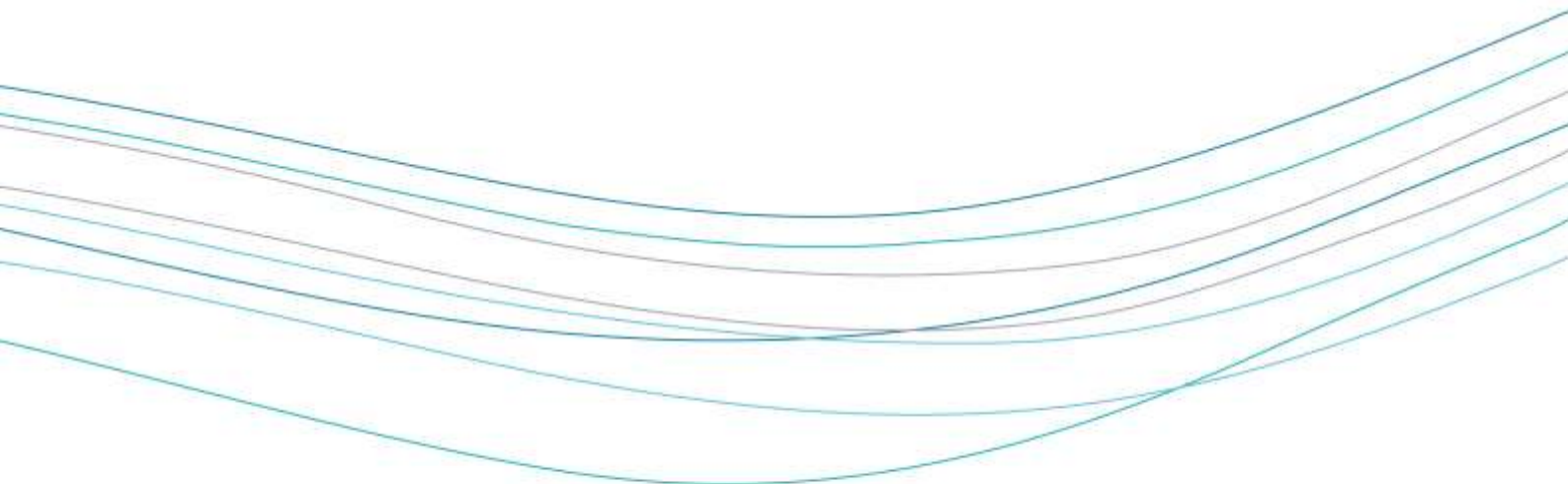


Bilateral Transactions Programme

Final review of programme benefits

28 February 2023



Contents

Background and executive summary	3
Customer benefits	5
Efficiency benefits	6
Direct cost saving benefits	9
Performance improvement benefits	10
Non-financial benefits	11
Newly identified benefits	11
Conclusion	14
Appendices	16

Background

The lack of consistency in the way wholesalers and retailers send and receive instructions to resolve customers' issues - such as requests to repair meters - has been a major cause of friction since the non-household water market opened in 2017, increasing trading parties' costs and impacting customer service.

In 2019 Ofwat gave MOSL a mandate to work with market participants to introduce a solution to this problem. In September 2020, MOSL presented a [Full Business Case](#) (FBC) for the Bilateral Transactions Programme, which identified 15 financial benefits and nine significant non-financial benefits.

Following approval to proceed with the Programme, MOSL committed to carrying out three assessments to consider the extent to which the anticipated benefits have been delivered.

An [initial assessment](#) was carried out in March 2022, following the launch of the first process and central bilateral transactions 'hub'. A [further assessment](#) was carried out in November 2022, at which point five processes were live in the hub.

This document is the third and final benefit realisation report, following the delivery of the Ofwat-mandated phase of the programme, with 16 processes live in the hub. It is the first review to consider fully all the financial and non-financial benefits identified in the business case, as well as newly identified benefits.

Following engagement with trading parties, MOSL's 2023/24 Business Plan included proposals to deliver the remaining 49 lower-priority, lower-volume processes over a further two-years, which is estimated to deliver a further £1.1m savings per annum on top of the £2.4m annual savings outlined in this document (see 'Assumptions').

The MOSL Business Plan was approved by trading parties at the General Meeting on 23 February 2023.

