

Enhanced Commercial Impact Assessment

Training for TSC chairs and secretaries

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Objectives for today

- Present the enhanced Commercial Impact Assessment (CIA) Tool and Process including:
 - Background
 - Enhanced process
 - CIA tool and definition of a key change
 - Roles and responsibilities
 - Support provided

Outcomes for today

- Understand the key enhancements made to the governance process to accommodate commercial assessment
- Awareness of the CIA toolkit
- Understand the importance of checking that good quality governance deliverables have been produced
- Understand your role and responsibilities

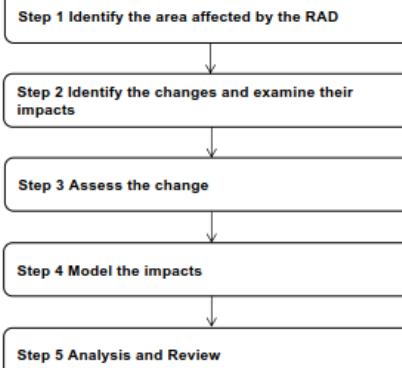
Background

Problem statement and impact

Estimating cost implications of RADs

[DRAFTING NOTE: This section shall be updated based on the findings of a specific task to review]

Annex 1D **Cost impact toolkit**



[DRAFTING NOTE: This annex will be reviewed in the near future]

Step 1 – Identify the Area Affected by the RAD

Technical authors shall identify and assess the area affected by the RAD so that the total cost of the impact can be evaluated.

The cost impact of implementing specific requirements within a RAD depends on the nature of additional or reduced activity required and the timing and contractual arrangements within which the requirement is to be implemented. For example, a requirement that is implemented by a Managing Agent Contractor or Agency Support Contract, and which involves additional costs, can be incorporated into a 'scheme' with Highways England bearing the costs.

Changes to RADs can affect individual DBFO contracts differently. For example; the Tranche 1 and 1a DBFO contracts have RADs fixed at a point in time and any change to a RAD could have cost impacts; the Tranche 2 DBFO contracts accept new or changed RADs based on a step change procedure, which could also have cost impacts; the M25 DBFO contract uses current RADs, with cost impacts considered if more than a certain sum.

Impact Assessment Matrix: Design & Construction

Impact Assessment Matrix: Routine maintenance and operations

Cost Impact Toolkit - Impact Assessment Matrix: Routine Maintenance and Operations

This impact assessment matrix is applicable to the day to day work of the Service Providers in the Network Delivery and Development (NDD) areas. (Example shown)

The current process for assessing the commercial impact of standards is insufficient

What we want to achieve

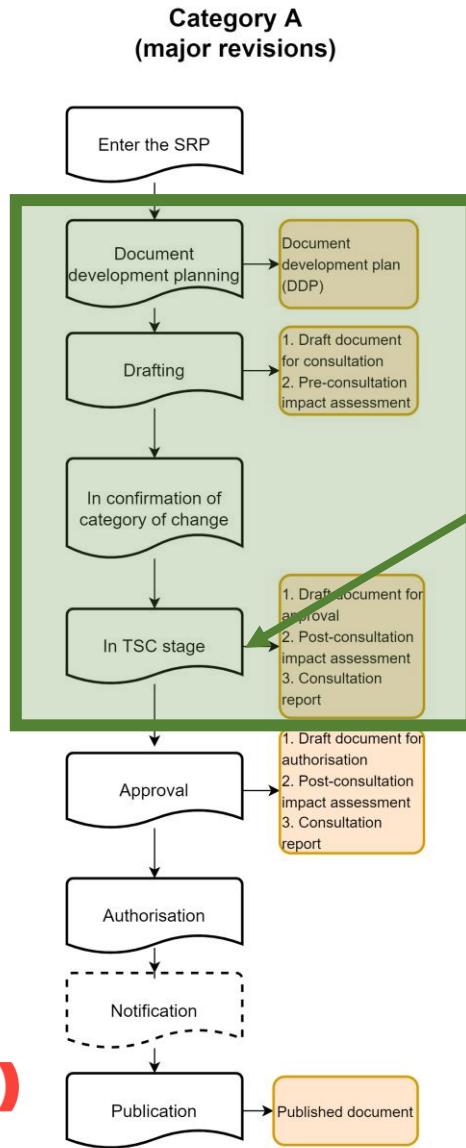


Improve process and tool for assessing cost implications to help
Technical authors provide what is really needed and support
Commercial in quantifying the impact, therefore:

