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| **INVESTMENT NAME** | CMS Rebuild (Options paper) |
| **INVESTMENT AREA** | Exceptional Customer Experience or MTB funded |

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| |  |  | | --- | --- | | **Invest # - Version** | **BP22-CMS -v1.0** | | **Date updated** | **03 December 2021** |   **WHAT IS THE INVESTMENT DRIVER AND WHAT IS IN IT FOR THE CUSTOMER?** |
| The Contact Management Service (CMS) is a workflow management system designed to manage all customer interactions that orchestrate key Industry processes. ​  ​  The current system was built in 2013/14. Processes have changed over time and new customers have joined the Industry. Customers are suffering with a poor user experience pain points which need resolution. There has been extensive customer engagement during 2021 (over fifty workshops held with all customer constituents) to understand their requirements and ensure these address the current issues.  ​The platform is now at end of life and the underlying technology components need to be replaced/refreshed. Customers require CMS to be rebuilt, rather than re platformed which has led Xoserve to seek a replacement solution.  The new CMS solution will be cloud based and developed on the Microsoft Azure technology platform and associated technology stack and will be developed specifically to meet the CMS functional requirements of today, architected in a way that should allow for easier scalability for future needs.  New CMS will provide an improved user experience, reducing customer effort whilst supporting required industry processes. Customers will have easier access to the information they need to understand and track processes through dashboards and visible analytics that help their own decision-making processes. Functionality will be further enhanced to support interactions and contact process between parties required to resolve queries. |
| **HOW DOES THIS RELATE TO PREVIOUS INVESTMENTS?** |
| BP21 included an investment line in Exceptional Customer Experience focus area for requirements gathering and then the subsequent presentation of solution options, costs and benefits. The first draft of BP22 included an estimate of the costs associated with delivering the CMS replacement using a subscription service. |
| **HOW DOES THIS INVESTMENT ALIGN TO DSC SERVICE AREA(S) AND SUPPORT CDSP SERVICES?**   |  |  |  | | --- | --- | --- | | **DSC Service Area**  *(Data Services Contract Annual Charging Statement)* | **Aligned to Area** | **Impact/Benefit** | | 1. Manage Shipper Transfer | No |  | | 1. Monthly AQ processes | No |  | | 1. Manage updates to customer portfolio | Yes | See below | | 1. Meter Read / Asset processing | No |  | | 1. Demand Estimation obligations | No |  | | 1. Customer Relationship Management | No |  | | 1. Customer Joiners/Leavers (UK Gas Market) | No |  | | 1. Energy Balancing (Credit Risk Management) | No |  | | 1. Customer Reporting (all forms) | No |  | | 1. Invoicing customers | Yes |  | | 1. Management of Customer Issues | No |  | | 1. Customer Contacts | Yes |  | | 1. Managing Change | No |  | | 1. Gemini Services | No |  | | 15. Value Add Services | No |  |  |  | | --- | | This investment will support CDSP services by ensuring customers can raise challenges and amendments to their data to ensure the Supply Point Register is kept up to date and invoicing remains accurate. It also includes the creation of new MPRNs for new gas supplies.  The current system is at end of support and is outdated with regards to changes that have occurred in recent years. Customers requested that CMS is rebuilt to support the new processes/customer base/user experience. Without this, there is a risk that if CMS encounters technical issues, it may not be recoverable. | |

