

## BATCO MANAGEMENT SERVICES STRATEGY

### KEY AREA PAPER

#### 1. MISSION

To enhance BATCo's competitive position by:-

- Increasing operational efficiencies and timely decision making through measurably better and more compatible information systems
- Harnessing the most appropriate technology and designing new business practices to enhance BATCo's effectiveness

#### 2. CRITICAL SUCCESS FACTORS

- Become Business driven, not technology led
- Increase Productivity/Value of money
- Improve Service and delivery appropriate to business need
- Improve Staff Quality
- Increase OpCo support/Global MSD coherence
- Increase Focus on Strategic Applications

The Critical Success Factors are developed further in the "Group I.T Best Practises and Standards" paper, which is attached. This is a blue print for MSD operational effectiveness and should be used by Operating Companies and their MSD's.

#### 3. ROLE OF MSD

- To establish and monitor the global I.T. strategy, standards and direction of BATCo
  - To recommend and develop advanced business processes and ensure implementation of best practices where applicable
  - To provide:
    - business consultancy
    - information systems
    - information technology
    - computer networks installation and operation
- to main customers:
- BATCo Head Office
  - BAT Industries
  - Operating Companies
- To advise/help Operating Companies develop their I.T Strategies
  - To ensure worldwide quality of management services staff
  - To increase IT awareness throughout BATCo

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#### 4. BATCO IT STRATEGIC DIRECTION

BATCo strategy is to become:-

- Global company competing in a total world market
- Based on IB growth and consolidated regional brands
- With quality product
- From lowest cost global production sourcing
- With profit and growth accountability delegated to the Company/Market managers, consistent with BATCo strategy

The enhanced focus by BATCo, including the recent formation of the RBU's in running the global business will require:

- Consistent planning systems and procedures
- Common reporting procedures and information
- Performance measures focusing on key success factors
- Availability and common interpretation of information and data

Thus the I.T STRATEGY to support the business directions must be:

- To be driven by users, whether at Head Office or the operating companies
- To ensure that local MSD's contribute positively to the local OpCo goals and strategies within the global BATCo I.T. Strategy
- To increase turnaround and strategic projects to 50% of annual effort, from current 30%, by 1995 thereby demonstrating clear contribution to achieving competitive advantage
- To ensure fast development cycles and high quality, low cost production of staple/core systems
- To provide high service level/low cost operational systems support and installation globally to users
- To increase synergy of BATCo MSD's regionally and globally to i) avoid duplication, known pitfalls, inconsistencies and to ii) ensure commonality, future business flexibility, responsiveness to change, increased regional and global commonality
- To ensure that systems are installed to optimal and common standards for design and data, whilst permitting maximum connectivity or interoperability in future

#### 5. ACTIONS AND POLICIES

The agreed current policies and action plan, to achieve the objectives, are attached.

The detailed project plans are agreed by the Information Technology Steering Group (I.T.S.G.) and reviewed on a six-monthly basis.

The Group I.T Best Practises and Standards paper should be adopted by all OPCo's and their MSD's.

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## I.T. POLICIES AND ACTIONS

### I. ACTIONS

Immediate requirements are to:

- Develop, communicate and install common agreed I.T strategy and direction throughout the Group.
- Develop and implement IT "BEST PRACTISES" throughout the Group.
- Develop, and report against, performance measures to demonstrate MSD "value for money" and drive for continuous improvement.
- Develop common world-wide telecommunications network between all BATCo locations and OPCo's, with access from remote locations and links to third parties.
- Implement function driven common business process/procedures for OpCos and agreed support strategy via systems such as BPCS, TETRA CHAMELEON and Field Force. (see Section 2 below).
- Install basic group working software (e.g. LOTUS NOTES) in Opco MSD's, to improve information dissemination and I.T co-ordination
- Develop and implement systems to support function of RBU's
  - In Staines
  - Throughout the Regions in OPCo's and Export Markets
- Implement effective User Group/Steering Group structure for project approval and monitoring
- Implement project control procedures, based on user managers accountable for the projects
- Review, for key OpCos/Regions, current status of:
  - current M.S plans and strategies
  - systems installed (data, methods etc)
  - operational standards (system security, telecoms, micros, LANS/WANS, computer rooms)against the "Group I.T Best Practises and Standards" paper.
- Review the MS skills profile across OPCo's and develop organisational structures and succession plans.

