
ASP/AML Amendment Invoice Issue Resolution - Update

11th June 2018

Agenda

1. Introduction and Summary of Issues and Challenges

2. BAU

- Invoicing
- Exclusions
- Defects

3. Root Cause Analysis and Solution Design

- Progress/Findings/Next Steps

4. Customer Engagement

- Customer action plans
- MI
- Industry Updates
- Shipper Behaviour / Education

5. Future Change

- Recap on outcome ASP/AML – the way forward workshop held on Thursday 12th April

6. Key Commitments

Introduction and Summary

Firstly, **'Thank You'** for your continued patience and support.

We fully appreciate and understand that this issue is causing customers and their suppliers problems – particularly with the time delay and manual processing of the data once received. We are not yet able to provide a definitive date when this issue will be fully resolved but we have made some positive progress since the last WebEx

- We have identified a solution design gap which when corrected will provide a permanent solution to 2 defects that are creating presentation issues
- We are automating process steps in the manual off-line production of the supporting information, this will enable us to send the supporting information out sooner.
- Recruited additional SAP skilled resources to increase our dedicated capacity particularly to focus on RCA and Solution Design.
- Improved controls and Management Information to remove risk of manual error and provide visibility of progress.

Although progress has been made, we are finding each month new scenarios that we have not encountered before. It is difficult to predict these scenarios but once they have been identified and analysed, we are raising defects and closely tracking and monitoring progress of these defects on a daily basis.

We are committed to working through this issue and will continue to offer support on a 1-2-1 basis where needed, provide regular industry updates and will remain transparent in what we are doing.

Summary of Issues and Challenges

Issue Summary.

A number of functional defects and integration issues are causing presentation issues and charge calculation issues within the AMS invoice, resulting in presentation issues where data is missing or incorrect within the ASP and AML supporting data files and incorrect charge calculations which are excluded from the invoice until a fix is deployed. All exclusions are then re-worked and processed onto the next available invoice.

Focus Area	Issues/Challenges	Actions	Benefits	Progress
BAU Stabilisation	<ul style="list-style-type: none"> Manual workaround causing delay in delivery of ASP off-line files to customers. Upstream defects causing mismatches 	<ul style="list-style-type: none"> Continue to develop the tool to analyse scenarios after every invoice run allowing corrective and prospective fixes to be deployed ahead of the next invoice. (CR307) Develop a tool to automate and remove manual input in the production of the ASP file Review and re-prioritise defects (ongoing) Profile each scenario and define fix plan (prospective and retrospective) Re-define Fix/Test and assurance plan Provide customers with corrective action plans Additional Resource 	<ul style="list-style-type: none"> Reduce the number of presentation issues. Provide earlier visibility of new scenarios Customers receive off-line files earlier Prevent more presentation issues occurring 	<ul style="list-style-type: none"> CR307 is being tested and planned for implementation w/c 11th June Automation of manual activities in the production of ASP being tested and planned implementation w/c 11th June Scenarios list expanded to include upstream defects. Regular 121 customer meetings and WebEx meetings to understand impacts and provide updates in place