Executive summary

- ◆ The Ofwat-mandated phase of the programme was completed successfully on 29 November 2022
- ◆ In addition to delivering the 24 benefits identified in the FBC (15 financial and nine significant non-financial), two additional benefits have been identified, estimated to be worth circa £340k per year
- ◆ As at the end of November, MOSL estimates that the programme is delivering savings of 120,000 hours per year, valued at an estimated £2.4m (at 2020/21 prices), including newly-identified benefits. This is 98 per cent higher than the FBC 'mid-case' estimate of £1.2m
- ◆ Programme costs, at around £4.3m, were 39 per cent higher than the business case (FBC: £3.1m). This was driven principally by acceleration of the programme and trading parties' requests for multiple interfaces and additional functionality. The additional costs have been more than offset by additional benefits
- ◆ Customers' needs have been considered at every stage of the programme, from determining the 'agile' approach to delivery to ensure customer benefits are realised as early in the programme as possible, to being factored into the order in which processes are delivered.

- Customers are benefiting from several service improvements, from service requests being raised and completed more quickly and reliably than before, to enabling Retailers to provide more detailed advice on the progress of live requests (see page 5)
- The programme costs exclude trading parties’ integration costs, which vary considerably from trading party to trading party, depending on the approach taken and other company-specific factors
- The programme has delivered a central bilateral transactions ‘hub’ through which all trading parties initiate, manage and monitor the progress of bilateral transactions
- Sixteen priority bilateral processes have been reviewed, standardised, and added to the hub. This represents 89 per cent of processes with operational performance standards and 15 per cent of non-OPS processes (FBC target: 80 per cent)
- The introduction of the hub has substantially reduced the average time it takes to raise, process, manage, monitor and report on individual processes
- The proportion of processes failing – i.e. being rejected by CMOS – has also fallen significantly, from 14 per cent before the hub to 6 per cent
- The number of requests raised annually in the hub has increased 57 per cent, indicating that trading parties are finding it easier to initiate and manage bilateral processes, with fewer dealt with ‘offline’
- The above findings suggest a payback period (excluding trading party integration costs) for the programme of between 3 and 4 years, compared with 4.2 years in the Full Business Case
- MOSL estimates that adding the remaining processes to the hub will generate further efficiency savings of at least £1.1m per year (£1.5m in actual or nominal prices after accounting for inflation).

Final assessment – summary

	FBC (mid-case)	Final benefits review
Efficiency benefits Retailer time to raise Reduced rejections Retailer time to check status Wholesaler time to process Wholesaler effort to submit OPS reporting MOSL effort to produce OPS reporting MOSL effort to manage performance rectification Reduced complaints Reduced training days	£870k	£2.1m
Direct cost saving benefits Reduced OPS charges Reduced MPS charges Decommissioned Wholesaler portals	£217k	£0
Performance improvement benefits Improved ability to manage own performance Improved ability to target and measure performance rectification Improved Wholesaler performance against SLAs	£137k	£0
Newly identified benefits Wholesaler time to raise Wholesaler time to check status	£0	£343k
Total	£1.2m	£2.4m

Figure 1 (Page 4) shows the breakdown of total estimated benefits savings per annum by the completion of the Ofwat-mandated phase of the programme, i.e. with 16 processes live in the hub. A more detailed breakdown is provided in Appendix 1.

Assumptions

- ◆ All projections are in 2020/21 prices, consistent with the Full Business Case, unless stated otherwise
- ◆ Benefit calculations have been adjusted to reflect the fact that the total number of bilateral transactions raised since the introduction of the hub are 57 per cent higher than assumed in the business case
- ◆ A notional employee cost of £20 per hour is used to calculate the value of efficiency savings
- ◆ Comparisons in this report are against the ‘mid-case’ figures used in the business case unless stated

Customer benefits

The goal of the bilateral transactions programme is to make the two-way interactions between retailers and wholesalers simpler, faster and more reliable.

Improving the efficiency of bilateral transactions has multiple financial and non-financial benefits for trading parties and the market, as this report explains.

However, the overriding goal of these improvements is to help trading parties deliver better, faster, more consistent service to non-household customers. These are critical factors in helping maximise customer satisfaction, minimise complaints and encourage a healthy, thriving NHH market.

Customers’ needs have been considered at every stage of the bilateral transactions programme, from determining the ‘agile’ approach to delivery to ensure customers begin to being a key factor in setting the order in which processes are delivered.

