Laurasia Associates Limited Response to Ofgem's Consultation: The Target Operating Model for Moving to Reliable Next Day Switching

Introduction

Laurasia Associates Limited ("Laurasia") is pleased to have the opportunity to respond to this important consultation.

Laurasia is recognised as a global expert in the implementation of number portability and switching services in the telecommunications market and has successfully worked with operators, regulators and governments in a wide range of countries. We have implemented a number of different vendor solutions for number portability and central registration systems. We have had experience in the Caribbean, Gibraltar, the Bahamas, the Chanel Islands, and several African countries.

Our proven methodology of implementing number portability (both Mobile Number Portability (MNP) and Fixed Number Portability (FNP)) utilising central registration systems has been successful. Our expert team has in-depth experience in undertaking complex number portability Cost Benefit Analysis (CBA), as well as thoroughly understanding the specific challenges and issues to be addressed in implementing number portability and central registration projects.

Over the last 3 years, Laurasia has been leading the application and evolution of leading edge and proven operational, commercial and regulatory Number Portability and Switching techniques. Practices that have been honed over 17 years in the global telecommunications sector are now being used to support the switching of a range of services, such as bank account, pension, electricity, gas and water.

Laurasia has also been invited to Ofgem's Change of Supplier Expert Group (COSEG) in 2013 to present on our experiences in telecoms and banking switching, and have also presented at Energy UK and other industry stakeholders during 2014. We have also run workshops with suppliers on next day switching and the opportunities and risks it presents.

More information is presented in Appendix 1 to this response.

Laurasia agrees with Ofgem's view that re-engineering the switching arrangements by centralising registration services under a central party provides an important opportunity to simplify the switching arrangements. A single common centralised registration service will provide the element of management and control required for a new simpler switching process.

We believe that by placing the switching arrangements under the control of the DCC, there is an opportunity to reset the governance framework and incentivise behaviour that supports better outcomes for consumers ie faster, simpler and more consistent switching.

We broadly support the approach laid out in the Target Operating Model (TOM), although we have a few alternative suggestions which we will outline in answer to the consultation questions.

Question 1: Do you agree with the requirements set out in the TOM?

Proposed Switching Arrangements

Laurasia agrees with the proposal to change the existing registration model to a single Central Registration Service (CRS) run by the DCC which would hold accurate data and operate common switching arrangements for gas and electricity.

New Supplier Led Switching Process

We agree with the proposed requirement for the new supplier to make the registration request by sending the request directly to the CRS rather than the current network run registration services and that a supplier should be able to send a single request for a dual fuel transfer. In terms of specific timings we support the proposal that if a request is made by 17:00 on any calendar day, then as long as the request is not rejected, the transfer should be effective the following day. We believe that the programme should take the opportunity to align the effective times for gas and electricity which are currently different (00:00 for electricity and 05:00 for gas).

Laurasia believes that the proposed energy registration process is very similar to that used in the telecoms mobile sector. The diagram below (Figure 1) outlines the high level process flow for number portability in the telecoms mobile sector which has many of the features illustrated in proposed energy switching model highlighted in diagram in section 4.19. The key points of this process are that (i) it is simple and efficient with minimal number of process steps and functional variability (ii) it is recipient led (iii) the Number Portability Clearing House is central to the process, is consistent and controls all of the process steps as well as maintaining the central reference database for all telephone numbers.