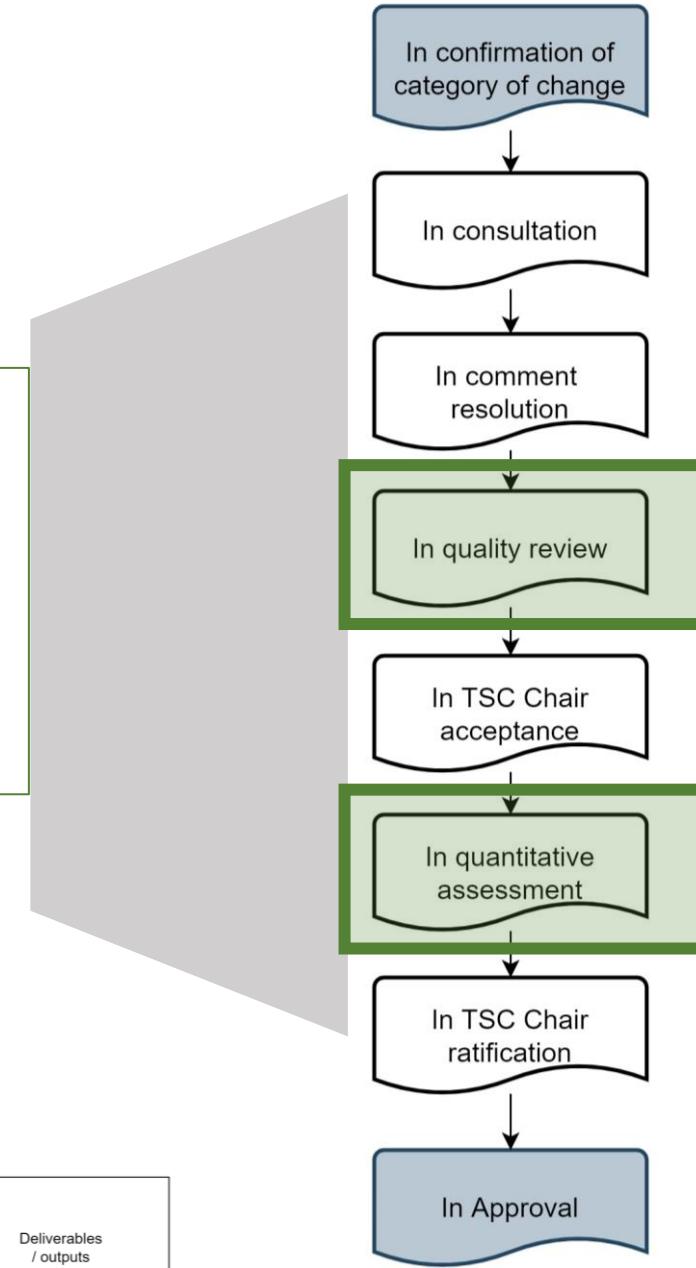
- Enhancing quality of the outcome
- Avoiding rework by assessing impact at the right time
- Matching to knowledge & expertise
- Demonstrating affordability and support decision making

Enhanced process

Governance process: overview



TSC stage has been split into relevant sub-stages to formalise / reflect what is happening in reality and share commercial considerations at the right time

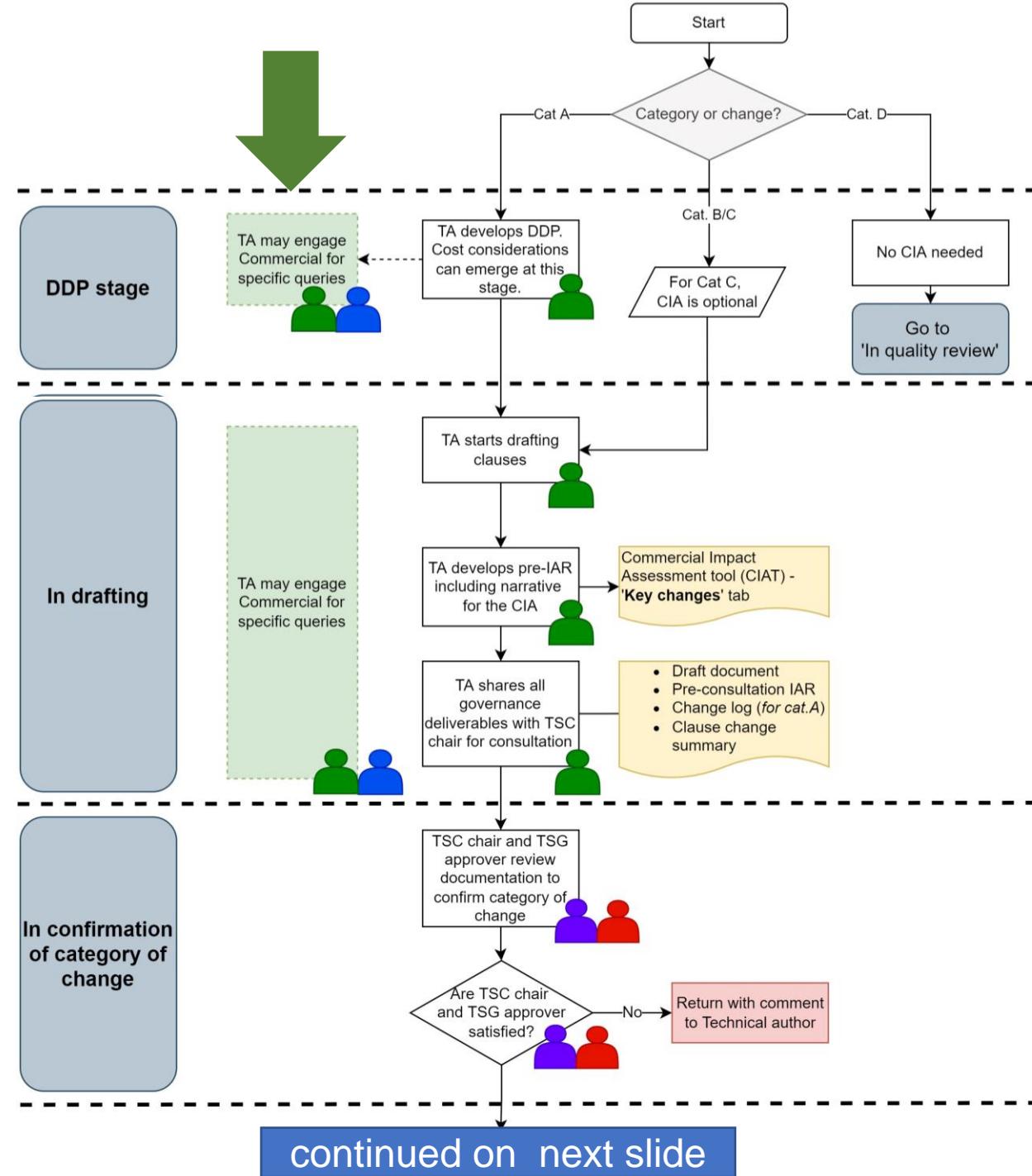


Process (1 / 4)



Acronym Decoder

CIAT – Commercial Impact Assessment Toolkit
 DDP – Document Development Plan
 IAR – Impact Assessment Report
 TA – Technical Author
 TSC – Technical Standards Committee
 TSG – Technical Standards Group (formerly TAGG)



