

complaint handling within two weeks and preliminary advice from staff being called in to review the work is complimentary. This together with the Privacy Policy and voice monitoring Guidelines and the new dispute procedure currently being documented with Warwick Smith will provide a very positive group of initiatives by around mid march.

Steve Black

From: Blount, Frank
To: Black, Stephen; Krasnostein, David
Cc: Campbell, Ian new; Campbell, Doug; Parker, Harvey
Subject: RE: COT Cases - call from Alan Smith
Date: Thursday, 3 March 1994 7:30AM

Stephen:

Before you agree to meet with him, please talk to Harvey Parker about my discussion with him following my call to Alan Smith yesterday or the day before.

I have asked for the data on failure and/or fault rates attributed to the Portland AXE exchange (Alan's change) and historical fault data for all of the cable/outside plant/CPE reports for the Portland change area as well. I want to compare that historical data against the average for all of Victoria or all of Australia to ascertain if in fact our reported and cleared troubles in Portland indicate a pattern suggested by Alan.

I don't know whether such analysis has been done on this case before, but if it hasn't, I would be quite surprised. I want to personally get across such data so I can stand up with confidence and say that I have seen the raw data and I personally can attest to it.

I also am not certain from my discussion to Alan that he expects anything else at this point. He simply states that he is still having major problems as late as the day he placed the call to me. He says he has several examples of potential customers to his Camp that claim they had tried to call for hours the day before and got either no answer, no ring, or engaged and Alan claims he was never on the phone for the duration when customers claimed they tried to reach him. He gave me two such recent examples over the phone. He persists in telling me that my people are not telling me the truth.

It may be time to have an auditor reporting to me review the Portland trouble reporting procedures and data in and around Portland.

Thanks:

Frank

N00168

From: Black, Stephen
To: Krasnostein, David; Blount, Frank
Subject: FW: COT Cases - call from Alan Smith
Date: Wednesday, March 02, 1994 9:53PM

Frank

I have discussed this with David Krasnostein and Ian Campbell. The recommendation is to pick this matter up as your representative and meet with Mr Smith and Mr Schorer and that I be accompanied by an second impartial person such as Warwick Gilbert the Chief Internal Auditor.

→ At this meeting Mr Smith's proposal can be put forward discussed and, if appropriate, subsequently responded to by Telecom.

→ The suggestion from Mr Smith appears to indicate a desire to offer a settlement rather than enter the arbitration process. He will raise this in the discussion if this is his intention.

Steve Black

From: Blount, Frank
To: Scott, Sue
Cc: Black, Stephen; Krasnostein, David; Campbell, Ian
Subject: RE: COT Cases - call from Alan Smith
Date: Tuesday, 1 March 1994 5:08PM

Senate Estimates Hearing - 25 February 1994

Teletra Corporation Limited

Senator Alston asked the following Question on Notice:

25. An internal Telecom Minute in relation to Mr Alan Smith of Cape Bridgewater states "Our local technicians believe that Mr Smith is correct in raising complaints about incoming callers to his number receiving a recorded voice announcement saying the number is disconnected. They believe that it is a problem that is occurring in increasing numbers as more and more customers are connected to AXE" (Attachment 1)
- a) Could you explain why more problems are occurring as more and more customers are connected to the upgraded AXE exchange and has this problem since been rectified? If not, why not?
 - b) Could you advise how widespread this problem is with other exchanges which have been upgraded to AXE?
 - c) As Telecom intends on upgrading all exchanges to AXE by 1997 does it expect the same problems to occur as outlined in this minute?

Answer

The issue referred to relates to the procedures for the initial loading of data into AXE exchanges which, at the time, did not ensure a centralised approach. The problem arose from the method of preparing and verifying routing data for loading into AXE exchanges, particularly as more small analogue exchanges were converted to digital. Network Operations management was already aware of the need for centralisation and tighter control over verification and was in the process of developing this when the fault report from Mr Alan Smith was received. A two pronged approach has been implemented to improve the processes:

- 1) The Data Production Group underwent a quality accreditation process to ensure that the data received by the Data Cells in the field locations was error free.
- 2) The number of groups loading these data changes into the AXE sites was significantly reduced. In country Victoria, it was reduced from 40 to 5 and it is planned to be further reduced.