Experience from the telecoms switching sector over the past 2 decades worldwide has shown that telecoms switching has evolved massively from a complex time driven de – centralised donor led process in which switching took 4 weeks, to a slick, fast, centralised and recipient led process in which the customer's service is switched in a matter of minutes.
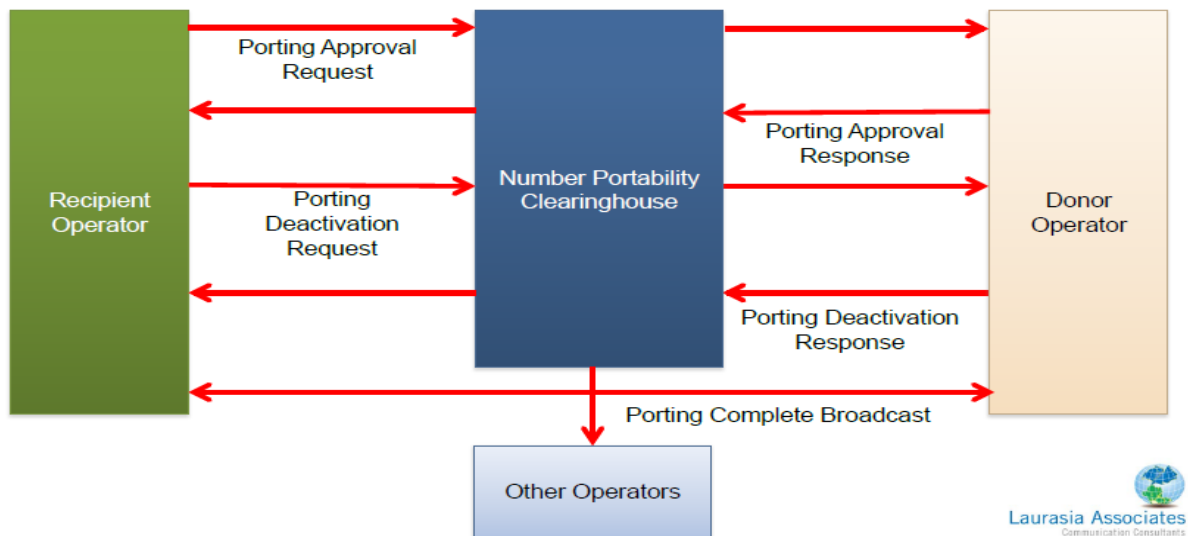
Figure 1: Illustration of high level porting process used in the telecoms sector (Source: Laurasia Associates)

Laurasia believes that by introducing next day switching, there will be an increase in consumer engagement and switching volumes. In addition, competition will be strengthened leading to better service and pressure on prices. Suppliers should also see a move to quicker and more reliable switching as an opportunity to strengthen their brands by providing the means to launch new and innovative products into the market place at the same time as Smart meters are being rolled out and benefit from being able to ascertain the success of campaigns more quickly.

In our experience what makes a switching process a success is the simplicity with which the customer can request and complete a switch quickly and safely, and the minimal number of times the consumer has to get involved with the process, thereby minimising the barriers to switching and driving consumer choice. This gives the consumer confidence by making them feel they are in control of the process, and the belief that the supplier can deliver a quality product, leading to increased consumer satisfaction.

In the telecoms market, we have witnessed many changes in markets following the introduction of number portability and the reduction in the switching timescales. These include new competitors entering the market, structural changes to retail and wholesale competition, safeguarding consumer interests in the case of supplier failure, encouragement for suppliers to improve customer service, providing innovation in products and services, and increasing the competiveness in pricing of products and services. Also from the evidence from many European countries, the move to shorter switching timescales results in an increase in the number of consumers who switch.

Cooling Off and Cancellations

Laurasia supports the proposal to enable consumers to cancel their contract within the cooling off period and be returned to their original supplier on their previous contract terms.

We agree with the proposed requirements to utilise the CRS to support a process to return a customer to their original supplier if they cancel their contract within the 14 day cooling off period (highlighted in section 7.17). We also agree that this process could be adapted to support the erroneous transfer process. We believe that with increased consumer confidence in next day switching, cancellation rates will decrease over time.

This process is very similar to that in the telecoms industry where account number portability and central registration systems are in place.

We accept that a number of issues need to be considered such as charging for the period the customer was with the new supplier, so we support Ofgem in their proposal to develop the cooling off/cancellation policy as early in the programme as possible to provide clarity for industry moving forwards. To avoid billing issues if a customer does cancel, perhaps suppliers could consider not issuing the final bill until after the cooling off period.

Objections

Laurasia supports the requirement that suppliers maintain an up-to-date and accurate record within the CRS of which sites can or cannot be objected to (by means of a flag for each domestic and non-domestic supply point), thereby enabling the CRS to proceed with a registration or object in real time. There is clearly a risk that if the flag is not maintained accurately then this could lead to customers being objected to incorrectly, so in order to provide customer confidence in the process we would suggest that obligations are placed on suppliers to maintain the flag accurately and frequently (daily).

We also believe that Ofgem should consider that the debt process could also be handled outside of the switching process altogether as is the case in many other industries such as telecoms where operators have established processes to handle debt. This would simplify the switching process further and there would only be a small number of reasons to object to a transfer. We would also suggest that the industry should look to reduce debt which we hope would result from the introduction of smart meters and accurate meter readings.