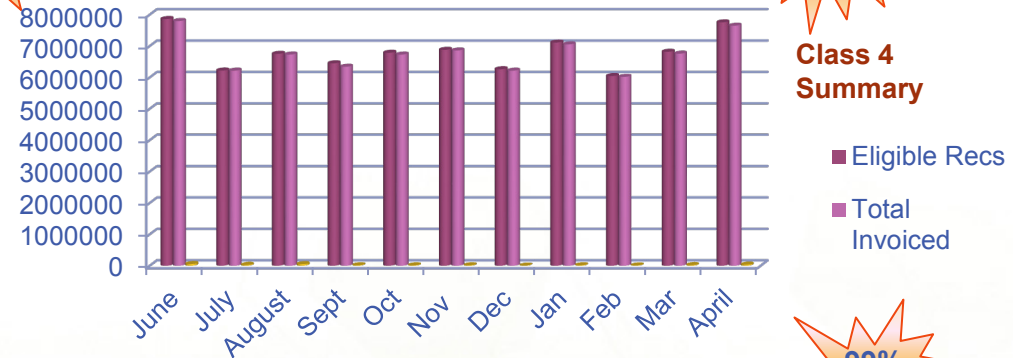
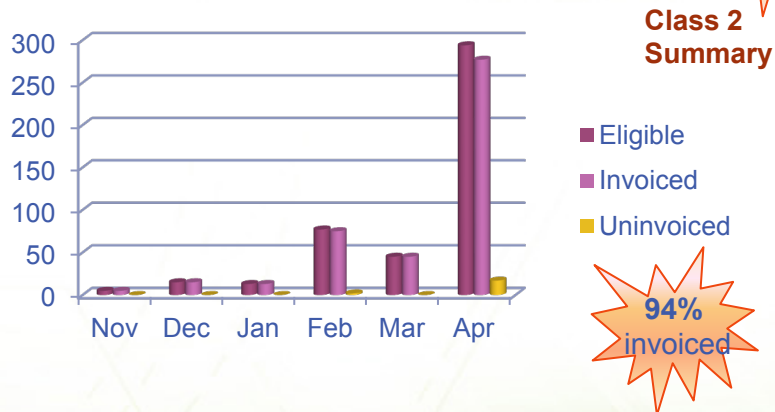
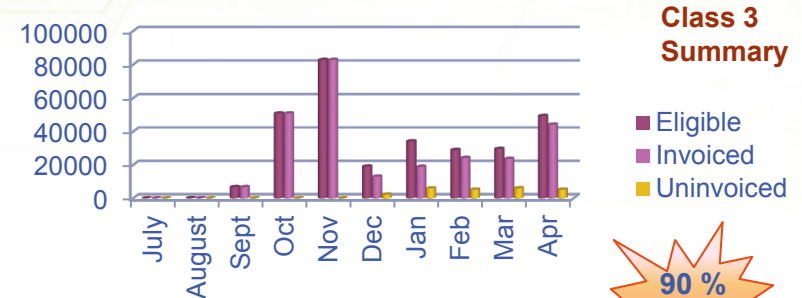
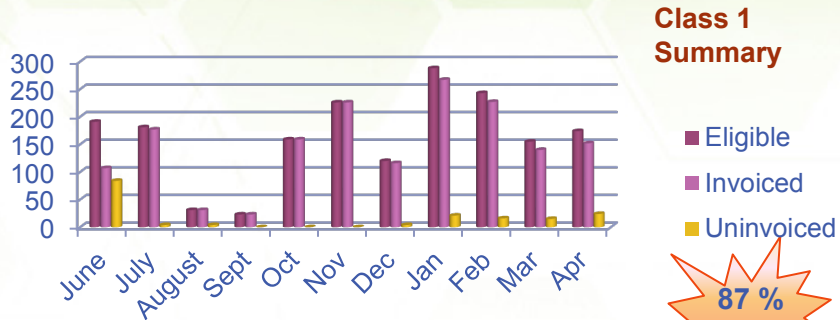
Summary of Issues and Challenges - continued

Focus Area	Issues/Challenges	Actions	Benefits	Progress
Root Cause Analysis and Solution Design	<ul style="list-style-type: none"> Design and RCA complexities requiring skilled expertise 	<ul style="list-style-type: none"> On boarding additional SAP skilled resources and dedicated team. Establish if there are any quick wins and define delivery plans Undertake a holistic RCA and explore alternative solution design options 	<ul style="list-style-type: none"> Focussed and dedicated resource to quickly define and establish plans. Expertise to identify and deliver quick wins Deep Dive of end to end processes and system behaviour and identify Industry process improvements. 	<ul style="list-style-type: none"> Solution Design Gap identified Plan being developed and shared 18/6
Future Overhaul	<ul style="list-style-type: none"> Differing requirements for each Customer group Identifying common data items for valid 	<ul style="list-style-type: none"> Industry meeting to understand requirements 	<ul style="list-style-type: none"> Identify if there is a way to simplify supporting information files - e.g. reduced number of fields 	Meeting held 12 th April – Output shared 11 th June . Awaiting RCA to determine if further meeting required