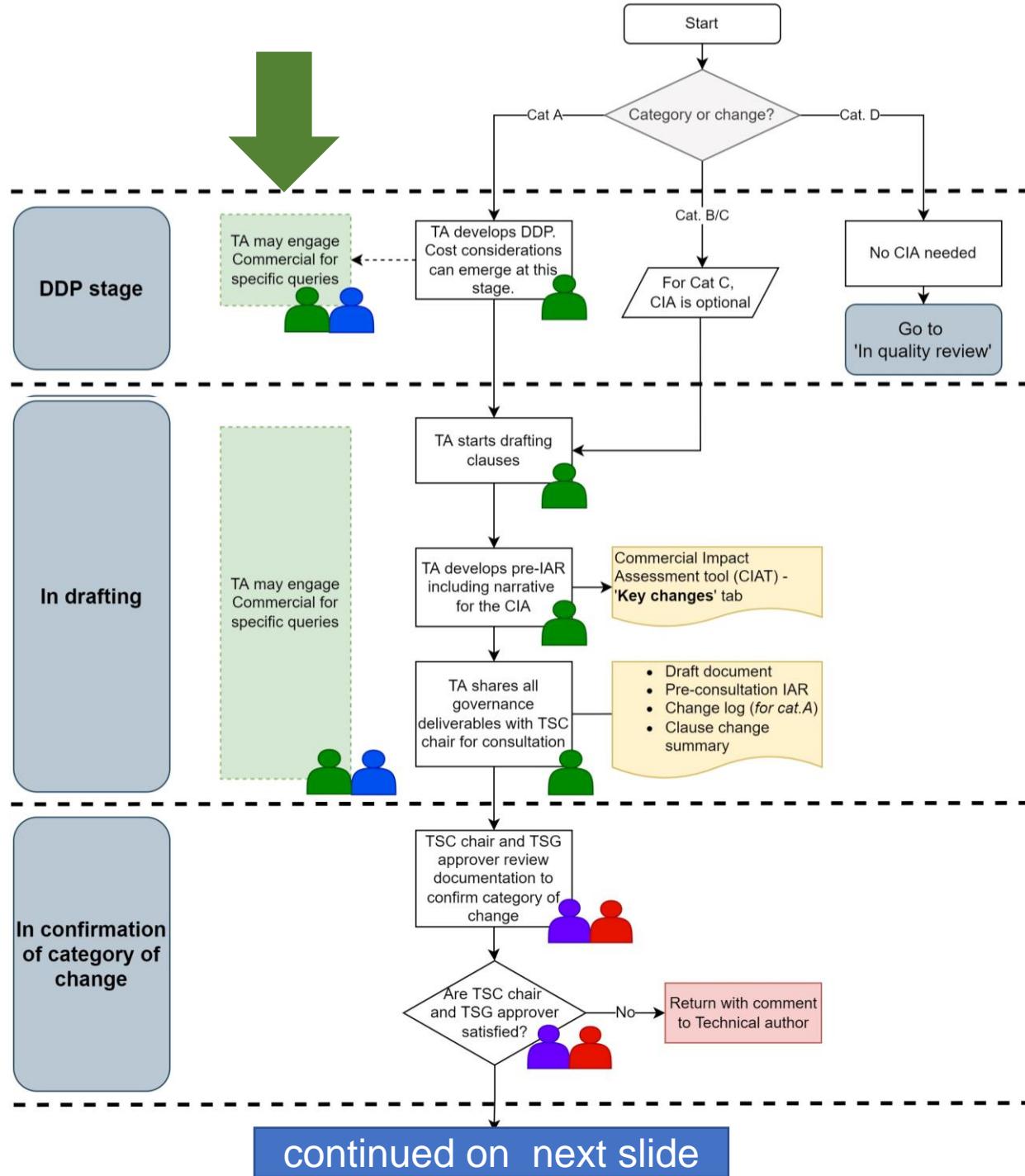
Process (1 / 4)



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TSC chairs to check that the TAs have produced a suitable **qualitative assessment** during drafting using the 'Key changes' tab in the commercial CIAT.



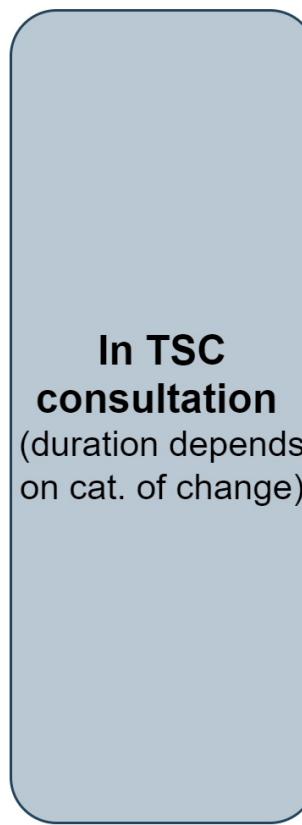
Process (2 / 4)



Acronym Decoder

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Commercial will comment on qualitative impact assessment and **share potential risks and contractual implications** during 'TSC consultation'.



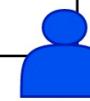
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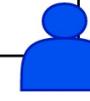
TSC consultees review and comment on the document and pre-IAR



Commercial team review CIA 'Key changes' tab.



Commercial team comment on the qualitative assessment and share identified risks.



