

# GEA Forecasting Manual

## Issue 2.0 – August 2017

This is an Openreach ancillary document. It contains important information about Flexible Appointments which our customers ("you") need to understand.

Its contents (unless highlighted in grey) including diagrams, tables or other illustrations (unless marked "for information purposes only") form part of our GEA contract (as published on the Openreach portal at:

<https://www.openreach.co.uk/orpg/home/products/super-fastfibreaccess/contracts/sffacontracts.do>

with you. As we introduce or withdraw product features, or otherwise develop our services, we will make changes to this document in line with the change process for ancillary documents in our GEA, LLU and WLR3 contract.

It refers to various pages on the Openreach portal and Openreach price list, many of which require you to log in to the portal first, to view the links.

## 1 Introduction

The aim of this Forecasting Manual is to provide Communications Providers (CPs) with guidance on the procedures in place for Appointment Availability Service Level Agreements (SLAs) for appointed orders, specifically, it covers the following:

- Forecasting rules for those CPs who need to submit forecasts.
- Rules for those CPs who are not required to forecast but will receive SLG payments.
- Proactive SLG payments.

The products currently in scope are appointed GEA-Fibre to the Cabinet (GEA-FTTC), Managed Install, PCP only GEA-Fibre to the Premise (GEA-FTTP) orders. Any SLG payment only applies to completed orders (KCI3 generated).

## 2 Forecasting Principles Overview

The purpose of forecasting is to enable Openreach to resource adequately to meet forthcoming order volumes and to onward provide suppliers with forecasts and advance orders. In turn, this gives CPs the confidence that Openreach has the ability to provide service in a timely manner.

The forecasting process addresses the objectives of forecasting on two fronts:

- Firstly it provides CPs with the opportunity to declare anticipated order volumes; and
- Secondly, it provides Openreach with information so that it can aim to deliver service in accordance with the SLA.

## 2.1 Business Rules

This section details the business rules that have been applied to the Openreach design that will be used to calculate the SLA and applicable SLG payments based on lead time availability for completed orders.

- The day an order is placed (KCI1 sent) is day zero for the purpose of appointment availability calculations.
- Days are calculated as working days (based on published local working day calendar).
- Appointment availability SLG is only paid on the first appointment of an order.
- Appointment availability SLG applies to the following order types: GEA-FTTC Managed Install, GEA-FTTP, FVA and PCP only (All Day and AM/PM including FTTC – Street Access).
- Orders out of scope of the Appointment Availability SLG are: Flexible Appointments and GEA-FTTC Starts,
- Orders in the following Highlands and Islands areas are excluded from the Appointment availability SLG: outer Isles of Shetland, Outer Orkney, Rum, Canna, Eigg, Muck, Colonsay, Coll, Jura, Islay and Tiree
- Northern Ireland is currently out of scope for the Appointment availability SLG, although Openreach plans to include this area as a new region at a future date.
- Where non-working days are offered free of charge to reduce lead times and this is the earliest appointment available, then these will be regarded as a legitimate Working Day when calculating if the appointment is being offered within the SLA. However, where there is no availability on these non-working days, they will not be counted as counted as part of the appointment availability calculation. For example:
  - Order is placed on Monday 1 February. An appointment requested and the first Working Day available is 19 February (14 Working Days after 1 February). Openreach offers Saturday 13 for an available appointment. This would be regarded as within a 10 Working Days Lead-time (as it is 10 Working Days from the 1st albeit the actual day is not a Working Day).
  - If however there is no availability on Saturday 13 February then the Lead-time will not count the Saturday and will still be 14 Working Days, not 15.

### 2.1.1 Payment of the SLG:

- Where no appointment is available between day 0 (order placement with a minimum lead time of 3 working days) and the end of day 13 for GEA-FTTC and day 19 for GEA-FTTP/FVA at the time of reservation an SLG is payable after order completion.
- If an MBORC for provision is declared after KCI2 any appointment availability SLG due for that order remains due.
- If appointment availability SLG is due at order placement it will remain due even if address quality subsequently drives a later appointment date.
- If the order is confirmed with an appointment date at KCI2, SLG for appointment availability will apply, even if the appointment is subsequently removed by Openreach through visit reductions processes.
- If Openreach planning requirements drive an appointment beyond the SLA (KCID), then an SLG is payable.
- This places a responsibility on CPs to place the correct order type.

### 2.1.2 Non-payment of SLGs

- If an appointment is available between day 0 and the end of day 13 for GEA-FTTC and for day 19 for GEA-FTTP/FVA at the time of reservation no SLG is payable, whether or not that appointment is used.
- If an MBORC for provision is already in force when an order is placed or is declared before KCI2 is sent then no appointment availability SLGs are payable.
- Where Openreach confirms that no appointment required at KCI2 no is SLG payable.
- Where Openreach removes the appointment before KCI2 and the order is then reappointed by the CP then no appointment availability SLGs are payable.

