

3 Sector Solutions

Partnerships in Action – Focus on Medway

Improving procurement opportunities
for SMEs, Social Enterprises and
Charities – through Collaboration

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Who am I?

- Procurement Spokesperson for the Federation of Small Businesses.
- FSB is a lobbying organisation. I am a volunteer.
- Run a business development company – BIG Solutions Limited.
- Specialising in Micro and Small Enterprises (MSEs).
- BIG Consortium – jointly tendering for projects
- www.SmallBusinessAmbassadors.co.uk
“INSPIRATION FROM THE WORKPLACE”



Agenda

1. Public Procurement F.A.Qs

20 minutes

2. Collaborative Procurement

40 minutes



Public Procurement – Some F.A.Qs

- 1. Where do you get information on tenders?**
2. What do they buy?
- 3. How do you find smaller contracts?**
4. How do you tender for the work?
- 5. How do they evaluate tenders?**
6. Any tips or techniques to win Tenders?



Where do you get the information?

	Low value tenders	Email alerts	Free to join
• www.mytenders.com	✓		
• www.supply2.gov.uk	✓	✓	✓
• www.business.sece.gov.uk	✓	✓	✓
• www.competefor.com	✓	✓	✓
• www.sell2wales.co.uk	✓	✓	✓
• www.firebuy.org.uk			✓
• www.bluelight.gov.uk			✓
• www.pasa.nhs.uk			✓
• www.contracts.mod.uk			
• Sector portals: ICT, construction			
• Universities / local authorities			



How do you find smaller contracts?

Low Value Contracts - typically less than £100,000

- These are **NOT** widely advertised
- Do your research:
 - WHO buys your product or service
 - WHEN will they buy?
 - HOW do they buy?
 - HOW do they find their suppliers?
- Personal contact / relationships



How do you Tender?

A Pre-Tendering Check-list:-

1. What are your business objectives?
 - How committed are you?
2. Are you ready to Tender?
 - Do you have the basics?
 - Business processes?
3. What are you going to Tender for?
 - What will you Focus on?
4. How are you going to Tender?
 - On your own or with others?

4 Policies:-

- Health & Safety
- Equal Opportunities
- Quality
- Environmental

Financial capability

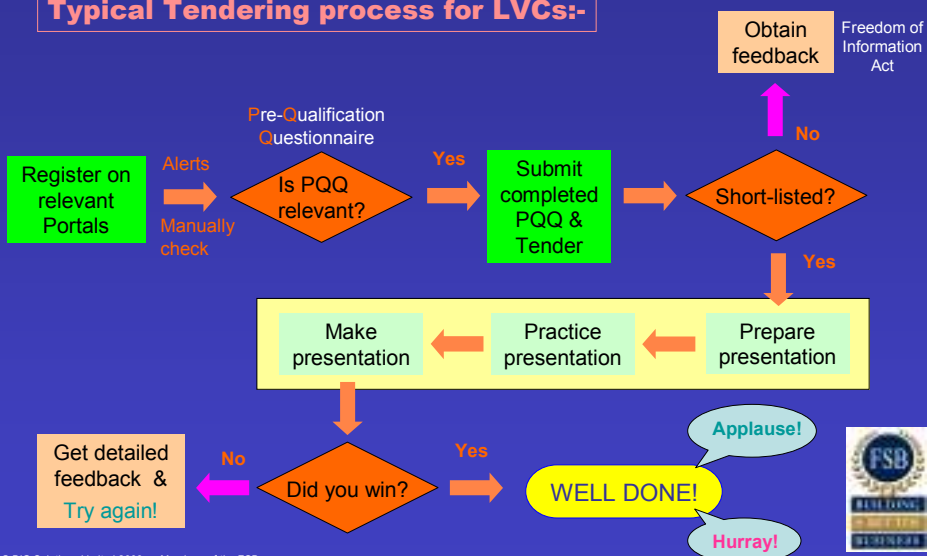
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References



How do you Tender?

Typical Tendering process for LVCs:-



How are tenders evaluated?

- Criteria should be in the Tender
- Relative importance of each criteria should also be specified...
- If not... **ASK FOR THEM!**

Office Furniture tender - 2007

- Price 45%
- Space Planning 20%
- References 5%
- Delivery Lead Time 5%
- Performance Bond/Parental Guarantee 5%
- Installation and Assembly 10%
- Value Add 10%

Source: Medway Council

- **Do NOT send loads of "brochures" with your Tender!**
- Mainly interested in your Methodology/Solution/References
- Sometimes interested in "innovative" solutions – as long as core requirements/outputs are being met. **VALUE FOR MONEY...**
- REMEMBER – It's largely about **"RISK MANAGEMENT"**
- **Help reduce individual Buyer's "risk".**



Any Tips & Techniques?

Have you spotted any?

Let's re-cap...

1. Get the basics in place: **4Ps; financials; insurances; references**
2. Can you deliver? **Honest assessment**
3. Be very clear what tenders to go for / **not go for**
4. Find out who **BUYS** your product/service.... & build **relationships**
5. **PQQs – How can you say "YES"**
6. Understand **WHAT** buyer is **REALLY** looking for... **Ask questions!**
7. How can you **ADD VALUE?**
8. **Presentations --- Please do them well!**
9. **If at first you don't succeed...**
10. **You DON'T have to do it by yourself!**



Agenda – Collaborative Procurement

1. What is collaboration?
2. Why Collaborative Procurement?
3. Benefits from collaboration
4. Barriers to collaboration
5. Are YOU a good collaborator?
6. How to make them work
7. Practical examples
8. Way forward for you...