Summary of Issues & challenges - Customer Engagement

Focus Area	Issues/Challenges	Actions	Benefits	Progress
Difficulty Validating the invoice – very time consuming for customer	<ul style="list-style-type: none"> Unable to reconcile financial values in time for end of month. Unable to effectively renew customer contacts Forecasting issues Cost to business to pay for additional resource and technical support 	<ul style="list-style-type: none"> Develop a tool to automate and remove manual mismatch analysis between Invoice and the ASP file POC underway to look at how/ if Xoserve can re-issue consolidated ASP & AMLfile following resolution of issue 	<ul style="list-style-type: none"> Reduce the number of presentation issues Provide earlier visibility of new scenarios 	<ul style="list-style-type: none"> CR 307 to automate validation (in flight) 121 guidance and support
Queries from Suppliers	<ul style="list-style-type: none"> Financial concerns - Suppliers withholding payments Complaints from suppliers – loss of customer service 	<ul style="list-style-type: none"> Individual Shipper weekly 121's 	<ul style="list-style-type: none"> Focus on keeping customers updated. Being more transparent 	<ul style="list-style-type: none"> Weekly progress update meeting. Guidance offered for each supplier
Errors within the information and different format each month	<ul style="list-style-type: none"> Loss of confidence that Xoserve are fully in control of the problem Unable to build a tool to import the information due to format changes each month 	<ul style="list-style-type: none"> Send additional supporting information in CSV file format as alternative to Excel 	<ul style="list-style-type: none"> Ensuring confidence levels are maintained. 	<ul style="list-style-type: none"> Additional validation checks have been implemented. Format issues have been addressed
Delay in receipt of information 2 – 4 months after invoice issued	<ul style="list-style-type: none"> Unable to reconcile financial values in time for end of month. Unable to effectively renew customer contacts Forecasting issues 	<ul style="list-style-type: none"> Develop a tool to automate and remove manual input in the production of the ASP file 	<ul style="list-style-type: none"> Customers receive off-line files earlier 	<ul style="list-style-type: none"> UAT in progress to automate validation Additional resource in flight to reduce backlog of ASP creation & issue of files.

Amendment Invoice – Key Stats



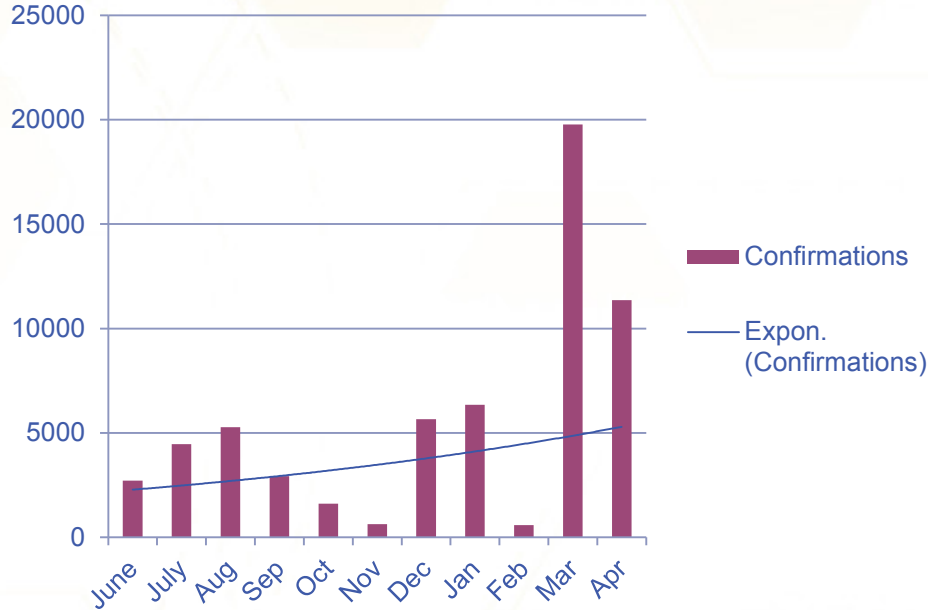
- Invoice Production continues to be stable and Amendment Invoice issued on time.
- In April we encountered a P2 and an issue delivering files for one customer, but all resolved and delivered on time.
- Manual production of ASP files continues, automation to reduce production times and address backlogs is being progressed, MI anticipated 18.6.18