The question “What is best for the customer?” has been the ultimate test to determine whether a change should be made to a process, whether additional functionality should be added to the hub and to help balance the different needs of retailers and wholesalers.

The customer ‘voice’ has also been represented regularly by Ofwat and CCW, both of whom have been an integral part of the programme, as well as other organisations such as the Major Energy Users’ Council (MEUC).

Many of the improvements introduced by the programme should not be visible to customers, who simply receive the level of service they expect. However, some benefits that customers should notice include:

- ◆ Faster response times to customer enquiries
- ◆ More bilateral requests raised ‘live’ while the customer is on the phone, rather than being handled offline or requiring a call-back
- ◆ Improvements to processes enable retailers to provide faster, more detailed updates on the progress of customers’ requests
- ◆ Improved customer enquiry and customer complaint handling processes
- ◆ Manual entry errors reduced as a result of auto-completion of forms’ fields wherever possible
- ◆ Easier tracking of processes against service level agreements, promoting more on-target performances

Efficiency benefits

At the start of the programme MOSL issued a request for information (RFI) to Trading Parties to find out how long it took to carry out activities relating to each process.

The findings were used to determine the 'low', 'mid' and 'high-case' benefits that could potentially be achieved in each area, with MOSL using the 'mid-case' for the Full Business Case.

This section summarises the financial efficiency benefits identified in the business case, comparing performances before, and after, the introduction of the bilateral hub. See Appendix 1 for more detail.

1. Reduced Retailer effort to initiate transactions

This benefit relates to the time it takes Retailers to identify the relevant Wholesaler and raise the appropriate service request.

Time taken pre-hub	5-30 minutes (average 10 minutes)
Time taken now	1-5 minutes (average 3-4 minutes)
Hours saved vs business case	17,400 hours (72% higher than business case)
Total market savings	£350k per annum (based on c.146k requests)

2. Reduced Wholesaler effort to process transactions

This benefit relates to the time taken for Wholesalers to process Retailers' service requests once they have been raised via the bilateral hub.

Time taken pre-hub	5-25 minutes (average 10 minutes)
Time taken now	3-5 minutes (average 4 minutes)
Hours saved vs business case	22,800 hours (338% higher than business case)
Total market savings	£460k per annum (based on c.146k requests)

3. Reduced effort resulting from fewer rejections

This benefit relates to the time and effort spent by both Retailers and Wholesalers to identify, investigate and re-submit transactions that have been rejected by the Wholesaler (e.g., due to insufficient information)

Rejection rate	14% pre-hub; 6% now
Time taken pre-hub	20-40 minutes across both Wholesalers and Retailers (30 min avg)
Time taken now	1-5 minutes
Hours saved vs business case	12,400 hours (175% higher than business case)
Total market savings	£250k per annum

4. Reduced Retailer effort required to check the status of transactions

This benefit relates to the time taken for Retailers to check the status of a service request they have made to a Wholesaler.

Time taken pre-hub	9 minutes (average)
Time taken now	15-30 seconds
Hours saved vs business case	25,500 hours (139% higher than business case)
Total market savings	£500k per annum (based on c.146k requests)

5. Reduced complaints leading to reduced effort to process

This benefit relates to the time spent by both Retailers and Wholesalers to investigate, process and manage customer complaints.

Time taken pre-hub	42,000 hours per annum across Retailers and Wholesalers
Time taken now	32,300 hours per annum
Hours saved vs business case	9,700 hours (23% higher than business case)
Total market savings	£190k per annum

6. Simpler processes resulting in a reduced number of training days for new starters

This benefit relates to the time it takes for Retailers to train new starters to use the central bilateral transactions hub, i.e. versus being trained to use different Wholesaler web portals.

Time taken pre-hub	38,600 hours across all Retailers
Time taken now	22,600 hours
Hours saved vs business case	16,000 hours (50% higher than business case)
Total market savings	£320k per annum

7. Reduced Wholesaler effort on OPS reporting

This benefit relates to the time taken for Wholesalers to carry out activities related to Operational Performance Standards (OPS) reporting.

Conclusion	No material benefits from November 2022, but potentially significant benefits once all OPS processes are in the hub
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8. Reduced MOSL effort to produce OPS reports

This benefit relates to the time taken for MOSL to carry out OPS-related activity.