Laurasia suggests that if there is to be near real time notification to the supplier of an objection, then consideration should be given to real time notification to the customer as happens in telecoms via a simple sms message.

Laurasia disagrees with the proposal to maintain the existing objection process and compress the objection window to 1 day resulting in an overall 2 day switch, unless there are significant technical reasons or the business case cannot be justified. We believe that by resorting to the existing process some of the benefits highlighted above may not be realised. Therefore it is imperative that Ofgem commences the workgroups on the objection process as soon as possible to clarify the requirement they wish to pursue so that the TOM can be developed accordingly.

Metering Arrangements

For gas, we agree with Ofgem's proposal that the CRS will be the master repository and source for metering equipment, site data and other metering data currently held by the registration services.

For electricity, Ofgem have suggested that the CRS will be the master repository and source for supply point data only, but that it will not hold additional electricity metering data (such as consumption history and meter technical details) centrally. They believe that new reforms such as the roll out of smart meters will improve access to this data. Laurasia suggests that this is monitored closely during the programme to ensure improvements are made.

For both fuels, Ofgem have suggested that suppliers continue to appoint the relevant metering agents to support the switching process and use the DCC services to collect meter readings from smart meters.

Completing the switch

Laurasia agrees with the requirement for the CRS to advise all relevant industry parties and the losing supplier that the switch has taken place. We also agree that a suitable lock out period (currently 2 weeks for electricity) is considered as part of the Blueprint phase of the programme for both gas and electricity. We agree with this principle which give suppliers time to make all the necessary industry changes, such as meter appointments and billing.

Meter Reading

Key to improved consumer confidence is accurate meter readings and billing when changing supplier. Therefore Lauasia agrees with the requirement to utilise the same meter reading on the closing bill from the old supplier and opening bill from the new supplier. We also agree that this reading should be taken as close to the switch as possible so that the customer benefits from their new tariff immediately. This data should also be made available for use in other areas such as settlement.

Data

We agree with Ofgem's intension to improve data quality and in particular gas and electricity address data by initially asking suppliers to ensure that address data for their dual fuel customers match.(This should include using a Unique Property Reference Numbers to help match supply points). We also support the proposal to investigate two way communication with the customer to confirm mpan and mprns for customers with Smart meters.

The Central Registration Service

We agree with the list of functional service requirements provided by Ofgem and suggest that these are developed further as part of the Blueprint phase of the project through the Business Process Design Workgroups before going into more detailed level design. We also agree that the CRS should be designed to be flexible and adaptable to reflect future change such as electricity reform and that consideration should be made for allowing access to registration data for TPIs, non-domestic consumers and MAPs.

We agree that the Programme should look for opportunities to harmonise the way gas and electricity data is held.

Regulatory Framework and Governance Arrangements for the CRS and Switching

Laurasia agrees with the proposal to place licence obligations on DCC to manage the registration services for the industry instead of the DNOs and GTs and ensure that it

maintains an economical, efficient, secure and coordinated CRS. Laurasia also believes that both suppliers and the DCC should have obligations to ensure that the processes adopted ensure a next day switch.

We also support the proposed obligations that require the DCC to maintain enquiry services and ensure that the DCC meets key performance indicators which if not met could result in service credits to users.

Laurasia agrees with proposal to use the Smart Energy Code (SEC) to set out the obligations on the DCC to operate the CRS and set out the requirements to deliver a single, coherent description of the switching process for both gas and electricity in one place, whilst accepting that there may a requirement to keep some elements of the switching process in the current industry codes.

In terms of the SEC structure, we support the view that market participants who only have an interest in registration services should be separated from those who intend to use DCC for smart metering purposes. This will necessitate careful consideration of how modifications are managed by for example ensuring appropriate voting arrangements for the various constituencies and representation on the committees that oversee the SEC.

Laurasia agrees with the proposal that the SEC will govern the day to day arrangements and set the rules for switching and the management of the registration service by:

- Defining a set of business processes which the CRS must support.
- Setting out the obligations for DCC, suppliers and network operators in respect of the operation of the CRS.
- Defining which party is responsible for particular data items held on the CRS (including who is responsible for the ongoing accuracy of the data, who can change the data, and parties who can access the data).
- Defining the modifications process, dealing for non-compliance and charging for services.