Commercial team share outcome during the consultation period



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Process (3 / 4)

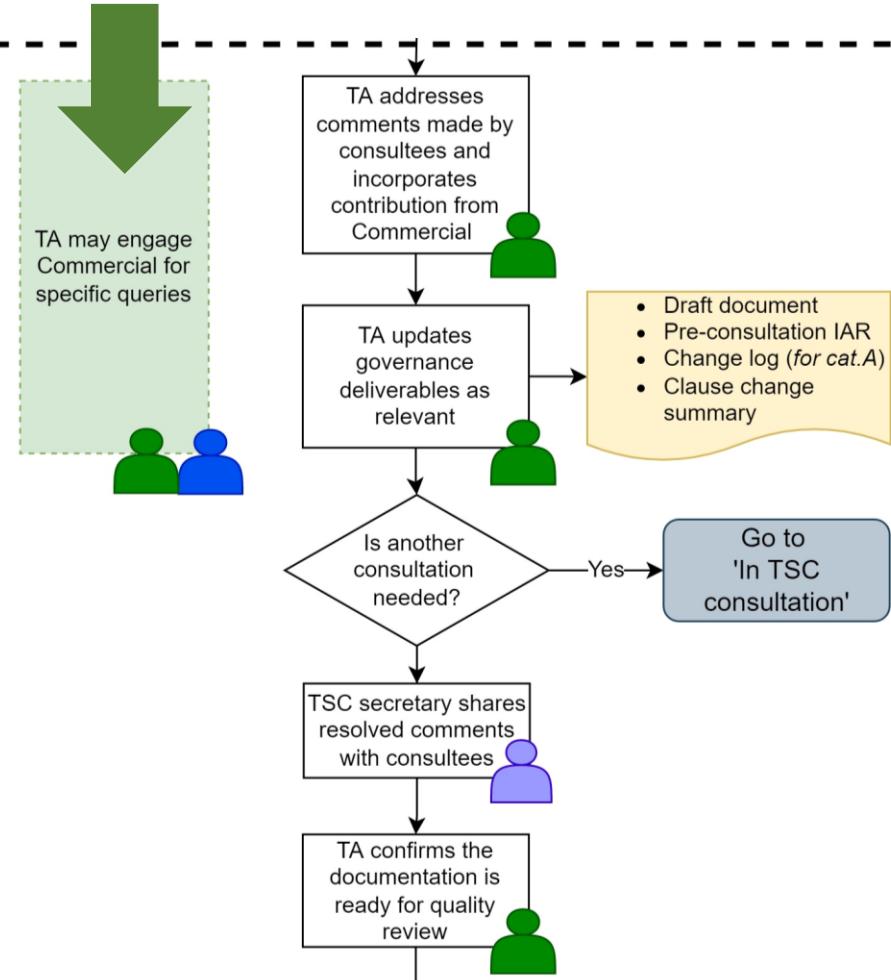


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In comment resolution



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Process (3 / 4)



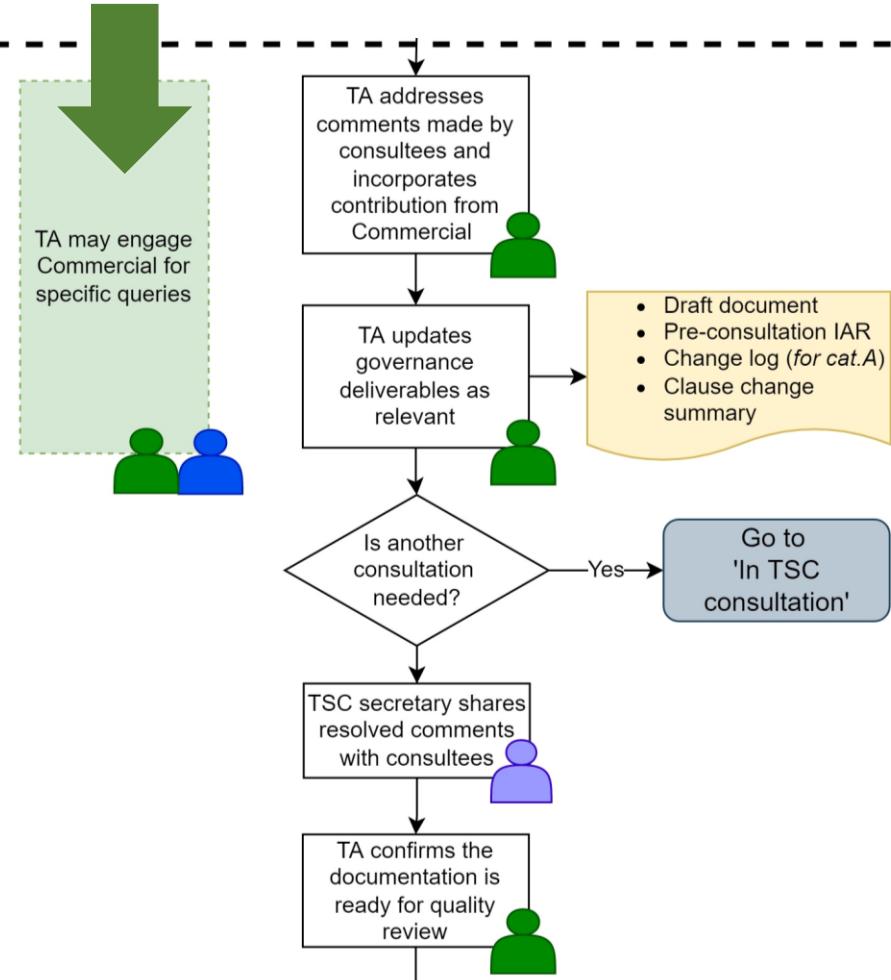
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During '**Comment resolution**' stage, TSC chairs shall check that the TA has **addressed all comments** properly, **updated all governance deliverables** accordingly and that the **change log** (cat. A changes) is complete.

