



Integrated system for Customer documents processing and archiving (NewPANAGON)

G1 approval

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AGENDA

- 1 Project Rationale
- 2 Project Overview
- 3 Financial BC
- 4 Risks & Legal/Regulatory & Procurement
- 5 Impl. Schedule & Responsibilities
- 6 Summary & Decisions

PROJECT RATIONALE

▪ Background

1

The manner for „fix“ and „mobile customer documentation processing is completely different => higher demands on integrated BO staff

2

„Mobile“ customer documentation – scanning, saving in PANAGON, paper document archiving, shredding according to shredding rules

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+/- of current solution

5

+ Only electronic documents processing – paperless office

+ All document processing is under supervision

6

+ Continual document availability

+ Robust and efficient backend system FileNet P8

- application has to be installed for each working place

- Expensive user base extension (# users = # licenses)

- Implementation of document workflow changes are complicated, special programming necessary

- Insufficient reporting tool - special programming necessary for change

PROJECT RATIONALE

- 1
- 2
- 3
- 4
- 5
- 6



PROJECT RATIONALE

▪ Background

„Fixed“ customer documentation => paperwork only

1 +/- of current solution

2

+ none

3

- Minimal document processing supervision

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- High logistic demands

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- Document is „de facto“ unavailable

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- High possibility to lose a document

- Difficult of document shredding process supervision => menace of penalty imposition by ÚOOÚ (The Office for Personal Data Protection)

PROJECT RATIONALE

- 1
- 2
- 3
- 4
- 5
- 6



PROJECT RATIONALE

▪ Objectives

1

- *Create modern, flexible, stable and integrated environment for customer documentation processing and archiving on FileNet P8 application package*

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- *Customer documentation processing process unification*

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- *Unique document identification and complete document lifecycle supervision assurance*

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- *Ensure customer documents availability for any competent user (sales reps, POS, customer care, finance, collections, legal, audit, etc.)*
- *Supporting tool for improvement of First call resolution, Service delivery, Customer care => positive Customer experience*
- *New frame for another (not only customer) company documents processing setup*

PROJECT RATIONALE

▪ „Do nothing“ scenario

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- *Diverse Customer documentation processing and document availability (unavailability)*
- *Different view on customer data in dependence on type of services in use (Fix / Mobile)*
- *Real handicap in CC integration, Common customer data view, Service provisioning (especially for fix-mobile bundles), First call resolution*
- *Continual risk of ÚOOÚ penalty up to 10 mil. CZK for corporation or imprisonment until 5 year for personal entity (company employee)*

PROJECT RATIONALE

Investments into current Panagon (thousands CZK)

Created by P. Olšovský

Year	Licenses	Implem.	HW, disks	OPEX	Total
2000	28 466	2 069	409	2 211	33 155
2001	0	0	10 686	7 069	17 755
2002	0	0	0	8 683	8 683
2003	14 207	0	3 978	7 593	25 778
2004	1 033	1 013	104	6 651	8 800
2005	8 835	4 390	2 262	5 368	20 854
2006	1 616	5 418	0	7 023	14 057
2007	0	1 322	0	7 382	8 704

Budget allocated in BP 2007 for FileNet development

Project	5 400	7 500	6 000	970	19 870
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PROJECT RATIONALE

▪ NewPanagon Investments estimate

Created by P. Olšovský

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- HW (required)
 - Servers upgrade, disk space (2 TB) 4 mil CZK
 - Scanners and faxboards renovation 2 mil CZK
- SW (depends on architecture to be selected)
 - Server Licenses (MSAR, CSAR) 1.6 mil CZK
 - User Licenses (IM) 3.8 mil CZK
- Implementation
 - Core functionality (application, WF) 2.6 mil CZK
 - Document capture, digitalization 0.9 mil CZK
 - Interfaces (Siebel, billing, e-mail, ...) 4.0 mil CZK
- **Total** **18.9 mil CZK**

PROJECT RATIONALE

- 1 ■ OPEX (thousands CZK)
 - 2 ■ Comparison between „do nothing“ and „go ahead“ scenarios
 - 3 ■ In case of no additional licenses purchased

