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VOLUME #4 ISSUE #1 - JANUARY / FEBRUARY 2020

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MESSAGE FROM OUR CEO

We are delighted to welcome the **Royal British** Legion, as a contributor to our January / February edition of In-supply.

The Royal British Legion (RBL) is the nation's biggest Armed Forces charity. Their services include financial and legal advice, care homes, hotels, home

help, careers and job search advice.

Leigh Kopec, Head of Procurement and Contract Management at the charity introduces us to his team and discusses the work they are doing to align their procurement process with the organisation's visions and values. Leigh had previously contributed an article to Inprocurement during his time at Marie Curie Cancer Trust and we are delighted to welcome him back to the publication.

In our main feature, we are delighted to bring our readers an insight into the relationship between Facilities Management and Procurement in the UK. The article is written by Chris Jeffers, Director of Facilities Management Consultancy at Mott Macdonald and we hope you find the piece informative. This is no doubt a topic that will affect almost all of our readership and we look forward to hearing your thoughts about what Chris has to say.

We would like to thank all suppliers that attended our In-procurement Live event at MAGNA Science Adventure Centre in mid-October, we hope you all enjoyed your day. The presentations given by the speakers on the day are available to all who attended. Please be sure to email our Events team at events@in-tend.co.uk to receive all follow-up content.

A reminder that at In-tend we are currently offering suppliers a free consultation with our Supplier Services team. This involves answering a number of questions about your procurement process and then our team of procurement experts offer advice on how Intend can help your organisation win more contracts with the public

I hope you enjoy the edition.

CFO In-tend Ltd

Steve South





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Published bi-monthly.

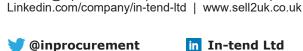
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RELATIONSHIP BETWEEN FACILITIES MANAGEMENT PROCUREMENT NTHEUK

By Chris Jeffers Director - Facilities Management Consultancy **Mott MacDonald**

acilities Management (FM) is a professional discipline that encompasses a very wide range of services that are needed by customers in all sectors - it touches every aspect of the built environment in which people occupy built space. It needs a diverse set of management skills and experience to successfully meet clients needs, particularly in a world of work which has traditionally been slow to adapt and embrace innovation but is now having its hand forced with the advent of the miniaturisation of the microchip. But at its heart FM remains true to its original purpose - to provide the best service for a customer whose needs may change, and do so in an efficient and cost effective way.

To be able to do so, the way in which FM engages its supply chain is critical to its success. Understanding the processes involved and the ability to manage the services that result, are very important skills for today's facilities manager. Modern innovative approaches to procuring FM focus on outputs, possible outcomes, use of technology and integration of a customer focused supply chain. But the market still experiences transactional contracts that - whether explicitly or not - deem FM to be commoditised, and a cost that needs to be managed. This is, in the majority of cases, a huge oversight and ignoring the inherent long term value that professionally procured, well managed FM can deliver. These misconceptions often articulate themselves through the procurement process - the time when a procuring body has the opportunity to make clear its intentions for the forthcoming contract and its approach to obtaining the best value service from the bidding community. Only for a year or two later, both parties expressing discontent with the contractual relationship for any number of reasons. To give context to this, there are current compelling examples of FM showcasing excellence in service delivery where client expectations are met if not exceeded, resulting from a well planned and executed procurement process. But unfortunately this is not yet the norm. Is the service quality a result of the procurement process or being delivered

So what are the underlying issues that are affecting FM's relationship with procurement and why do we not see more examples in the UK of both the procurer and the bidding community enjoying great procurement experiences?

There has been for many years a keen focus on cost for myriad reasons, and this has facilitated procurement teams being more influential across an organisation's different departments, with the intention of ensuring clear governance and control, including a frequent requirement for cost reduction. It is challenging for procurement specialists to have subject matter expertise in areas such as FM, and the



Procurement teams have traditionally become involved in spend categories when a change is deemed necessary, which might be changes to the supply chain, or a "refresh" of an existing contract on terms perceived to be more favourable to the procuring entity.

more successful procurements tend to be where the procurement team works collaboratively with a team that includes such stakeholders. This does not mean however that all members of the team will have the same objectives for the procurement project; the FM team may be focused on the optimum balance of quality in service, flexibility of future delivery,

ability to support future projects, and value for money driven through the tender process. The procurement team should consider these important, but may be directed to save cost year on year, which will have a clear and direct impact on quality, unless the scope of what is needed (and associated standards) are adjusted.