Charging and Price Controls for the CRS

Laurasia recognises the proposed cost recovery as reasonable and it aligns with best practice from telecoms switching from around the world. We believe that the actual costs of switching should be separated from the other general costs within the DCC such as the maintenance of data. We also have highlighted some other proposals based on our experience in the telecoms sector.

Set Up Costs

Laurasia suggests that set up costs should be shared across all CRS users. This could be apportioned based on the number of supply points. One other point to note is how new entrants will contribute to the initial set up costs. In our experience new entrants could pay an initial entry fee which would cover an element of the set up cost plus the DCC administration costs to set up the new entrant.

Operating Costs

From Laurasia's experience, we have encountered three commercial models. (i) a monthly service charge, (ii) a reduced monthly service charge plus a transaction fee or (iii) a transaction fee per switch only. Which model to choose depends on the market size and switching activity, which in the case of the UK energy sector should be large enough to justify the fixed transaction fee model. In terms of best practice, it is common practice to allocate the transaction fee to the new supplier only. As a benchmark the current transaction fee in the telecoms sector is less than £1 per switch.

Other Considerations

Laurasia assumes that switching supplier should be free for all users. However this is not the case in all jurisdictions which can act as a disincentive to consumers to switch.

How long will the CRS contract be ? Best practice suggests that central management services are of 5 – 7 year duration to ensure that vendors maintain a good service delivery quality and value for money.

Delivery Approach for the CRS

CRS Procurement

From Laurasia's experience in managing the procurement of central registration systems, evaluating vendor responses, through to final vendor selection, we agree with Ofgem's proposal to procure the CRS though the DCC. We believe that it is imperative that the procurement process is linked very closely to the Programme through Ofgem and other key stakeholders. In addition we believe that DCC should actively consider adapting off the shelf telecoms/financial services central switching platforms to optimise value for money.

Testing

Laurasia is pleased to see that Ofgem has considered and recognised the importance of detailed testing to ensure that the solution is fit for purpose before taking to the market for general consumer interaction. We have supported the implementation of Mobile Number Portability including the testing phase by developing test plans detailing the proposed test environment, testing approach, test cases and Acceptance Testing criteria, and supervising end-to-end testing. We believe that Ofgem has provided a robust testing framework for the Programme covering:

- Design, Build and Test (DCC and Industry Parties): Once the CRS has been built, there will be changes that are required to both service providers and industry parties processes, systems and interfaces. These will need to be tested against an agreed timetable and to specified quality standards.
- System Integration Testing: The DCC will undertake SIT to prove it integrates with it's service providers.
- User Interface Testing: This will be used to ensure that the CRS provider can interoperate with the CRS users.
- End to End Testing: DCC, it's service providers and a number of service users have to complete successful E2E testing by running through all of the systems and processes required.

One important aspect that should be incorporated is high volume testing. There may be periods when there is high consumer engagement and switching levels increase, so it is essential that any high demand is catered for to avoid consumer frustration.

Market Readiness Monitoring

Laurasia believes that this is a critical area for the project. In our experience, suppliers have different approaches to readiness and will operate at different speeds in preparation for Go Live. So we would support a robust audit of supplier and service provider readiness ahead of Go Live including the provision of regular reports to Ofgem.

Consumer Awareness Campaign

A Consumer Awareness Campaign will be key to ensure maximum consumer interest in switching, stimulating broader competition, drive switching demand and improve the reputation in the industry. So we agree with Ofgem's proposal to deliver a Consumer Awareness Programme.

Laurasia has experience and expertise in the most effective public awareness and education approaches gained from many years in the telecoms sector, and how they could be transferred, adapted and employed in the energy market.

On a practical front, consumer engagement is key – the consumer likes to feel engaged in the switching activities giving them confidence things are happening in a timely manner. For example a simple sms or email to approve or confirm the switch.

Communication of the move to reliable next day switching could fall into two categories.

