A joint approach for Advanced Procurement

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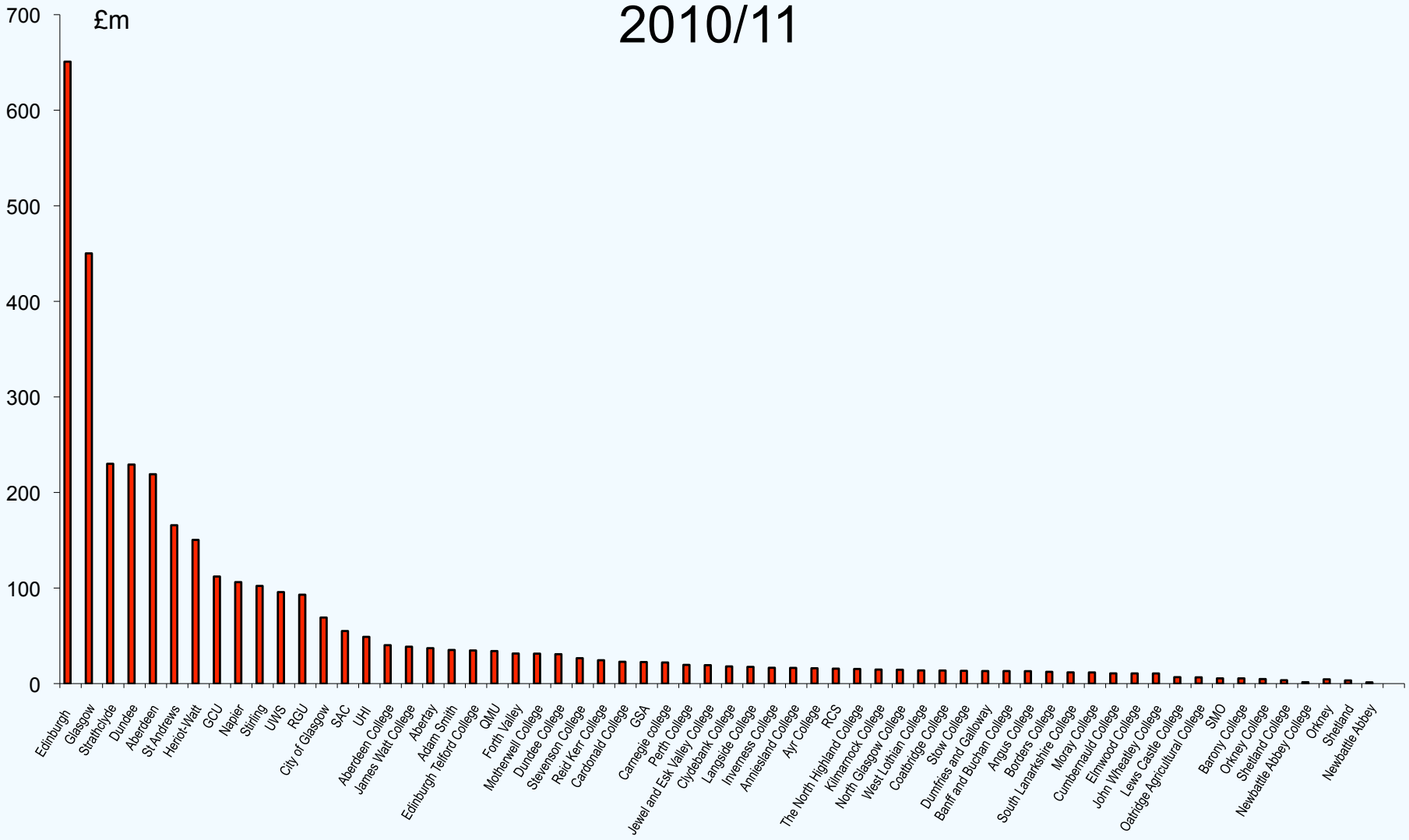
Scotland – Procurement Vision

