



# **2019 Business Plan**

**Draft Business Plan Consultation**

**DSC Contract Management Committee 17 October 2018**



# Welcome and Introduction

# Today's agenda

- Strategic Overview
- Plan Highlights
- Market Investments and Change Initiatives
- Constituency Funding
- Cost Allocation Model
- Customer Engagement and Consultation Questions

# We want to hear from you

The consultation is open until 2nd November 2018

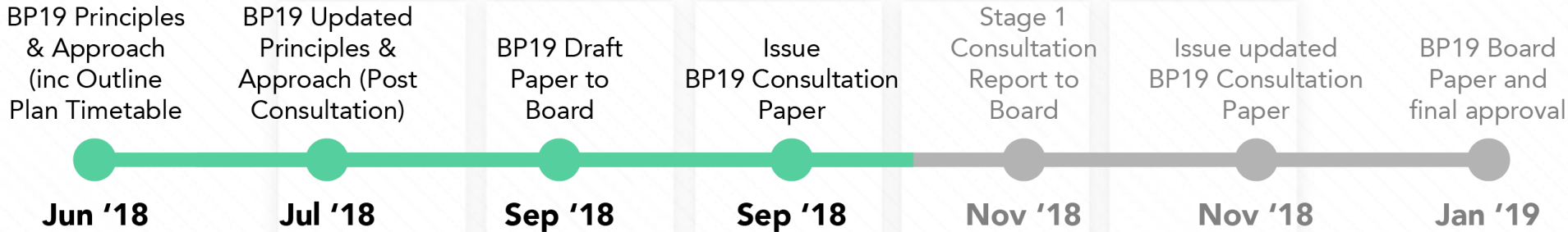
Please send your responses to  
[Xoserve.customeropscomms@xoserve.com](mailto:Xoserve.customeropscomms@xoserve.com)

We will issue a summary of customer feedback and  
an updated draft Business Plan by  
26th November 2018



*Available from our  
website homepage*

# We're part way through the process



# What are we consulting on?

Our ambitions for the next three years



Outcomes that we want to achieve for our customers



Outcomes translated into financial forecasts



Supporting information which will help our customers understand the impact on them





## **Strategic Overview**

**Sian Jones, Chief Executive Officer**

# Xoserve Strategy House

We believe in  
radically simplifying the  
Energy Market through maintaining  
and leveraging industry assets for the benefit of all

Customer  
Centric

Data  
Driven

Change  
Leading

Operationally  
Excellent

People  
Powered

Xoserve

Responsible Business



*Assurance, commercial, suppliers, social and safety*



# Our Strategic Ambitions and Outcomes

Pillar	Ultimate ambition	Outcome
Customer Centric	Our customers <i>trust</i> us completely, because we understand their businesses and can effectively anticipate their needs.	From Reliability to Trust
Data Driven	We provide a platform and data foundation for <i>innovators</i> to drive and enable <i>value creation</i> for our customers and end consumers.	From Stewardship to Value Creation
Change Leading	We are the first choice to deliver change, because we provide delivery <i>certainty</i> in an increasingly complex and fast-paced market.	From Consistency to Certainty
Operationally Excellent	We are the service provider of <i>choice</i> for our customers for delivery of processes which connect the energy market.	From Necessity to Choice
People Powered	We attract and retain people with the highest engagement, capabilities and behaviours, providing fulfilling career paths for them and exemplary, <i>market-leading</i> service for our customers, which clearly distinguish us from other providers.	From Learning to Leading
Responsible Business	Our customers are <i>confident</i> that we enable them to grasp new opportunities, because we are exemplars in managing and controlling risk, whilst being commercially and financially astute and operating in a socially responsible way.	From Assurance to Confidence

# Meaningful investment in Customer Centric and Data Driven

Pillar	2018/19 achievements so far	Much more to do
 <p>Customer Centric</p>	<ul style="list-style-type: none"> <li>• Shared our Strategy with customers during the Customer Day in April 2018</li> <li>• Restructured the Customer Department to better meet immediate customer needs</li> <li>• Adopted the Institute of Customer Service (ICS) Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Provide timely and high quality customer training and education</li> <li>• Deliver a transformed experience of industry change, as we enter a high-change period</li> <li>• Relentless focus on continuous improvement of every customer journey, cutting across Xoserve</li> <li>• Radically improve the digital experience, ease of access to and self-serve of information</li> </ul>
 <p>Data Driven</p>	<ul style="list-style-type: none"> <li>• Invested in a Data Access Platform (DAP)</li> <li>• Proactively addressing key customer issues – Unidentified Gas and Amendment Invoicing</li> <li>• Launched machine to machine API's for PCW's and Suppliers and co-created the Joint Market Intelligence Service Development Group</li> </ul>	<ul style="list-style-type: none"> <li>• The DAP will provide self-service reporting, a catalogue of machine to machine APIs, data analysis and advanced analytics for customers</li> <li>• Introduce machine learning and artificial intelligence to conduct advanced data analytics</li> <li>• Create re-usable assets which reduce future data analytics costs</li> </ul>

