

# Enabling a competitive water market

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As the new water market beds down, the focus of the market participants turns more towards operational issues and enabling lean, competitive organisations. Today's hot topics include:

### **Data quality – good-quality data drives the market**

The quality of market data can have a direct impact on a market participant's bottom line. Wholesalers and retailers alike need to make sure that they have all of their supply points correctly modelled to ensure the settlement calculations are correct and to maximise their revenue.

Only with accurate data can companies take advantage of market analytics to give the insight they need to define and realise their competitive strategy.

### **Reducing cost to service – a lean and competitive business**

To thrive in this market, water companies will need to develop lean market processes with a low cost-to-serve. A market participant will have to process large volumes of complex market transactions on a daily basis. They must integrate their business processes and systems with the CMOS.

Their main operating cost is people. So, water companies should seek to automate as many processes as possible to reduce manual activity.

### **Operational interaction – enabling the day-to-day business**

The new water market has created a split between the customer-facing, retail part and the wholesaler part of the business. This is necessary to enable a level playing field, but it is also imperative that water companies find an efficient way to operate through this divide. It is essential for low-cost operations and for customer experience alike.

### **The customer journey – removing the friction points**

We must not forget the customers in this market. They will expect competitive pricing and innovative services that are tailored to their needs. They will also expect a more positive experience when they interact with their water providers – a range of channels and timely responses. Above all, if they do decide to switch, they must experience a very smooth process.

## **CGI'S SOLUTION**

CGI is at the heart of the new water market – we have built and operate the CMOS, and we were the Market Operator's (MOSL) data partner. This achievement, and the experience gained from it, means that we are now very well placed to continue to deliver the services that the market needs to operate effectively. We have a range of services to offer that address the current market challenges:



### **WHY YOU SHOULD BE TAKING ACTION NOW**

The competitive water market is up and running. The market opened in April 2017 which means that non-household customers can choose their retailer of water and wastewater services.

The Central Market Operating System (CMOS) is operational and the market participants were all ready in time, with data loaded, ready to compete. Does this mean that the job is done?

Not quite. Prior to April 2017 the focus was on getting ready by the critical deadline – system build, data load and compliance with the codes. Now the focus must turn to being equipped to compete and thrive in this market. Market participants must develop lean processes for their own operations and in the interaction with other market participants. For the market to be seen as a success it should offer no barriers to competition, there must be a good level of switching and customers must experience the smoothest possible customer journeys.

	Data-quality improvement service	Central Operations Portal (COP)	Digital Transformation	Market advisory
Data quality	✓	✓		✓
Reducing cost-to-serve		✓	✓	✓
Operational interaction		✓		✓
The customer journey	✓	✓	✓	✓

### CGI'S SERVICES

Our Digital Transformation proposition is a good starting point to help transform your water company into the lean and competitive company that they need to be. The many repetitive processes required by this market make this a good opportunity to introduce robotics. Robotic Process Automation (RPA) solutions will help companies optimise their processes and reduce operating costs. In our approach to Customer Journey Analysis, we assess the “as-is” journey and identify any friction points. This allows us to map out the required “to-be” process, identify any capability gaps and technology enablers and shift contact through digital channels.

All retailers and wholesalers need to be able to exchange operational information. This is critical to the smooth running of the operational processes and enhanced customer experience. Our COP enables this by providing a common portal that can be used by all market participants. Retailers will have a single, standard interface to all wholesalers and it provides a single channel for wholesalers to disseminate information to retailers. Integration with market data allows validation at the point of entry and the pre-filling of forms. This will aid the smooth running of operational processes, and support data-quality improvement. The COP will also support a streamlined customer journey.

In the new market it is essential that data is of the highest quality. Poor-quality data could mean loss of revenue for market participants. From a customer perspective, poor data could slow down the switching process and disappoint them. We use our data-quality improvement process coupled with the experience we gained in building the CMOS data sets to help our clients build quality and gain insight from their market data.

### WHY CGI?

- Working with MOSL, we built and are now running, the CMOS for the English open water market. This gives us unique knowledge about the running of the central market, the market transactions and market integration.
- In our role as data partner for MOSL, we supported the data load of all of the market data from all of the market participants. This knowledge means we are best placed to advise on data formats and data-quality improvements.
- We have supported a number of water retailers and wholesalers in their market readiness programmes — up to and beyond market go live.
- We helped build the central systems that run the Scottish open water market.
- We are at the heart of the market around the world. We designed, built and operate 12 of the 18 utilities market systems in the world today.

### ABOUT CGI

Founded in 1976, CGI is a global IT and business process services provider, delivering business consulting, systems integration and outsourcing services. With 70,000 professionals operating in 400 offices in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients’ front doors. CGI applies a disciplined and creative approach to achieve an industry-leading track record of on-time, on-budget projects and to help clients leverage current investments while adopting new technology and business strategies. As a result of this approach, our average client satisfaction score for the past ten years has measured consistently higher than nine out of ten.

**For more information please contact:**

**Graham Hainsworth,**  
**Water Sector Expert**  
[graham.hainsworth@cgi.com](mailto:graham.hainsworth@cgi.com)  
**07771 815408**

**Download CGI’s “GB Water Industry For Dummies” book:**

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**Watch the video: “Enabling a competitive water market”**

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