

Performance through Procurement

Delivering enhanced performance
through Procurement

Start Date: 1st November 2019

End Date: 31st March 2023

Contract Value: £1,060,368

Final Report | 31st May 2023



PROJECT OVERVIEW

- CITB **Performance Through Procurement** project ended its 3-year contract on 31st March 2023.
- Worked with Chartered Institute of Procurement & Supply (CIPS) and qualified procurement consultants to design and deliver the training, including procurement coaching and advice from the Institute of Collaborative Working (ICW) and Professor David Mosey of King's College London University.
- All the **deliverables** for training **either exceeded or were on target**.
- **2,266 individuals on training programme**.
- **2216 procurement individual assessments** have been taken to date.
- **6474 resources accessed** from the School's online learning library.
- Supply Chain Improvement Programmes (SCIPS) which were at risk six months ago, have finished with this deliverable back on track against the contract target.
- **The SCIPS target** was a cost savings of £5 million, this has been **exceeded with the current total of £7,450,943**.
- Collaborative Partners CECA and Nottingham Trent University/ Morgan Sindall each produced four e-learning modules and all eight are hosted on the School's resource library.
- Each Collaborative Partner took turns to curate and host a conference for joint audiences with each conference focusing on a different theme.
- The Procurement governance group will continue past contract end.
- **Procurement** will stay as a topic within the School now that the CITB **Performance Through Procurement** project has ended.

Foreword



Shaun McCarthy OBE,
Chair of Supply Chain
Sustainability School

*Despite some of the most challenging circumstances the UK construction sector has faced, I am proud to confirm our **Performance Through Procurement** programme has been a great success, as the case studies in this report will testify. The programme was awarded before Covid and was subject to delay as CITB postponed the funding due to uncertainty caused by the Pandemic. Action Sustainability made a bold decision to continue to deliver the programme at risk rather than lose momentum or let our Partners down. Thankfully, CITB re-instated the funding, and we were able to deliver all our commitments in the time required.*

Whilst we were able to develop and deliver high quality e-learning content and workshops to help upskill people in the industry in all aspects of procurement, our commitment to deliver 11 Supply Chain Improvement Programmes proved much more challenging. Procurement professionals in our industry were facing unprecedented pressures on costs, material, and labour shortages. These were initially caused by the pandemic but later by the impact of the war in Ukraine. They were literally firefighting each day with no time to think about medium- and long-term improvements. Thanks to the excellent long-term relationships we have developed with our Supply Chain Sustainability School Partners over the past 10 years, we were able to deliver the programmes described in this document. Furthermore, our ambitious target to help deliver £5M of savings has been smashed. Our Partners have so far reported £7,450,942.28, providing compelling evidence that good, professional procurement skills can deliver value.

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Project Summary

The purpose of the Performance through Procurement project was to significantly increase the quality of procurement training materials and to deliver training to improve procurement approaches of supply chains within local authorities, housing, and infrastructure sectors.

Led by the Supply Chain Sustainability School (“the School”) and working closely with the Chartered Institute of Procurement & Supply (CIPS) and qualified procurement consultants to design and deliver the training, they also provided procurement coaching and advice along with leading experts including the Institute of Collaborative Working (ICW) working with Professor David Mosey of King’s College London University and his team in collaborative procurement. The project resulted in **2,266 individuals attending a training programme** consisting of free expert-led webinars, workshops, and conferences. Of these individuals, **2216 conducted a self-assessment** and over **6474 learners accessed resources** on www.supplychainschool.co.uk.

A total of **11 Partners** from the School took part in the Supply Chain Improvement Programme (SCIPS) including tier 1 contractors, key supply chain members, and client organisations, to drive increased performance through the adoption of better procurement and supply chain management practices and improved collaboration.

The targeted measurable productivity improvements in performance were £5 million, but through programme delivery this was significantly exceeded with savings and cost avoidance totalling £7,450,943.



