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Project Nexus

Implementation Steering Group

14 April 2015

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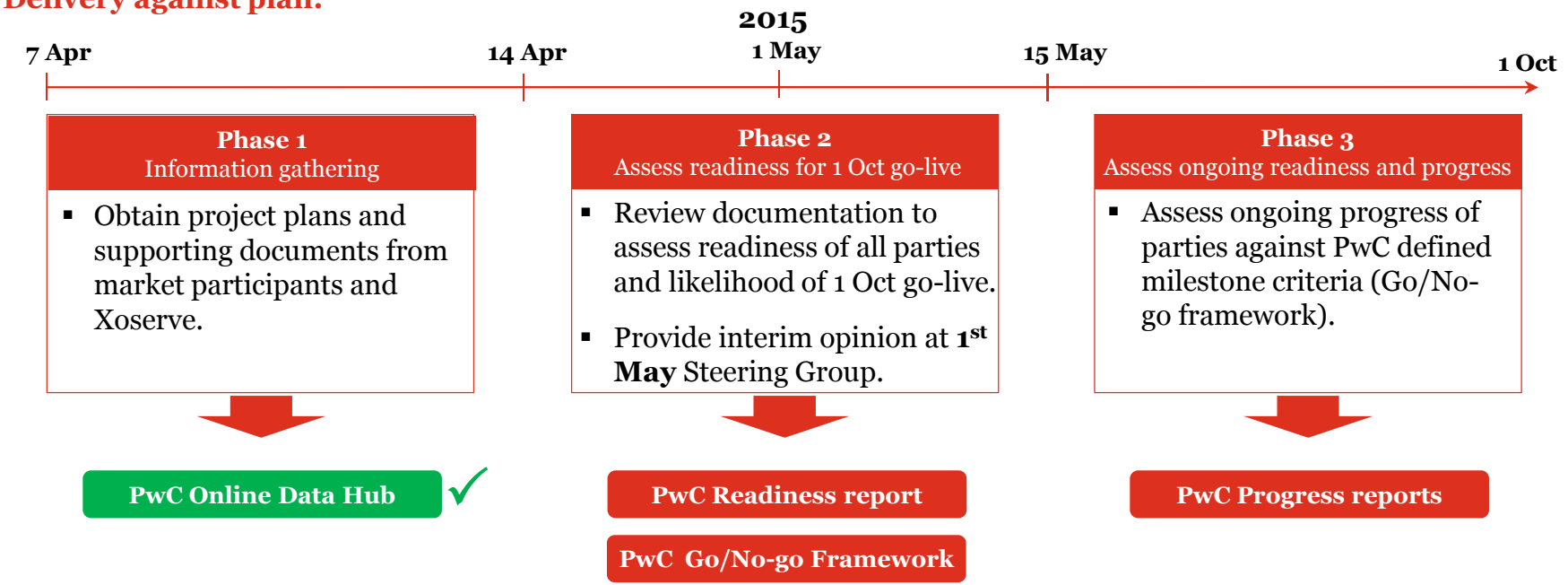
1. PwC activity update – progress against plan

Delivery against plan:



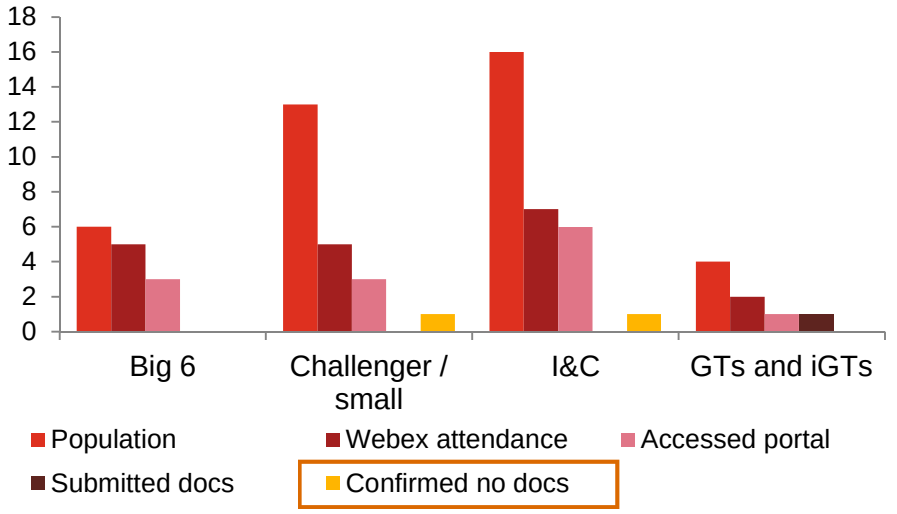
Information Gathering and readiness assessment:

- Attended the ICoSS and Cornwall Energy Supplier Forums. AIGT attendance scheduled for 16th April;
- The Project Nexus Portal is built, security tested and available for document sharing;
- Some organisations highlighting that further time is needed to obtain internal approval to provide information, with expected submission by **17th April 2015**; and
- Some organisations require further assurance that PwC are bound by strict confidentiality arrangements. A letter is being sourced from Ofgem to address this, with publication on the PwC portal.