Year	„Do nothing“	„Go ahead“	Cost saving
2008	7 382	5 752	1 630
2009	7 382	5 752	3 260
2010	7 382	5 752	4 890
2011	7 382	5 752	6 520
2012	7 382	5 752	8 150

Created by P. Olšovský

PROJECT OVERVIEW

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PROJECT OVERVIEW

▪ **Project description, functionality**

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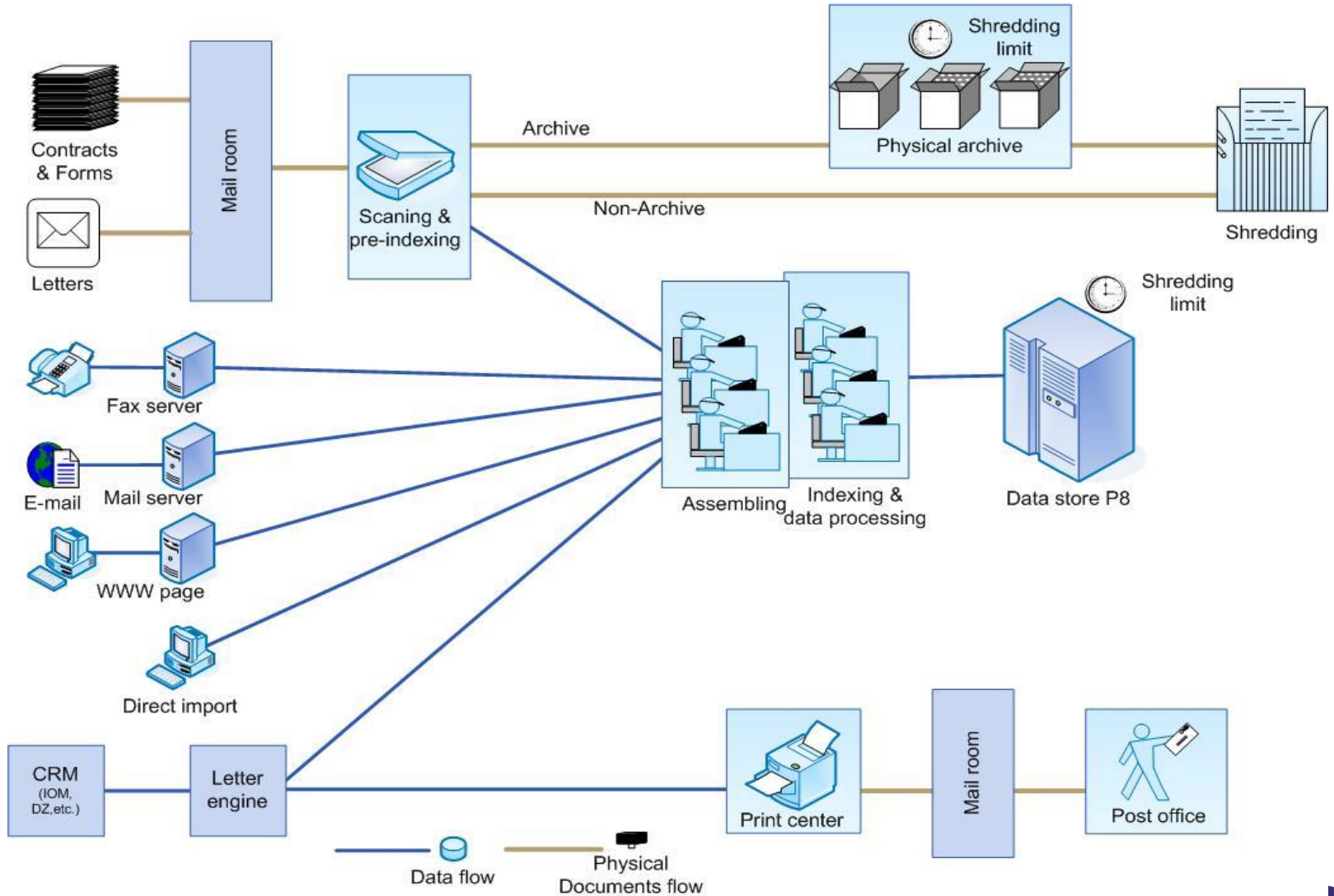
6