Figure: Contract Deliverables

Project Introduction

Procurement approaches vary widely across the three sector’s supply chains and between tier 1 contractors. As a result, this project’s aim was to develop a comprehensive programme of training to recognise a variety of procurement approaches and to consider a maturity of approach:

Level 1: Procurement for non-procurement professionals (focused on SMEs).

Level 2: Cost based procurement - typically by quantity surveyors and buyers.

Level 3: Value Procurement - value not cost, adopt a category approach, consider whole life costs.

Level 4: Strategic Relationships - work with and develop a small group of strategic suppliers in longer-term, more collaborative relationships using balanced scorecards to assess suppliers.

Level 5: Enterprise - Alliancing principles as operated by Heathrow, Anglian Water, National Highways etc.

The Performance through Procurement project focused on five key activities shown in the graphic below.

Aims and objectives of the project

Programme Delivery

Working closely with the Chartered Institute of Procurement & Supply (CIPS) and qualified procurement consultants to design and deliver the training, the programme provided procurement coaching and advice along with leading expert in collaborative procurement, Professor David Mosey of King's College London University.

The School's workshop programme offered learners the opportunity to embark on a journey starting with an Introduction to Procurement workshop, followed by, Supplier Performance Management in Procurement, Supplier Relationship Management, Achieving Value through Materials Procurement, Achieving Value through Plant Procurement and Collaborative Procurement workshops. The webinar series covered several hot topics, for example, Procurement for SMEs, Digitalising your Procurement Process, and Embedding Social Value in Procurement and Supply Chain, to name a few.

The conference programme was an opportunity for the School's audience to hear from experts on such issues as Supply Chain Risk, Resilience and Capacity, Closing the Construction Productivity Gap and Raising the Performance Bar, Transforming Infrastructure Procurement and Productivity and Operational Efficiency through Digital. The School's training programme of **20 webinars, 42 workshops, and 4 conferences** was delivered to **2,266 learners** and **6,474 learners** downloaded materials from our online resource library.

Impact

The SCIPS, who used the School's procurement performance tool to capture performance monitoring of supply chains, showed a mass saving towards the £5m target with the current figure reported at £7,450,942.28. The SCIPS captured data across the following four metrics: Savings Actual, Savings Projected, Cost Avoidance and Cost

Avoidance Projected (definitions below). These figures were reported into the Procurement Performance Tool.

93% of learners rate the quality of training as **“good” or “excellent”** and 84% of those learners are likely to implement the training given.

The topic of Procurement featured in the School's annual impact survey to all members (2021 & 2022). It is interesting that the results were alike each year, other than one standout figure showing that **76% of respondents agree that the School has helped them to improve their performance through procurement.**

This is a 7% increase on 2021 responses, as well as the fact that this is three quarters of those who have been through the programme. These are really pleasing figures, showing a strong appetite for members to better their procurement practices.



Key benefits companies have received as a result of using the School's Procurement content....



IMPACT SURVEY 2022

Engaging with the School has helped businesses....



76%

improve performance through procurement (2021: 69%)



34%

develop their approach to better procurement (2021: 38%)



30%

improve Procurement skills of individuals with purchasing responsibility (2021: 30%)



28%

ensure a better understanding of procurement and collaboration in their supply chain (2021: 28%)

Since joining the School, companies have benefitted from better performance through procurement



54%

Agree (2021: 55%)

Supply Chain Improvement Programme (SCIPS)

Taking a proactive opportunity-based approach by the School's partners to identify **11 SCIPS projects**, where they believed there was a clear opportunity for performance improvement, was a very difficult task. When the Supply Chain Improvement Programme launched, industry felt it was the wrong time to work closely with their supply chains: post pandemic, Brexit and the war in Ukraine meant priorities had changed. This had a knock-on effect with the project timeline of delivery against targets set, which needed to be achieved by the end of the contract. Two streams of delivery were then offered: **Learning Journey** (taken by nine Partners) - working with a cohort of 15-20 procurement and commercial professionals to improve skills and implement the learning; or **Diagnostic Journey** (taken by two Partners) - working with groups of buying and supplying organisations to understand how productivity can be improved through better relationships. The key factors were to enable client participation and shared behaviours and values across the supply chain, captured as case studies.