APUC Ltd -
HE/FE Centre
of Expertise

Institutional Gross Income



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Aim: **To obtain more benefit from procurement – allow institutional budgets to go further**
Deliver Scottish Government Reform Aims

- *Collaborative / Institutional Contracting*
- *Capability*
- *Processes – "e"*

Classic Change Management Phases:

"Form"	*"Storm"*	*"Reform"*	*"Perform"*
Intellectual Acceptance / Scepticism	Challenge	Emotional Buy In & Ownership	Benefit Delivery

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Driving Force:	Scottish Ministers	
Sponsorship:	Gov't/SFC	Universities / Colleges
Approach:	Project	Service - Deliver Institutional agendas
Culture:	"Telling"	"Listening"/Partnership
Activities:	Set Up	
	System implementations	
		Customer / Stakeholder Relations
		Growth in Contracting
		Demonstrating Benefit Delivery
		Capability Assessments
		Institution Development Plans / Training
		Sustainable Procurement
		Providing shared institutional resource
		Provision of advice to merging Colleges
		Support for merger DD, and implementation

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Membership	31	60
Collaborative agreements available	20	139
% of sectors (HE/FE) spend through collaborative agreements	< 7%	25% - target of 35% by mid 2013
Institutions being supported - P2P systems	32	48
Institutions being supported – other eSolutions services	0	60
Institutions being provided with in-house procurement as a shared service	0	15
Capability Assessments - % of institutions by level:		
Superior	2%	2% (18%)*
Improved	20%	67% (73%)*
Conformance	68%	31% (9%)*
Non-Conformance	10%	0 % (0%)*
	2009	Latest data *by value

Procurement Challenges

Growing Expectations and Requirements on Organisations

- Value for money
- Competition
- Transparent Processes
- Initial Transaction

- Alignment to Strategic Business / Services Delivery
- Legislative Environment and Case Law
- Remedies
- Lifetime Cost/ Quality
- Collaborative Procurement

- Environmental Sustainability
- Social Responsibility
- Innovation
- Local economic development (SMEs)
- Local employment needs
- Fighting corruption
- Organisational Reshaping / Mergers

What makes the difference?

- ***Driving Force***
- ***Actively managing the "Storm"***
- ***Sponsorship and Stakeholder Relationships***
- ***Customer Service approach***
- ***Capability Assessment and Improvement agenda***
- ***Delivering "Customer" Agendas***
- ***Demonstrable Benefit Delivery***