1. PwC activity update – progress against plan

Information Gathering and readiness assessment continued:

- 4 WebEx briefings delivered, 1 more scheduled for this week.
- WebEx attendance has been good considering relatively short notice and the proximity to Easter. We are actively chasing **10 organisations** that are yet to make contact or accept an invitation to a WebEx session.
- Our team is ready to review the first wave of plan submissions, RAID logs and governance packs.



Summary:

- 19 (from 39) organisations attended WebEx sessions
- 9 have accepted one of the additional sessions
- 23 organisations have confirmed user account requirements
- 13 organisations have logged into the portal
- 1 organisation has uploaded documents
- 2 organisations have indicated they have no documents to upload (1 via email, 1 via portal)

Go / No-Go 'GONG' criteria and readiness assessment:

- Draft readiness assessment criteria for individual shippers, GTs and iGTs presented in later pages.
- Further development required to incorporate Xoserve criteria, consolidate and achieve a robust market-wide GONG decision.

1. PwC activity update – summary

- We are achieving the levels of engagement needed in order to provide the Steering Group meeting on the **1st May** with a first view of market preparedness for **1st October 2015**.
- We need organisations to provide the information needed this week so that we can continue to make the progress required to meet this objective.

2. Draft go-live criteria

2. *Draft go-live criteria*

Context and the decision required by the Steering Group

- We are providing the Steering Group with an **initial draft** of the go / no-go ('GONG') criteria that we propose are used to assess the readiness at an individual Shipper, GT or iGT level.

The building blocks that we have developed to date

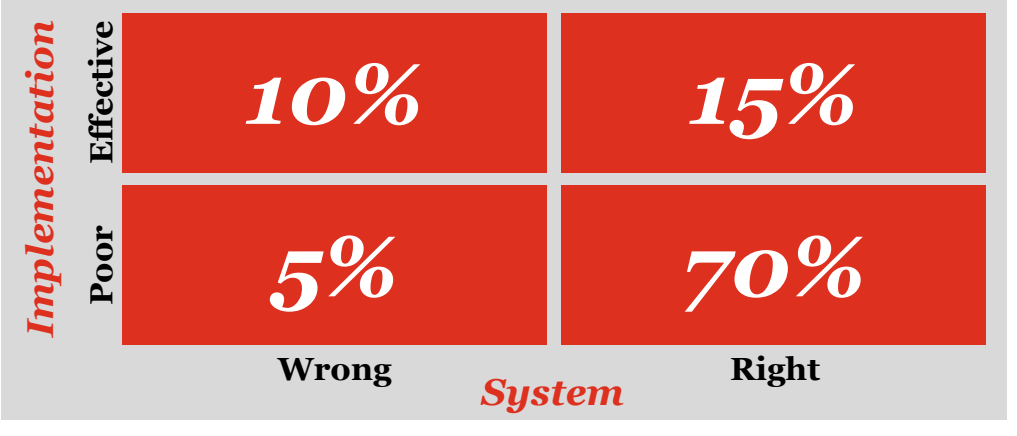
- The objective is to determine whether an individual organisation is 'ready' and to define the criteria that the organisation must demonstrate in order to be 'ready'.
- This addresses a gap that has existed to date – there has been no definition proposed of how 'ready' will be assessed at an individual organisation level.
- These are based on our experience of major technology-enabled transformation and energy sector change programmes.

We are asking the Steering Group to **note** the proposed draft GONG framework and to agree its further development. For example, how the outputs will be consolidated and used to take a market-wide go / no-go decision.

2. *Draft go-live criteria*

The design principles we have applied in arriving at these criteria and the assessment framework:

- **Practical** – founded in how successful large change programmes evaluate their readiness to go-live.
- **Streamlined** – the smallest number of criteria possible that cover the critical go-live activity that we believe are significant to the market as a whole;
- A recognition that **system**, **people**, **processes** and **data** need to work together to support a successful outcome from a major change such as Nexus and the UK Link Replacement Programme;
- Use of **simple business language** to support a common understanding;
- A sharp focus on the **market critical processes** and the core objectives of Nexus;
- Measurable and demonstrable criteria, supporting **an evidence-based assessment of readiness**; and
- Provides a **clear 'glide path'** of activity in the run-up to a successful go-live.