This issue of differing viewpoints can





occur during a contract lifetime not just as part of the procurement process, if existing contracts (and associated costs) are the focus of attention. To meet increasingly challenging demand from a customer base which is embracing the ability of technology to inform and report in real time on occupier experience, the FM is likely to desire increase in expenditure to enable service levels to improve; the procuring colleague will be overseeing expenditure across a number of categories, and will be under pressure to maintain (if not reduce) expenditure - or have a compelling business case of why costs to the business should increase.

And it is in this area that FM needs to mature so it can comprehensively dismantle the out dated arguments of a necessary cost but a burdensome one. The facilities manager needs to see the procuring colleague as an ally in putting forward the business case for investment, clearly describing the positive impact of hard and soft FM service delivery – and the professional management of these integrated services - on the occupiers. This is agnostic of sector, building type, or age and condition, as the principle remains the same: FM and workspace management directly impacts end user experience, and it is the FM's responsibility to make sure this impact is a positive one.

There is now a growing body of empirical evidence related to such impacts on productivity, "dwell time", patient results, performance of students etc. The original intention of the procurement team to reduce expenditure could in fact result in higher costs in the long term, and not just directly related to the FM service costs - the cost of recruitment to replace staff not happy with working environment, the cost of services not being delivered to original intent due to reduction on money available to support the service, possibly costs related to termination and re-procurement etc.

Leadership from senior stakeholders in both FM and procurement is critical to focus decision makers on the common objectives that a procurement exercise is based on - whether this is renewal of contract, refurbishment, renewal, development of new strategy, or re-adjustment from consultation or other form of re-alignment of business need. The cost of a service will nearly always be an important part of decision making when procuring FM. But because it is a service being procured, it is very important for the evaluating team in the tender exercise to understand what it is that the bid team propose to do, and what differentiates one delivery approach from another.

Procurement teams have traditionally become involved in spend categories when a change is deemed necessary, which might be changes to the supply chain, or a "refresh" of an existing contract on terms perceived to be more favourable to the procuring entity. Time is always a factor here, with project programmes delivered to timescales that can sometime seem out of kilter with the expenditure level of service to be procured or the importance of the service to the business. Preparatory work should be done well in advance of



evaluators to differentiate bidders not solely on price, but on approaches to quality, to excellence in service, and more subtle areas that allow the procuring body to have confidence in selecting the "best fit" supply partner for what should be a long term contract.

Legislation and wider issues such as social value - needs collective collaborative approach.

supporting clients with a range of FM procurement needs, the best outcomes focusing on specification development and assessing bid returns against this, with procurement teams supporting the process by ensuring compliance with company policy, regulations and an eye

missing – what has not been priced for or submitted in a service plan; what is understood by "spare parts", materials etc, as well as whether the resources submitted will be sufficient to meet the

much rigour and clear understanding of harder job - but he needs to be better at explaining why FM should be invested in and continues to positively impact business bottom line Both must work together to ensure best outcome – FM should not keep procurement away and procurement should not focus only on costs and regulation compliance but also on how the service procured will benefit the business over time.



Procurement processes - particularly in

the public sector - will often involve

"standard" templates for use during the

tender phase. Unless tender questions are worded carefully, these can hinder

fresh thinking, innovation and "value add"

quality management. It is very important

that a FM procurement process allows

the ability for bidders to demonstrate

approaches to service delivery and

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By Leigh Kopec Head of Procurement & Contracts Management **British Legion**

he Royal British Legion (RBL) is the nation's biggest Armed Forces charity. Our services include financial and legal advice, care homes, hotels, home help, careers and job search advice. There is huge opportunity in the charity sector to improve procurement practice and drive maximum value from donated funds at a time where the fundraising climate is extremely difficult. Our shared values are the fundamental beliefs and qualities that underpin who we are, what we admire about the Legion and make it so special. The Procurement team has used these to underpin all their activities and their focus to support the organisation: "we are here to support those we serve". We have gone from

being an under-engaged, tactical function to strategic, value-adding business partners.



