

THE GOVERNING COUNCIL OF THE CAT FANCY

IT Refresh Project Overview

Background

When the GCCF opened an office in 1980 it was clear that in order to move the GCCF from a "cottage industry" into a professional organisation it would benefit to embrace the new electronic age of computers. Clubs contributed to the cost of this with loans. These loans were repaid to the clubs by the GCCF 5 years after the original date of lending as planned. A suitable system was installed and the GCCF went from strength to strength building a registration system which was, and still, is second to none. At this time the GCCF was leading the way in pet registration.

Now, as we enter the second century of the GCCF, it is lagging behind its rivals in the service it offers. We need to be forward looking and develop our systems and services to a new level.

Becoming incorporated has protected our Clubs from enormous financial burdens should the business fail, but it is now time for the Clubs to respond to make sure that we do not fail and in fact grow and thrive in the same way as we did all those years ago.

Part of that process is to raise the standard of our equipment and the way it works. Thus the GCCF can improve its communication within the Fancy and with the outside world.

As part of various improvements being made by the GCCF a small group of experts was set up a few months ago to assess what technology we have now, what we would like to have and what we could afford to have within a reasonable timescale.

Aims

The IT refresh Project was conceived as a review of the IT hardware in use by the GCCF which was reaching 5 years since installation, the normal period of time for IT hardware renewal.

At the same time the GCCF was looking into its services to see how these could be improved and or made sustainable for the future. This involved considering two elements; firstly what did the GCCF customers want moving forward from now, and secondly what could be done to improve efficiency within the services to help relieve the financial burden of rising operating costs. The GCCF can not keep raising prices year on year in the current economic conditions.

It was clear from the examination of the services that moving to a more electronic based system would satisfy both of these criteria. This would involve several elements:

1. Online registration. This would allow interaction with the existing database when completing registrations and transfers thus reducing the errors in applications. This would mean applications could be processed quicker, better for the GCCF customers, and would reduce the resources needed for error checking resulting in back office savings.
2. Online payment. This could only work in tandem with the online registrations and transfers. The website would calculate the total price thus reducing the errors, and again introducing savings in the Office processing. In addition cheques are being phased out and the GCCF therefore needs to be better prepared for this as the current card payment system would not be suitable for the increased volume of transactions.
3. Electronic handling of correspondence. By handling more correspondence electronically the volume of paper used in the office and the cost of storage and posting would be reduced thus making savings.
4. Revisions to the paperwork. By changing the form of the paperwork issued by the office when necessary a better quality of product could be provided. Improved certificates would make the registration of a cat with the GCCF more appealing to aesthetic conscious owners, which has been noted as an issue in feedback received.
5. The systems employed must allow the inclusion of elements for advertising as a means of revenue generation to further reduce the burden of costs on the GCCF as a whole.

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6. Provide a range of additional services in the future such as:
 - a. for Newcomers - better access to sources of information already available on line and documentation such as prefix applications
 - b. for Breeders - improvement to all activities - registrations, transfers, registration amendments etc. information seeking, quicker turn-round time
 - c. for Breeders - an Approved Breeders Scheme with which to improve they own image and sales potential.
 - d. for Kitten Buyers (and breeders) - A kitten finding service on the website.
 - e. for Show Managers - improved systems for receiving and submitting information e.g. on-line transmission based on electronic catalogue marking ultimately aiming to providing a complete electronic show system cutting costs for individual shows and making show managers lives easier.
 - f. For Clubs - similarly improved systems for receiving and submitting information by form filling on line and easier direct contact.

Requirements of the Project

In order to achieve these aims the following key requirements were identified:

1. The IT hardware needed to be upgraded to cope with handling a greater volume of data.
2. The security enjoyed by the current system must be continued in any new plans.
3. The integrity of the current database must be maintained.
4. The IT software needed upgrading to ensure it could handle the current and future needs.
5. The website needed to be adapted to permit the inclusion of secure sites for information exchange and so that the information could be found accessed easily.
6. Provision needed to be made in the reorganisation of the website for advertising.
7. The IT systems must have access to printing facilities that could cope with the new products.