The substantially reduced numbers of staff involved allow better training and control procedures to be implemented and there is no record of any further faults of this type occurring in the Country Victorian network.

In summary, there was a single fault incident which affected Portland AXE Exchange for a short period of time. This was not a generic problem in the network, but reflected the need for improved verification in the data preparation and loading procedures relating to AXE exchanges. Revised procedures were introduced promptly.

- a) The reference in Question (a) is considered to relate to the potential for loading errors if verification procedures for routing data were not tightened.
- b) This issue is now believed to be resolved.
- c) The new procedures now successfully implemented will ensure that this particular problem does not recur.

L-B

Telecom Australia

Minute

File EA-AC 4/1/18 Subject: GRADE OF SERVICE COMPLAINT
MR ALAN SMITH 055-26 7267

Phone 055-73 0200 From [REDACTED]
CUSTOMER SERVICES MANAGER
HAMILTON - VIC/TAS REGION

To [REDACTED] - NETWORK OPERATIONS
[REDACTED] - FAULT BUREAU VIC/TAS

[REDACTED]

Please find enclosed documentation in regard to a Grade of Service Complaint from Mr Alan Smith of Cape Bridgewater.

Our local technicians believe that Mr Smith is correct in raising complaints about incoming callers to his number receiving a Recorded Voice Announcement saying that the number is disconnected.

They believe that it is a problem that is occurring in increasing numbers as more and more customers are connected to AXE.

Can you please investigate this problem and provide me with a written reply so as I can forward this to Mr Smith and our local Federal Member, before what is already a difficult situation, gets right out of hand.

[REDACTED]
Customer Services Manager - Hamilton

2/7/92

4-B

Doody, Chris

From: Grindlay, Mark
To: Doody, Chris
Subject: CAPE BRIDGEWATER C.O.T.
Date: Wednesday, Apr 06, 1994 2:59PM
Priority: High

Chris,

Following previous lost call analysis of the Z route between Warrnambool Node and Portland AXE-R (PORX), it was decided to increment this route from 30 to 60 ccts. As no free ETC's or cabinet infrastructure is available at PORX a project has been issued to NDC to increment the route by replacing an empty LSMR 120 with a LSMR 64. The current status of this project is as follows:
Material in on site, and design pack has been issued to field. Installation (Rod Fry) awaiting data from DPG. Rod Fry is aiming to do the job tonight (6/4/94) if the data arrives in time. If not, it will be either tomorrow night (7/4/94), or approx Wed next week (13/4/94) as there is an installation conference early next week and he will be short staffed. I have reiterated to all parties concerned the importance of getting this project done ASAP.

My original request to NDC is attached

From: Grindlay, Mark
To: Grooby, Lloyd
Subject: PORX - WBOX CCT INCREMENT & OTHER STUFF
Date: Thursday, March 03, 1994 5:22PM
Priority: High

Lloyd,

Could you please arrange for the Z route between Warrnambool Node & Portland AXE-R to be incremented from 30 to 60 ccts. To do this without having to wait for the Tyrendarra & Heathmere repairs will require the installation of another LSMR 64 Line magazine as PORX currently has no free ETC's. There are currently no spare magazine positions in the AXE-R cabinets. I propose to replace the last installed empty LSMR 120 magazine (EM 11) in the Extension 2 cabinet for a LSMR 64/0 LSMR. John Tampling has advised these magazines are in stock. Could you please fast track this project due to the sensitivity of the current COT case at Cape Bridgewater (off PORX)

Also - Leigh Howlett advises that batteries/rectifiers for Gringegalgona, Ozenkadnook, Poolajelo & possibly Melville Forest (L.H. to confirm) need replacement. Could you please arrange for replacement

Please create ECP projects for the above as appropriate. Could you please advise of timing for completion of the Portland Project so I can advise Network Investigations.

K04552

4-C

Dwyer, Kevin

From: Dwyer, Kevin
To: Gambie, Peter
Cc: Humrich, Alan
Subject: RE: Software query
Date: Thursday, 24 February 1994 11:07AM

Peter,

You are quite correct in your thought that the anecdotal reference applies more to AXE than ARE-11. 'Lockups' are generally well-known as a problem in AXE exchanges, not only in Australia but in overseas countries as well. A number of upgrades have included software which would reduce the incidence of lockups.