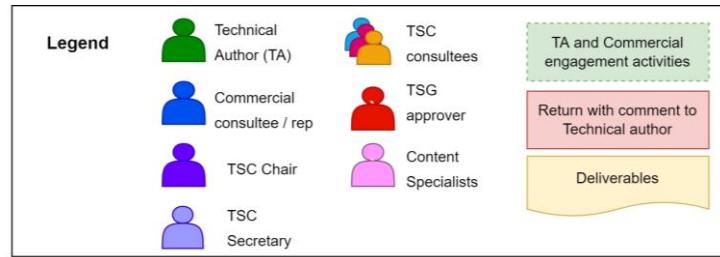
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In comment resolution



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Process (4 / 4)



Acronym Decoder

CIAT – Commercial Impact Assessment Toolkit

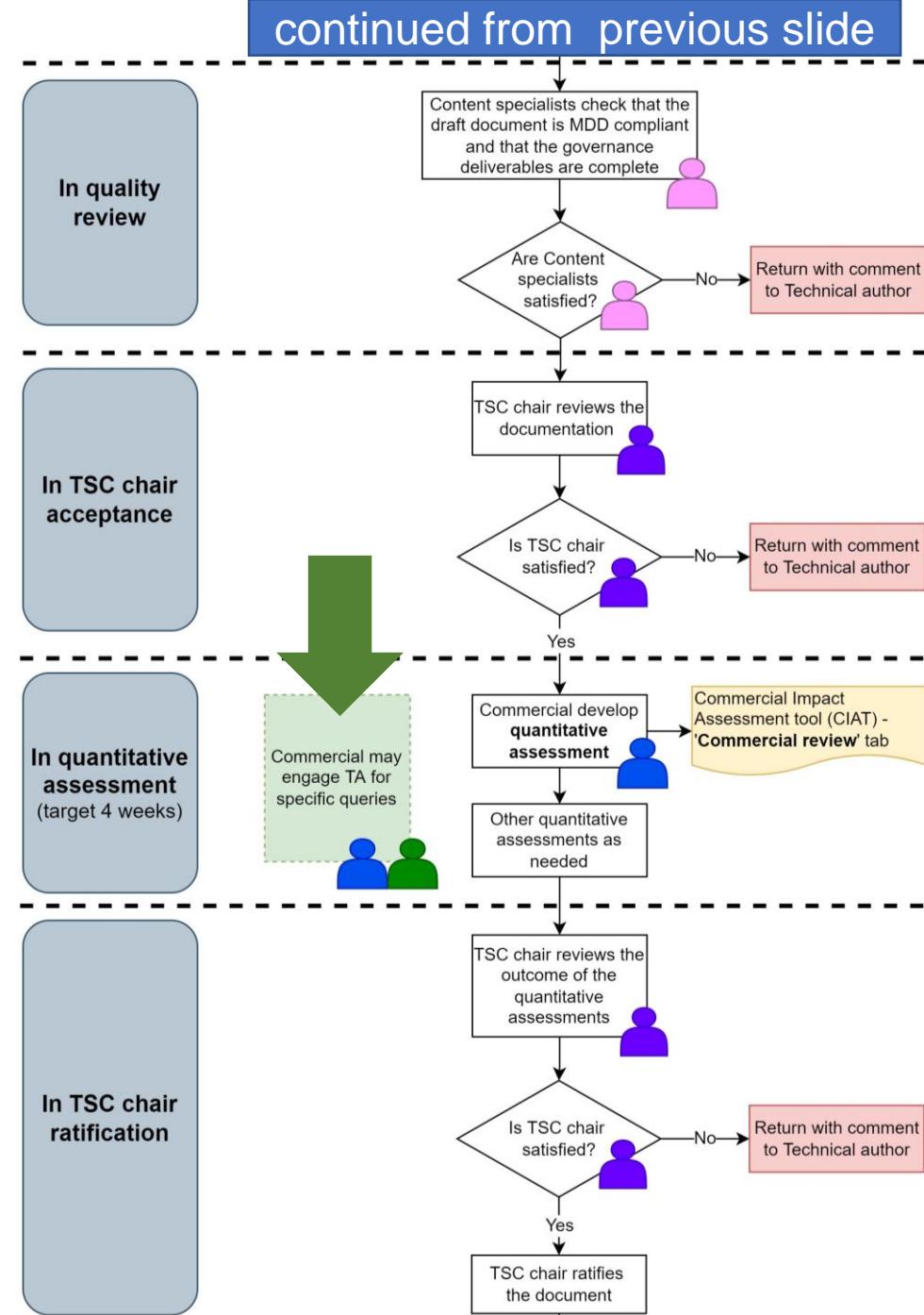
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Process (4 / 4)



