment. | When a contract of this nature is being negotiated it is critical to confirm all requirements that enable transition. Some of the required work can easily be hidden in transformation services that are critical in getting the solution to work effectively | |
| 8.3 Cost Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | * Almost impossible to manage since equipment requirements for LAN transition of R500mil came in later after signing the contract and [client] had no budget for the equipment. * An additional cost of R17mill was proposed by the service provider but [client] Executives decline to sign the CR for it | There is a requirement to provide a distinct description between Transition of services and equipment required for Transformation. This reduces the confusion that the teams experienced. This enables service providers to quote more accurately. | |
| 8.4 Human Resource Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | The required [client] Solutions Architects, Business Analysts and Program Managers were not recruited. This left a hole in delivery of the program. | A near full team complement should always be confirmed prior prior to initiation of a program | |
| 8.5 Communications Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | No concerns from Program however Steering Committee meetings had to be suspended to make room for cost/scope negotiations with the vendor |  | |
| 8.6 Risk and Issue Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | * Not all identified risks were mitigated. The risk of network failure though non-renewal of SmartNet still remains. * The issue of failure to provision LAN equipment still remains | Designs of solutions should cover all requirements and bill of material including infrastructure and costing. A business case needs to be developed in time for raising any required capital | |
| 8.7 Quality Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | No concerns from the Program as the teams were assisted by Gartner in testing and establishing quality criteria |  | |
| 8.8 Integration Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | A big challenge as we were not able to integrate scope, cost and time due to unclear specifications v/s costs. This was worsened by the charter that was not signed | To initiate the program only when scope, cost, time and quality are clearly understood by all stakeholders and baseline these requirements | |
| 8.9 Procurement Management  |  |  | | --- | --- | | Concerns from Program | Lesson(s) learnt | | All contracted services were paid for upfront a sum of R225m. This is not a safe way to procure services.  Additional R20 mill (incl in approved R30 mill) was provisioned for procurement of LAN equipment. Only about 2% of the required work was completed under this budget. The balance of the money (R10 mill of RR20 mill) was written off as no application had been made to accrue it into the following financial year | An arrangement has to be made to make staggered payments based on a deposit or based on completed milestones  Where part of the capital is not used in the current year then an application has to be made to accrue the balance into the following year. | |

# Governance

When the business case for LAN equipment (related to R 202 mill) was validated by [state responsibles) they realised that there are costs (R202 mill and R339 Mill) that did not have clear substantive detail. Management therefore made a proposal on the way forward for the program. The following options were proposed:

1. Identify and confirm Assurance / condonation / Disciplinary process to be followed and request the Group Executive management to approve.
2. Memo to be written to stipulate key lessons learnt and areas of strengthened controls to be implemented in the new LAN Project ( To be submitted as part of the submission to governance committees)

With reference to item 1, the Group CIO opted to go for a Forensic Audit to investigate flaws in the contract and the program. Refer to Appendix A for more details.

With reference to item 2, Lessons learnt are included in this closure report

# Annexure A