There is nothing to add to my previous notes on ARE-11 exchanges concerning claims of 'Incompatibility' problems.

Regarding the problems in AXE:

In the NASM database (which has a record of faults reported from AXE exchanges, dating from 1988 when it was introduced, although it was not in widespread use till 1992/3) there are 105 reports of Lockups affecting customers. Two of these reports refer to PBX services, but there are no reports referring specifically to 'Commander' services.

The TR database (Trouble Report system controlled by TNE to monitor problems reported, passed to Ericsson, and fixed by Ericsson) which was used prior to NASM for all records of faults does show lockups on AXE equipment which would have affected customers and PBX functions, but does not provide any realistic count of problem occurrences. It does not record any lockups specifically related to 'Commander' systems.

As a general comment, if the first line was locked up and calls allowed to flow on to the other lines, then no calls would be lost until all lines were busy, so I fail to see how an estimate that "call loss could be up to 15%" could be made or repeated with any degree of integrity.

There is also another NSIS database which would contain records of AXE faults which I have not checked yet but which I believe has records of large numbers of lockup instances affecting individual customers lines. I am reluctant to initiate a search of the NSIS database at present as the faults recorded therein would have no bearing on the CoT services in question, unless the fault occurred on their individual line.

Kevin.

From: Gambie, Peter
To: Humrich, Alan; Dwyer, Kevin
Cc: Wagland, Fran
Subject: Software query
Date: Thursday, 17 February 1994 7:04PM

Fran, I am not sure where Alan is - please pass to him if he is on the 24th floor.

Kevin, Alan

A13930

Kevin, I did not use your comments on software (COMPATBL) at this time as they didn't seem relevant to the additional information that Austel have provided. John MacMahon writes as follows:

I have references to Ericssons having considered a lock up fault which was occurring where the first line would be locked out and this would allow calls to flow to the other lines. It was said to arise through the

A-D

incompatibility of exchange software and Telecom's equipment. Ericsson apparently provided a solution and advised that particular Commander systems were most vulnerable. Ericsson are said to have suggested that call loss could be up to 15%.

Any thoughts on this new line? It sounds a bit like AXE rather than ARE to me!

Peter.

A13981

4-1

Dwyer, Kevin

From: Gamble, Peter
To: Humrich, Alan; Dwyer, Kevin
Subject: Software - Valley Exchange
Date: Wednesday, 22 June 1994 11:57AM

You may recall that we were trying to find a reference in our software problem data bases that matched a query from John MacMahon at AUSTEL. We were looking, as I recall for a problem that might have caused a compatibility problem with CPE.

We first searched the ARE data base and then the AXE data base with no luck. AUSTEL accused us of looking with too narrow a search criteria, but would not give us any real details to go on.

The "Telecommunications Survey Analysis and Report" recently lodged by Ann Garms provides the following handwritten file note:

"Ref: 1993/16

→ May 1993 ↘

Rob Brooker of ericsson Australia advised that Telecom had a problem for a long time with an incapability problem with computer software in their exchanges and telephone equipment. The call loss resulted in a 50% loss.

Took 1st of all along time to identify. After some time Ericsson were asked to solve the problem. Took them 9 months to identify. Rob Brooker advised that this was substantially delayed because Telecom did not place this problem in the top 10 faults."

Kevin, does this shed any more light on it ?

If not, can I suggest that you contact Rob Brooker directly and get his side of the story. As we will want to present this as part of our rebuttal of Ann Garms claim, we will probably need to eventually get a statement in writing.

Peter.

Hold off calling Rob Brooker. He spoke some time ago to Alan Humrich, + Alan will check details of what he was on about at that time.

*The 'top 10' reference implies AXE, while GARMS problems were ARE-related and that was the implication in the report from Hilster for us to investigate.
Insert further info from A.H.*

*For coming, with Notes & references from Ericsson
copy of questions from GARMS to BROCKER
" " response " BROCKER to GARMS.*

A13725

Stockdale, David

From: [REDACTED]
To: [REDACTED]
Subject: RE: Further to my original message.
Date: 19 August 1993 9:23

David,

Incidences of LI devices held in state busy are quite common in both mainstream and rural and require Test System procedure to release them.

