



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Key Performance Indicator (KPI) Metrics: Physical Infrastructure Access (PIA) Documents No. 24/06b Annex 2 of ComReg Document 24/06 Non-confidential KPMG Supplemental Report

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**An Coimisiún um Rialáil Cumarsáide
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Commission for Communications Regulation

**KPMG clarification to the Eircom's response from June 9th,
2023**

*[to Key Performance Indicator (KPI) Metrics: Physical Infrastructure Access
(PIA) from ComReg document 23/41]*

Final
10 November 2023



In response to the Eircom document from June 9th, 2023, to Key Performance Indicator (KPI) Metrics: Physical Infrastructure Access (PIA) from ComReg document 23/41, KPMG have assessed Eircom's document mentioned above.

The current KPMG document states the summary position and the detailed clarifications to the specific paragraphs with respect to the comments from Eircom.

KPMG holds a differing viewpoint from that of Eircom regarding the quality of the analysis performed and methodology chosen. KPMG have not observed sufficiently detailed comments from Eircom that could us to reconsider our approach to the methodology.

Thus, taking into consideration our clarifications on paragraphs 5, 28, 72-73, 75, 78-79, and 81 of Eircom's response, we continue to adhere to the chosen methodology for assessing technical feasibility, and our conclusion remains unaltered.

Herein, KPMG provide our comprehensive answers concerning our approach and conclusions, duly informed by the comments received form Eircom.

Paragraph 5 [Eircom response]. ComReg and KPMG present so-called technical analysis to suggest that the proposed PIA KPI reporting regime could be implemented via developing a reporting system within 7 months. The analysis is extremely superficial and is based on a flawed assumption that the underlying data is available in a usable format for KPI reporting.

Clarification to Paragraph 5 [KPMG response].

The development of any specific reporting system/regime and/or process to calculate the metrics proposed by ComReg was not commented on as the reporting system development methodology was out of the scope of our original report.

The approach to the engagement consisted of the following:

1. To support in gathering the relevant information necessary for the analysis;
2. To analyse the technical feasibility and to estimate the indicative effort required to implement a solution to gather the necessary data for the metrics, to calculate the metrics and to report the required metrics; and,

3. To provide our analysis in a summary report regarding technical feasibility and the estimated efforts required to implement the proposed KPI metrics.

In accordance with the approach outlined above, KPMG provided the indicative estimation of the efforts required to calculate metrics and a high-level technical feasibility assessment. In addition, KPMG also stated that the specific approach and methodology to be developed was within Eircom's remit. As such, the specific processes and regime for collecting, extracting, and transforming data from the Eircom IT-systems could range from a manually, semi-manually, or automatically extraction-based processes. In addition, KPMG observed that the majority of data necessary for Eircom to calculate and report on the ComReg metrics was available, however, again it was for Eircom to determine the most appropriate data collection, extraction, transformation processes, to identify the specific data gaps and to develop a solution on how these gaps could be resolved for the metrics calculation purposes.

Paragraph 28 [Eircom response]. *The superficial analysis presented by ComReg and KPMG regarding system development is predicated on a false assumption that the necessary data required to calculate the proposed KPIs is already captured and recorded. This is not the case and substantial OSS development will be required before the KPI reporting system can be developed. ComReg's proposal to allow 7 months for KPI reporting system development from the date a Decision is made is unreasonably short given the OSS development that will be required to record data.*

Clarification to Paragraph 28 [KPMG response]. In the report we stated that the majority of data was available, thus the majority of PIA KPI metrics were available to produce metrics calculation based on ETL method(s) chosen by Eircom. (Please review the detailed comments for Paragraph 5)

As mentioned already above in our response, the scope of the Report did not consist of a requirement for a development of any IT system/regime to calculate PIA KPI metrics.

The report outlined a technical feasibility study, against the metrics proposed by ComReg. On this basis KPMG provided indicative resourcing estimation, consisting of, for example 6 months and 4-5 FTE required to build a data-model,

investigate gaps in data required to calculate metrics, to choose an alternative/temporarily methodologies may be required for the metrics with data gaps, and to execute final metrics calculation. In addition, in the report KPMG stated that the ETL processes could be ranged from manual, semi-manual to automatic based upon Eircom's decision.

Also, there is no stated impediment for the two separate Eircom projects (OSS development and PIA KPI metrics calculation) to be run in parallel. In addition, it would seem possible to deploy a semi-manual ETL processes using data files or programming libraries for data retrieval, for a transition period while the new OSS system is developing and deploying.

Thus, no change in the conclusion of estimated efforts and estimated timeline for the similar projects of calculating metrics could be provided by KPMG.

Paragraph 72 [Eircom response]. *With regard to proposed implementation timelines ComReg's proposal is extremely flawed and based on superficial analysis by ComReg's technical advisers. This shortcoming is acknowledged by KPMG itself in section 1.6 of the KPMG report (ComReg 23/41a). In section 1.6 KPMG sets out the scope limitation of the report. Notably KPMG's considerations do not include (inter alia):*

- *“Any requirements or decisions to Eircom or ComReg on how the associated data could be extracted, transformed, and downloaded/stored in the Eircom IT systems to generate KPIs”.*
- *“access to the IT systems mentioned in the current document. All the data have been provided to KPMG solely by ComReg. KPMG has not received any documents directly from Eircom or any third parties.”*
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Clarification to Paragraph 72 [KPMG response].

To restate, the KPMG approach to the engagement consisted of the following:

1. To support in gathering the relevant information necessary for the analysis;
2. To analyse the technical feasibility and to estimate the indicative effort required to implement a solution to gather the necessary data for the metrics, to calculate the metrics and to report the required metrics; and,

3. To provide our analysis in a summary report regarding technical feasibility and the estimated efforts required to implement the proposed KPI metrics.