Timescale

In an ideal world with unlimited resources the GCCF would put all this in place in a matter of months. This would allow the customers of the GCCF to start to use and benefit from the new services and for the GCCF to realise the savings and increased income as soon as possible.

However, because the GCCF does not have this luxury, a phased approach for implementation of the project is needed. Having said this, the GCCF does need to get the changes done as soon as possible so that it can realise the savings and increased income quickly.

For this reason the project plan has been setup to deliver the new system within the next two years. Some phasing of hardware upgrade may be considered that could run beyond the two years but the major changes must be in place and operation within this period.

All aspects of the project continue to be reviewed to see if the timescales can be shortened further.

Online registration will, from experience of other organisations, take time for the customers to get used to; however we believe that as the world has become more online orientated, and because of the benefits it will bring to the GCCF customers, the take up of our system should be quicker. The GCCF will be looking for the clubs to encourage its members to use the system. For this

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reason the priority will be to get the online registration in operation as soon as possible, within 6 months of approval of the funding.

Funding

The project has been assessed to require a budget of £80,000. This budget cannot be firmed up until items have been tendered but is based on expert consideration of the needs of the project. The total figure is broken down as follows:

Hardware renewal	£11,000
Online services development	£69,000
Total	£80,000

The GCCF is an organisation created by its member clubs, for its member clubs. For this reason it seemed logical to approach its constituent clubs for the funds to carry out the work.

Whilst other avenues of funding, loans etc, existed, these would require interest on the capital borrowed meaning the clubs would pay more for the work in the long run because the charge for GCCF services would need to be raised to cover interest payments.

Although to some it seemed that the clubs should be asked to fund the project, it was felt that it would be better if the capital was repaid to the clubs.

The savings resulting from the project, assuming the online services were taken up by a large proportion of the GCCF customers, are predicted to be in the region of £20,000 per annum. In tandem with this, other savings in different areas of the business are expected to yield in the region of £5,000 per annum; this has lead the project team to set a 5 year term to repay the original capital investment.

The GCCF is not currently in a good financial position and therefore approval of the funding route is needed before expenditure, even on detailed tenders, could begin.

Longer term goals

It has been identified that there may be benefits from migrating the current database onto a different operating system. This could yield financial and operational benefits. However it is this database that underpins the GCCF and any alteration needs very careful planning and so will be the subject of a further review once the main project is complete.

Frequently Asked Questions

Following enquiries about the project the following questions have been identified as providing additional useful detail to the above. If you have further questions please email info@gccfcats.org.

1. What IT system do you propose to use and why – will you be using a ‘bespoke’ system; an ‘off-the-shelf’ system or a mixture of the two?
 - a. The current system uses a combination of both. This has been the subject of much consideration and we will be retaining the two systems but we want to enable the two to speak to each other better so that we can maximise the benefits of each system.
2. If an ‘off-the-shelf’ system how many were considered and what are the advantages?
 - a. The extent of the OTS systems used will depend on the final needs identified. They have the benefit of being developed by others, are often more flexible in their application and have the added advantage of being able to employ staff already conversant in their use. Currently these systems are used in the general administration and some of the financial aspects of the business. The core business of the GCCF, registration of cats and administration of shows, is a complex process developed over many years, and is not suitable for implementation directly in an off-the-shelf system, meaning that the core systems will need to remain bespoke, though surrounding sub-systems can be moved to standard software.