The School successfully worked with 11 organisations, expanding the School team to deliver this. The 11 SCIPS had the opportunity to use the procurement performance tool to capture performance monitoring of supply chains. Due to the delayed uptake of the SCIPS offer, currently only **6 SCIPS have showed a mass saving towards the £5m target, with the current figure reported at £7,450,942.28 with the return on investment of £7.50 for every £1 invested by CITB.**



Click above to visit the Supply Chain Improvement Programmes webpage



Feedback from SCIP participants

“ Now is the time to upskill our procurement professionals in construction as we look to tackle wider issues such as economic instability, climate change, modern slavery and changes to legislation ensuring higher levels of accountability in the procurement process. We are delighted that this programme was so well received by our cohort, and we are looking to build upon the momentum gained through this programme to continue to improve our internal processes to support our colleagues to deliver best practice procurement. ”

– **Osbourne**

“ The support and the quality of training from the Supply Chain Sustainability School has been fantastic, they have accommodated our requirements and delivered a programme of workshops which have allowed us to upskill our Teams and give really insightful knowledge to our Key Supply Chain Partners. ”

– **Wates**

SCIP Case Studies are included at the end of this report

- Morgan Sindall Group
- ISG
- Osborne
- Wates
- Laing O'Rourke
- J N Bentley
- Octavius Infrastructure

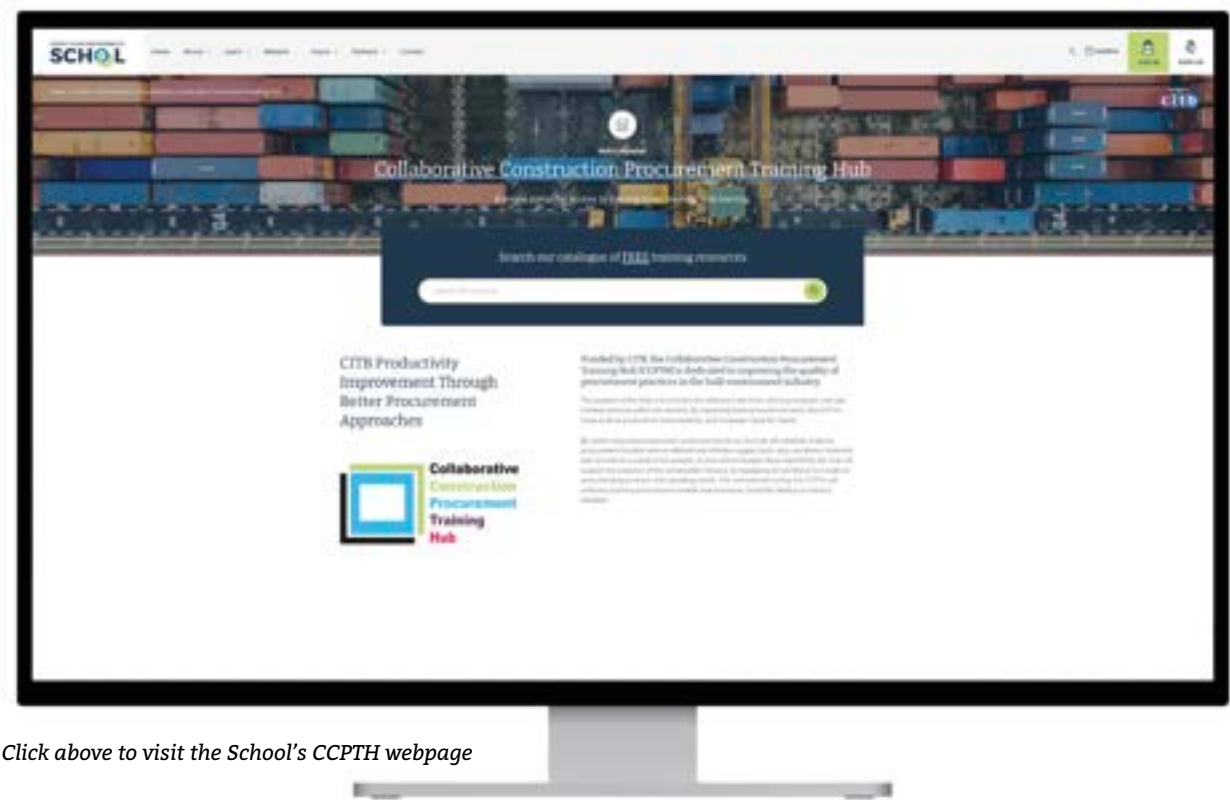
Please note: due to some SCIP case studies containing commercially confidential information they will not be published.