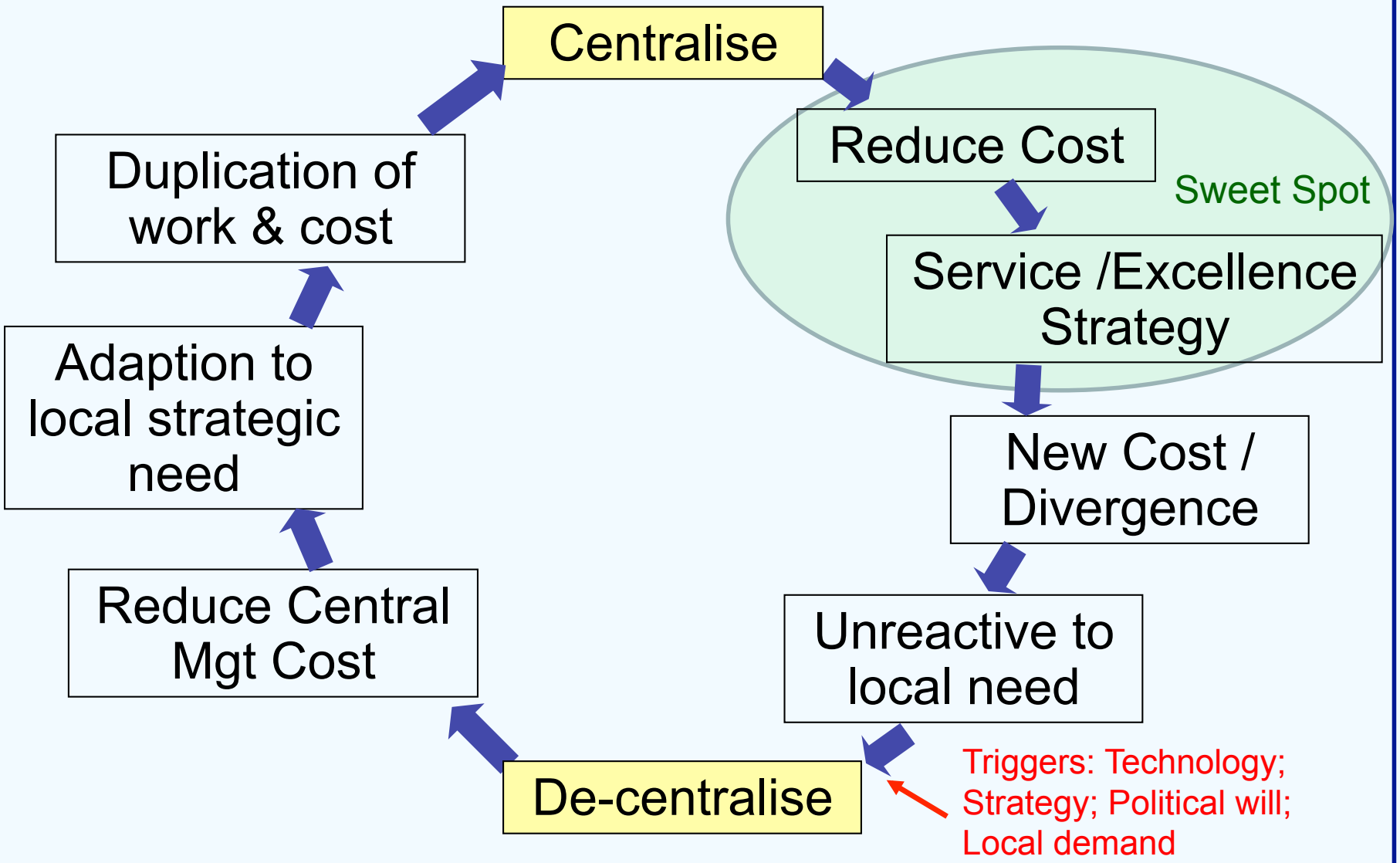
Criteria for Shared Service Centres (1)

	More Difficult – less likely to succeed		**Less Difficult – more likely to succeed**
Nature of services	Transaction services – requiring major system changes	↔	Knowledge or activity sharing – doesn't require major system changes
Organisation status	Autonomous organisations – "consensual" approach	↔	Single point management / Driving Force
Competitive-ness	Activities regarded by as giving competitive edge	↔	Activities that are regarded as standard service
Similarity	Organisations with different services, strategies, structures, policies, standards etc	↔	Organisations with similar services, strategies, structures, policies, standards etc
Size of Project	Super-large projects -	↔	Manageable size

Criteria for Shared Service Centres (2)

	More Difficult – less likely to succeed		**Less Difficult – more likely to succeed**
Economics and Service	Benefits not obvious / Lack of Economic payback on investment to individual participants	↔	Demonstrable economic benefit for each participant
Business Priorities	Business priorities lie elsewhere	↔	Shared services and cost reduction an over-riding priority
Systems Strategies	Organisations have "integrated" systems strategy	↔	Organisations have separate functional system strategies
Leadership & Project Competence	Little buy in by local senior management and lack of project competence	↔	Good leadership by local senior management, and capable skilled project managers

Centralise/Decentralise Cycle



Final thought

Is really about people change

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and customer service approach

- process and system change issues huge…
- but small in comparison with culture and people issues

Thank you

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