Conclusion	No material benefits from November 2022. 'Low' benefits once all OPS processes are in the hub
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9. Reduced MOSL effort to manage performance rectification process

This benefit relates to the time taken for MOSL to manage the performance rectification process for operational performance standards.

Conclusion	No material benefits identified
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Direct cost saving benefits

10. Reduced OPS charges

This benefit relates to the anticipated reduction in total charges that wholesalers would receive annually as a result of improvements in the performance of operational performance standards (OPS) against service level agreements following the implementation of the hub.

The business case categorised this as a ‘small’ benefit, with potential mid-case annual savings of around £5,000. Following discussions with wholesalers, we have concluded that there is currently no material benefit in this area.

However, we anticipate improvements in data quality and the ability to monitor performance across the market will lead to a reduction in total charges over time as more processes are added into the hub.

Conclusion	No material benefits from November 2022, but potential benefits over time and as more processes are added to the hub
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11. Reduced MPS charges

This benefit relates to the anticipated reduction in total charges that trading parties would receive annually as a result of performance against service level agreements improving against market performance standards (MPS) following the implementation of the hub.

At the time of the business case, the market incurred MPS charges of £4.1m per year. Following further investigation, it was identified that many of the issues related to a bilateral process. The business case assumed a potential reduction in MPS charges of 2.5 per cent, equating to mid-case saving of c£100,000.

It is worth noting that MPS charges decreased to £2.7m in the 12-months after the implementation of the bilateral hub. However, there are a number of other factors that would have impacted the total MPS charges during this period, such as the introduction of CPW078: Wholesale Retail Code and Market Arrangements Code Change Proposals and CPM020: Priority performance regime, as well as the impact of COVID-19 on NHH customers.

Based on these factors, more analysis will need to be carried out to fully understand the impact the hub has had on MPS performance. No material savings have therefore been assigned to this benefit at this stage.

As above, the data captured through the hub presents great opportunities for the future of performance monitoring in the market and will feed into other improvement programmes, such as the Market Performance Framework (MPF) Reform.

Conclusion	No material benefits from November 2022, but potential benefits over time and with more processes delivered into the hub
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12. Reduced development/licences/maintenance costs for decommissioned wholesaler portals

Prior to the introduction of the hub, wholesalers developed their own systems and processes for managing bilateral processes, including web portals.

The adoption of a single, central hub should therefore allow wholesalers to stop using their existing portals and benefit from cost savings associated with licensing, development and maintenance.

However, it is clear from discussions with wholesalers that these cost savings will only be realised once all bilateral processes are in the hub and existing systems can be de-commissioned.

Until that point, wholesalers will use the bilateral hub for all live processes, while continuing to use their existing systems for all other processes.

Although wholesalers will not be able to decommission their systems until all bilateral processes are managed by the hub, our analysis indicates that the potential savings of doing so are higher than originally anticipated.

The business case estimated mid-case savings from decommissioning wholesalers' systems of around £112k. We now believe that these savings would be exceeded from licences alone, which wholesalers confirm to be in the range of £12k to £15k.

The total maintenance and development costs for existing systems varies greatly between wholesalers, depending on the approach taken and how they are managed.

This review concluded that there are potential savings beyond the 'high-case' benefits of £150k from the business case, but only once all processes are captured within the hub and wholesalers are able to stop using any existing systems. As such, no material saving has been assigned to this benefit at this stage.

We will continue to work with wholesalers to understand the total cost saving.

Conclusion	No material benefits from November 2022, but potential benefits exceeding the high-case once all processes are delivered in the hub
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Performance improvement benefits

The business case outlined three potential benefits related to the improvement of performance across the market listed below including the potential mid-case saving outline in the business case:

- 13. Improved ability to target & measure performance rectification activity (mid-case £12.5k)
- 14. Improved ability to analyse and manage own performance (mid-case £112k)
- 15. Improved wholesaler performance against SLAs (mid-case £12.5k)

Since the hub has been implemented, there has already been a change in how we look at performance for bilateral requests as MOSL. The increased visibility of data allows for a much more detailed view of the lifecycle of each individual request and the reasons why requests may not be completed within timescales.

This data introduces an opportunity for the market to review how performance is measured for bilateral requests and is already being fed into other improvement programmes such as the Market Performance Framework reform.

The feedback we have received from trading parties varies in this area. For some parties, the hub has created multiple opportunities for improvement around performance monitoring, while other parties already had advanced integrations and metrics in place for monitoring performance that remain unchanged.