Often faults are reported to NSS Field support involving locked up devices e.g. SULTD/SLCT or BT in which the involvement of an LI device may not be evident. Call traces do not always reflect the complete picture. RE individuals, for example, may have multiple users. Interim Operating Procedures address these lockups, with recommend call traces, having particular reference to look for PD individuals which may incur ongoing metering after the termination of a call.

→ Lockups not deemed to be affecting customer services are not given priority over those that do.

When lockups of this nature are subsequently cleared, devices not evident in call tracings may be cleared as a matter of course.

Lockups are not automatically cleared by the system if they are under external control. E.g. requiring a clear forward signal from a supervisory device as you described in the case of SR-B or a locked up junction relayset holding a BT device. If other software devices (e.g. CJ, CL, RE, PD, CAW, MCT) are involved, they too will not be released.

This is a possible scenario under which LI devices may be held in state busy. I'm sure others exist and as CAW penetrates further into the Network (particularly in AXE Rural), the incidence is likely to increase. Such lockups have been addressed with Ericsson Australia but solutions are slow in coming due to the difficulty in trapping them as they occur. We don't have the luxury of LI audit or ROSI as is the case with /66 and we are not likely to.

Regards

[REDACTED]
For manager NSS Central West
[REDACTED]

Subject: Further to my original message.
Date: Monday, 16 August 1993 5:36PM
Priority: High

[REDACTED]
I have been discussing the sequence of events on this call with a colleague and we have realised the probable scenario for this odd call sequence.

The SR-B at Horsnam will be set for Last Party Release and will not therefore provide a clear forward should the A party hang up. When the B party hangs up the call, the charging point exchange does not pass the B party clear back to the originating exchange immediately due to the 90 second time supervision period. Even though the A party hangs up after this point, the clear forward does not occur due to the Last Party Release condition at the SR-B, therefore the B party will be held in the "awaiting time supervision expiration" phase for 90 seconds. Once the time supervision period expires a force release will be generated from the charge point exchange and the call will be cleared down.

This answers the oddity observed during testing, but my original question still stands: Do you know of any event or sequence of events in a 104 which would result in a call be held or a B party LI be held Busy for an extended period of time (e.g. > 120 minutes)?

I look forward to discussing this with you further, and apologise for not realising the correct sequence of events for the test call before I sent you the original mail message.

L-F

ATTACH 4

AXE software performance since December 1991

After nine months of operating as an AXE cell, it is timely to look at the performance of the AXE software. Listed are figures for each of the nodes we maintain.

<u>LCHF</u> /17	System initiated restarts	9.
	Manual restarts after software faults	7.
	Other restarts (CNA/ISU)	6.
<u>SPNF</u> /17	System initiated restarts	9.
	Manual restarts after software faults	18.
	Other restarts (CNA/ISU)	4.
<u>LCHG</u> /36	System initiated restarts	3.
	Manual restarts after software faults	4.
	Other restarts (CNA/ISU)	3.

These numbers indicate to me the poor standard of Ericsson software. For as long as we have had AXE we have been having software lockups and almost every CNA/ISU that comes along promises a solution to this problem but they still occur. ←

In the last while we have had a return to the bad old days with software upgrades causing disasters. SPNF was loaded with CNA16 and had to be reverted back because of a software fault in block IT3 where an Ericsson patch had replaced a Telecom patch. Attempts to load CNA16 and some corrections into LCHF were an absolute disaster. The first attempt was foiled after five restarts and a reload back to the previous CNA between 5.30 am and 6.47 am. The second attempt resulted in a small restart at 1107 and a large at 1112 followed with a large at 1258 to revert back when the previous CNA was loaded into the standby side and a side switch.

Ericsson - file to

L23848

4-G

File:

Subject: Recorded Voice Announcement

Phone: 8375057

From: Mick Ryves

To:



The network problem of receiving a Recorded Voice Announcement along the lines of "This number has been disconnected, please consult your telephone directory", to current telephone numbers has at last been identified with some degree of certainty.