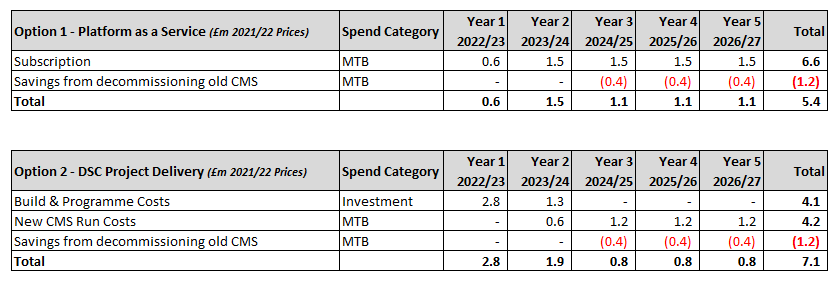
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| **WHAT OPTIONS WERE CONSIDERED?**  **Option 1 – ‘Software as a Service’ subscription – Recommended**  Xoserve will take a subscription with Correla who will provide the up-front investment in the development of a product that delivers the same scope of requirements as Option 2 and as identified in customer workshops. The subscription also provides for an identified capacity for modest enhancements under the annual subscription cost.  This delivery will follow an ‘agile’ methodology and the product will be developed and iterated upon through sprints with high customer input and feedback, including customer testing, allowing the solution to be adapted to provide the best outcome for customers.  The delivery timeline will be dependent on the velocity of change and ensuring each release, and the processes and functionality within them, are of high quality and right first time. The sequential order may depend on several factors – criticality, complexity, customer impact etc. Any change is tightly managed and re-prioritised by the product team working with stakeholders and it is expected that high involvement from those stakeholders will continuously shape the product. The delivery method allows flexibility for customers to work closely with the delivery team to ‘course correct’ through the development cycle.  Throughout the build lifecycle there can be close collaboration to agree the priority and scope of releases and the requirements within them, providing high visibility and supporting adjustment of the features and design as the product development progresses. Further elaboration of processes can occur concurrently as required ensuring the configuration of the processes in the new tool is as up-to-date as it can be at release point. A user interface will be created with customers and will have a dedicated UI/UX team to build this collaboratively during the CMS workflow tool creation.  In addition, the core tool UI/UX will continue to evolve over time after initial release with functionality added through ongoing releases based on requests for change (at an agreed level) all as part of the subscription cost.  However, any subsequent, larger industry wide or customer specific changes requiring integration, customer specific reporting or changes in support of UK Link Major Releases can be accommodated through a funded Change Request.  Once all required processes have been implemented, decommissioning of the current CMS solution will take place.  An advantage of this option is that the platform will be kept up to date without the need for customers to invest periodically in the product, should the product need technical upgrades.  Option 1 may take longer to deliver all the processes than a traditional project, due to the focus of each release being to ensure the processes within them meet the high-quality criteria required. The approach is collaborative and although this can result in a longer overall timeline, the releases would be agreed with customers to ensure they are scheduled to deliver the biggest benefits at the earliest opportunity, with an ability to deliver partial benefit at an earlier point than a traditional waterfall methodology.  **Option 2 – Traditional DSC funded Project**  A standard DSC initiated Xoserve project will be undertaken to deliver the chosen solution architecture working alongside a delivery partner. This route will require DSC customers to fully fund the development and subsequent operate costs for the solution thereafter.  This option will be baselined at the end of design with any required change going through a change management process.  It is anticipated that two pre-planned releases would be utilised, spanning delivery across 2022/23 and 2023/24. Release 1 would deliver the core tooling and new processes; and then the existing processes and UK Link integration would be configured into the new application in a second release based on the specifications agreed in the analysis and design phases. It is also likely that a set period for Market Trials phase would be planned for customer testing.  Once testing is complete then implementation will take place and a period of post implementation support (PIS) would take place. Future requirements would require a change to be raised and prioritised to be managed as a future project. Once the PIS completes then decommissioning of the current CMS solution will take place.  The ongoing maintenance and support of this new application will be a continuing obligation for DSC customers.  The key focus for a traditional project delivery is on the tight control of the scope and delivery timeline. This can be beneficial when timescales are critical but can also mean that changes identified within the project are difficult to achieve and often left to PIS or after to adopt. For longer projects, or ones that are complex with many interactions and touch points (like replacing CMS), the original scope and design may need to change with no opportunity for ‘course correction’ resulting in the Project delivering out of date requirements. This results in further costs to customers to deliver necessary changes.  Periodically the solution will require a further investment to ensure any upgrades are paid for through DSC+. Finally, a major overhaul is likely to be required within ten years due to changing technology, business environment, or process needs.  **Option 3 – Do Nothing**  This option is not recommended as the current CMS System is out of support and the longer it remains out of support the greater the risk of a catastrophic failure. This option would also restrict the number of improvements that are required to multiple processes that are currently in CMS and are a frequent pain point across the customer users. |
| **WHAT ARE THE BENEFITS (FINANCIAL & NON-FINANCIAL), HOW WILL THEY MANIFEST AND WHEN WILL THEY START?** |
| |  |  |  | | --- | --- | --- | | **Activity** | **Option 1 - Software as a Service** | **Option 2 – Traditional DSC** | | Flexibility to adapt design during development cycle | Yes – small enhancements/improved UI throughout build phase | No. Requirements baselined at detailed design | | Scope changes/new requirements during development lifecycle | Can be swapped in exchange for other functionality in the backlog equal in size, funded directly, or funded through adjusted subscription | Funded by customers through Change Requests | | Technology maintenance | Subscription costs include cost of operation and technical upgrades e.g. for out of support components | Run costs include only the cost of operation and excludes technical upgrades e.g. for out of support components | | Minor Changes & Enhancements post go live | Minor enhancements, small level of change included in subscription price | All change would require customer funding | |
| In addition to the above benefits. a saving of £0.4m a year is expected once the old CMS system is decommissioned. A summary of the costs and savings can be found in the financial information section.  **WHAT ARE THE CONSUMER BENEFITS?** |
| It is assumed that by creating a more automated process for customers and the ability to upload supporting information and contact other users directly, CMS contacts will be resolved more quickly and therefore any consumers awaiting responses will see improved resolution times. There are also potential savings for CMS users in the reduced time taken to log a contact (reduced duplication of data entry across multiple screens), and reduced likelihood of contact rejection due to mismatched data. Though it is not possible to qualify the overall impact which may vary from user to user, if there will be any financial savings to consumers these would be driven by our customers. |