# Additional aims during the Plan period

Deliver the consequential impacts of a new Central Switching Service (CSS) and Retail Energy Code (REC)



Successfully re-platform Gemini



Reduce the volatility and absolute levels of Unidentified Gas



Review how effective our governance arrangements are



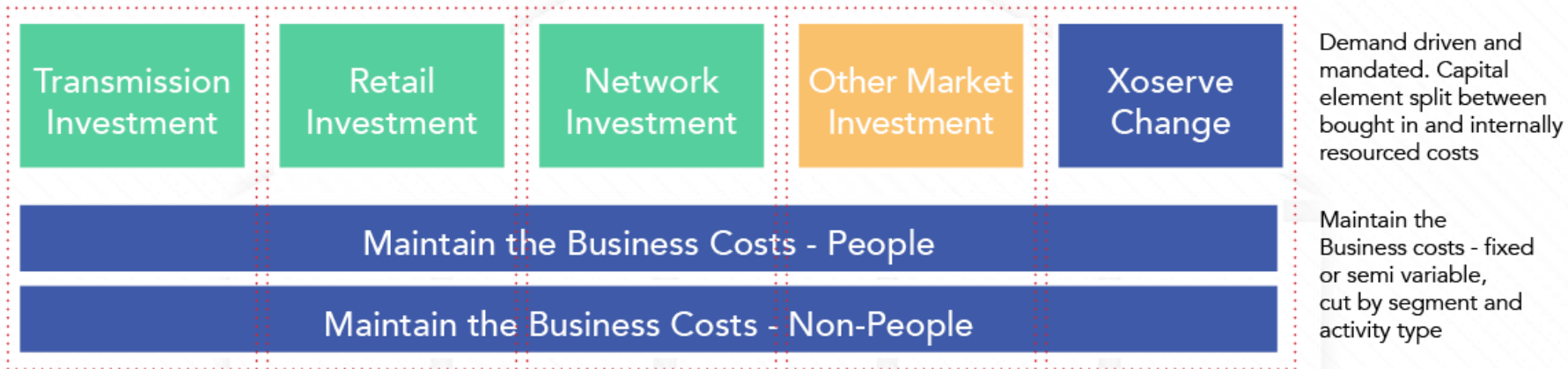
Deliver significant customer change





## Plan Highlights

# Presentation of Financial Information



	<p><b>Customer Demand Driven Investment</b> Xoserve propose, Customers choose including timings and consequential costs</p>	<p><b>Examples:</b> Uk Link, Gemini, DSC</p>
	<p><b>Market Driven Investment</b> Xoserve and Customers respond jointly to regulatory/market demand</p>	<p>CSS</p>
	<p><b>Xoserve Change and Maintain the Business</b> Xoserve develop, Customers consulted</p>	<p>TransformUs</p>