## 3 Forecasting: Communications Provider's Responsibilities

### 3.1 CPs Required to Forecast

CPs that meet the criteria set out in this document will be required to provide a forecast. Failure to provide a forecast will result in a withdrawal of the relevant Appointment Availability SLG payment from those CPs. Forecasting CPs shall send the completed forecasting template to [slg.forecast@openreach.co.uk](mailto:slg.forecast@openreach.co.uk).

The criteria for a CP is that a single Group company, or a combination of legal entities within the same groups place a total of 500 valid provision orders per week (measured as an average over the previous quarter). The variants of the service required to be monitored are:

- Total GEA-FTTC Orders
  - GEA-FTTC Managed Install (with or without Openreach Modem).
  - PCP only - All Day and AM/PM (including FTTC – Street Access).
- Appointed GEA-FTTP orders
- Appointed FVA orders

**CPs are formally required to monitor their order threshold to calculate when they will be required to place forecasts to Openreach.**

Openreach may change the order types that CPs are required to forecast from time to time, in agreement with the OTA and industry.

Appointed orders are the orders for which there is a field engineering visit planned including those where the engineer solely visits the street cabinet (PCP). Appointed orders do not necessarily mean New Provide type of orders but exclude Repair.

### 3.2 Forecast Information should have the Below Characteristics:

- The national forecast will be separated into 27 forecast areas (includes Northern Ireland). A mapping of Openreach exchanges to these 27 forecast areas will be provided in the Forecast Input Template.
- Openreach will provide a template covering 27 regions to allow CPs to include Northern Ireland should they wish to in advance of its formal introduction as a mandatory Region. The forecast should be laid out on a weekly basis. The weeks are defined according to the definition provided in the forecast input template (CSS weeks.) If CPs wish to provide a forecast in calendar months, then they may do so using the Calendar Month Converter included in the Forecast Input Template however it should be noted that forecast accuracy will be based on the CSS months accumulated from the CSS weekly input from CPs.
- GEA-FTTC Orders include the below order types:

- New provide – Managed Install
- New provide – PCP only – all day, AM, PM
- GEA-FTTP

### 3.3 Definition of Net Demand for Forecasting Purposes

The forecast information should be after anticipated cancellations and recorded in the week that the orders are expected to be placed (rather than completed). This metric is called "Net Demand". It is calculated as "Placed Orders" for a given week less all Cancellations that are related to the same Placed Orders. Measurement of Net Demand will be carried out on the 6th Working day of the following month (i.e. 6th Working Day of June for April's orders) to allow orders to be closed.

Openreach will provide to the CPs a detailed analysis and raw data about their actual orders since April 2014 so that the CPs can use this information as an input to their forecasting models. At the end of each calendar year Openreach will amend the data period to remove the earliest year's information. Every month, Openreach will provide the below data parameters for provision actuals for each product (GEA-FTTC, GEA-FTTP), by CSS week to each notified CP:

- Total Placed Orders.
- Total Placed Orders for Managed Install
- Total Placed Orders for PCP only.
- Total PCP only Orders – split by all day, AM and PM
- Total Cancellations
- Total Cancellations on Managed Install Orders
- Total Cancellations on PCP Orders – split by all day, AM and PM
- Net Demand for All Placed Orders
- Net Demand for Managed Install Orders (a derived figure from second and fifth bullet points) – BASIS FOR SLG PAYMENTS.
- Net Demand for PCP only Orders – BASIS FOR SLG PAYMENTS
- Total Completed Orders.
- Managed Install Completed Orders
- PCP only Completed Orders

Each forecasting CP and Openreach should have a monthly review session to review the actual forecast accuracy against previous forecasts to jointly identify areas of improvement. This will occur from month 6 onwards of the forecasting process. CPs will also review any new forecast with Openreach before it is submitted to enable joint insight and understanding prior to submission. CPs should provide their forecasts in the agreed template no later than the first day of each month. E.g. Forecasts for the period October 2017 to March 2018 must be submitted by 1 October 2017. Openreach will provide the forecast template to each forecasting CP.

### 3.4 CPs not Required to Forecast

Where a CP does not meet the criteria, they are not required to forecast but will still be entitled to the Appointment Availability SLG.

All CPs are formally required to monitor their total GEA forecast threshold level (500 orders per week) to calculate when they will be required to place forecasts to Openreach.

