

Prioritisation of Processes for the Bilateral Solution

Factors and Data

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9 June 2020

Prioritising Bilateral Transaction Processes

- ◆ When the non-household water market was created, the market codes led to the creation of approximately 70 individual [bilateral transaction processes](#)
- ◆ Each of the 70 processes is listed in the Wholesale Contract 'Operational Terms' document, [which you can find here](#)
- ◆ Of these, the top 10-15 represent the majority of total transactions in the market
- ◆ This document was produced by MOSL for the cross-industry [Operational Advisory Group \(OAG\)](#) to explain how it proposed to prioritise bilateral processes
- ◆ Each factor represents a different area of interest/concern. Combined, we believe these provide an accurate representation of the importance of each process in the wider market.
- ◆ Factors range from indices of volume, such as the number of tasks completed or rejected, to measures of complexity in terms of the number of bilateral transactions required to complete the process or the complexity of customer interactions involved.

Focus on OPS processes

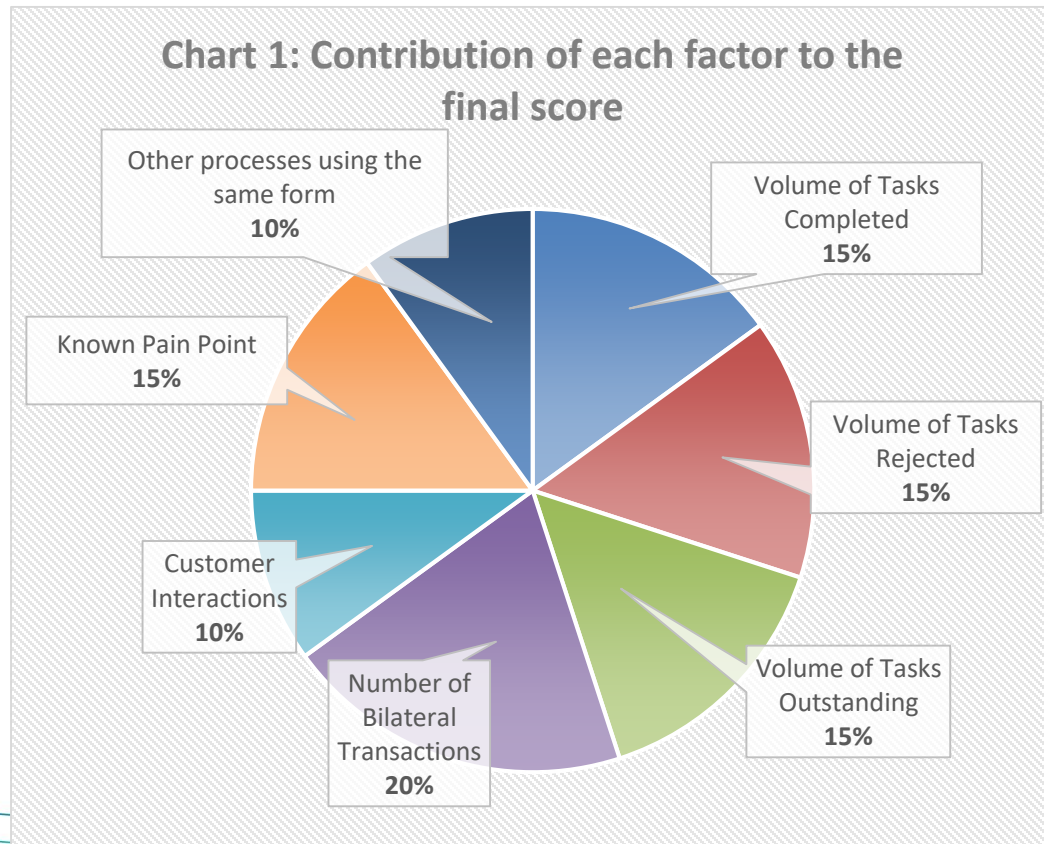
- ◆ For the introduction of processes into the Bilaterals Solution, we have focused our efforts on the review of the processes currently monitored under OPS in the first stage. This has been done for a number of reasons:
 - ◆ OPS processes are the most consistently used and have the highest impact on the market – focusing on OPS processes is more **effective**;
 - ◆ OPS processes have, by extension of the above point, been reviewed and refined the most – focusing on OPS processes is more **efficient**;
 - ◆ Most processes can be binned into categories which all have ‘frontrunners’ included in OPS (e.g., B/G/I processes). Focusing on the more established OPS processes first creates a **foundation** upon which non-OPS processes can be more easily added.