What is Collaboration?

Two or more people or businesses working together, in a commercial endeavour, towards a common goal, for the long term, which they would individually struggle to achieve.

KEY POINTS

- **Commercial** - not just networking
- **Long term** success and results
- **Synergy** – can't achieve on their own

What is isn't...

- **Sub-contracting**
- **Arms length**
- **Outsourcing**
- **Merger / acquisition**
- **Joint ventures** (equity exchange)



Why Collaborative Procurement?

- Increasing trend by public sector to aggregate contracts.
- Sometimes there may be smaller Lots.

In response...

- Businesses should explore opportunities for working together.... **20% Rule**
- Increasingly bids from consortia of SMEs are welcomed.... e.g. **ODA**



Why Collaborate?

Increase Revenue

- **Win more business** – “look bigger”
- Access to new customer segments
- Access to specialist resources/skills

Reduce Cost

- **Cost sharing** - eg. expensive capital asset, advice, infrastructure eg. plant, warehouse
- **Cost reduction** - eg. economies of scale, buying group

Efficiency Gains

- **Improved production/delivery performance**
- Complementary skills
- **Better staff utilisation** – continuity of work
- Access to Innovation and R&D

External Benefits

- **Better client relationships** – wider range of services, one-stop shop
- Diversified Customer Base - reduced business risk
- **Higher quality & customer satisfaction**
- Win contracts from larger customers → PR and other spin-offs
- **Lobbying for change/collective action for change**



Barriers to collaboration

- Hidden Agendas: is there openness and trust amongst partners?
- **Clash of company cultures:** e.g. high quality vs cheap prices
- Not promoting the Consortium - but your own company
- **Only ONE person “selling”** – Why do I need to collaborate?
- Delivery: Only as good as the weakest link
- **Members do not have the capacity to deliver**
- What if partners have slack attitudes? eg. quality, on-time delivery
- **What sanctions are there if partner does not perform?**
- Sceptical that forming a consortium will make it any easier to win public sector tenders.

KEY stumbling blocks:

- Trust
- Time
- Ego / Control
- Persistence
- Lacking long term goal



Why Collaborations fail

- **Lack of honesty**
- Greed
- No focus
- Poor Planning
- Lack of clarity
- Differing goals & priorities
- Conflict of personalities
- Resource shortages
- Poor communications
- **Lack of leadership**
- **Lack of communications**
- Not happy with pay-out
- Who owns the IPR
- Unnecessary collaboration
- Differing quality standards

- Hidden agendas
- Jealousy
- Abuse of power
- Lack of project management
- Lack of team building
- Picked the wrong partner
- Inadequate time-scales for success
- Inflexibility
- Impatience

- Poor customer communications
- **Client dissatisfaction/failure**
- Found a better partner for client
- Confused brief from client



How can you make collaborations work?

- High profile Chairman / Patrons
- High energy management (team)
- Strong Shared Values; clearly understood by all
- Strong focus on winning Business
- Focused strategy including Exit strategy
- Trust: from start to finish
- Code of Ethics
- Simple agreements
- Appropriate legal structure (limited; co-operative)
- Sponsors/funding: start-up capital
- External support/facilitation (e.g. Council)
- Quality shared resources: eg. sales/bid writing
- Financial sustainability (3 years): revenue streams
- Run as a business - even if social enterprise

Energy & clarity at the top

Strategic focus

Working together

Seed capital

Making money

"Profile" of the business owner is CRITICAL to success



Are YOU a good Collaborator?

- Generates ideas
- Looks for good people
- Ambitious
- Energy and stamina
- Honest about weaknesses
- Ability to build trust
- Clarity of communication
- Open & sharing
- Ready to give first
- Recognises & respects Value

We are developing a profiling tool to help improve ability of business owners to collaborate...



Can you Help?

- **Profiling Tool**

50 questions

6 minutes

Tick the boxes 1 to 5

1 = Strongly Agree

2 = Agree

3 = Neither Agree to disagree

4 = Disagree

5 = Strongly Disagree



Examples of successful collaboration

- **VEN Group** (Engineering)

- **South Coast Design Forum**



- **Fusion Creative**

- **Raven Alliance** (Aerospace)

- **Folkestone Artists Co-operative**

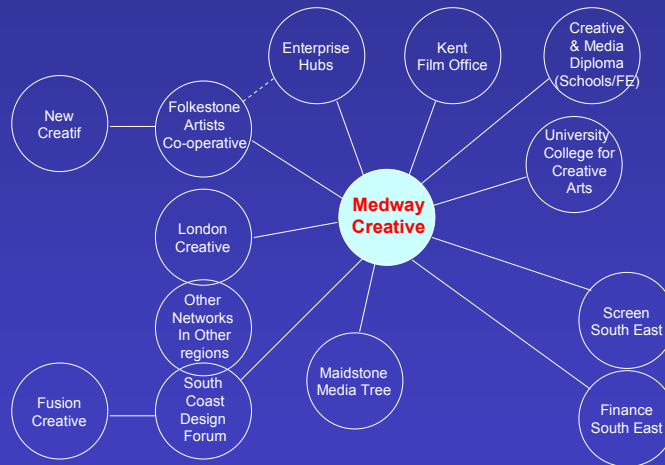


- **New Creatif**

- **Fifteen**



What might it look like – e.g. for Creative Industries?



Next Steps...?

Can collaboration work for you?

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