### 3.5 Forecast Schedule Dates

CPs will submit forecasts covering the subsequent 6 months on a rolling quarterly basis. Forecast accuracy will be calculated on months 4-6 of the submitted forecast. Because a submitted forecast in month 1 will lock down the forecast for month 4, CPs can submit an update to their forecast at the beginning of each month

(allowing them to adjust month 5 and 6 if they wish.) The reason for 3 months lead time for forecast accuracy calculation is the need for Openreach to plan and act on capacity/ resource planning at regional level. To give an example:



- At the beginning of January, a CP provides the 6-monthly forecast covering the volumes from January to the end of June.
- The provided forecast will be binding for the CP for the month of April (3 months' notice requirement.) May and June forecasts will not be binding but it is an input for Openreach to understand the future resource requirement.
- If the CP's forecast for April changes any time during January and March, Openreach would like to know that and, in good faith, will try to accommodate the new forecast by changing the resource planning accordingly. However, the forecast accuracy of the CP will still be calculated according to the forecast provided back at the beginning of January.
- CPs are advised to update their forecast at the beginning of each month. Suppose the CP updated the forecast at the beginning of February. This forecast will be binding for the month of May (3 months' notice requirement.)

Forecasts must be provided on:

- 7 January in respect of Orders in the months January to June inclusive;
- 1 April in respect of Orders in the months April to September inclusive;
- 1 July in respect of Orders in the months July to December inclusive; and
- 1 October in respect of Orders in the months October to March inclusive.

Openreach will publish a submission timetable but a typical calendar month will work like the below:

Activity	Work Day after end of month
CP to provide 6 months forecast at the beginning of each quarter	WD1
Openreach to provide update file of actual data	WD8
Joint review of provisional* forecast accuracy in prior month and agree any changes in approach	WD12
CP to provide submission of new forecast	WD17
Joint review of new forecast	WD19
Submission of exceptional forecast	1 <sup>st</sup> of Next Month

## 4 Forecasting Accuracy - Calculations

Forecast accuracy will be calculated as a comparison of two numbers:

- Forecast Net Demand for Total Managed Install and PCP only Orders (shown as X).
- Actual Net Demand for Total Managed Install and PCP only Orders (shown as Y).

The formula:

$$\text{Forecast Accuracy Tolerance (\%)} = (Y-X) / X$$

Measurement will be taken against the 26 forecasting regions (excluding Northern Ireland). While forecasts will be collected in weeks, forecast accuracy will be measured based on CSS months according to the calendar within the CP Forecasting Template where a month may be 4 or 5 weeks and will end on the last Friday of the calendar month.

- The Forecast Tolerance which CPs are required to meet will be +/- 10% (

For example:

- A CP provides a forecast covering June to November 2015
- This forecast contains a Net Demand for Managed Install and PCP only orders for Region 10 in September of 10,000 orders.
- The last Friday in September is 25 September. The last Friday in August is 28 August. Therefore September comprises the 4 weeks from 1 September to 25 September.
- Let us assume that Actual Placed Managed Install and PCP only Orders in the weeks that comprise September are 12,000.
- Forecast accuracy is measured on Working Day [6] of the following calendar month. In this case the measurement is taken on Thursday 8 November 2016. At this point, 1,500 of the 12,000 appointed placed orders in September have been cancelled.
- Actual Net Demand for Managed Install and PCP only is therefore  $12,000 - 1,500 = 10,500$  orders.
- Forecast accuracy tolerance is therefore  $(10,500 - 10,000) / 10,000 = +5\%$ . The forecast accuracy is therefore within the tolerance and SLGs for appointment availability are payable.
- If in the same month, another CP has a forecast of 10,000 but actual orders are 9,500 of which 1,500 have been cancelled. The Net Demand with visits is 8,000. In this case the accuracy is  $(8,000 - 10,000) / 10,000 = -20\%$ . This is outside the allowed tolerance so SLGs for appointment availability are not payable in this case.

**If a CP is within the specified tolerance level in a specific geographic region level, then Openreach will apply the Appointment Availability SLG if Openreach fail the SLA in that region.**

## **5 If a CP is outside the specified tolerance on in a specific geographic region level, then Openreach will not apply the Appointment Availability SLG for that region Billing**

The SLG payments for appointment availability payable for the products consumed will be calculated and credited directly on to your GEA invoice.

A Tactical solution will be initially implemented and payments will be calculated using the First Available Date measure extracted from our Management Information Systems.

If a forecasting CP's forecast falls outside the tolerance levels, the payments will be £0.

CPs can follow the existing process for registering appeals for non-payment of SLG.

## **6 Contact Information**

The forecasts should be sent to ([slg.forecast@openreach.co.uk](mailto:slg.forecast@openreach.co.uk)) at the beginning of each month. The questions can be directed to the same email addresses. Non-forecasting CPs can direct their questions to the relevant Openreach sales and relationship managers.

## **7 Document Control**

Issue	Date	Author	Reason
Version 1	01/01/2015	Brett Smithers	1 <sup>st</sup> Issue
Version 2	29/08/2017	Richard Gill and Tracy Fenton	General update and changes to be make the document an ancillary document (uploaded in February 2018)