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3. It you have decided to use a bespoke system, what are the advantages, how many companies have been asked to submit a tender?
 - a. The decision to retain but modify the current bespoke system has been made principally around security and business continuity. We use a system used by many banks. This means that it is designed with security in mind and the only downside is programming expertise but fortunately the Cat Fancy has various such programmers within its ranks and therefore this has an economic and sustainable resource for the foreseeable future.
4. What efficiencies, effectiveness and cost reductions will be seen as a result of implementing the new system?
 - a. With the new systems the GCCF expect to make significant savings per year and allow a wider range of services to be offered. The savings will require the membership to use the new online services but the transactions will be smoother, faster and less prone to errors as a result so the membership should see the benefits right away. Assuming members do use the new online systems then a programme of additional services will follow.
5. What will be the impact on headcount?
 - a. This will depend on the speed of uptake of services and the range of additional services offered. We will do more with the same or less.
6. What will be the ongoing costs in terms of licences, software updates etc?
 - a. The aim will be to reduce the overall burden in this respect.
7. Will you be paying interest on the proposed loans and if so at what rate?
 - a. The loans would be interest free.
8. What guarantees and safeguards will be put in place and how will any loans be protected in the case of the Governing Council of the Cat Fancy ceasing to trade?
 - a. The loans will be secured on the GCCF property. The agreement signed will give the clubs first call on the property.
9. If loans are made to the GCCF for this purpose will the clubs be able to request repayment of the loan at an earlier date?
 - a. Early repayment will be considered as part of the protection systems but it is not intended that clubs should commit funds which they require for everyday use. A proportion of any reserves is all that is envisaged.
10. How have you arrived at the figure of £80,000 – is this the total cost of the new systems, including testing and implementation, licences etc or merely the cost of the first phase of updating the overall GCCF system.
 - a. The budget arrived at by our IT experts is £80,000 in total. This is needed to get the GCCF to a point where the savings will yield the money to repay the loans and provide ongoing funding for future enterprises.
11. Does the cost include hardware updates and if so what does this cover?
 - a. The entire system will be replaced in the next 5 years to ensure the GCCF has equipment fit for purpose. A reduction in the cost of hardware over recent years means that this is a surprisingly small part of the total.
12. What was the outcome of the discussions between the GCCF and the Kennel Club – is the system the Kennel Club use for registration suitable for the GCCF and if not, why not.
 - a. The discussions with the Kennel Club are ongoing. The Kennel Club felt they could not provide direct manpower from their organisation to develop our online registration system but pledged their continued support. The GCCF and Kennel Club are discussing further options around use of their software, developed by the GCCF.

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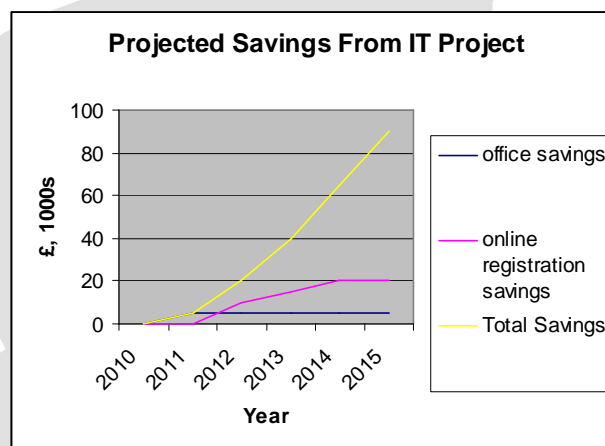
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13. £11K seems far too cheap to cover a database server, web server, its back up and licenses. Are the GCCF going to keep old systems and update?
 - a. This has been prepared by our IT experts and the cost of hardware has been dropping year on year. We only require very basic computing equipment thus the costs are quite low.
14. 5 years is far too long for a hardware right off period. Will the system be running something like Microsoft 2008? My concern is that within 5 years at least one OS replacement if not two will take place what will they do?. My concern is that although the plan may be not be to change the OS in 5 years in reality they may well be forced to due to the financial process the GCCF will run.
 - a. The existing hardware systems have run for 5 years plus and are still adequate for our needs with small upgrades that have taken place over the years which have been funded from revenue. The savings resulting from the new systems and the expansion of services possible as a result are expected to generate additional income to cover smaller upgrades in software as required. Once again, fortunately we do need anything particularly special on the software side.
15. The hardware will not run for 5 years without a fault. So what happens when it needs to be replaced... who pays?
 - a. The existing hardware has been maintained under contract since installation and continues to be in the future. Small failures have occurred but otherwise the original equipment continues to provide good service, the manufacturer having been selected for its reliability and quality of product. There are no guarantees but we also carry an insurance policy of the equipment in case of unexpected catastrophic failure.
16. If the system is frozen in time for 5 years, both hardware and software, then at the end of the 5 years the GCCF could find itself with the same problem it has at present, an out of date, antiquated system that needs a large amount of investment to bring it up to date.
 - a. There is a distinction between 'system frozen in time' and the replacement of hardware and operating system software as part of a lifecycle. It is true that after five years the hardware will need to be replaced again, and in the past this has not been budgeted for - going forward this needs to change, with proper budgeting for replacement as required at the end of life of the current systems. That is not included in this budget, since it should become part of the normal operating costs of the GCCF office - this project is about getting the GCCF onto a good footing to go forward, and in parallel to this specific project there is a lot of work being done to evaluate all the internal processes to address issues such as this, and ensure that in the future
17. My biggest problem with the proposal is the fact that it appears that they are not going to change the database from the start, but adapt the new system around it. This would lead to a very non flexible system that costs 30% to 40% higher maintenance costs. I know of no system that cannot have its information extracted and then imported into a standard SQL dbase, even if a third party needs to write an application to do it.
 - a. The expensive part of a system such as used by the GCCF is not the database (which is just a data store) but the software that implements the systems around it. These systems have been developed over decades, and would need to be re-written in a new language if we were to replace the iSeries with something like SQLServer. It is intended to review the use of the iSeries longer term, but this will cost money and take time, without giving any immediate added value. The priority at the moment is to produce a system which moves the GCCF forward as quickly as possible. This is best done by creating systems around the existing database that utilise it as the core data repository, but adds additional functionality.
18. Is the current database's hardware able to continue to run for more than 5 more years, what's the maintenance cost on it?
 - a. One of the advantages of systems such as the iSeries is that they were designed from the ground up to be solid, reliable systems, and that is why they are still in use in banks etc. The reason the iSeries is perceived as inflexible is because it does not keep adding the