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| **WHAT ARE THE KEY RISKS/ISSUES/Questions CUSTOMERS ARE FACING/ASKING AND HOW WILL THEY BE MITIGATED/ADDRESSED BY THIS INVESTMENT?** | |
| |  |  |  | | --- | --- | --- | | **Description** | **Mitigating Activity** | **Category** | | There is a risk that the current out of support CMS System may suffer a catastrophic incident that either takes a long time to resolve and fix or cannot be fixed at all, leading to a gap in the ability to complete certain processes and update MPRN data, resulting in additional costs to resolve the issue. | To deliver Option 1 or Option 2 as soon as practical | Reputation / Financial | | There is a risk that additional requirements will be identified during detailed design leading to an increase of scope, which could result in delays to delivery or requirement prioritisation. | Option 1 – could reprioritise requirements or change to subscription costs  Option 2 – Change Request to be funded by customers | Reputation / Financial | | How are DSC customers protected if Correla wants to terminate the service? | As long as the DSC+ contract is in place, Correla is obliged to deliver the DSC Services and this servicefalls under that arrangement. | Reputational | | How are DSC customers protected if Correla goes insolvent? | During the term of the DSC+ contract, in our opinion, it is unlikely that Correla would go insolvent as the majority of Correla’s business is currently the delivery of services under the DSC+ contract. However, should this occur the provision of this service, along with the other services provided on Xoserve’s behalf would be transferred to a new service provider or brought back in-house. | Reputation / Financial | | How are DSC customers protected should the DSC+ not be renewed with Correla? | If the DSC+ is not renewed with Correla the DSC+ contains provisions which enable the continued provision of Correla products post termination.  These provisions will be amended to ensure that customers are given at least 18 months’ notice of termination of CMS, to allow reasonable time for a replacement system to be sourced and built. Correla are obliged to provide service information to the new Supplier as set out in the Exit Management Schedule of the DSC+ contract. | Reputation / Financial | | |
| **WHAT HAPPENS IF THIS INVESTMENT IS NOT MADE?**  The current CMS System is out of support and the longer it remains out of support the greater the risk of a catastrophic failure. This option would also restrict the number of improvements that are required to multiple processes that are currently in CMS and are a frequent pain point across the customer users. | |
| **ARE THERE ANY ADDITIONAL MTB COSTS RESULTING FROM THIS INVESTMENT?** | |
| The MTB costs are included in the subscription costs for Option 1 and as run costs for Option 2, in addition there will be savings from decommissioning the old CMS system. These are shown in the financial table above. | |

**FINANCIAL INFORMATION**

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| **INVESTMENT FUNDING SPLIT %** | **NTS** | **GDNs** | **iGTS** | **Shippers** |
| BP21 (2021/22) | N/A | N/A | N/A | N/A |
| BP22 Option 1 | N/A | N/A | N/A | N/A |
| BP22 Option 2 \* | 0% | 45% | 5% | 50% |

Note – BP22 Funding split for Option 2 is assumed to follow the same split as the CMS investment line in BP22.



**BP22 BENEFITS LISTING Mark an X under Benefit Type (can be more than one X)**

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|  | **List of core processes / systems affected** | Basis of Benefit value calculation / assumptions | RFT | OTD | CE | C2S | Other |
| **1** | **Raising contacts** | Reduced manual effort for customers due to auto population of data |  |  | x |  |  |
| **2** | **Raising contacts** | Increased RFT due to auto population of data and increased validations | x | x | x |  |  |
| **3** | **Monitoring contacts** | Greater visibility of contact progress and MI |  | x | x |  |  |
| **4** | **Connecting customers** | Allows customers to agree resolution quicker and reduces overall resolution time | x | x | x |  |  |

BENEFIT TYPE LEGEND

* RFT – Right First Time. List all core processes affected. Provide the % improvement expected against each process.
* OTD – On Time Delivery. List all core processes affected. Provide the % improvement expected against each process.
* CE – Customer Effort. List which customers/segments will benefit and how the solution will deliver a reduction in effort.
* C2S – Cost To Serve. Which areas will benefit? Identify how many man-hours will be saved, or which 3rd party costs will reduce on an enduring basis?
* Other – What real risks are mitigated or directly avoided. What commercial benefits for our customers will result from this change?