- Project is concerned with customer documentation of all segments from contract conclusion until contract termination settlement including
- Project solves whole customer document lifecycle, nominally document delivery, digitizing, processing, archiving and shredding
- Project setup rules for customer documents processing received in whatever form (paper, electronic) and by whatever input channel (fax, e-mail, post, via mail room, etc.)
- Documents digitization, storing of electronic version in FileNet P8 and document viewing via interconnected systems (IOM, DZ, POS, Siebel, ZIS, etc.) is integral of the project

PROJECT OVERVIEW

Document lifecycle

- 1
- 2
- 3
- 4
- 5
- 6



PROJECT OVERVIEW

▪ **Project benefits**

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- Customer requirements processing speedup
- Customer documents processing productivity improvement
- Customer documents processing supervision assurance
- Easier Customer documents registration
- Documents store consolidation
- First call resolution improvement
- Permanent documents availability

▪ **Main stakeholders**

- FO and BO departments
- Customer Care departments
- Logistics department

FINANCIAL BC

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FINANCIAL MODEL – NPV

Investment proposal: Customer Documentation Integration

In '000 CZK unless otherwise stated

Summary financial analysis - TOTAL

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Incremental revenue	-	-	-	-	-	-	-	-	-	-
Incremental COS	-	-	-	-	-	-	-	-	-	-
Incremental Gross Margin	-	-	-	-	-	-	-	-	-	-
Total opex	-	(6 994)	(7 282)	(7 282)	(7 282)	(7 282)	(7 282)	(7 282)	-	-
Operating profit	-	6 994	7 282	7 282	7 282	7 282	7 282	7 282	-	-
Incremental depreciation	2 363	4 725	4 725	4 725	2 363	-	-	-	-	-
Incremental profit after depreciation	(2 363)	2 269	2 557	2 557	4 920	7 282	7 282	7 282	-	-
Adjusted taxes	(567)	545	614	614	1 181	1 748	1 748	1 748	-	-
Incremental profit after tax	(1 796)	1 724	1 943	1 943	3 739	5 534	5 534	5 534	-	-
Incremental capex	18 900	-	-	-	-	-	-	-	-	-
Free cash flow	(18 333)	6 449	6 668	6 668	6 101	5 534	5 534	5 534	-	-
DCF	(18 681)	6 193	4 702	4 089	3 253	2 566	2 231	1 940	-	-
Cummulative DCF	(18 681)	(12 488)	(7 786)	(3 698)	(445)	2 121	4 352	6 292	6 292	6 292
Discount rate	15%									
NPV in 3 years	(6 083)									
NPV in 5 years	624									
NPV in 10 year	6 292									
DISCOUNTED	4,1									

FINANCIAL MODEL – NPV

Investment proposal: Customer Documentation Integration

In '000 CZK unless otherwise stated

Summary financial analysis - INCREMENTAL

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Incremental revenue	-	-	-	-	-	-	-	-	-	-
Incremental COS	-	-	-	-	-	-	-	-	-	-
Incremental Gross Margin	-	-	-	-	-	-	-	-	-	-
Incremental opex	-	(1 918)	(2 206)	(2 206)	(2 206)	(2 206)	(2 206)	(2 206)	-	-
Incremental operating profit	-	1 918	2 206	2 206	2 206	2 206	2 206	2 206	-	-
Incremental depreciation	2 363	4 725	4 725	4 725	2 363	-	-	-	-	-
Incremental profit after depreciation	(2 363)	(2 807)	(2 519)	(2 519)	(157)	2 206	2 206	2 206	-	-
Adjusted taxes	(567)	(674)	(605)	(605)	(38)	529	529	529	-	-
Incremental profit after tax	(1 796)	(2 133)	(1 914)	(1 914)	(119)	1 677	1 677	1 677	-	-
Incremental capex	18 900	-	-	-	-	-	-	-	-	-
Incremental free cash flow	(18 333)	2 592	2 811	2 811	2 244	1 677	1 677	1 677	-	-
DCF	(18 681)	1 697	1 982	1 723	1 196	777	676	588	-	-
Cummulative DCF	(18 681)	(16 984)	(15 002)	(13 279)	(12 083)	(11 305)	(10 629)	(10 042)	(10 042)	(10 042)
Discount rate	15%									