This review therefore concludes that it is too early to determine if there is a cost saving from these areas and as such no material saving has been assigned to these benefits at this stage.

Non-financial benefits

The business case identified nine significant non-financial benefits, i.e. those that can't be quantified in terms of a cost or time-saving benefit.

The non-financial benefits were broken down into a number of different areas, such as improvements in: data quality; process simplification; reporting and trend analysis; customer service and barriers to entry or growth in the market.

The response from trading parties on the bilateral hub has been very positive, with similar comments from both retailers and wholesalers regarding the simplicity of the new system and processes; increased visibility of requests, service level agreements and the status of individual cases and multiple comments on the improvement in the quality of data being captured.

We are very pleased with the response from the market and many of the financial and non-financial benefits trading parties have expressed relate directly to some of the key market frictions the programme set out to resolve. We recognise, however, that the benefits of the hub will only be fully realised once all bilateral processes have been added.

The improvements in data quality have also enabled more detailed analysis to be carried out by MOSL on the data being captured through bilateral requests, which has driven multiple discussions around the possible advancements in performance reporting which will feed into other improvement programmes, such as the market performance framework (MPF) reform.

Newly identified benefits (financial)

A number of additional financial and non-financial benefits were identified during the course of programme that were not included in the original business case.

The following list includes a summary of the new benefits, most of which were identified through discussions with trading parties when carrying out benefits reviews at different stages of the programme.

The first section includes two additional benefits that were identified to have introduced a material saving that has been included in overall savings estimates.

Reduced Wholesaler effort to initiate requests

When the business case was developed, all efficiency benefits related to initiating requests were ascribed to the Retailer. However, we now understand that Wholesalers also benefit from improvements in this area.

When calculating a potential time saving for Retailers raising requests, the responses from Retailers were mostly consistent due to the approach that was being taken prior to and after the hub was implemented, as most Retailers were using the same Wholesaler portals and forms to complete submissions.

The responses we received from Wholesalers varied greatly, depending on the approach they were taking previously. Wholesalers that had system integrations in place previously did not experience a change in this process. However, some wholesalers experienced a time-saving due to the Hub auto-populating customer and address information directly from CMOS.

For the Wholesalers that experienced a benefit, there was a wide range in the time saving per request, from 2-3 minutes up to 20 minutes where they would raise cases on the behalf of a retailer who did not wish to use the wholesaler portal.

To calculate an estimated market time saving for this benefit, the figure of c.67k service requests that were raised by wholesalers annually at the time of the business case was used, with a time saving ranging between two and 20 minutes per request with the average time saving being around two minutes per request.

As not all Wholesalers experienced a benefit in this area, a 50 per cent reduction was applied to the total time saving to account for the proportion of wholesalers that did and didn't experience any change. This therefore represents a conservative estimate of savings.

Benefit	Reduced Wholesaler effort to initiate requests
Time saving	2-20 minutes per request (average 2-3 minutes)
Hours saved	2,100 hours
Total market savings	£42k per annum (based on c.67k requests)

Reduced Wholesaler effort to check the status of requests

As above, the benefits considered related to checking the status of a service request once it has been raised has been a Retailer-focused benefit to date. However, it became clear that Wholesalers also benefit in this area.

Consistent with the above, Wholesalers' responses varied depending on their existing systems. However, there was a common view that the number of contacts from Retailers chasing updates on requests had reduced significantly and therefore the total time spent checking and providing updates to Retailers had also fallen.

Some Wholesalers also commented that the hub was saving them time getting an update from Retailers on the status of forms they had raised themselves. This is because Retailers have not previously had web portals, so Wholesalers would have to contact them directly, or via regular operational meetings, to get updates.

To calculate an estimated market time saving for this benefit, the figure of c.213k service requests that were raised by Wholesalers and Retailers annually at the time of the business case was used. Time savings varied from four minutes to up to 20 minutes per request, with an average saving of around four minutes.

As above, based on the proportion of wholesalers that noted a change in this area a 25 per cent reduction was applied to the total time saving.

Benefit	Reduced Wholesaler effort to initiate requests
Time saving	4-20 minutes per request (average 4-5 minutes)
Hours saved	18,100 hours
Total market savings	£300k per annum (based on c.213k requests)

Newly identified benefits (non-financial)

The benefits below were identified through analysis and discussions with trading parties as areas of benefit resulting from the implementation of the bilateral hub.