Failures are not because the solution is wrong; ***70% of failures occur when the solution is right . . .***

. . . they are largely down to poor implementation and lack of focus on the people affected by the change.

2. Draft go-live criteria

Is an individual organisation ready? (overview, market critical processes

- On the following pages are set-out **14 draft readiness assessment criteria** for use at shipper, iGT or GT level.
- An individual organisation can have three readiness states – '**ready**', '**partially ready with mitigation**' and '**not ready**'.
- We have used the market critical processes that were identified in the industry testing forum held on 17 March, together with highlighting an additional process for consideration identified during industry engagement over the last 3 weeks.
- Three processes were clearly identified as market 'critical' on 17 March. The remaining processes were viewed by the forum as less critical, or wholly within the scope of Xoserve to deliver.
- Clear impact analysis is needed if work arounds proliferate in the below processes, including the sustainability thereof and how wide spread 'interim' arrangement can be before market operation is placed at risk.
- Widespread workarounds and delayed adoption can lead to 'interim' practices being place for far longer periods of time than first planned Clear governance will be needed around how BAU processes are introduced where workarounds and 'dormant' processes are introduced.

Ref	Xoserve process name	Comments
2.1	**Record supply meter point**	• **Critical for iGTs only**
2.2	**Manage supply point registration**	• **Universal agreement as critical for market readiness**
2.3	**Manage supply point meter registration**	• **Significant later catch-up likely to be labour intensive** • **Could leave residual data quality issues**
--	*[For evaluation: provision of DM reads by DNOs]*	• *Subset of 4.1 – identified as critical by I&C shippers*

2. *Draft go-live criteria*

Is an individual organisation ready? (process criteria)

	Criteria	Assessment metric	Role			Thresholds	
			Shipper	IGT	GT	Red (fail)	Green (pass)
1. Process							
1.1	Market critical processes as are 'ready' (defined below)						
	Record supply meter point (2.1)	Consolidation of the underlying criteria.		✓			
	Manage supply point registration (2.2)		✓	✓		Any 'red' rating with no credible mitigation plan = '**not ready**'	No 'red' rating = '**ready**'. Red with a credible mitigation plan = '**partially ready**'.
	Manage supply point meter registration (2.3)		✓	✓			
	[For evaluation: update of DM meter reads by DNOs]		✓		✓		
1.2	An impact assessment of the current systems and processes has been carried out to determine extent of change. If significant change is required, a requirements traceability matrix has bee completed.	Impact assessment completed. Requirements Traceability Matrix completed.	✓	✓	✓	Less than 100% complete	100% complete
1.3	End-to-end process guides and documents have been updated and communicated to the people operating the market critical processes defined above.	% completion and communication and formal business acceptance of end to end process document and guides	✓	✓	✓	Less than 100% complete	100% complete

2. *Draft go-live criteria*

Is an individual organisation ready? (system criteria):

	Criteria	Assessment metric	Role			Thresholds	
			Shipper	IGT	GT	Red (fail)	Green (pass)
2. System							
2.1	**Market critical processes** (as defined above) have been built and subjected to integration and user acceptance testing by the organisation. There are no critical or high impact defects that are open and unresolved.	% completion of build of the system functionality supporting the market critical processes	✓	✓	✓	Less than 100% complete	100% complete
		% completion of integration and user acceptance testing relating to market critical processes	✓	✓	✓	Less than 100% complete	100% complete
		Number of unresolved critical and high impact defects relating to the market critical processes	✓	✓	✓	1 or more critical or high defects	0 critical or high defects
		Where the shipper is acting on behalf of a number of other suppliers, the integration of data flows, supporting the market critical processes, to / from other suppliers has been tested	✓	✓	✓	Integration with other suppliers not tested.	Integration with other suppliers has been tested.
2.2	**Market critical processes** (as defined above) have been built and subjected to market trials by the organisation and Xoserve. There are no critical or high impact defects that are open and unresolved.	% completion of market trials test scenarios relating to the market critical processes. For example, has the change of ownership process been tested between the organisation, Xoserve and other shippers?	✓	✓	✓	Less than 100% complete	100% complete
		% completion of connectivity testing relating to the market critical processes.	✓	✓	✓	Less than 100% complete	100% complete
		Number of unresolved critical and high impact defects from market trials relating to the market critical processes	✓	✓	✓	1 or more critical or high defects	0 critical or high defects
2.3	Key non-functional tests have been conducted - for example, load testing and security testing.	% completion of load and security testing prior to go-live.	✓	✓	✓	Less than 100% complete	100% complete

