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Stage 02: Working Group Meeting Summary

SECMP0066 'Advanced Shipment Notifications (ASN) for Consignment of Communication Hubs'

What stage is this document in the process?

01 Initial Assessment
02 Refinement Process ◄
03 Modification Report
04 Decision

Date and location

05 December, 2018, (10:00 – 11:00).

Gemserv offices, Waterloo Room, 5th Floor, 8 Fenchurch Place, London, EC3M 4AJ.

Summary of SECMP0066 Working Group Meeting

The Working Group heard the reasoning behind why the modification was raised, noting that the two working day notice period was not enough time to carry out the critical processes culminating in instances where:

- Communication Hub triage could not be carried out;
- Issues that might arise could not be rectified in time;
- The SMI (Smart Meter Inventory) could not be updated in time as it is a manual process; and
- Should the SMI not be updated then the Communication Hubs received cannot be installed and commissioned via DCC.

The proposed solution is to extend the notice period between issuing the ASN and the actual delivery of the CHs from two days to 10 days.

Working Group Members explained that two of them were experiencing issues with the two-day notice period, primarily due to the use of Third-Party Logistics (3PL): The ASN files are shared with the DCC Customer who then updates their internal system with the ASN details; this is followed by a second notification sent from the DCC Customer to their selected 3PL partner. This process is time consuming and results in CH shipments to arrive at the 3PL premises prior to the ASN information, these shipments are then rejected. The Proposer highlighted this could be a problem for many small suppliers as well, as they were more likely to use a 3PL.

DCC explained that there is the option of having four regulated deliveries a month, per DCC Customer, agreed in advance. The Proposer stated that four deliveries a month would not affect the underlying issue of 48 hours not being enough time to manage an ASN. DCC confirmed that DCC Customers would need to plan in advance when they wanted deliveries and to use the regulated function, as this was considered best practice.

DCC noted there were three phases of DCC Communication Hub roll-out; Initial (which would end in an estimated four months), Mainstream and Slowdown.

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The CHs are temporarily stored in a warehouse which is operated on behalf of the DCC; the CSPs usually deliver CHs in bi-weekly intervals to this warehouse. The delivered CH volume is based on the aggregated forecasts from the suppliers and cater for the shipments to suppliers as per the agreed DCC Customer delivery schedules. The ASNs are prepared at the time when the individual CHs are picked for a shipment to the supplier; the shipment is then held at the DCC warehouse to meet the two-day advanced ASN notice.

DCC explained that the ASN cannot be produced before the CHs are picked so there is no feasible way in which information could be shared with DCC Customers at an earlier time. The Working Group questioned what the most practical option would be if 10 working days was not viable. DCC noted that to change from two days to any other higher time period would require a complete restructure with new sites and new warehouses needed, as well as more resource, and a change to the CSP contracts, which would incur significant industry cost. Due to the complexity of the logistics the implementation would take a lot longer than the anticipated timeframes included in the modification, which showed an expected implementation date of June 2019. DCC pointed out that this could result in missing the Mainsteam phase.

The Working Group explored the possibilities of changing the existing process so that the ASN notice period could be extended at reasonable costs. This could be achieved by e.g. an ASN notice period of four days which limits the additional stock required in the DCC warehouse compared to the implementation of a ten day ASN notice period. DCC agreed to obtain the costs for different notice periods and share this with the working group.

Working Group Members highlighted that the process of downloading the ASN and converting it into a format that was compatible with their systems was a manual, slow process which could be aggravated by lack of resource, for example. DCC acknowledged they were using an Operational Managing System rather than an Integrated Managing System, with the latter being an option that could alleviate the issues raised by the manual process, however this would require a major and costly change process.

DCC explained that CH deliveries are considered successful once five days have passed from the actual delivery date, provided the shipment had not been rejected earlier. Upon successful delivery the CHs are added to the SMI and can then be deployed in installations. The Working Group agreed that the enrolment of the CHs into the SMI is not an issue and CH installations are not impacted.

Next Steps

- **Action:** DCC to seek costs and timeframes from CSPs to enable an increase from the minimum two working day notice for an Advanced Shipment Notification (ASN) of a Consignment of Communication Hubs via the Order Management System (OMS).
- **Action:** DCC and DCC Customers to arrange bilateral meetings to discuss potential resolutions to any issues experienced with the current two working day notice period.
- **Action:** DCC Customers to provide costings to SECAS on the rejected and failed deliveries to assist in building a business case.
- **Action:** DCC to share best practice information such as timelines and actions with the Working Group.