Some of these benefits, parties have specified have an associated efficiency or timesaving. However, due to the low materiality of these benefits, they have not been included in the total savings estimations.

Reduced effort to produce reporting on service requests

This benefit was referred to above under the section reviewing the ‘Reduced Wholesaler effort on Operational Performance Standards (OPS) reporting’ benefit.

When carrying out reviews with Wholesalers to understand the potential time saving on OPS reporting, once all OPS processes are captured within the Hub, it became apparent that the same benefit would apply to non-OPS processes, once these are captured within the Hub.

It is also assumed that this benefit would impact both Wholesalers and Retailer as there is likely to be a considerable amount of reporting carried out on bilateral transactions across the Market at present. From discussions with trading parties, there is no material benefit identified in this area at present.

Greater visibility of third-party service requests

Phase 2.1 of the Programme introduced additional functionality to the hub, including: auto closure of service requests and auto state-change functionality; the facilitation of transfers from one Retailer to another for service requests in the Hub and the ability to view for third parties to view requests (e.g. the Retailer to which a customer is transferring).

Following the implementation of this functionality, one trading party reported that through the ability to view requests as a third party, they were able to identify and avoid settlement being potentially incorrect.

Reduced time taken to carry out external audits

Prior to the implementation of the Hub, many Trading Parties carried out their own reporting on service requests, elements of which were often manual. Now, for all processes delivered in the Hub, the reporting process is completely automated, reducing the level of risk associated with manual reporting and the amount of time auditing returns.

Improved disputes process for non-primary charges

As part of the requirements for the first process (Meter Verification/C1), one of the requirements that was highlighted by the OAG was to allow Wholesalers to indicate where there would be a charge to the Retailer for any of the work carried out.

Prior to the Hub implementation, in some cases a dispute for any such charge would take place upon the receipt of an invoice, therefore involving finance/accounts as well as operational teams. Now any disputed charges can be highlighted as part of the request itself, improving the overall process and saving time.

Easier to set up new Wholesale contracts

This benefit relates to the time and effort that is being spent by Wholesalers to work with new Retailers in the Market, ensuring that they are familiar with the Wholesaler portal and setting up users, so they can access the system. Any time requirement that exists currently will be reduced once all processes are delivered in the bilateral hub.

Conclusion

Our final benefit realisation analysis has confirmed that the bilateral transactions programme is delivering benefits that are significantly above expectations for trading parties, enabling them to provide a better, faster, more reliable service to non-household customers.

Based on trading parties' report of how long it took to carry out key activities prior to the introduction of the hub, as at November 2022 (i.e. the end of the Ofwat-mandated change 'CPW070') the programme is estimated to be generating 120,000 hours of efficiency savings per year.

At a notional £20 per hour, this equates to financial savings of around £2.4 million per annum, including approximately £340k of newly identified benefits.

The financial savings are approximately 100 per cent higher than the 'mid case' of £1.2 million on which the original business case was based and exclude the significant non-financial benefits that the programme is also delivering, including improving data quality, barriers to entry, etc (see Appendix 2). The £2.4m also excludes the £1.1m annual savings we estimate will be achieved once all bilateral processes are live in the hub.

Programme costs to the end of November 2022 were 39 per cent higher than originally anticipated at £4.3m (FBC: £3.1m). This was due principally to the request to accelerate the programme and additional functionality requested by trading parties, e.g. multiple interfaces with the hub, ability to upload attachments to support service requests, etc. The additional costs have been more than offset by additional benefits, however.

The programme costs do not include trading parties' integration costs. MOSL has explored integration costs with trading parties both in the development of the business case and in the preparation of this report.

Companies' integration costs vary considerably from company to company, based largely on the approach a trading party has taken to the programme (e.g. whether to use the HVI or LVI interface, whether to carry out development in-house or use a third party, etc) and other company-specific factors.

The definition of what to class as 'integration costs' also varies from company-to-company, with some including, for example, the cost of changes to companies' workflow systems.

Prior to the start of the programme, MOSL carried out research with trading parties to estimate anticipated integration cost, which resulted in a range of between £60k and £250k per company. Further investigation with a number of wholesalers indicates the actual range has been much wider, from below £60k to £4m.

Fully understanding wholesalers' integration costs would require a detailed company-by-company analysis of reported integration costs, which would represent significant additional cost to MOSL and wholesalers. Since these costs have now been committed, we do not believe there would be sufficient value in pursuing a more granular understanding of these costs.