🕥 Service

We support and serve. We are compassionate. We provide great customer care to all the people who come into contact with us. We are accountable and act with integrity.

With 1,868 employees over 96

functional areas, including 39 physical locations, the Legion's complex structure created confusion about procurement's role; this meant a lack of recognition of any value being added by procurement and limited engagement or understanding of the team. Procurement within the Legion was perceived as a slow-moving and reactive business support function seen as adding complexity and time rather than value.

A period of transformation was carefully planned with a roadmap split into four distinct work streams, each with milestone targets. The team were split up across the categories to use their own

specialism and knowledge to help deliver on the transformation outputs. With key deliverables expected from the four work streams; People & Engagement, Category Management & Reporting, Processes, and Value in Kind & Innovation

Having identified a gap in the education of our buyers across the organisation include a lack of commercial focus, it became an important driver to create a solution to support buying activity and create guidance. This has been embedded by creating learning tools including a Procurement focused learning module for all staff, as well as a slot in employee inductions. Procurement repositioned itself, the department utilised some brand values and even came up with a mascot, Penny the Parrot, who caused a stir in Head Office; she appears throughout guidance documents and training. Employee pocket books with policy and buying 'hints and tips' were written and distributed.

A Procurement Intranet page was developed to communicate these across the charity, which also served a dual purpose of a FAQ Platform.



The organisation has gone from having no reporting to now maintaining a project tracker. The Team report on benefits achieved and those that are anticipated, to allow more strategic planning and budgeting. Procurement led the GDPR programme has mitigated 3rd party data risk and drove a culture change of contract ownership and visibility. This has allowed better and cleared understanding of responsibilities

Being a charity, it is important that we appreciate the needs and requirements of the organisation and that we can listen to them. This is reflected in our adaptable approach to various departments and how learning from them aids us in being better Business Partners. Executive Director Daniel Oppenheimer has said that "the team have significantly raised the profile of procurement issues in the organisation. Colleagues now feel much more confident about how they can get best value from external suppliers and some significant savings have been realised. By recognising and appreciating the pressures and objectives of other teams we can use our experience as procurement professionals to help guide solutions such as introducing the organisation to using negotiation techniques in their supplier discussions; recommending ways of adding quality within the supply chain or product lifecycles.



\infty Collaboration

We value working together and with partners to achieve shared goals. Through strong communication and support, we build trust with each other and treat everyone with respect and

Lacking a procurement strategy, and with poor engagement across the business, everyone seemed to have a different approach or way of doing things. Due to the siloed approach, many stakeholders were found to be purchasing the same items from multiple suppliers and often not under contract. Development of best practice was a critical need across the organisation, but little had been done in the past to ensure compliance or to generate consistent ways of working.

It was recognised that significant opportunities existed to structure the procurement team around categories of spend, rather than being aligned to functional areas. Procurement transformation centred on improving engagement with the business, simplifying policies and processes and implementing a category driven approach to managing spend. This category management structure has also broken-down functional silos of spend and enabled strategic target-setting, which hadn't previously existed.

With more than ten teams across the Legion buying merchandise without collaborating or sharing information, Procurement set up a Merchandise Group to enable better value sourcing as well as significantly reducing supply chain risk. In one instance avoiding a potentially serious PR issue through finding an alternative source of supply



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for one of the special commemorative

Embracing the Legion's Ways of Working project has seen us re-locate within the business to foster closer working with stakeholders and make procurement more visible, build credibility and sell the new strategic approach. Communication has been a significant driving force within the procurement team, particularly on complex projects such as D-Day 75 celebrations, engaging with Remembrance events team with suppliers internationally. "The Legion Procurement team played a pivotal role in the successful development of contractual agreements with those HM Government departments and senior commercial stakeholders involved in national commemorative events. Their input was critical to the effective management of significant integral reputational and financial risk, leaving the operational team to focus with confidence on the realisation of the programme's objectives." Bob Gamble OBE