Collaborative Construction Procurement Training Hub (CCPTH)



CECA, Nottingham Trent University with Morgan Sindall, and the Supply Chain Sustainability School agreed to work collaboratively with industry to increase the skills level for those who buy products and sub-contract services.

By improving these procurement skills, the **CCPTH** wanted to drive productivity improvements, and increase value for clients through a conference programme, bringing in key stakeholders and government to address relevant issues, and offer this exposure for free to a participating audience, as well as other methods of learning such as webinars and e-learning. The methods laid out by the CCPTH planned to embrace evolving procurement models and processes, with the hope of this leading to industry adoption.



Click above to visit the School's CCPTH webpage

Legacy

Now that the CITB Performance Through Procurement project has ended **Procurement** will stay as a topic within the School. The Procurement Governance Group who has supported this project will be re-prioritising the Group's objectives. The training courses created will continue to be promoted and delivered by the School. This Group will also ensure the resource library is kept up-to-date, and access to the e-learning modules and assessments are freely available. They will continue to work together with how best to educate the construction sector and address industry issues and topics.



Products

Resource Hub

Working with subject matter experts, Kings' College London, and The School's employer partners, a range of **8 CPD accredited training courses** were developed, as well as web-based supporting **e-learning** modules and a **resource library** that are all hosted on www.supplychainschool.co.uk.

These courses reflect the five levels that were set out above. The content of the courses cover: best practice procurement; building enterprise procurement models; and the values and behaviours required to drive change.



Assessment Tool

Not everyone is on a consistent level of understanding. As such, the project developed a web-based procurement **skills diagnostic** tool based upon the technology developed in the School. This goes beyond the skills required in today's transactional procurement cycle and covers the "soft skills" that are required to drive change such as innovation, collaboration, leadership, and change management. **2216 assessments have been taken to date.**



Procurement Data Tool

Our Procurement data tool, used to monitor the £5m target, set out the following metrics:

- **Savings Actual**
Definition – financial figure relating specifically to procurement activity, such as negotiated costs, efficiencies found through procurement innovation or collaborative arrangements – **this is savings realised during the SCIP duration.**
- **Savings Projected**
Definition – financial figure relating specifically to procurement activity, such as negotiated costs, efficiencies found through procurement innovation or collaborative arrangements – **this is savings not yet realised due to the duration of the contract.**
- **Cost Avoidance Actual**
Definition - financial increases, additional costs that were avoided due to procurement activity such as efficiencies, procurement commitments and agreements, innovation, and collaboration. This could include a decreased price increase when dealing with inflationary challenges - **this is realised cost avoidance during the SCIP duration.**
- **Cost Avoidance Projected**
Definition - financial increases, additional costs that were avoided due to procurement activity such as efficiencies, procurement commitments and agreements, innovation, and collaboration. This could include a decreased price increase when dealing with inflationary challenges - **this is cost avoidance not yet realised due to the duration of the contract.**

Our Partners have so far reported **£7,450,942.28**.

Acknowledgements

This report has been developed by the [Supply Chain Sustainability School](#) and this project has benefited greatly from the input of the School's industry steering group members representing **AMCO, Anglian Water, Balfour Beatty, BAM Nuttall, Barratt plc, Causeway, Engie, ISG, JN Bentley, Kier, Morgan Sindall, Osbornes, SES, Sisk, Skanska, SSE, Telford Homes, Veolia, Vinci Construction, Vistry Group, VolkerFitzpatrick, Wates** and those Partners who welcomed the School into their organisations to help them to deliver productivity improvements in the most challenging of circumstances.