BAU - Exclusions- Headline Update

- Defects that have impacted Charge Calculation have been excluded from the Amendment Invoice.
- Xoserve apply what is referred to as a 'Bill Block' which prevents the charges being processed onto the Amendment invoice.
- The excluded charges are re-worked once the defect has been resolved, and released onto the next available Amendment Invoice.
- MI is now being produced and will be available at customer and Industry level from 18th June.

Exclusions – Key Stats

Exclusions Trend analysis



As of 31st May 2018 Age Profile of Exclusions										
Defect	Scenario	Age Profile								Total
		Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	
N/A	11					35	42	24	4	105
881	16				407	183	401	5622	60	6673
727	23		29	51	41	36	35	76	26	294
631	39		18			2				20
832	40		1							1
747	45	984	10	89	44	29	23	42	8	1229
720	49	2	2	8	4	3	8	7	5	39
727	51			29	41	28	8			106
N/A	55		1		7		8		17	33
641	60					5			21	26
881	61					37	26			63
837	67				1206	5197		463	92	6958
Business Exceptions	68			2	8	11	13		56	90
N/A	73								1856	1856
933	74								99	99
914	A12								7513	7513
947	A15								1608	1608
Total		986	61	179	1758	5566	564	6234	11365	26713

Initial glide path presented to industry forecast resolution of issues by Dec 17 following a downward trend in exclusions, this was re-evaluated to March 18 as numbers increased following deployment of defect fixes. Actions that we have taken to combat these trends are outlined on the following slide. Comparison of the above graphs, whilst on 1st glance increases may look concerning, actually they convey an improving position. Highlighted in yellow are the exclusions linked to enduring scenarios and account for only 289 of the total exclusions for April, in comparison the same scenarios in March accounted for 19,769. Improvements are attributed to the change in approach and the 5 defects deployed during May.

Equates to 0.0013% of total reconciliations in April

BAU - Defect Headline Update

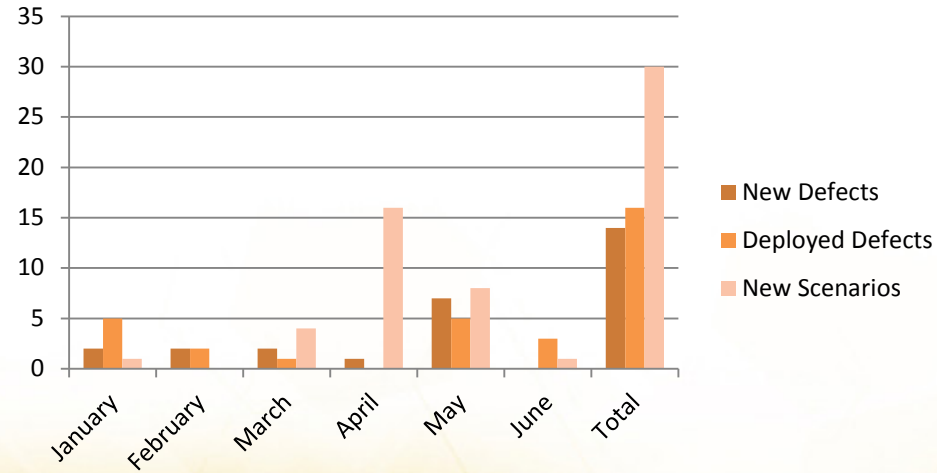
We have carried out a deep dive into the defect management process and made some improvements.

- Our approach to how we analyse and prioritise defects.
- The end to end process has been refined to ensure all fixes due to be deployed will not have a negative impact upon ASP and AML supporting information files.
- Daily progress monitoring of defects and deployment dates to track and identify any risks to achieving planned deployment dates.
- Regular internal MI reporting to provide visibility of progress.