2. Draft go-live criteria

Is an individual organisation ready? (system criteria):

	Criteria	Assessment metric	Role			Thresholds	
			Shipper	IGT	GT	Red (fail)	Green (pass)
2. System							
2.4	Detailed system cutover plan has been documented, approved and rehearsed. This includes a fall back plan.	Completion of detailed system cutover plan and approval by project governance board. Rehearsal conducted to identify improvements and pinch points.	✓	✓	✓	Less than 100% complete	100% complete
2.5	Impact assessment has been performed on current business continuity and IT disaster recovery plans. The plans have been updated as appropriate.	Impact assessment completed	✓	✓	✓	Less than 100% complete	100% complete
2.6	Post go-live / hyper care IT support processes have been communicated to the people impacted by the changes in market critical processes.	% completion of communication around cut-over period and post go-live IT support processes.	✓	✓	✓	Less than 100% complete	100% complete
2.7	Robust criteria defined for Hyper care exit including ongoing incident and change management and associated responsibilities defined post hypercare.	% completion of hyper care planning and definition of roles & responsibilities.	✓	✓	✓	Less than 100% complete	100% complete

2. Draft go-live criteria

Is an individual organisation ready? (people and process criteria):

Criteria		Assessment metric	Role			Thresholds	
			Shipper	IGT	GT	Red (fail)	Green (pass)
3. People							
3.1	Organisational impact assessment conducted to define and communicate any new roles and responsibilities	% completion of organisational impact assessment	✓	✓	✓	Less than 100% complete	100% complete
3.2	People impacted by changes in market critical processes (defined above) have been trained in time for go-live.	% people trained versus the number identified for training (i.e. those directly impacted by changes in the market critical processes).	✓	✓	✓	Less than 100% complete	100% complete
4.1	Data requirements are documented and understood. The quality of data is at the right level to support market critical processes.	Data migration approach documented and signed-off by the organisation's programme governance body. Analysis of 'as is' and 'to be' data objects and quality documented and signed-off.	✓	✓	✓	Less than 100% complete	100% complete
4.2	Data migration, for data supporting the market critical processes, has been subject to at least two, preferably three, dry run rehearsals.	Number of data migration rehearsals conducted relating to the data supporting the market critical processes.	✓	✓	✓	Less than 100% complete	100% complete
		Number of critical or high impact data defects that remain unresolved and impact the market critical processes.	✓	✓	✓	1 or more critical or high defects	0 critical or high defects

2. *Draft go-live criteria*

Consolidated market view: How many are ready?

Determine the impact: What does this mean for the market?

- An individual organisation can have three readiness states – '**ready**', '**partially ready with mitigation**' and '**not ready**'.
- The information will be aggregated 'bottom up' to determine the number of organisations in each state.
- To determine the market impact, we propose be combining this data with three further dimensions:

The number of parties	The number of organisations where readiness has been measured, compared with the total population
Their market role	We propose splitting out 'Big 6' shippers, smaller or 'challenger' shippers, I&C shippers, GTs, iGT and Xoserve
Their readiness state	We proposed using the three states of readiness: • Ready – All go live readiness criteria are achieved, green status achieved • Partially Ready – One or more red status with appropriate mitigations • Not Ready – One or more red status without appropriate mitigations
Their market impact	We propose overlaying their number of associated supply points, meter points and commodity volume. We also propose to consider recent trends in portfolio movement to identify any shippers that may be experiencing rapid growth.

2. Draft go-live criteria

Next steps

- Collate and integrate feedback from the Steering Group and their communities;
- Work with Xoserve to focus their 200+ readiness criteria to a smaller number to incorporate into this framework;
- Obtain up-to-date market wide information for scenario planning, impact analysis and top level decision making;
- Further develop thresholds – e.g. is 100% attainment required or even realistic for a 'pass'; and
- Further develop the likely scenarios and the likely risk appetite (i.e. the level of acceptable risk) that will go with each, for example:

    1. A significant proportion of the market are 'partially ready' – suggesting a high level of work around, remediation and mitigation will be needed immediately post go-live;
    2. A significant proportion of the market do not partake in market trials;
    3. One or more 'Big 6' shippers are not ready;
    4. Xoserve are not ready, or partially ready;
    5. A number of smaller shippers and I&C shippers are not ready; and
    6. A significant proportion of iGTs are not ready.

3. Help and support

3. Help and support

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