We have, however, spoken to wholesalers to identify areas where we can mitigate integration costs in the next phase of the programme, for example having fixed dates between key programme releases to ensure trading parties have time to carry out integration and testing.

Acknowledgements

Trading parties have been closely involved in the preparation of this report and have reviewed its findings.

We would like to thank trading parties for their input to this process, particularly the members of Operational Advisory Group, Code Advisory Group and Pathfinder Group, with whom the MOSL team has worked closely throughout the programme.

Appendices

Appendix 1 – Total detailed view of estimated benefits savings compared with business case

Benefit title	Full business case (mid-case)		Final benefits review summary	
	Hours saved per annum	Financial benefit per annum	Hours saved per annum	Financial benefit per annum
Reduced retailer effort required to initiate bilateral transactions	10,086	£201,720.00	17,361	£347,222.20
Reduced wholesaler effort required to process forms	5,202	£104,040.00	22,808	£456,168.00
Reduced effort resulting from fewer rejections	4,523	£90,460.00	12,441	£248,817.40
Reduced retailer effort required to track status of bilateral transactions	10676	£213,510.00	25,488	£509,752.80
Reduced complaints leading to reduced effort required to process	7,912	£158,240.00	9,719	£194,386.00
Simpler processes resulting in a reduced number of training days for new starters	N/A	£5,000.00	16,016	£320,313.60
Reduced wholesaler effort required to submit OPS reporting	4,348	£86,960.00	£0.00	£0.00
Reduced MOSL effort required to consolidate and produce OPS reports	N/A	£5,000.00	£0.00	£0.00
Reduced MOSL effort required to manage the performance rectification process on OPS measures	N/A	£5,000.00	£0.00	£0.00
Reduced OPS charges	N/A	£5,000.00	N/A	£0
Reduced MPS charges	N/A	£100,000.00	N/A	£0
Reduced development / licenses / maintenance costs for decommissioned wholesaler portals	N/A	£112,500.00	N/A	£0
Improved ability to analyse and manage own performance	N/A	£12,500.00	N/A	£0
Improved ability to target and measure performance rectification activity	N/A	£112,500.00	N/A	£0
Improved wholesaler performance against SIA's	N/A	£12,500.00	N/A	£0
Reduced wholesaler effort required to initiate bilateral transactions	Not considered as part of business case		2,120	£42,396.40
Reduced wholesaler effort required to track status of bilateral transactions	Not considered as part of business case		15,064	£301,273.40
Total		£1,224,930.00		£2,420,329.80

Appendix 2 – Financial and non-financial benefits identified in the Full Business Case

Figure 3: Potential annual benefits based on the mid-case scenario



- A. Financial: Reduced retailer effort required to initiate bilateral transactions
- B. Financial: Reduced effort resulting from fewer rejections
- C. Financial: Reduced retailer effort required to track status of bilateral transactions
- D. Financial: Reduced wholesaler effort required to process forms
- E. Financial: Reduced wholesaler effort required to submit OPS reporting
- F. Financial: Reduced MOSL effort required to consolidate and produce OPS reports
- G. Financial: Reduced MOSL effort required to manage the performance rectification process on OPS measures
- H. Financial: Reduced complaints leading to reduced effort required to process
- I. Financial: Simpler processes resulting in a reduced number of training days for new starters
- J. Financial: Reduced OPS charges
- K. Financial: Reduced MPS charges
- L. Financial: Reduced development / licenses / maintenance costs for decommissioned wholesaler portals
- M. Financial: Improved ability to analyse and manage own performance
- N. Financial: Improved ability to target and measure performance rectification activity
- O. Financial: Improved wholesaler performance against SLAs
- P. Non-financial: Increased auditability of performance by customer segment
- Q. Non-financial: Improved consistency and confidence in OPS reporting
- R. Non-financial: Improved ability to conduct market trend analysis
- S. Non-financial: Improved ability to identify future roadmap projects / continuous improvement opportunities
- T. Non-financial: Reduced complaints leading to improved customer satisfaction
- U. Non-financial: Improved market data quality
- V. Non-financial: Reduced barriers to market entry
- W. Non-financial: Reduced barriers to growth (e.g. easier to expand into new wholesaler areas)
- X. Non-financial: Increased market simplification