Acronym Decoder

CIAT – Commercial Impact Assessment Toolkit

DDP – Document Development Plan

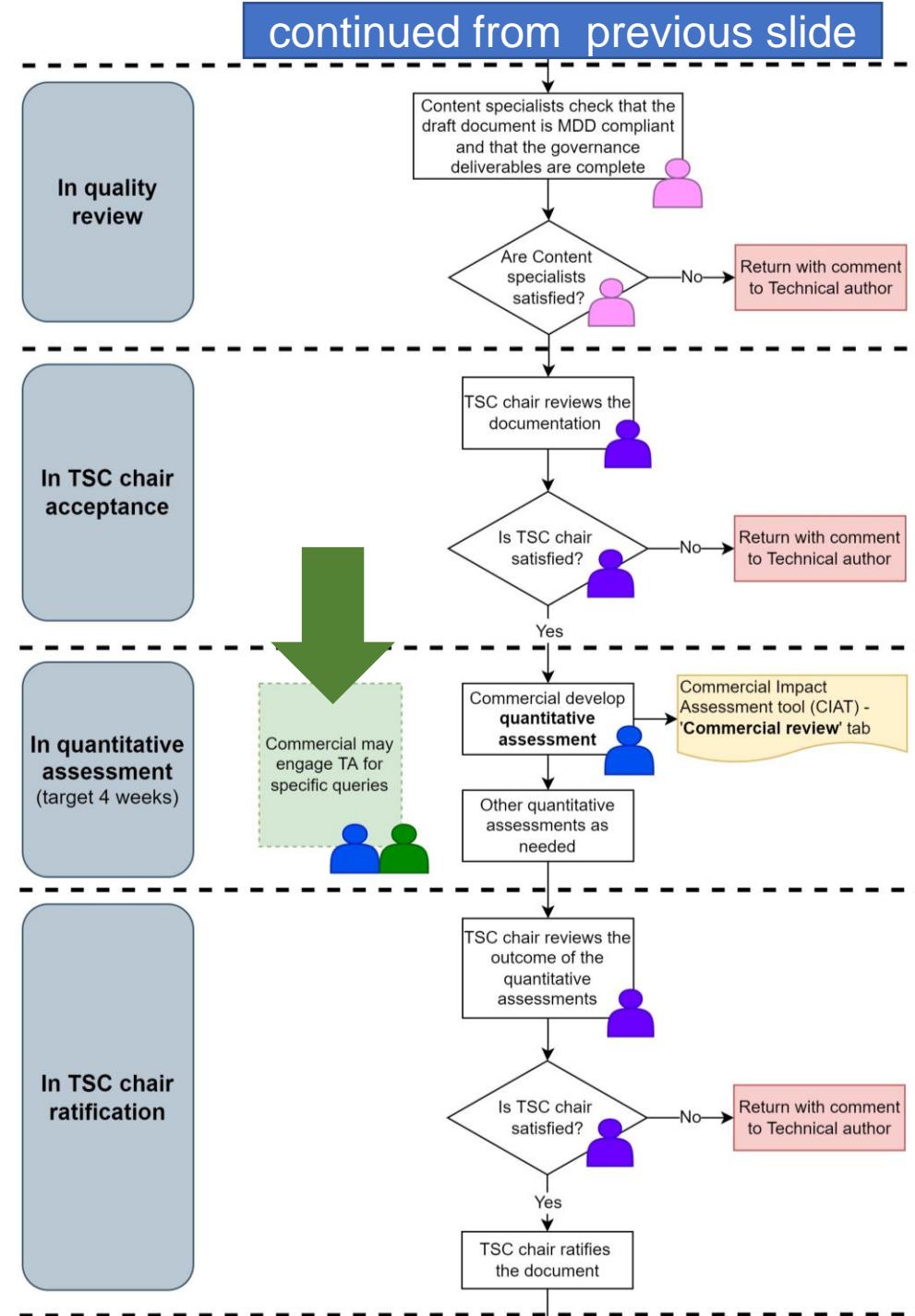
IAR – Impact Assessment Report

TA – Technical Author

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TSC chairs shall review and accept documentation to proceed to quantitative assessment and shall then review the assessment itself, flagging instances where the quantitative assessment provides figures not foreseeable before.



Key takeaways on the process

1. During '**Drafting**', Technical Author shall produce a qualitative cost assessment.
2. The **TSC stage split** into relevant sub-stages to formalise / reflect what is happening in reality and share commercial considerations at the right time.
3. During '**TSC consultation**' Commercial shall comment on qualitative cost assessment and share potential risks and contractual implications.
4. During '**Comment resolution**' stage, Technical Author shall review commercial considerations and finalise the change log (cat. A changes).
5. During '**Quality review**' stage, Content specialists shall review documents for MDD compliance to provide Commercial with a stable draft for quantitative assessment.
6. During a new stage '**In TSC chair acceptance**', TSC chairs shall formally accept drafts for quantitative assessment.
7. During a new stage '**In Quantitative assessment**', Commercial will produce a quantitative cost assessment based on a stable draft.
8. TSC chairs will ratify the documents to proceed to approval **at the end of the stage 'In TSC chair ratification'**.
9. Technical authors may **engage Commercial** during DDP, drafting and comment resolution stages.
10. Technical authors may be **engaged by Commercial** during consultation and quantitative assessment.

Enhanced tool for commercial impact assessment

- Introduction
- Key Changes Tab – Technical Author Input
- Commercial quantification Tab – Commercial input
- Outcome

What Technical Authors need to do

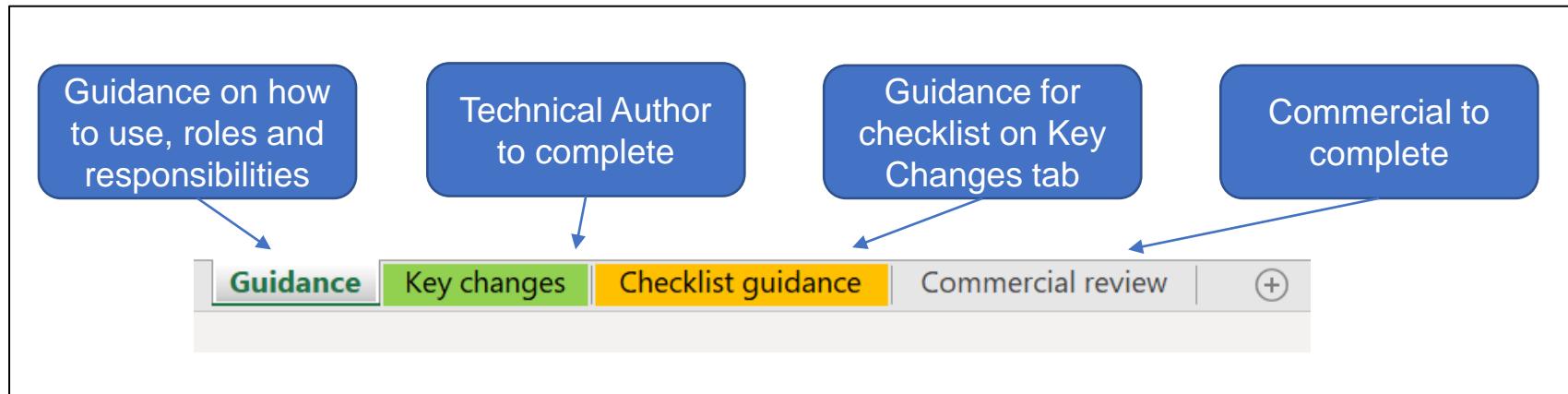
- Technical authors will use the commercial impact assessment toolkit (CIAT) to develop a **qualitative assessment**, which focusses on the **identification and description of 'key changes'** based on their technical knowledge.
- The CIAT provides an **intuitive and consistent framework** to define key changes.

What is a 'key change'?