How we reviewed processes

- ◆ In order to determine which processes should be introduced first into the Bilateral Solution we decided to use a range of factors upon which we would rank each process.
- ◆ Each factor represents a different area of interest/concern. Combined, we believe these provide an accurate representation of the importance of each individual process in the wider market.
- ◆ Factors range from indices of volume such as the number of tasks completed or rejected to measures of complexity in terms of the number of bilateral transactions required to complete the process or the complexity of customer interactions involved.

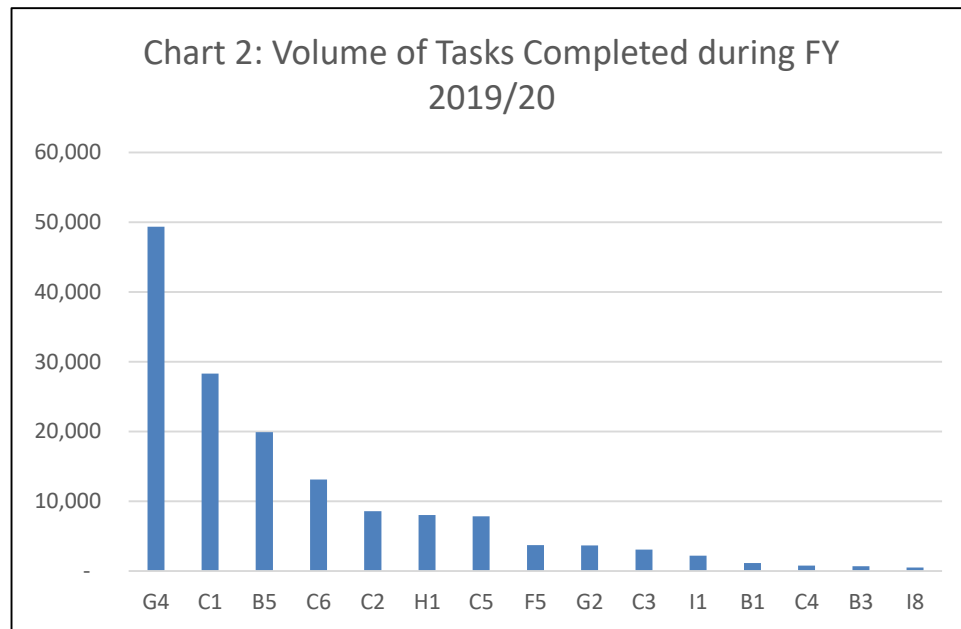
Factor Weighting

- Factors are compiled into a final score which is used to rank these processes and determine which should be approached first.
- Each factor is assigned a weighting which will determine how much it can impact the final score.
- Factors which score higher will be approached first.