The School would also like to thank the **Chartered Institute of Procurement & Supply (CIPS)**, the **Institute for Collaborative Working (ICW)** and **Kings College London** for their support and contribution.

If you have any questions please contact lead author
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**PERFORMANCE
THROUGH
PROCUREMENT**



Client: Morgan Sindall Group
Project Title: Supply Chain Improvement Programme
Dates undertaken, from/to: January to May 2022
Project Manager: Mellita D'silva
Case Study written by: Graham Edgell, Group Director of Procurement & Sustainability
Date: December 2022

The Task

Morgan Sindall Group were seeking support in refreshing their knowledge of Procurement and Supply Chain Management via our Procurement learning journey of workshops. The aim was to engage with and involve the value chain from clients to tier 1s. The participants therefore consisted of Supply Chain and Procurement Directors and Managers from Morgan Sindall's various divisions and business units, client-side representation from Network Rail and National Highways and Tier 1 contractor Emico.

The Action

The Supply Chain Sustainability School (School) started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge.

The executive sponsor from Morgan Sindall ensured the participants were registered for the workshops and engaged in the conversations that followed. The workshop topics selected by Morgan Sindall were – Introduction to Procurement, Value through Plant & Materials Procurement, Value through Subcontract Procurement, Supplier Performance Management, Supplier Relationship Management, and Collaboration in Procurement.

Outcomes, Benefits and Lessons Learnt

The workshops provided a forum for participants to relive the basics of the 'Plan-Source-Manage' part of the procurement process and to dive deeper into the details of what the process entails, what could be missing from their current tools and process and where better practice could be implemented, especially in supplier performance and relationship management. The workshop offered plenty live examples and discussion points to drive down the learning. Attendance across the value chain meant that participants could see where leaner, more efficiency could be brought into the process, where the barriers were for added value and the mitigation measure to make procurement and supply chain management more efficient. The benefit of these workshop sessions was that it provided for an appreciation for procurement as a function and process and how it ties in with work winning/the bidding team and what can be incorporated early on to ensure that important added value considerations were not left out in the procurement process later on.

Outcomes from Phase 1 lead to Phase 2 wherein we:

- Are engaging with the Tier 1 supplier who have seen the benefits of upskilling themselves and are engaging to become a School partner to gain access to more procurement resources.
- Identified procurement resources from our School to align with the Job Descriptions of staff in the Nuclear division to
 - Create the standard for competence for each role.
 - To ensure they have and maintain SQEP'd resources.
 - They have a learning path and resources for personal development.
 - They bring in best practice into Morgan Sindall Nuclear
 - Drive high performing team delivering high standards in their output.
- Supported the Nuclear Division in designing the supply chain academy to upskill their supply chain on procurement and sustainability topics
- Are running a workshop on procurement risk mapping around Supply Chain risk, resilience, and capacity to help inform the business for the FY 2023-2024

Participant Feedback

- » *"I really enjoyed today's and the last session Mellita, the content and your mannerisms and the way you deliver. I am currently doing my CIPS and it all seems so broad. You have tailored these courses to our needs and all the examples you provided today made sense and I could relate to it. I have learned more from the last 2 sessions you have run for us than the CIPS materials I am studying. I must admit, I was hesitant to join the SCIPs programme, but I am thoroughly enjoying it and glad I came along. I will definitely attend the next one too. Tell me how I can ensure I am embedding added value considerations in, as I used to be very lowest price focused, and I want to move away from that? I have enjoyed the resource library and the School's resources in this area too."*
- » *"I have attended all 3 modules so far and to be honest, it has been more enjoyable and beneficial than I expected."*
- » *"The content which was very relevant to my job and engaging with others on the course who come from a similar background."*

Testimonial

This programme has proven to be a comprehensive reminder and source of best practice excellently delivered by Mellita D'silva. We operate via a decentralised model that encompasses a host of different market sectors including Development, Design, Engineering, Infrastructure, Construction, Housing, Fit Out and RMI but the programme benefited all that participated.