The details of any specific solution design requirements of how the associated data could be extracted, transformed, and downloaded/stored from/in the Eircom IT systems/software solutions to generate KPIs were out of the scope of the report.

As stated, based on the information provided to us, which ComReg sourced from Eircom, and the scope limitation, as quoted in Section 1.6 of the KPMG Report, can be regarded as appropriate, in the context of the comments made above and that the details of the technical solution are for Eircom to determine. Thus, the reference to 'shortcomings' would appear or be a mis-read as to the objectives of our Report.

Paragraph 73 [Eircom response]. *The fundamental flaw in KPMG's estimate of development time is the assumption on the availability of the 'associated data'. The proposed implementation timeline is not realistic on the basis that first eir must complete a significant IT development to develop its OSS and working practices to ensure that the associated data is recorded in a fit for purpose manner. Further IT development may be required to align the ordering and fault reporting systems to the interpretation of EOI adopted by ComReg in the PIA market review Decision. Only once that functionality is launched could the KPI development commence. Based on a timeline of 12 to 15 months to re-design the IT workflows for ordering and repair it is estimated a further minimum of 7 months would be required to develop the KPI metric reporting and start collating the data with a view to report on the quarter following completion of development.*

Clarification to Paragraph 73 [KPMG response].

In the report KPMG stated that the majority of data was available, thus the majority of PIA KPI metrics were available to calculate based on ETL methodology chosen by Eircom solely.

Again, there is no stated impediment for the two separate Eircom projects (OSS development and PIA KPI metrics calculation) to be run in parallel, as the process improvement OSS project should not impede business as usual activities, such as

order management and as such, relevant data would still be collected and processed, thus, it can be leveraged for metrics calculations. In addition, it would seem possible to deploy a semi-manual ETL processes using for example 'csv' based requests, for any transition period to the deployment of a new OSS system, for example, is developing and deploying. In this context there is no obvious requirement to provided adjusted estimated of the resource requirements and the estimated timelines.

Paragraph 75 [Eircom response]. *It is notable that KPMG who claim, “In order to provide a reference solution with indicative effort requirements, KPMG has observed similar projects and leveraged prior business experience”, KPMG are not willing to stand over their own implementation estimates with the disclaimer in section 1.7 that “Indicative effort evaluations provided in the report should not be considered as a business offer to any interested party. Evaluations provided by KPMG should be considered for benchmark purposes only”. In other words, if eir sought to engage KPMG to undertake the implementation work they would not be willing to commit to deliver within the timelines quoted in their own report.*

Clarification to Paragraph 75 [KPMG response].

In the report KPMG stated that an indicative timeline and efforts, with these estimates based on the specific requirements to produce the ComReg's specified KPI's, and experience as observed for the similar projects with the assumptions mentioned in the report.

Paragraph 78 [Eircom response]. *eir notes, based on experience of generating and reporting KPI metrics, one of the key risks in relation to errors with a report is the manual processing of data. Some of the systems that are suggested include email and other free text data as data sources. It is not possible to reliably generate automated KPI metrics as it relies on interpretation of comments and every user applying the same free text formatting. The proposed process would require significant manual processing and would be a very cumbersome exercise.*

Clarification to Paragraph 78 [KPMG response].

KPMG stated in the report that the specific approach and methodology/solution design to be developed was within Eircom remit and could range from manual/semi-manual, to automatic solutions.

Furthermore, it should be noted that the free text fields are relatively similar to the other structured data fields if, for example, the free text data follows some patterns. Thus, data from the free text fields could possibly be extracted using the same methods as for any other fields. The quality of free text data and its pattern assignments are the responsibilities of internal controls within Eircom remit.

Considering the above, KPMG determined, based on the methodology chosen and analysis performed for the Report, that the majority of data was available in the Eircom's IT systems/software solutions, and would be reliable, assuming the internal control procedures having been performed, to avoid errors and discrepancies.

Paragraph 79 [Eircom response]. *eir notes the KPMG report set out at a high level the process but it is unclear as to what the exact solution being proposed is. In addition, KPMG is unwilling to commit to deliver a solution to its recommended timeline. Furthermore, the report provides an indicative effort requirement and indicative timelines, but based on experience eir would note, for example, that 2 to 4 weeks of testing is not sufficient. D04/22 set out a timeline of 7 months to develop the reporting and then a further 3 months to collate the data. As set out in the consultation response for Access KPI metrics, eir spent approximately 12 months defining business rules, reviewing data and testing. KPI reporting is very much an iterative process and testing is an ongoing element not solely carried out at the end of the report development.*

Clarification to Paragraph 79 [KPMG response].

Please review the detailed clarifications to Paragraph 72 and 75 from KPMG.

Paragraph 81 [Eircom response]. *First, the RIA leans heavily on the KPMG report to suggest that the proposed regime will not impose an onerous burden on eir.*

However as demonstrated throughout this response, the KPMG report is based on incorrect assumptions and cannot be relied upon for regulatory decision making. Indeed, the KPMG report is also caveated in that regard and therefore there is a flawed interdependence to ComReg's consultation. In reality, ComReg has not assessed how onerous the burden will be, or its impact on eir's ability to compete with operators who are not similarly regulated, and are not constrained in the way eir is, by the obligation to only offer products which can be fitted within this KPI reporting regime.

Clarification to Paragraph 81 [KPMG response].

KPMG outlined in the report a list of caveats and assumptions, to disclose any limitations, uncertainties, and/or constraints associated with the report's findings, analyses, or methodology. This provides transparency and makes the reader aware of the report's boundaries. In the report KPMG have explained the methodology chosen, and IT systems observed based on the documents provided.