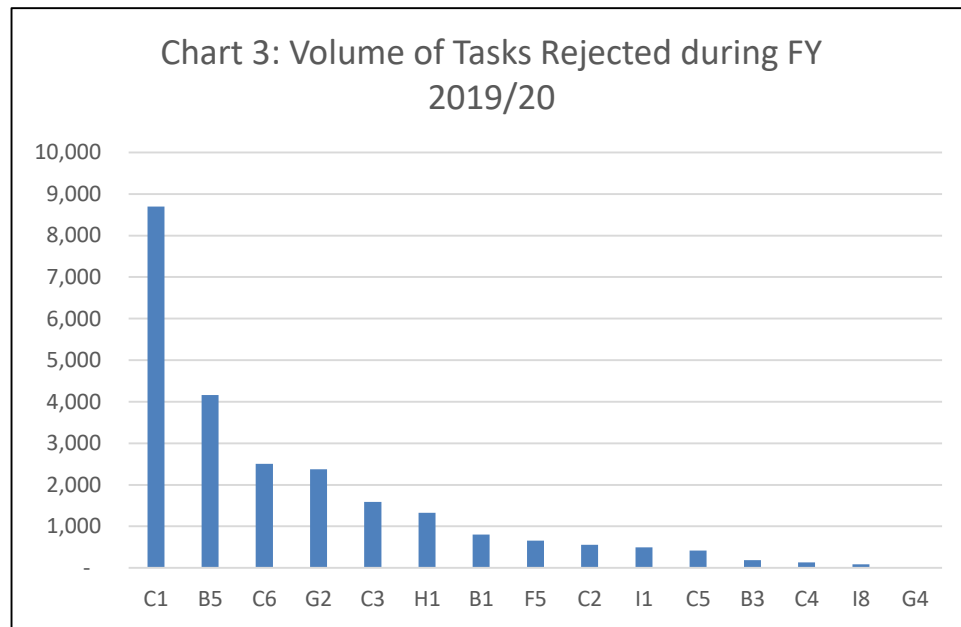
Volume of Tasks Completed

- The overall number of tasks completed during the FY 2019/20
- Improvement in areas of high traffic would generate more value to the market by having a wider impact with each process reviewed



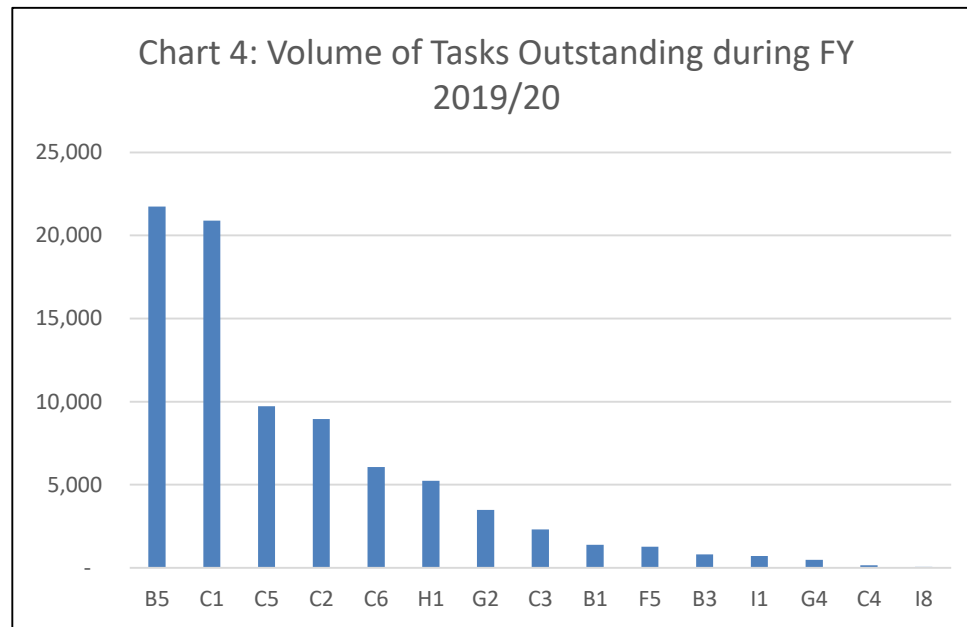
Volume of Tasks Rejected

- ◆ The overall number of tasks completed rejected during FY 2019/20
- ◆ Improvements in areas of high rejections would generate more value to the market by reducing failed attempts to process transactions and freeing up manpower.