- An awareness or educational campaign led by the regulator/government/industry representative groups whose objective is to broaden consumer awareness, drive consumer demand, explain the switching process and outline the potential benefits.
- Promotional activity should be undertaken by suppliers themselves in a competitive market place to enhance their brand, grow market share and promote new products

Conclusion

The success of any central registration system will be the programme to change the existing processes and data flows to a more streamlined and efficient service. Key to this will be the development of the Target Operating Model (TOM). Laurasia support the Ofgem led programme and consider a number of key steps are required in the next phase of the TOM:

- Ofgem provide a clear view on the objectives and targets for the introduction of a reliable next day switching programme.
- Ofgem establish leadership for the development and delivery of the TOM across the broad range of industry and interested stakeholders
- A benchmarking exercise should be undertaken on best practices in the area of consumer switching across a range of different countries and service sectors
- Current processes and thinking should be challenged.
- A strong governance framework should be introduced that is led by DECC/Ofgem.
- A clear evolution roadmap should be defined with key milestones.

- Specialist advice from similar projects in other industries should be engaged.

Question 2: Is our description of the requirements sufficiently comprehensive to progress the design of our reforms during the next phase of the programme?

Laurasia believes that the requirements laid out in the TOM and the Delivery Approach are sufficiently comprehensive at this stage to proceed to the implementation stage of the programme as outlined in Ofgem's Response to the consultation on moving to reliable next day switching. We believe that Ofgem should be able to take these requirements into the Blueprint phase of the programme and we would recommend commencing the industry workshops (Business Process Design, Regulatory Design, Commercial and Delivery Strategy) as soon as possible in 2015. It is imperative that the industry can agree on a preferred design as early as possible in the programme.

Running in parallel with the official programme, Ofgem have identified two key dependencies, cooling off/cancellations and objections, which we believe need to be resolved quickly so that the TOM can be progressed in the working groups.

Question 3: Are there any additional requirements that should be captured in the TOM?

Laurasia understands that the proposal to move to next day switching includes all meter and payment types (ie credit, direct debit, pre-payment, dumb and smart meters). We believe that this should be stated in the requirements.

Laurasia suggests that the TOM specifies the type of sales channel in the requirements. It is very much aimed at internet transfers. Telephone and other sales channels should be specified.

We would expect that one of the early objectives of the working groups would be to progress the TOM to its next version which would include refinements to the original document and any additional requirements.

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Appendix 1 – About Laurasia Associates

Laurasia Associates Limited is a UK based consultancy practice providing specialist regulatory and operational consultancy services to utility and banking regulators and suppliers worldwide . Our expertise has been developed through sharing leading edge telecommunications regulatory practices and concepts building regulatory capacity with regulatory authorities and operators across the world.

We have been working in the energy and banking sectors sharing and applying leading edge number portability and switching practices as both industries look to move towards quicker and alternative methods of switching. We have worked with Ofgem on the Change of Supplier Expert Group (COSEG), Energy UK on the Quicker Switching Project and run a workshop for a supplier on next day switching and the opportunities and risks it presents.

To meet the requirements of these industries, Laurasia has developed a broad range of core regulatory and operational consultancy capabilities which it delivers through its Associates who deliver maximum value to each client's specific needs.

Laurasia can provide advice and support to regulators, operators and suppliers in the following areas:

- **Programme Management**
    - o Full project management from development to implementation.
    - o Business and operational readiness assessments.
    - o Operational design, development and implementation of business systems
    - o Design, build, procurement and implementation of central registration systems for customer switching.

- **Cost Benefit Analysis**
    - o Commercial, operational, legal and regulatory impact assessment
    - o Market impact including financial benefits and strategic analysis.

- **Regulatory and Governance Services**
    - o Developing regulatory and governance models.
    - o Aligning global best practice with local environmental and market requirements.
    - o Ensuring stakeholder compliance to implementation milestones and operational switching performance standards.

- **Commercial Services**
    - o Developing and delivering compelling Switching "Go To Market" strategies, including retention and acquisition propositions, and retail sales channel tactics.
    - o End to End review of customer experience
    - o Communication Strategy development and delivery.

Programme Management

Laurasia has a wealth of experience managing programmes and projects. This includes managing projects and programmes in multi-stakeholder and highly sensitive environments. We use structured project management techniques based on Prince2 methodology, but at the same time we tailor them to our clients' needs as different businesses and project sizes require bespoke approaches. As well as project management capabilities we are also able to offer a wide range of project related services including planning, quality assurance, issue/risk management and change management expertise.

Programme mobilisation and delivery is at the core of our business. We work with our clients to guarantee the successful initiation and delivery of their Business and IT programmes, no matter how complex. Success for us is delivery of the programme, on time, to budget, scope and quality.