This problem has been evident for some considerable time and has been progressively getting worse. The illusive nature of this problem has been the main reason for the lack of results of many investigations into this problem. However thanks to Bill Hinds & Chris Pitman from Sunshine Coast EMG for their extensive efforts, the problem has been identified as follows :-

The problem seems to occur to calls that suffer a change of discipline. i.e. Where a call from an analogue to an analogue exchange is routed via an AXE exchange or any combination thereof. If a call switches via an AXE exchange and the first choice route is full, an alternate route is selected, as a result a second restart is required from the analogue origin. The ZOO digit sent forward for charging purposes is analysed as the first digit of the B subs number, whilst the correct parameters exist on the I/C route. This problem appears to apply predominantly to /36 exchanges but may well involve /17 exchanges also.

The progressive increase in this problem reflects the increasing use of AXE as a network switching medium, and is a serious cause of dissatisfaction to our customers. This problem has been referred to National Switching Support for action, however as this is most likely a national problem and of some significance. I feel that an adequate priority should be assigned to the problem.

R09660

LH

Internal Memo



To Difficult Network Fault
Customer Co-ordinators
(see list)

From Peter Gamble
Manager Planning

Commercial
Operations Support

Commercial and
Consumer

File

8/242 Exhibition Street
Melbourne
Vic 3000
Australia

Subject DNF Customers - Service
Data

Date 29 November, 1993

Telephone (03) 634 8436
Message Bank
Facsimile (03) 634 8474

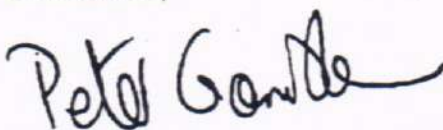
Distrib. Ken Beattie, Regional General Manager, Queensland (Fax: 07 210 0847)
Rosanne Pittard, Regional General Manager, Vic/Tas (Fax: 03 562 1928)
Janet Sayer, Regional General Manager, NSW (Fax: 02 397 4155)
John Harrison, Area Manager, Canberra Service Centre (Fax: 06 257 3737)
Graham Powles, Customer Service Manager, Queensland
Cheryl Prins, Customer Service Manager, Vic/Tas (Fax: 03 562 0765)
Ian Redfern, Manager, Sales Branch, Vic/Tas (Fax: 03 574 9461)
Ed Blake, Manager, Operations Support, Commercial
Don Pinel, Manager, Austel Inquiry, Commercial (Fax: 07 221 7274)

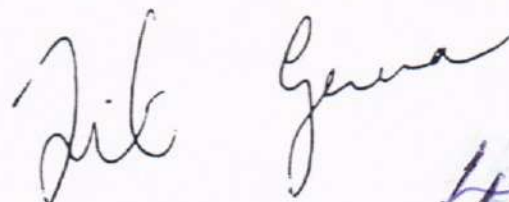
As part of the resolution of a series of Difficult Network Faults, your assistance is sought in urgently checking the service data for the customers for whom you are responsible. The information is being used to arrange and co-ordinate a detailed set of Customer Access Network measurements and the attached list represents the best information available in this office at this time and has been compiled from a number of sources. The information required is all service numbers that enter a customer's premises, together with any information regarding the CPE that is connected to that service (eg Commander System, T200, fax line, Gold Phone etc).

Where the service includes a Rotary (or PBX Working) facility, the directory number and all of the auxiliary numbers should be specified. It is noted that there is a "myth" circulating in some areas that "AXE Rotary services do not have auxiliary service numbers". This is not the case as is evidenced by some of the listings in the attachment. It would also be useful to know (for AXE services) whether the hunting arrangement was sequential or "random". This latter case could give the impression (depending on the CPE equipment) that calls were somehow being "missed".

The complete list of all service numbers is required to ensure that all services entering a customer's premises are measured and analysed. Where more than one line enters the premises, it is useful to compare the measurements on all lines, and important information has been gleaned from this process, *even though the customer may have only been reporting difficulties on one of the lines*. Difficulties have recently arisen where only one of the two lines entering a remotely located customer's premises were measured because not all of the service data was readily available.

Would you please confirm the details of the relevant service to me in writing by COB Tuesday 30th November 1993. Should you have any queries, please do not hesitate to contact me.