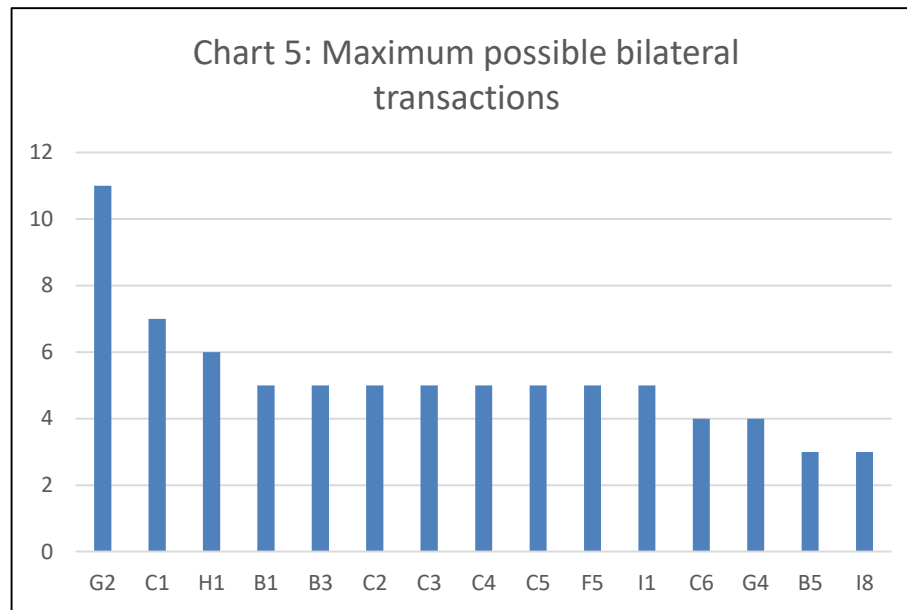
Volume of Tasks Outstanding

- ◆ The overall number of tasks completed outstanding during FY 2019/20
- ◆ Improvement in areas of high complexity would generate more value to the market by reducing processing time and being more efficient with each step of the transaction.



Number of Bilateral Transactions

- ◆ The maximum number of bilateral transactions that could occur during one instance of the process.
- ◆ Processes which require many bilateral transactions generally have more points of failure and possibilities for delay, thus benefiting more from a review.



Customer Interactions

- ◆ Ranking on a scale from 0-4 of the overall complexity of the customer interactions across the entire process.

- ◆ While most OPS processes achieve a rank of 4 due to the prevalence of site visits, it can still differentiate between processes, especially when reviewing non-OPS processes.

Table 1: Description of each Rank

Rank	Description of Rank
0	There are no customer interactions (beyond those that occurred BEFORE the bilateral transaction was initiated by a Trading Party).
1	There is one or more interactions where a Trading Party must inform the customer that the matter is progressing
2	There is one or more interactions where a Trading Party must obtain the customer's acknowledgement or confirmation to proceed
3	There is one or more interactions where a Trading Party must obtain further customer data in an email or by phone, without which the process cannot continue
4	There is one or more interactions where a Trading Party and customer are likely to enter into a dialogue spanning more than a day and/or need to meet on site.