### 2. KEY BUSINESS AREA POLICIES

This section defines the current policies for a number of Key Business Areas. The policies are described within the context of the business direction.

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## 2.1 Business Systems Integration / MRPII

### Business Direction

BATCo is committed to improving competitive advantage through increasing business systems integration within OpCo's and Regions.

OpCo's will adopt processes for continuous improvement towards excellence in business planning and control and elimination of waste in all its forms.

OpCo's will implement business improvement programmes leading to class 'A' manufacturing status. Wherever practicable, business processes (eg Costing; Bill of Materials structures) will conform to a common standard, supported by information systems which permit the maximum integration in the future.

The information systems will be provided by BPCS or TETRA CHAMELEON depending on the local circumstances. In some cases manual systems or stand-alone PC applications will be more appropriate.

BATCo's policies for common standards around the Group will be supported, whichever package system is adopted.

The direction, standards and policies of MRPII, BPCS and TETRA CHAMELEON will be driven by the MRPII Steering Group.

### Current Policies

#### a) BPCS:

- We will consolidate the implementation of BPCS in agreed sites.
- All companies will consider upgrading to the latest SSA supported release following a local cost/benefit analysis for the version upgrade.
- MRPII Steering Group will review local cost/benefit in light of current or future regional needs, recommending appropriate action to OpCo.
- There will be no BATCo global modifications to BPCS, all modifications or "bolt-ons" will be kept to a minimum and only if essential.
- Before implementation, local "bolt-ons" will be reviewed by the MRPII Steering Group for need, benefit, solution approval and possible Group use. If applicable "bolt-ons" will be developed and supported centrally.
- OpCo business procedures will be reviewed to ensure common use of BPCS.
- Functional management will be charged with ensuring perceived benefits are identified and achieved.
- Future strategy for BPCS will be developed and agreed by 1Q94.
- Review of cost/benefits to date by July 1993 together with status reviews on a quarterly basis.

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b) TETRA CHAMELEON:

- Identified as the preferred package for smaller OpCo's, subject to outcomes of pilot studies and incorporation of lessons learnt from earlier BPCS implementations.
- Currently in 4 pilot sites to review:
  - i) functionality and security
  - ii) international support needs and availability
  - iii) local MSD and OpCo support needs and availability.
  - iv) associated systems development package
- No OpCo will implement until the pilot site reviews are completed and a policy for "bolt-ons", future release management and operating environments has been agreed, consistent with the BPCS policy.
- Ensure that any future implementation is driven by the functions with full involvement of Audit from the outset.

c) Shop Floor Data Collection:

- Where practicable shop floor data collection systems will be unified across the Group, with common interfaces to BPCS or TETRA CHAMELEON.
- Prototypes are being developed and reviewed in BAT Suisse.

2.2 Field Force Systems

Business Direction

Trade Marketing and field force systems are critical to BATCo's future success. A major strategic initiative is, to ensure "best practices" around the Group through the implementations of common hardware and systems.

Current Policies

- Recommended Operating System is Pen for Windows. Current recommended hardware is pen-portables (Tandy Grid), though development is very rapid in this area.
- Application software will be developed by CONSENSUS LTD, based on their SALESTEAM package.
- OpCo's comments and requirements will be considered prior to finalising the Business Requirement Specification.
- The software and hardware will be piloted in Spain prior to general release.
- It is BATCo's general policy that this system should be adopted everywhere: no single initiative should be taken.

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2.3 Office Systems and Group Working

Business Direction

Procedures and systems will be adopted which support modern management structures and the increased communication needs from team working and globalisation.

Current Policies

- Office systems will be based on PC-Networks using MS Windows/Novell network servers and "best of breed" packages for word processing, spreadsheets, presentation graphics (see Group IT BEST PRACTICES AND STANDARDS paper).
- Team working and communications will be based on LOTUS NOTES. Implementation will be driven by business demand and monitored by the ITSG.

9th March, 1993

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