Our track record has been built up through involvement in and implementation of large scale programmes across the Telecommunications sector and we believe that our experience in this industry in areas such as central registration systems, can be transferred into other industries such as Energy. Throughout this period we have developed tried and tested propositions around Programme Initiation, Programme Management, Programme Management Office and Programme Assurance.

Laurasia carefully plans and manages consultancy assignments to clearly identify and key workstreams, activities, milestone deliverables and corresponding detailed actions, underpinned by sound project management disciplines and principles, yet is flexible to account for local requirements and factors.

- Development and maintenance of a comprehensive consultancy assignment programme plan, detailing activities, durations, resourcing, delivery dates, dependencies etc;
- Development and maintenance of a dedicated consultancy assignment programme action and issue log/register;
- Issue of regular consultancy assignment progress reports to and review meetings/conference calls with the client and stakeholders; and
- Direct access to the Laurasia consultants to facilitate fast response to urgent assignment issues and queries.

Every switching service implementation is unique since the development and implementation are driven by a wide variety of external and local factors that determine the switching process functionality and delivery timeframe, for instance, engagement between the stakeholder, regulatory requirements, socio/ geographic considerations. However, Laurasia has developed an effective switching programme management support framework that enables regulatory authority and service provider clients to effectively identify stakeholder

readiness and attitude to switching, highlighting risks to the implementation of the switching service, preparing for potentially contentious issues/ hurdles facing the journey to switching service launch, developing and delivering an effective and robust implementation plan that effectively manages the complexity and interaction between the different switching service stakeholders and delivery of key programme activity milestones.

Laurasia's success in implementing complex switching service programmes has been to adopt a positive "*hands on*" approach, transferring our broad switching service knowledge and experience where Laurasia consultants engage fully with the client's team, acting as an equal team member as well as switching specialist, actively taking on responsibility to promptly deliver actions and contribute tangible inputs, such as process documents, meeting minutes, action plans, impact assessments etc. Laurasia's consultants are not just consultants but are active and integrated members of client's programme team team, pleased to be able to engage and advise at all levels in the wide variety of situations and environments that switching impacts.

Laurasia has developed an effective switching service development and implementation tool-kit designed to fast-track and streamline the delivery of the client switching service assignments through the use of Laurasia's extensive range of proven switching service analysis and modelling tools, switching service regulatory frameworks, central clearinghouse tendering frameworks, switching process templates, detailed switching service and central clearinghouse technical/operational requirements specifications, implementation frameworks and plans, and public awareness/ education media and materials.

Laurasia has successfully completed a range of complex multi-stakeholder switching service implementation programme managment assignments around the world, including :-

- Nigeria – client – Nigerian Communications Commission;
- The Bahamas – client – Utilities Regulatory & Competition Authority;
- Haiti – client – CONATEL;
- Ghana – client – Vodafone;
- Kenya – client – Safaricom;
- Isle of Man – client - Manx Telecom;
- Trinidad & Tobago – client - TSTT;
- Jamaica – client - LIME

Cost Benefit Analysis

Cost benefit studies are often undertaken by regulatory authorities to either assess the viability or support decisions to introduce new switching services or enhance existing services, by determining whether the benefits likely to be gained from progressing switching programmes will outweigh the associated costs.

The introduction of centralized switching services involves significant costs, both one-time capital costs and ongoing costs. Understanding the level and structure of these costs is necessary both to measure those costs against the expected benefits to be obtained from the switching service, but also so that an efficient commercial framework can be established for recovering these costs.

Introducing or improving switching services would be expected to bring benefits to consumers and to the economy by increasing the level of effective competition within the services sector and market. As consumers are able to switch service providers without needing to change their service ID or account number, this increased level of flexibility in consumer choice is expected to spur the service providers to compete more effectively in terms of price, service quality, customer service, and innovation.

From the point of view of the effects on competition, switching would reduce the market power that service providers have due to the costs users would incur to switch suppliers. For an operator, the power to impose these transfer costs on consumers encourages them to raise prices above the competitive level, and thus enjoy a higher than normal profit, and therefore achieve less than competitive levels of production and efficiency.

Identifying switching service implementation and operational costs is relatively straightforward, for instance:

(1) One-time costs. They are the initial investments and expenses incurred for installing and implementing the switching service; and.