BAU - Defect Headline Update-

- 18 defects outstanding
- 4 Defects (838, 859,884 & 920 & impact Presentation)
- Our current view is that the majority of presentation issues relate to Defect 859 & 920
The solution Fix is being developed as part of the design improvement change (Unique ID)
- Defects 838 & 884 have work around in place which has excluded the impacted Mprs from invoice.

	January	February	March	April	May	June	Total
New Defects	2	2	2	1	7		14
Deployed Defects	5	2	1		5	3	16
New Scenarios	1		4	16	8	1	30



Root Cause Analysis and Solution Design Headline Update –

Design Improvement Change

- There has been an initial design improvement identified that will enable Xoserve to better manage the current mismatches being seen by customers.
- A plan is being worked on to deliver this and resources are being identified.
- Along with this change we will be able to resolve 2 defects affecting presentation (920 / 859). Timescales for this will be provided when they have been firmed up with the teams.

Design Review / RCA

- A dedicated team has been setup and are in the process of the initial discovery stages of the process.
- An approach is being drawn up in parallel to the discovery stage, this will drive out a plan with estimated timescales. Which we expect to be able to share 18th June.
- *It is worth noting any plan will be dependent on each stages findings as to when improvements will be identified and delivered . The focus is around the Current Design, System Behaviour and Transactional Behaviour all of which combined are causing the mismatches to ASP / AML.*

Customer Engagement- Headline Update

Customer Action Plans

- Issues raised by individual customers are being logged and individual customer issue and action plans have been created.
- Regular 121 calls taking place to talk through issues experienced and understand fully the impacts and concerns each customer is experiencing and look for interim solutions to support each customer.

MI

- Customers will be provided with details of their exclusions by billing month, scenario and planned resolution glide path. (please note this is a prospective report only and the initial report for April will be provided 18th June and there after as soon as reasonably practicable following the issue of the monthly invoice)

Industry Updates

- Bi – Weekly communication update - Published on Xoserve.com
- WebEx meeting – bi monthly
- MI published each month

Shipper Behaviour / Education

- Encourage continued raising of tickets, aids the identification and prioritisation of defects
- RCA on defects has exposed some issues occurring as a result of shipper behaviour e.g. SFN (Site visit) and Cyclic reads (UMR) on the same day (defect 747), Move out read and cyclic read on the same day (defect 914)
- Analysis will continue in this area to facilitate further updates for shippers

Future Change – Summary of Meeting Held on 12th April

- **Purpose of the Meeting** : Obtain an understanding of what supporting information is critical to customers to validate the Amendment invoice and explore alternative options in respect of delivery of ASP and AML supporting information. The output of the meeting is summarised below

Suggestions Captured	Progress
Re-structure the ASP & AML file formats into a parent Child format	On hold pending Technical Design RCA
Populate a 'known & agreed' value (null value) in supporting file where mandatory fields are missing and would be excluded to provide visibility	On hold pending Technical Design RCA
Current charge indicator – Understanding this is only used against USRVs currently – is there possibility of this being populated for exclusions?	On hold pending Technical Design RCA
Send additional supporting information in CSV file format instead of Excel	In place for all customers who have requested this as their preference
Further investigation into which fields are used for invoice validation vs operational reporting	Dismissed as all customers require different data items for validation
Validations focus on volume currently future will be looking at energy/charge validation/recalculation – Once this is in place data item requirements may change	On hold pending Technical Design RCA

Key Commitments

- **BAU Stabilisation**

- Continue to focus on issuing backlog of off-line files
- Share results of the process improvements (automation of ASP) - 18th June

- **Root Cause Analysis and Solution Design**

- Continue to work on RCA
- Share plan – 18th June

- **Customer Engagement**

- Continue with 121 customer engagement
- Continue with regular Industry updates
- Provide MI outlining the number of exclusions linked to scenarios for individual customers - 18th June (exclusions April 18 onwards)