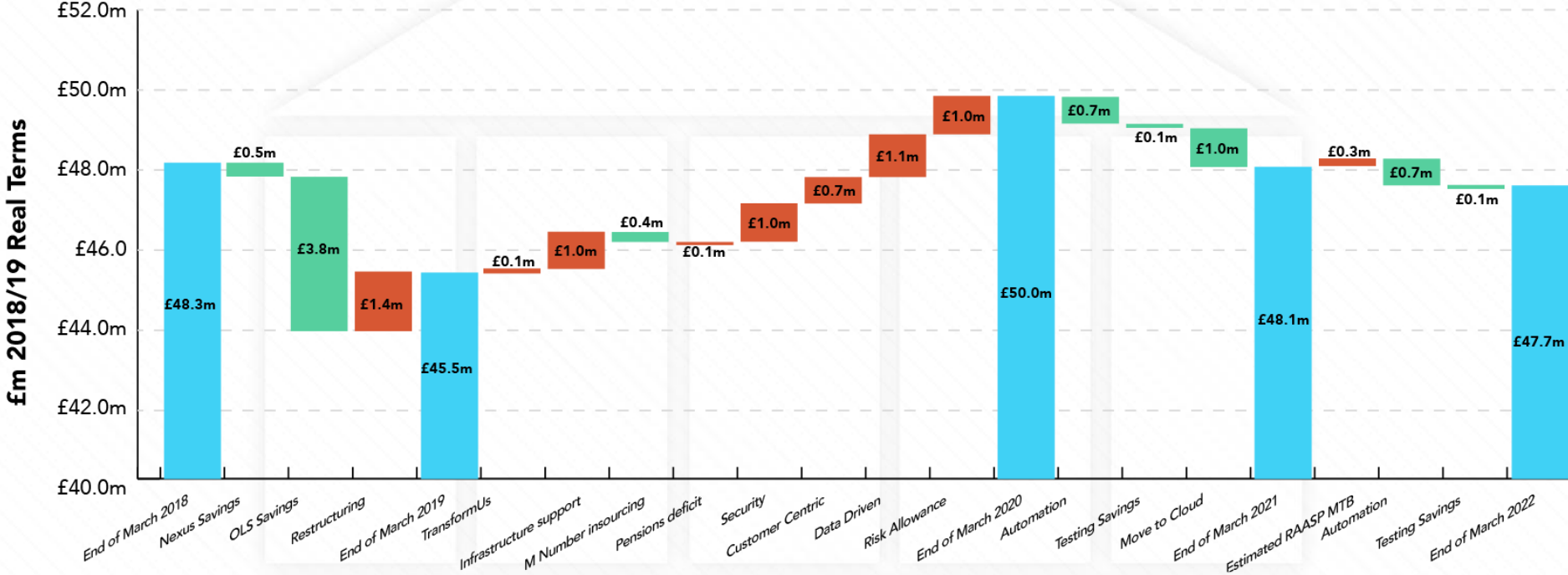
# Total Expenditure



Efficiencies in Maintain the Business (MTB) will bring costs by the end of the Plan period to below 2017/18 levels

Funding for the delivery of the consequential impacts to CDSP services from the Central Switching Service (CSS) are included in 2019/20 and 2020/21

# Maintain the Business





## **Market Investment and Change Initiatives**



# Market Investment – Central Switching Service

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£11.0 million	£12.1 million	£-	£23.1 million