(2) Recurring costs. These are the additional costs incurred that are required for ongoing operations and maintenance of the switching service and systems. Within the recurring costs it is important to identify two categories of costs that are relevant mainly for cost recovery purposes:

• Additional costs for processing or delivering the service.

• Administration costs for every request to switch a service.

However, understanding the benefits from both quantitative and qualitative standpoints is an important first step, but it is in the measurement of the magnitude of these benefits for consumers of the services that is the most challenging aspect of any cost benefit analysis activity, requiring in-depth understanding of the service sector, but insight into the interpretation and application of benefit assessment approaches from precedent studies completed largely in telecommunications markets across the world over the past two decades.

The benefits from switching services typically are classified and then quantified as:

– Type 1A: Those users who switch even without the availability of the central switching service. The benefits include the avoided costs of account number or service identifier change (e.g. informing interested parties, service disruption)

– Type 1B: Users who only switch with the switching service. The consumer benefits by moving to a preferred service provider

– Type 2: All users. The benefit for these consumers is the stimulation of competition in the market

– Type 3: Interested parties. The benefit here is the avoided costs of finding changed account numbers or service identifiers

Economic cost benefit analysis requires a counterfactual to be defined. To assess the economic benefits of switching, it is necessary to assess whether the outcomes observed in the service/ market without switching would be different if switching is implemented. This entails estimating whether there is "sufficient demand" for switching and the likely switching behavior of consumers.

When measuring the benefits of switching, it is usual to develop a number of scenarios in order to provide a range for the size of the benefits (the numbers are illustrative purposes only):

- **Central base case:** a realistic scenario wherein churn increases by a reasonable amount based on benchmark research;
- **Best case:** an optimistic scenario for potential churn through switching;
- **Worst case:** a pessimistic scenario for potential churn through switching.

Since a cost-benefit estimate model is forward looking and there are risks of error associated with any forecast, it is critical the risks are assessed and mitigated through the carefully considered use of scenarios and sensitivities.

Laurasia has an in-depth understanding of the application of proven cost benefit analysis techniques and accepted precedent findings from other accepted studies into a wide range of different service sectors and markets. Laurasia follows on-going developments in the theory and global practices around assessing the feasibility and viabiliity of introducing or improving switching services across a range of service sectors and different markets, iin particular recent regulatory authority intepretations that position switching a fundemental consumer and human right, thereby negating the need for complex and lengthy cost benefit analysis studies.

Laurasia has been involved in undertaking challenging and complex switching service cost benefit analysis assignments in a number of different markets across the world, including, Nigeria, the Bahamas, Turks and Caicos etc.

Regulatory and Governance Services

Effective and robust governance is vital to ensure markets deliver on their aims for policymakers, regulators and consumers.

Laurasia and its associate consultancy team of more than 50 regulatory authority and service provider senior executives and specialists, have many decades years of experience of developing and implementing governance frameworks processes and procedures across the telecommunications sectors worldwide, and have recently embarked on projects in the energy and banking sectors.

We regularly work with Regulatory Authorities and Service Providers and are well-placed to advise on governance design issues such as the setting up of central market arrangements across different jurisdictions.

Our work on the governance of markets – from initial set up through evolution and transformation - means we have a deep understanding of best practice and what works well. We use these methods and tools to achieve consensus, often across many different stakeholders.

Laurasia regulatory and governance advisory services include:-

- **Regulation** – regulatory frameworks (including sector policy and legislation), the institutional development of regulatory bodies, authorisation and licensing, retail tariff regulation, universal service policy and strategy, mobile money/ banking regulation and the development of type approval regimes;
- **Access & Interconnection** – the drafting and review of regulatory guidelines and Reference Offers for network interconnection, wholesale access delivery options and regulatory frameworks and development and regulation of Local Loop Unbundling,;
- **Retail and Wholesale Pricing Regulation** - development of cost models and accounting separation methodologies for the regulation of wholesale tariffs and development and delivery of effective wholesale and retail price regulation to drive sustainable competition;
- **Next Generation Networks** - the development and implementation of effective licensing regimes to address the growth of NGNs, determining interconnection and access rights and responsibilities as they apply to NGNs, assisting NGN operators and users with ensuring regulatory compliance, and advising development agencies and others on the use of NGNs as a tool for economic development;
- **Numbering** – the creation and optimisation of National Numbering Plans, and the development and implementation of successful frameworks to support Number Portability, and development of best practice approaches to the delivery of effective SIM registration programmes;
- **Spectrum Management –** the development of radio spectrum policy and the implementation of systems to effectively manage, optimise and monitor spectrum use to support the delivery of leading edge high-speed mobile services**;**