- In this context a 'Key Change' is **something that is different from what is done in current industry practice** and which may have commercial implications.
 - For example, updates to existing standards may be made to incorporate established practice on the network, which therefore do not have significant cost implications (in practice it was already implemented).
- If there is any uncertainty whether or not a modification is a Key Change, it should be included.

Commercial Impact Assessment Toolkit

- Excel spreadsheet made up of the following tabs:



To be used for categories of change A and B.

(Category C is optional)

Key Changes Tab

Technical Author Input

Key changes tab

Click +/- to hide / expand rows

Populate these cells

Red – incomplete
Green - complete

Count of number of key changes

Key changes (to be completed by Technical Authors)								
Overview	Description							
Document code:								
Document title:								
Category of change:								
Implementation considerations								
No.	Key Changes	Comments - Context and Impact	When will the impact be seen - frequency	When will the impact be seen - duration	Specific conditions for impact to be seen	Base unit	Comment on the base unit	Other Data or Information
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Additional information on cat. A/B changes

- When dealing with cat. A changes (major rewrites or new document developments), it is essential to develop a complete **change log**.
 - Key Changes may be hidden when an entire document is updated or created.
- When dealing with cat. B changes (changes to requirements), it is essential to develop a complete **clause change summary**, which will show all changes made and the background to those changes.

Benefits



- ✓ Supports TAs providing applicable and useful information to Commercial
- ✓ Doesn't duplicate information elsewhere
- ✓ Consistent structure and easy to export for reporting purposes

Commercial quantification Tab

Commercial input

Commercial tab

- The quantitative assessment shall be undertaken by the Commercial Team.
- The Commercial tab shall be completed along with additional evidence.
- Other Directorates may be consulted to share information on contractual matters.

Commercial assessment (to be completed by Commercial)		
Annual cost implications		Assessed value based on identified changes <small>(engagement with Technical Authors may be needed to collect evidence)</small>
		Evidence to back up assessed benefit value
Capital annual average cost benefit [capital impact on capital budgets through major projects] (£):		
Maintenance annual average cost benefit [maintenance impact on revenue budgets through increased/decreased routine and non-routine maintenance] (£):		
Operations annual average cost benefit [operations impact on revenue budgets through day-to-day operation of the network] (£):		
Considerations on potential impact on contracts		relevant to PM and programme managers
Additional comments by Commercial		

Navigation buttons: < > Guidance Key changes Checklist guidance Commercial review +

Key takeaways on the Commercial Impact Assessment Tool

1. Technical Author will produce a **qualitative cost assessment** using the CIAT.
2. Commercial will produce a **quantitative cost assessment** based on a stable draft and the information provided in the CIAT.
3. **Change log** (cat. A changes only) and clause **change summary** (Cat. B & C changes) will play a key part in the quantitative cost assessment.

Outcomes of the assessment

Inform the wider Impact Assessment

The Commercial Impact Assessment will inform the wider Impact Assessment and the following decisions, which will be made by Approvers and Authorisers:

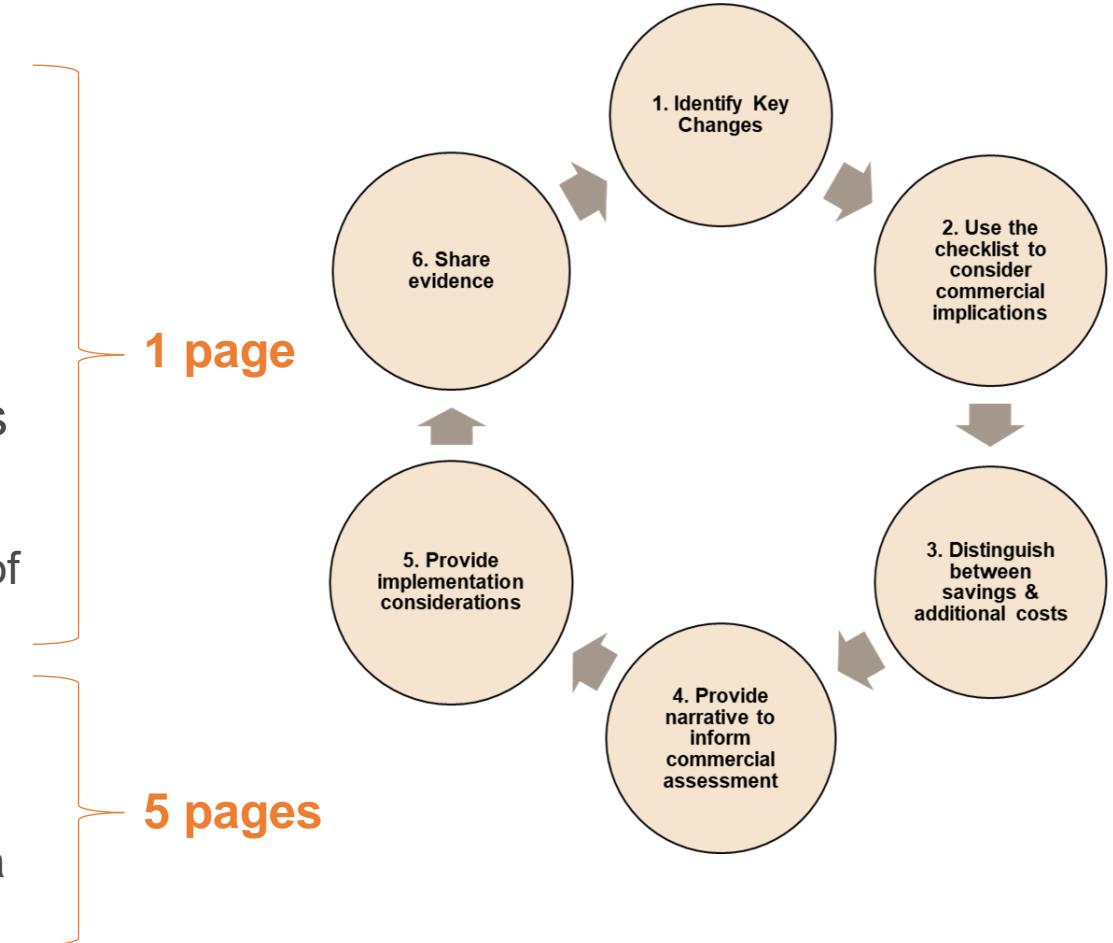
1. The change proposed is **acceptable as it is**.
2. The scope or application of the change should **be revised to reduce the cost of implementation** while still achieving worthwhile benefits. The Technical Author may also consider whether other requirements within the RAD could be eliminated or reduced in scope to compensate.
3. The change proposed is **to be abandoned** as the cost implications are unaffordable or have increased to the point where the related benefits cannot be justified.