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latest features, and getting redesigned every few years, but that is also the strength of a system like this - once you have implemented a system it just keeps working - no need to make changes to the system because the latest service pack changes the way part of the system works. The existing hardware has been maintained under contract since installation and continues to be in the future. The costs incurred by GCCF are tested on the marketplace each year to achieve value for money. A recent review will result in savings on these contracts.

19. The GCCF is currently operating at a loss and may continue to do so. It is unclear how GCCF will generate £80,000 following the upgrade to reimburse the Clubs.
- The GCCF is not currently operating at a loss. A small surplus was achieved in 2010 although this represented a £70,000 swing from the loss of 2009. The GCCF has already exceeded its targeted revenue savings through a comprehensive review of its cost base. The move to online registration is expected to yield savings in operating costs amounting to £20,000 per annum. It is expected to be able to free up this resource in two years from the start of online registration. This therefore projects a cost per year payback scale as follows:



The cumulative total recovered is £90k. This gives us a 10% float for a drop in income due to market forces. As noted above we have already exceeded our initial £5k saving and we also have other projects in the pipeline to save more on our current products, plus we have additional products planned. The opportunity for external sponsorship through knowing our business better will also exist. We are therefore confident of our ability to repay the loan so long as our membership supports us.

20. The upgrade must be supported by changes to the equally antiquated operating procedures with a move toward more modern working practices at the Office.
- The processes in the office were reviewed upon appointment of the new office manager and found to be outdated. The decision was taken that we would develop the online services at the same time as making changes to the internal processes. This gives us a huge mountain to climb but we are all working very hard to achieve this. You will see changes in the product provided by the GGCF as a result of these changes over the coming months.
21. There is no clear proposal to show specifically what the funding will be used for and to what end. It is the Club's understanding that the funds would be used for programming, but is unclear as to what kind of programming and how long the programming of the interface is expected to future-proof the AS400 system.
- The report above gives the detail of the proposed online services that will be created with the funding. This will include improved interfaces between the registration program, the administration packages and the customer interfaces (email, web, and hardcopy). There is little more in detail we can provide. The system will be constructed in a way that it can be supported on whatever hardware platform is appropriate at any point in the future.

End of report