Peter Gamble



R09919

H-1

Internal Memo



To [redacted]
Grp. Managing Director, Commercial &
Consumer

Network Investigation SA&NT
Networks & Interconnect
Network Operations Division
Network Products Business Unit
Australia

From [redacted] T
PTT02

Telephone [redacted]
Facsimile [redacted]

Subject Fault Management

Date 29 November 1993

File

Attention

[redacted]

I trust the previous correspondence sent early in November has been received. ✓ 10/11 to Ian Campbell see Jan. 1994 a hand

There is so much opportunity for real improvement in Telecom; the difficulty is knowing where to start and how to best achieve genuine improvement. Certainly change for the best is unlikely to be realised if there is not a complete and intimate knowledge of the industry by those formulating the changes.

* The attached report mainly relates to the Fault Management process; its deficiencies, and concerns about the direction it is heading. My interest is not recent nor opportunism; it would be easier to back off but that would kill work interest. My research and reading has been largely in my own time but is of reasonable breadth. The undertaking of the Associate Diploma in Accounting was motivated by the perception this knowledge was wanting in the Telecom engineering discipline at least. It also became obvious, if I was ever to make a real contribution, then knowledge in finance, particularly with respect to financial decision making and management, was required. It is also clear if this contribution is ever to be realised, then I must act now; hence the above quasi job application.

As the performance quality of the network is directly translated to customer satisfaction and cost and quality of Fault Management, caution is also expressed about the decision on which switch should be used for FMO. I have long held the view the AXE switch provides an inadequate and crude Fault Analysis & Diagnostic tools. Attempts to have

H-J

improvements incorporated have been acknowledged, but nothing has changed. I consider the minimum additional AXE requirements for effective fault investigation are:

- The capability to monitor detail of incoming traffic to customers connected to AXE eg. time of call, duration of ring and conversation, identification of calling party.
- The option to remove the need for switch hook flash or call time out with the Malicious Call Trace facility.
- The capability to dump to file, on a needs basis, information relating to call establishment in the switch.
- The inbuilt capability to log CCS7 signalling without the need to purchase costly add on test equipment. The importance of this function cannot be emphasised enough; it should be an obligatory requirement in the specification for the selection and purchase of any switch from this time on. - refer pg.5 of the Draft Report previously sent "Telephone Service:- False Fault Reports.

Adding emphasis to this need for the employment of these tools is the large current lev of outstanding network faults Phantom Rings, Not Receiving Ring, and RVAs indicating the called customer is no longer connected. It is not possible with present fault analysis tools to easily and quickly determine what are genuine network faults and what is inadvertent customer misoperation, wrong numbers, not listening for dial tone etc.

At present actual network failures as opposed to misoperation cannot be quantified but instances have been confirmed eg. the called party received only a couple of rings, the calling party was traced and queried, they received an RVA indicating the number was no longer connected.

FMO must proceed, but service provision must not be compromised by an unacceptable fault incidence or shortcomings in diagnostic tools if the customer is to be satisfied and costs contained.

T
[REDACTED] (PTT02)
National Network Investigation
Networks & Interconnect
28th November 1993

* REPORT NOT ATTACHED

HJS

Pendlebury, Bruce

From: Gamble, Peter
To: Pendlebury, Bruce
Cc: [REDACTED]
Subject: FW: CAPE1.DOC
Date: Tuesday, 26 April 1994 3:12PM

K00940

Bruce, for information.

Following a call from Alan Smith, I have just had a discussion with Les Churcher re a complaint that Alan Smith lodged earlier today (Leopard No 364 808). I described to Les more accurately what the problem is and he will discuss my comments with Alan Miles.

Peter:

From: Gamble, Peter
To: [REDACTED]
Cc: [REDACTED]; Black, Stephen; Rumble, Paul; [REDACTED]
Subject: RE: CAPE1.DOC
Date: Tuesday, 26 April 1994 2:33PM

John, thanks for the response.

I should have chased it up earlier, but I was on leave.

I am concerned to note that heat may be part of the problem. I had occasion earlier this year to get involved in another "ongoing" case involving an RCM with a heat problem at Murrumbateman (just outside Canberra). Although the problems experienced by the customer were different, as was the nature of the technical problem, the root cause seems to have been the same - viz heat.

I do note, however, that one of the symptoms from the Murrumbateman case was "Not Receiving Ring", something Alan Smith at Cape Bridgewater has been complaining about for some time.

Peter.