NPV in 3 years (14 284)
 NPV in 5 years (11 759)
 NPV in 10 year (10 042)
DISCOUNTED Over 10 years

PROJECT INCREMENTAL BUDGET			
OPEX 2007	-	OPEX Total	(15 154)
CAPEX 2007	18 900	CAPEX Total	18 900

FINANCIAL ASSUMPTIONS AND COMMENTS

- | | | |
|---|---|---------------------------|
| 1 | ▪ Business Case assumptions | |
| 2 | ▪ Material costs savings : | |
| | ▪ <i>Claim handling</i> | <i>10 000,- CZK/month</i> |
| 3 | ▪ Time saving : | |
| 4 | ▪ <i>Services activation</i> | <i>1 external HC</i> |
| 5 | ▪ <i>Requirements administration RS</i> | <i>10 external HC</i> |
| 6 | | <i>2 HC</i> |
| | ▪ <i>Requirements administration CS + BS</i> | <i>4 HC</i> |
| | | <i>4 external HC</i> |
| | ▪ Other savings (training) | <i>32 000,- CZK/month</i> |
| | ▪ Claim handling (false claim) | <i>52 000,- CZK/month</i> |
| | ▪ <i>Preliminary CAPEX costs (created by P. Olšovský)</i> | <i>18.9 mil CZK</i> |

RISKS & LEGAL/REGULATORY & PROCUREMENT

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RISKS & LEGAL/REGULATORY & PROCUREMENT

1

- Internal SIS resources gap can bring on NewPanagon implementation delay - High potential risks

2

- Legal and regulatory issue not identified yet

3

4

- RFI preparation running

5

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SCHEDULE & RESPONSIBILITIES

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SCHEDULE & RESPONSIBILITIES

	Task	Start	End
	Definition phase	15.3.2007	4.7.2007
1	Business Requirements collection	15.3.2007	11.4.2007
2	Analyze of existing Customer documents and forms	12.4.2007	9.5.2007
3	Project Concept definition	10.5.2007	6.6.2007
4	RFI preparation	7.6.2007	20.6.2007
	RFI execution	21.6.2007	4.7.2007
	PRB G1 project approval	12.6.2007	12.6.2007
	development phase	13.6.2007	18.12.2007
5	Project concept analyze	13.6.2007	26.6.2007
6	Implementation supplier selection (RFP)	27.6.2007	18.9.2007
	Detail specification of solution	19.9.2007	23.10.2007
	Documents processes design	24.10.2007	18.12.2007
	PRB G2 project approval	24.10.2007	24.10.2007
	Implementation phase	25.10.2007	28.2.2008
	Sytem development	25.10.2007	2.1.2008
	Document proceses implementation	3.1.2008	30.1.2008
	Pilot operation	31.1.2008	27.2.2008
	New Panagon full implementation	28.2.2008	28.2.2008
	Total duration	15.3.2007	28.2.2008

**Preliminary
schedule**



SCHEDULE & RESPONSIBILITIES

- 1
 - 2
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 - 6
- Required OU mandays for:
 - Design
 - Implementation
 - Status of OU resource allocations
 - Resource conflicts (real, potential) and their impact on project
 - Release management issues and their impact on project

SIS analysis not started yet

SUMMARY & DECISIONS

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SUMMARY & DECISIONS

PRB approves:

- 1
 - Project concept approval
- 2
 - Preliminary BC approval

3

4 PRB imposes:

- 5
 - Allocation of Internal SIS resources for design phase

6

BACKUP

Business Case



Microsoft Excel
Worksheet