For the avoidance of doubt the programme has delivered tangible and measurable benefits, as always in these instances it is not always possible to be totally accurate when evaluating the precise figures due to the number of business units participating. In addition, the costs are not all realised in the time frame of the programme. We have though been able to attribute indicative values following the delivery of the improvement programme.

Without doubt the partnership between CIPS & Action Sustainability is a winning formula, best practice communicated via experienced practitioners in a pragmatic and professional way. The Morgan Sindall procurement team including our supply chain have benefited from the programme.



Client: ISG
Project Title: Supply Chain Improvement Programme
Dates undertaken, from/to: March to October 2022.
Project Manager & Team: Bill Marshall
Written by: Rory O'Callaghan, Supply Chain Sustainability Manager
Date: November 2022

The Task

In October 2019, ISG committed themselves to an in-depth external assessment and evaluation of their procurement function and operations to potentially develop and improve the company's procurement performance and expertise. The assessment and evaluation was to be conducted against the best practice contained in ISO20400:2017, 'Sustainable procurement – Guidance'. As a global construction specialist, outstanding procurement performance coupled with high expectations of the ISG supply chain, the 'delivery dynamic', is judged essential to the business for its continuing success. It is also seen as an imperative that sustainability is incorporated into ISG's procurement activities to be able to meet clients' increasingly demanding sustainability needs and expectations.

Building on the assessment and evaluation undertaken in 2019, now as a Partner of the Supply Chain Sustainability School, at the beginning of 2022, ISG took the decision to take advantage of the free consultancy time and support available via the school under the 'Performance Through Procurement' programme. The programme aims to, 'significantly increase the quality of procurement training materials and use them to deliver training that will improve procurement approaches across the construction, housing, infrastructure, and local authority supply chains'.

Given that the programme also aims to address the issues of complex supply chains and poor relationships in the construction sector and, as ISG place significant value on 'strong supply chain partnerships and working collaboratively', there was a natural fit between the programme's targeted training and ISG's procurement and supply chain priorities.

The task was therefore to deliver the procurement and supply chain management support and training available via the Supply Chain Improvement Programme to ISG and its procurement teams, helping them to develop their procurement skills and expertise to drive greater productivity from their subcontractors and suppliers and increase value to the business and across its operating sectors.

The Action

In order to initiate the programme, a 'Kick-off' meeting took place in March 2022. This enabled individuals to introduce themselves, their roles and for the proposed support and training to be discussed and subsequent activities agreed in principle. ISG's two main points of contact were their Senior Procurement & Supply Chain Manager and Supply Chain Sustainability Manager.

An important activity linking the original assessment and evaluation with the Supply Chain Improvement Programme was a review of ISG's procurement policies and procedures etc and the progress made in implementing the recommendations contained in the 2019 assessment. These also linked the integration of sustainability considerations (focussing on carbon & climate change, circular economy, environmental management, and social value) in the procurement of plant, materials, and subcontract services into ISG's purchasing together with the subsequent activities needed to successfully manage supply chain relationships post contract award.

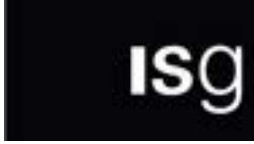
Coincidentally, at the same time, an important initiative to improve procurement being implemented in ISG was the introduction of 'SmartSource', an electronic supply chain management solution. Being delivered in three phases, phase 1 related to vendor onboarding and assurance; phase 2 implementing a 'purchase-to-pay' module relating to suppliers and phase 3, replicating phase 2 but aimed at subcontractors. The support and training afforded through the Supply Chain Improvement Programme thus presented an opportunity to help promote 'SmartSource' to ISG staff and so further enhance and improve procurement performance across the company.