Working closely with suppliers and managing our relationships so that across the organisation there is understanding of roles and responsibilities and we can act as a gateway when required for these at times





complex supplier relationships. By providing a business partnering service there is always a team member that TRBL employees (or suppliers) can speak to and offer help. This has been particular apparent in the roll out of our Office Supplies supplier and travel management booking tool. Allowing for better buying behaviour, as well as management information which allows us to spend wiser



Passion

We are passionate about our role and contribution. With a positive outlook we are resilient and committed to our work.

Working for an organisation such as the Legion, the commitment and enthusiasm from the staff and volunteers is obvious however this overzealous approach can mean that correct processes and procedures are lost or forgotten in the drive to get events organised and beneficiaries their requirements. Therefore, a new approach would be required to engage with the organisation.

It became clear through analysis that there had been significant missed opportunities to consolidate spend in the past with multiple suppliers being used for the same/similar products across multiple sites being purchased by a number of various methods. The reporting tools that the team had to work with were confusing and lacking in detail and took several days to collaborate several reports to get basic oversight of spend across the organisation. As part of the Transformation project reporting was identified as a priority.

The Team's passion is evident in how they have immersed themselves in volunteering; this not only raises the profile of the Procurement team but also the Legion. Volunteering Activities have included planting poppy's at Westminster, volunteering at the Remembrance festival, supporting the Poppy Shop and even traveling to the Arctic to raise funds for the Legion! The team have contributed in all manner of ways to help the Legion 'Live On'!

We work directly with our six Care Homes and four Break Centres.

The team's passion is evident in how they have immersed themselves in volunteering; this not only raises the profile of the **Procurement** team but also the Legion

Going out into the heart of our community and supporting numerous operations teams in order to fulfil the requirements of our beneficiaries. Assisting with new contracts and introducing suitable suppliers; making sure that we are providing the best possible value for money, but also ensuring that the highest of standards are met by our suppliers. CQC have rated 81 Care Homes 'Outstanding' in England (there are around 11,000 homes in total), the Legion operate two of them! Proving a business partner function to

such a wide and varied organisation requires continuous knowledge absorption and sharing as a team. We work hard to ensure that we are adding value to all projects we are involved in. The introduction of a contract management database has allowed us to create a platform that the whole organisation can benefit from and use. With clear roles and responsibilities outlined this sets clear parameters for what is expected, removing ambiguity. Procurement acting as the commercial input to contract management and sitting on annual contract reviews.

It is also a significant time saver as well as a reporting tool. KPI information is fed into the database and used at contract review meetings, or as early warning for under performance.



Excellence

We strive to be the best we can. A major driver was to create a highly skilled and professional team: Nine recruits since January 2018. Previously none of the team were MCIPS qualified, now there are three MCIPS chartered, two studying at Professional Diploma stage and finishing their last exams, two are studying at Advanced Diploma level, one at the Diploma level through the examination-based qualification and one working on the CIPS Corporate Award.





Fortnightly meetings with all members of the team ensure that we not only support each other but challenge ways of working and best practices as well as establishing common approaches, this has extended further to include a monthly meeting with our colleagues in the Legal and Project Management Office teams who we have regular collaboration with.

One of the more creative projects that the team has been involved in is 'Bud.' Working closely with Poppyscotland the team helped to deliver a mobile museum to travel around Scotland, to reach the disenfranchised and disengaged and change their perception of what the Poppy stands for. The team were heavily involved from the beginning of the process, and without their support and guidance, the Heritage Lottery Fund would have not agreed to the funding. Working alongside business functions such as IT and transforming the ways they buy from the business, particularly across key functional areas such as mobile phone networks, hardware and virtual communications.