From: [REDACTED]
To: Gamble, Peter
Subject: FW: CAPE1.DOC
Date: Tuesday, 26 April 1994 1:09PM
Priority: High

Peter

Please see reply from Bob Braid. I don't know why you did not get a copy but I will follow up

Do you need anything else.

Regards

From: [REDACTED]
To: Gamble, Peter
Cc: [REDACTED]
Subject: FW: CAPE1.DOC
Date: Tuesday, April 26, 1994 12:40PM
Priority: High

Peter,

Reference your Mail message enquiring about the status of the DNF at Cape Bridgewater, I sent the

attached message on the 28th March. The attached message indicates that the problem did lie in the RCM and has been fixed. This was confirmed in a subsequent conversation with [REDACTED]

K00941

[REDACTED]
From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: CAPE1.DOC
Date: Monday, March 28, 1994 5:11PM
Priority: High

Grant,
Do you want any more on this RCM problem? [REDACTED] seems to have solved the problems and whilst the poor setting up of the supervisory system is a worry, I doubt if many new systems will be installed on copper bearers.

[REDACTED]
From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: CAPE1.DOC
Date: Monday, March 28, 1994 3:04PM
Priority: High

Please find attached the results of testing of problems with Cape Bridgewater RCM system . This is additional information to that provided by Mark Hooper on 23-3-94.

I hope this assists.

<<File Attachment: CAPE1.DOC>>

[REDACTED]

H-K

Days went by and Blount hadn't heard a thing. Finally, a young woman arrived in his office whom Blount learned was a bright MBA graduate with responsibility for the 1-800 product. Again, Blount recalls the conversation:

Blount: 'I want to talk about the 1-800 service.'

Staff: 'Yes, sir.'

Blount: 'There are some issues that have arisen on the product management side, specifically maintenance of the product, fixing some problems with it and how it is billed.'

Staff: 'I know the type of things you are talking about, sir, because we studied product management in school, but, strictly speaking, my job was to launch the product. I have no way of knowing how it performs once it has been launched.'

Blount was shocked, but his anxiety level continued to rise when he discovered this wasn't an isolated problem. Product management as Blount knew it in a competitive environment was non-existent. There was no overall coordinating role to monitor the performance and profitability of products and modify them as required. He moved immediately to demonstrate the importance Telstra would have to place on products to compete effectively:

I'd often seen approaches that would try to solve world hunger but they didn't get any traction because they operate at such a high level. I decided to pick one product and understand everything about it.

Blount asked his 1-800 'product manager' to put together a team to analyse all aspects of the product and provide a snapshot of what an ideal product should look like. Blount then arranged a two-day retreat for his senior managers to take them through

the product management around the conference member of the senior with all the aspects of

- how the product
- time-to-market;
- provisioning;
- training/selling;
- how it was wor
- the fault rate; a
- the billing 'system

The picture that performance was sub market was too long launch. There was no product, so the comp in the marketplace. A product innovations v

The exercise wor realised the power of year leap it would tal told him that to fu management up in t would need to appoi Management. The lo difficult to orchestra have a product mana to each of the G undertaken and the r satisfied with how th take on the product

the product management case study. Fifteen stations were set up around the conference site staffed by junior managers. Each member of the senior team rotated through the stations dealing with all the aspects of basic product management:

- how the product was designed;
- time-to-market;
- provisioning;
- training/selling;
- how it was working in the field;
- the fault rate; and
- the billing 'system'.

→ The picture that emerged made it crystal clear that performance was sub-standard. Costs were too high. Time-to-market was too long — at least 18 months from conception to launch. There was no accountability for the profit and loss of a product, so the company didn't track its performance once it was in the marketplace. And on a broader level, the number of new product innovations was tiny — only around two dozen a year.

The exercise worked brilliantly. The Telstra senior team realised the power of proper product management and the light-year leap it would take to get Telstra up to scratch. Blount's gut told him that to fully redress this problem and lift product management up in the eyes of the organisation as a whole, he would need to appoint a Group Managing Director for Product Management. The logistics of doing so immediately proved too difficult to orchestrate at that early stage, so Blount agreed to have a product manager in each business unit who would report to each of the GMDs. With the massive change being undertaken and the resulting competing interests, Blount was not satisfied with how things were progressing. The will was there to take on the product difficulties, but successful execution failed to