Known Pain Points

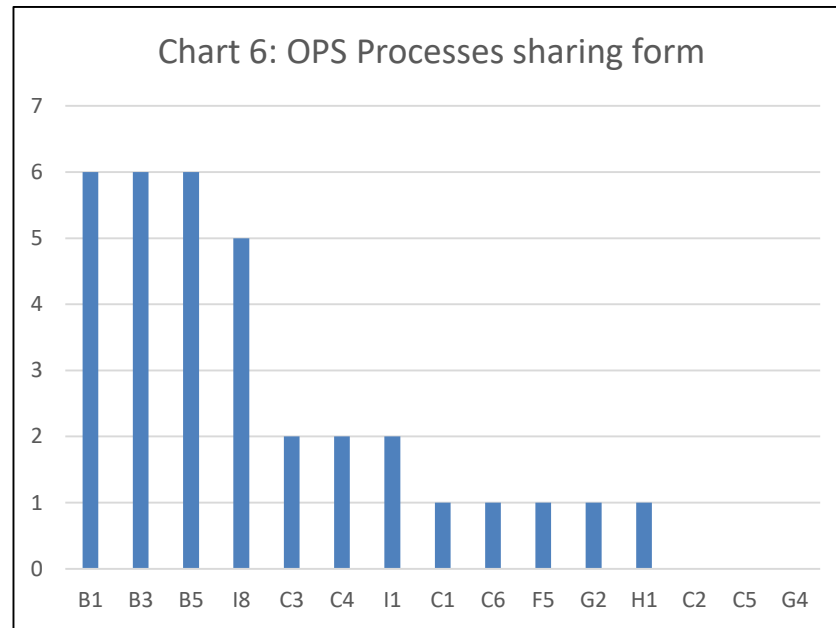
- The presence of a 'pain point' in a process means that in its current form, the process has significant issues which would benefit more from a review.
- With a view to efficiency, processes which do not work as intended currently should be prioritised to ensure the market remains in working order.

Table 2: Known Pain Points

Process	Rationale
B1	Unclear process when task is non-standard
B3	
B5	
C1	
C2	Process steps happen out of sequence with field steps
C3	
C4	
C5	Process calls for duplication of work if SPID is managed by two WSLs
C6	
F5	Process is misused to cause an escalation of another task/ to expediate another process due to its smaller SLA
G2	
G4	
H1	
I1	
I8	

Other processes using the same form

- Reviewing processes which share forms would be more efficient as multiple processes can be delivered at the same time and for reduced effort.
- This factor also introduces the opportunity for ‘bundling’, where lower-volume processes which are very similar can be delivered at the same time to avoid duplication of work.



Results of each Factor

Table 3: Raw Scores for each Process

Process	Tasks Completed (Rank Desc)	Tasks Rejected (Rank Desc)	Tasks Outstanding (Rank Desc)	# of Bilateral transactions (Rank Desc)	Customer Interactions (Rank 0-4)	Known Pain Point (Y/N)	Processes sharing forms (Rank Desc)
B1	4	9	7	5	4	Yes	13
B3	2	4	5	5	4		13
B5	13	14	15	1	4		13
C1	14	15	14	14	4		4
C2	11	7	12	5	4	Yes	1
C3	6	11	8	5	4		9
C4	3	3	2	5	4		9
C5	9	5	13	5	4	Yes	1
C6	12	13	11	3	4		4
F5	8	8	6	5	1	Yes	4
G2	7	12	9	15	4		4
G4	15	1	3	3	4		1
H1	10	10	10	13	4		4
I1	5	6	4	5	4		9
I8	1	2	1	1	4		12

Score calculation

- ◆ The '**Raw score**' for each factor (seen in the table on the previous slide) is normalised using the **maximum score** in that category. The weight of that factor is then applied, resulting in the '**factor score**' for that process.
- ◆ For each process, all factor scores are summed up to produce the '**final score**'.
- ◆ To put this into equations:
 - ◆ $\text{Factor_Score}_p = (\text{Raw_Score}_p / \text{Max_Score}_F) * \text{Weight}_F$
 - ◆ $\text{Final Score}_p = \sum (\text{Factor_Scores}_p)$
 - ◆ Where P = a given process and F = a given factor

Resulting Ranking

- According to our factors and calculation, the table on the right shows the initial ranking of OPS processes in terms of their relevance and importance to the Bilaterals System.
- This list is by no means set in stone, as further changes can be made through re-prioritisation, creating tranches, ‘binning’ processes, etc. This merely provides an overview of where we should look first.

Table 4: Ranking

Ranking	Process
1	C1
2	C2
3	B5
4	G2
5	B1
6	H1
7	C5
8	C6
9	F5
10	C3
11	I1
12	B3
13	G4
14	C4
15	I8

Questions? Comments?

- ◆ Please email the Bilateral Transactions Programme team: bilaterals@mosl.co.uk
- ◆ [Click here](#) for details of team members and programme governance.