Discussion and engagement progressively turned to the proposed training workshops, their content and a proposed timetable and delivery programme. The six training sessions were set up to take place during the summer and ideally be completed before August 2022 when people were likely to be on leave. The training, which covered the procurement of plant, materials, and subcontract services to achieve value, was planned to take place first followed by sessions on performance management and supplier relationship management post order. Close liaison with ISG took place to optimise attendees, content, sequencing, and timing of the training to ensure that the procurement staff taking part and receiving the training achieved maximum benefit.

Upon completion of the training sessions, ideas were explored on the best method of reinforcing the support and training provided up to that point, including the potential of drafting an 'Achieving Value' guide for ISG procurement staff based on the content of the training and a draft index of proposed contents was drawn up and circulated. However, ISG decided that sharing the content of the support and training received with their supply chain, particularly their 'key' subcontractors. would be of potentially greater benefit. This also tied in with ISG's aspiration to support its corporate business strategy by, 'developing and managing an approved, compliant, ethical, and verified supply chain that enhances ISG's competitiveness and success through best practice and aligned cultures'.

The ISG case study continues overleaf....

Continued from the previous page.....



Following further dialogue with ISG, it was decided that developing bespoke workshops for their supply chain and potentially running a series of three sessions aimed at their small, medium, and large subcontractors and suppliers respectively could be beneficial. The aim being to get feedback on the ISG supply chain's experiences with the Supply Chain Sustainability School so they can understand how best to encourage their supply chain to learn more and correspondingly upskill their own staff and employees. The proposed workshops would be designed and delivered by the School in conjunction with the three Partner Relations Teams.

Outcomes, Benefits and Lessons Learnt

Out of the consultancy support, ISG received feedback and/or advice on how to improve their procurement documentation including:

- Sustainable Procurement Policy
- Sustainable Procurement Implementation Plan (aligned with ISO 20400)
- Supply Chain Charter
- Category Risk Map and Spend Analysis
- Sustainable Procurement Questions, Goals and Standards

In addition, ISG received advice and/or potential guidance relating to:

- Sustainable Procurement Metrics
- Development of a RACI (Responsible, Accountable, Consult and Inform) responsibility assignment matrix
- Balanced Scorecards
- BES 6001 – Framework for Responsible Sourcing
- Annual Diversity Survey

Testimonial

Our third-party assessor of sustainability and sustainable procurement has measured an increase in our scores for sustainable procurement since we engaged the School and embarked on the supply chain improvement plan.'

- ISG Supply Chain Sustainability Manager, 22nd August 2022.



Client: Osborne
Project Title: Supply Chain Improvement Programme
Dates undertaken, from/to: July 2022 to March 2023
Project Manager: Helen Carter
Written by: Sarah Chatfield, Sustainable Procurement Officer; Maria Wood, Head of Procurement & Supply Chain
Date: 23rd February 2023

The Task

Osborne were seeking support in upskilling and refreshing the knowledge of their procurement teams in Procurement and Supply Chain Management via our Procurement learning journey of workshops. In addition to this they were looking at specific support relating to a tender for waste management and an understanding how they define value, risks and opportunities in specific categories of spend.

They had recently sold an element of their business and were in a period of transition that saw them redefining the roles and structure of procurement as well as refining the procurement processes and approaches they were looking to embed in the team.

The Action

The Supply Chain Sustainability School started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge.

The cohort identified for training were then placed on a training path that took them from the basics of procurement through to the more advanced elements including performance management, supplier relationship management and collaboration training. All the training courses were completed by the team at the end of 2022 and during Q1 of 2023, the Supply Chain Sustainability School provided hands on support in defining the required criteria for a waste management tender that was being delivered and undertook a risk and opportunity assessment that allowed procurement teams and stakeholders to define what value, risk and opportunities existed in 6 categories of spend they were focusing on.

Training:

During the training element of the programme, we ran 6 training courses that included:

- Introduction to procurement
- Cost & Value in Materials Procurement
- Cost & Value in Subcontracting
- Supplier Performance Management (SPM)
- Supplier Relationship Management (SRM)
- Category Management

We delivered 324 hours of training over that period to 27 individuals.