Poor management of the P2P system meant data and reporting provided little value to the business; this poor spend control was leading to risk. We started to generate our own reports that we disseminate across multiple levels; this has driven fact-based conversations and challenges. We are now working with Project Management, IT and finance

We are now working with Project Management, IT and finance business partners as a unified support team for the business.

This allows for greater co-ordination of multiple factors simultaneously enabling better project planning as well as realistic timescales.

business partners as a unified support team for the business. This allows for greater co-ordination of multiple factors simultaneously enabling better project planning as well as realistic timescales.

Achieved through development of standard contract templates and new contract signing process to enable more agility in what was a slow and bureaucratic process was previously.

The 35-page procurement policy was condensed to a succinct eight-page document with thresholds re-balanced to encourage procurement engagement, supported by Be a Brilliant Buyer Guidance - the new Procurement team and vision were presented in team meetings to 500+ individuals between March and December 2018. A key part of

transformation that had been gathered as feedback from stakeholders during planning flagged this as a critical concern with the old processes. Our more robust tender documents have received praise internally and externally. "We were very impressed with the way that the procurement team ran their recent legal services procurement. We respond to between 50-75 legal tenders each year and we thought that RBL's procurement stood out. Their documentation was clear and unambiguous; they stuck to all of their deadlines and they responded to all of our communications promptly. And (we believe) they made the right decision with their appointment..." BWB LLP

This has also helped with earlier procurement engagement as we have







The team at Royal British Legion. **Back Row**: Leigh Kopec, Desre Hancocks, Wing Quan, Jamie Wright **Front Row**: Samantha Rousselle, Matt Luck, Sam Palmer, Linda McCalister

proved to add value as opposed to adding time. We also share our successes with the organisation so that they know what we can offer

Valuing Our People

We support, encourage and provide opportunities for all our people - ensuring we recognise and value everyone's contribution. We couldn't do the work in isolation; we engaged with stakeholders around the organisation so that we could understand different perspectives and where things had gone wrong in the past. Creating a plan for the future, including the need to develop processes and policies, had to fit in with the requirements and needs of the wider organisation. It became clear we needed to build stronger relations with them as well as clearer documentation.

A new Head of Procurement was recruited in January 2018 to lead the required improvement. The team were selected on commitment to professionalism (MCIPS or working towards, with offers including support of this) as well as soft skills vital for changing mind-sets in what is a 'soft and friendly' non-mandated sector. Personalised development programmes were quickly established for individuals as well as the overall team with a goal for all to be working towards chartered status within 24 months.

As individuals, we focus on our own development and not just on the professional qualifications. By incorporating the shared goals and values of the Legion within our development and identifying where we

Creating a plan for the future, including the need to develop processes and policies, had to fit in with the requirements and needs of the wider organisation. It became clear we needed to build stronger relations with them as well as clearer documentation.

need better understanding across the organisation, we become far more well-rounded employees. Planning team away days at key locations across the UK allows us to experience first-hand how our hard work contributes to the Legion's overall Purpose - We are at the heart of a national network that supports our Armed Forces through thick and thin – ensuring their unique contribution is never forgotten. Team development activities which have been prioritised have included Behavioural Procurement, Contract Management and Category Planning

Always looking for new learning opportunities and cross functional development we have created a number of learning zones where we share our knowledge as a team through our own resources. Having so many of the team

studying CIPS and putting in hours of CPD helps to create a centralised library and can share ideas and lessons learnt. The whole team has completed the CIPS ethics test in 2018/19, helping us drive better understanding and compliance.

The success of the agreed payment terms and PO project has helped support stronger collaboration between Finance, Legal and Procurement and provided a platform to remind the organisation of their responsibilities in the whole P2P Cycle. During our training session we give 'Best Buyer' highly successful and it is great to see around the building mini Penny's on various desks. The feedback from across the organisation has been fantastic and the Directors and Heads of team are keen for the training to continue with further courses booked across many of our regional offices too.

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Meet the Buyer Events -

We run various events that welcome public and private sector buyers, along with suppliers and bring the two parties together; providing ideal networking opportunities. This allows businesses who are wanting to work with the public sector to showcase and discuss their products or services directly to buyers.