- **ICT Development –** policies for the use of electronic communications networks as a tool for supporting regional development, designing and supporting the implementation of Open Access Networks, and the development of Universal and Rural Service schemes for boosting teledensity in unserved areas;

- **Mobile Payment/ Money –** development of effective and robust regulatory and licencing frameworks spanning financial services and ICT regulatory responsibilities, creating tailored operational and service delivery structures and supporting multi-stakeholder service implementation and launch programmes;

- **Regulatory Excellence –** advising on global best practices in economic and technical regulatory strategic thinking, organisational structure and delivery excellence;

- **Competition Assessment –** undertaking complex market assessment of competitive drivers and positioning, and providing advice on strategic regulatory initiatives to optimise sustainable competitive economic and consumer benefits;

- **Training –** providing a broad range of specialist training courses covering a broad range of regulatory and operational subjects/ areas, balancing leading edge thing, global best practice with actual experience from across the world; and

- **Technology –** advice on current and future mobile, fixed and convergent telecoms technological thinking, developments and evolution from across the world, through access to global leading edge technology providers and experiences shared from operators, large and small.

Recent Governance and Regulation projects include:

- Undertaking a detailed revenue assurance audit in a West African country to assess the effectiveness of revenue and traffic monitoring across all licenced service providers to ensure full compliance to taxation purposes;

- Undertook a detailed review and re-design of the statutory separated accounting framework for an European telecoms operator to ensure full compliance to national and EU regulations;

- Updated the reference interconnection and service unbundling frameworks mandated for an European telecoms operator to meet revised national and EU regulations.

Commercial/ Go To Market Advisory Services

In today's market, which is being driven at pace by advancements in technology and digital media as well as a shift in consumer expectations, retaining, growing and satisfying customers is key to business success. Laurasia can add significant value in customer sales, service and retention by helping our clients (i) improve the way they sell to their customers to increase profitability and enhance the customer sales experience and (ii) serve and retain their customers in the most effective and efficient way, whilst improving customer satisfaction.

Laurasia also has experience in delivering communications strategies for both suppliers and regulators – covering education, promotion and awareness campaigns - key to the successful delivery of new national initiatives.

Our experience shows that the service provider who benefit from the switching are those which have defined and executed a clear switching Go To Market strategy :-

- Clearly identifying key retention, acquisition and sacrificial customer segments – experience shows that successful operators cannot appeal to all customer types;
- Identifying and executing effective target customer engagement tactics;
- Identifying and establishing ownership of key switching brand positioning/ differentiation, i.e. through quality, value, innovation positioning promising a better experience or encouraging joining a better and bigger family etc.;
- Developing compelling switching retention and acquisition proposition roadmap;
- Establishing clear switching Championship boosting brand awareness with the public;
- Developing and executing an effective switching "Go To Market" ATL/ BTL strategy, leveraging brand, channel and service strengths; and
- Establishing and managing effective retail and channel "streetfight" tactics and activities to drive switching demand and grow market position.

Experience from across the world shows the importance of structured and targeted commercial readiness preparation to enable service providers to optimize market position, both strategically and tactically, ahead of the launch or re-launch of new or enhanced switching services. Switching is merely an enabler to make it easier for customers to move from one service provider to another. However, service providers must create attractive and sustainable commercial, marketing and operational propositions, which drive demand for switching.

Laurasia is experienced in helping service providers ensure the switching processes and rules are negotiated to best suit their business and operational interests and to prepare all aspects of their business operations to gain the maximum benefit from the switching service.

Laurasia is proud to have advised service providers in Russia, Africa, Europe and the Caribbean boost their market positions following the launch of national switching services, for instance we helped :-

- A West African telecoms operator successfully establish public switching championship and develop and deliver an aggressive customer acquisition strategy to move from number 3 to number 2 in their market, supported by mobile number portability;
- A leading East African telecoms operator successfully safeguard its market dominance through an effective defensive strategic campaign to mitigate determined competitor attack of high value customers through mobile number portability.