Funding for delivery of consequential impacts to CDSP services



Post go-live impact on MTB funding will come into effect in Plan Year 3



Assumption that CSS go-live is end of 2020



A successful CSS bid will reduce consequential funding requirements



# Market Investment – Xoserve Governance

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£1,100k	£275k	£165k	£1,540k

Governance model enters its third year of operation



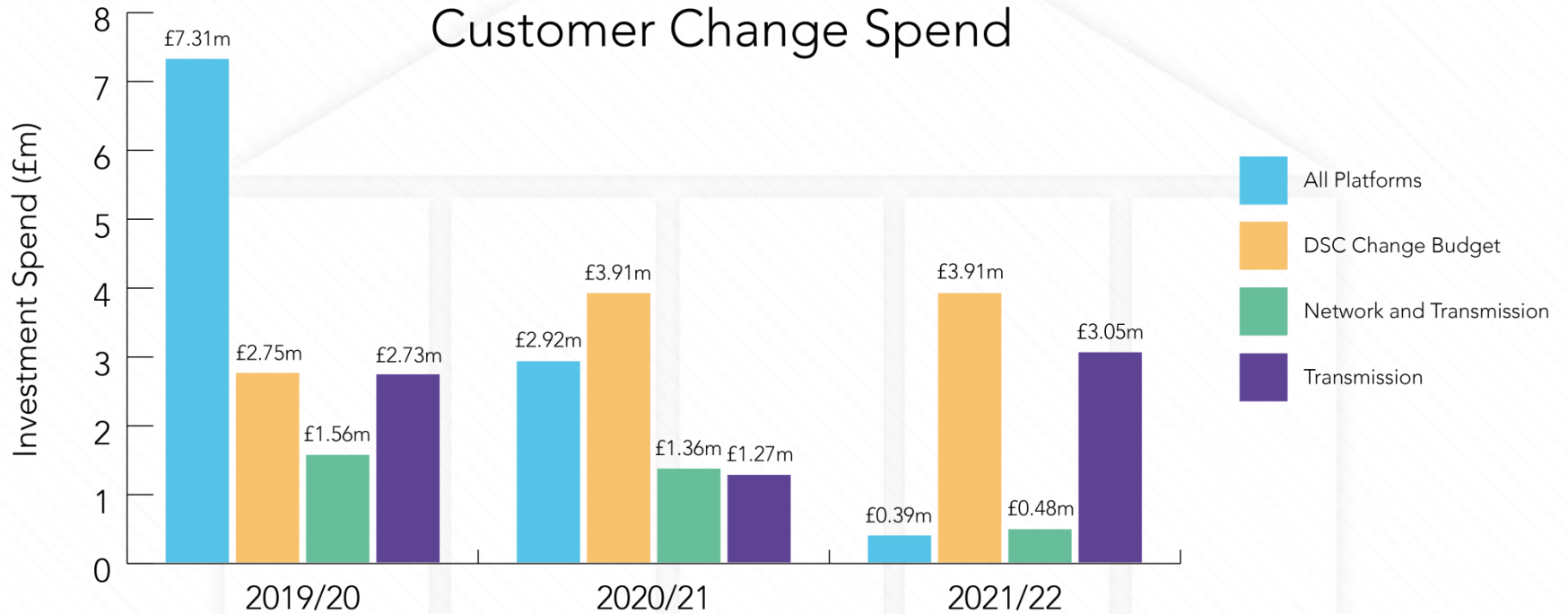
The industry landscape is changing



Review implications of potential future developments



# Customer Change by Platform

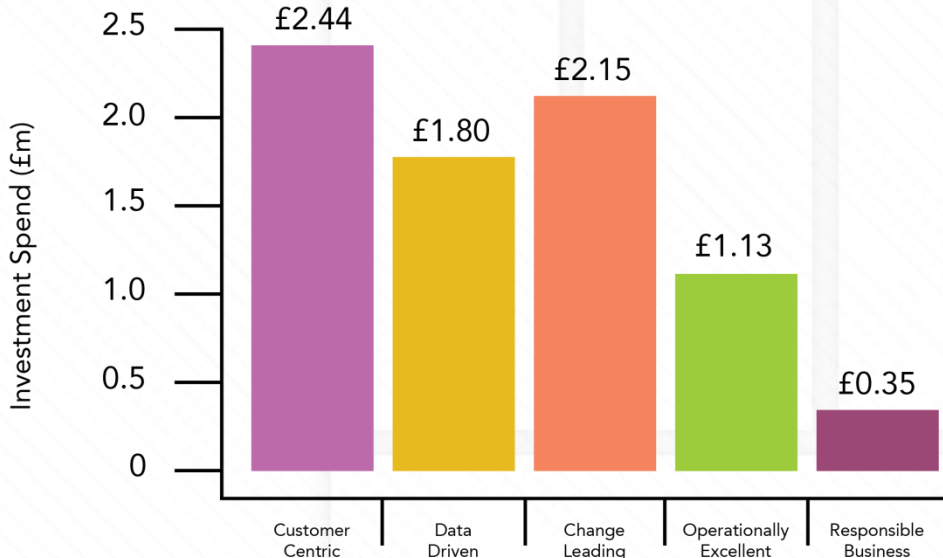


Customer change funding requirements are those arising from demand for services

# Xoserve Change

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£3.74 million	£2.48 million	£1.75 million	£7.97 million

Xoserve Change Total Investment Spend



We have prioritised the Xoserve Change initiatives to deliver the improved levels of service which customers have asked for

A full list of initiatives is available on page 27 – Annex 02



# Customer Constituency Funding

# Customer Constituency Funding

For each constituency, we have provided two tables:

1. A view of prior and current year funding, plus three years forecasts
2. A comparison of 2019/20 funding as forecast in this draft Plan and as forecast in our two previous Business Plans

Please speak with your Customer Advocate for a detailed constituency overview



Please provide your feedback during the consultation period





## **Cost Allocation Model**

# Review of Cost Allocation Model

We have undertaken a review and shared this with the DSC Contract Management Committee:

- Further analysis required to assign UK Link support costs to different Service Areas
- We are undertaking a strategic review of our systems hosting arrangements
- Gas Transporters' revenues for the funding of Xoserve to March 2021 have been set using the prevailing Model

Therefore for BP19, we will continue to adopt the current Cost Allocation Model.

We will review this for the RIIO-2 period.





# Customer Engagement

# Engagement Timeline

Engagement Phase	Start	End	Duration	Forms of Engagement
<b>Draft Plan</b>	24/09/18	02/11/18	6 weeks	Webcast DSC Contract Management Committee DSC Change Management Committee Meetings with customer organisations Written consultation
<b>Updated draft Plan</b>	26/11/18	07/12/18	2 weeks	Webcast DSC Contract Management Committee Meetings with customer organisations Written consultation
<b>Final draft Plan</b>	09/01/19	16/01/19	1 week	DSC Contract Management Committee



# **Consultation Questions and Closing Remarks**

# We want to hear your views

Customer Change and Market Investment

Your capacity to support the total volume of  
Change

Xoserve Change initiatives



Your views on Change priorities

Assumptions, risks and opportunities

Maintenance of the Cost Allocation Model

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