Begin with
the end in
mind ☺

Sharing good practice

Reviewed recent submissions; one excellent example identified which provided:

- Clear identification of proposed change(s)
- Identification and breakdown of the sources of cost impact (i.e. material, quality assurance and implementation costs - linked to the checklist), including clarity around savings and additional costs
- Clear narrative to inform commercial assessment
 - Technical author's detailed knowledge on the implication of the change is invaluable
- Evidence shared
 - Review of current standards, clarified what is standard practice by suppliers, data from a cost research, data extracted from NH registers (representative sample over a long period of time), indication of limitations of the data



Closing remarks

Help and Support

- Training slides
- MDD rules (contained in Part 1): [See Section 7 and Annex 1D](#)
- Help pages: <https://help.futuredmrb.co.uk/commercial-impact-assessment-and-toolkit/>
- Jira workflows updated and detailed here: [See Section 13 MDD part 1](#)
- CIA toolkit: [Commercial impact assessment template](#)
- Drop-in sessions: (every other Tuesday 2.30pm – 3pm) [Click here to join the meeting](#)
- TSG key contacts:
 - Kirti Surti
 - Becky Ansell

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- Understand the key enhancements made to the governance process to accommodate commercial assessment
- Awareness of the CIA toolkit
- Understand the importance of checking that good quality governance deliverables have been produced
- Understand your role and responsibilities

Thank you



Quiz

Stop this webinar and take a minute to think about the answer. Then continue listening...



QUIZ

1. What is a Key Change (in the context of a Commercial Impact Assessment)?

- A. Any change made to the document
- B. Any change made to the document that might have a commercial impact
- C. Any change that is different from current industry practice that might have commercial impact
- D. Any change that is different from current industry practice that might have commercial impact, except where required by law

QUIZ

1. What is a Key Change (in the context of a Commercial Impact Assessment)?
 - A. Any change made to the document
 - B. Any change made to the document that might have a commercial impact
 - C. ***Any change that is different from current industry practice that might have commercial impact***
 - D. Any change that is different from current industry practice that might have commercial impact, except where required by law

A 'Key Change' is something that is different from what is done in current industry practice and which may have commercial implications.

Not all modifications made to a RAD are therefore 'Key Change' in this context.

If there is any uncertainty whether or not a modification is a Key Change, it should be included.

Furthermore, although some changes may be mandatory by law, the cost implication still needs to be assessed for budgeting purposes.

Stop this webinar and take a minute to think about the answer. Then continue listening...



QUIZ

2. Are Technical Authors responsible for quantifying the commercial impact?

- A. Yes
- B. No
- C. It depends

QUIZ

2. Are Technical Authors responsible for quantifying the commercial impact?

- A. Yes
- B. **No**
- C. It depends

Technical Authors are not expected to quantify the impact of document changes. However, should you have any information that can help Commercial to undertake a quantitative assessment (including assumptions, data, research study) please share it through the Commercial Impact Assessment Tool. This will be used as essential evidence to support SES business cases for RIS efficiencies.

Stop this webinar and take a minute to think about the answer. Then continue listening...



QUIZ

3. The CIA forms part of the Impact Assessment Report. This is used to inform decisions made by Approvers and Authorisers. What are the possible outcomes?

- A. The change proposed is acceptable as it is.
- B. The scope or application of the change should be revised to reduce the cost of implementation while still achieving worthwhile benefits.
- C. The change proposed is to be abandoned as the cost implications are unaffordable or have increased to the point where the related benefits cannot be justified.
- D. Any of the above

QUIZ

3. The CIA forms part of the Impact Assessment Report. This is used to inform decisions made by Approvers and Authorisers. What are the possible outcomes?

- A. The change proposed is acceptable as it is.
- B. The scope or application of the change should be revised to reduce the cost of implementation while still achieving worthwhile benefits.
- C. The change proposed is to be abandoned as the cost implications are unaffordable or have increased to the point where the related benefits cannot be justified.
- D. Any of the above**

The Commercial Impact Assessment Tool has been developed to present key changes that have been introduced in existing or new documents to senior management, which have or might have commercial implications. The final goal is to support decision making and demonstrate affordability in short, medium and long term.

Stop this webinar and take a minute to think about the answer. Then continue listening...



QUIZ

4. When do the Commercial team get involved? Select all relevant

- A. At Document Development Plan stage
- B. At Drafting
- C. At Consultation stage
- D. At Comment resolution
- E. At Quantitative assessment stage
- F. At Approval stage

QUIZ

4. When do the Commercial team get involved?

- A. *At Document Development Plan stage*
- B. *At Drafting*
- C. *At Consultation stage*
- D. *At Comment resolution*
- E. *At Quantitative assessment stage*
- F. At Approval stage

Technical authors may engage Commercial to ask questions around commercial implications during the drafting stage, thus in advance of the consultation stage.

Stop this webinar and take a minute to think about the answer. Then continue listening...



QUIZ

5. What category of changes require a Commercial Impact Assessment? Select all relevant

- A. Category A
- B. Category B
- C. Category C
- D. Category D

QUIZ

5. What category of changes require a Commercial Impact Assessment?

1. Category A
2. Category B
3. *Category C - optional*
4. Category D

Thank you