The cohort was tailored to ensure that the training was aligned with the roles and responsibilities of the procurement team members however there was still opportunities for individuals to understand other aspects of procurement that they were not directly involved with, and attendees expressed an interest in evolving their careers to undertake other aspects of procurement that they had not thought about

Waste Management Tender:

Osborne were issuing a tender that would establish a new agreement for waste management services. In supporting Osborne, the Supply Chain Sustainability School undertook the following activities:

- Review and guidance relating to the category plan and procurement requirements.
- Development of key areas of requirement for the tender including, account management, reporting and modern slavery
- Evaluation of tender responses

- Review of SLA and KPI requirements with advice and guidance on areas for development.

This activity ran from December 2022 to March 2023

Value, Risk & Opportunity Analysis:

To support category plans and procurement requirements, Osborne required a process of value, risk and opportunity analysis against key procurement challenges and sustainability impacts. To support this process the Supply Chain Sustainability School undertook a facilitated session with key category managers analysing their area of spend against 13 key criteria. These were:

- Labour & Skills Shortage
- Supply Constraints
- Economic & Financial Risk
- Health Crisis
- Commodity Crisis
- Carbon & GHG
- Waste
- Water Use/Quality
- Air Quality
- Biodiversity
- Skills, Learning & Development
- Modern Slavery/Labour Rights
- Community Engagement & Investments

After working through where value, risks and opportunities existed in the supply chain advice was then given on how the prioritised areas could be incorporated into both the category/procurement process and embedded into an SRM structure that was being developed.

The Osborne case study continues overleaf.....

Continued from the previous page.....



The Outcome, Benefit and Lessons Learnt

Outcomes from Phase 1 lead to Phase 2 wherein we:

- Engaging with all levels of procurement staff within Osborne and allowing the more senior members of the teams to share knowledge and best practice.
- Identified procurement resources from our School to align with the organisation's strategic priorities, namely:
- Embedding a more collaborative relationship with suppliers
- Embedding a more formalised approach to supplier management process that would allow collaboration, innovation, and continuous improvement.
- Developing an approach to performance management that encouraged collaboration.
- Identification of key criteria that would influence procurement requirements going forward which would lead a specific, efficient, and tailored approach to category procurement.
- Guidance on how the requirements identified from the risk/opportunity analysis could be fed into category and procurement strategies and inform the content of SRM programmes going forward.
- Support on the waste management tender and how the use of balanced scorecard approach, SLA's and KPIs can support good procurement with measurable and clearly defined outcomes.
- Begin to create a learning programme to develop on the training delivered in Phase 1, looking at areas such as soft skills and supplier relationship management.

Participant Feedback

- » *I found the course very insightful, the discussions about 'mapping' & procuring for 'value categories'. Furthermore, it was interesting to hear the different ideas & also benefits regarding the centralised procurement strategy potentially being implemented across the business. I think this would be a great idea if it is implemented properly with input from QS's/Project Managers over how it could be most effective. It was also good to discuss the ever-growing inflation concerns across the industry and potential actions to mitigate the risk.*
- » *I took a lot away from today's session, i.e., thinking about longevity, not just procuring on price, procuring on responsiveness, service and trying to build and foster "partnerships" moving forward. It was great to hear others input, those with more experience than I.*
- » *Very insightful and shows where we are lacking collaboration with our current supply chain.*
- » *As a business we buy most material through our subcontractors, however this session provided an insight into things that you may not normally think about when procuring materials*

Testimonial

Now is the time to upskill our procurement professionals in construction as we look to tackle wider issues such as economic instability, climate change, modern slavery and changes to legislation ensuring higher levels of accountability in the procurement process. We are delighted that this programme was so well received by our cohort and we are looking to build upon the momentum gained through this programme to continue to improve our internal processes to support our colleagues to deliver best practice procurement.



Client: Wates
Project Title: Supply Chain Improvement Programme
Dates undertaken, from/to: September 2022 to March 2023
Project Manager: Helen Carter
Written by: David Oates, Group Procurement Director; Jane Seabright, Senior Secretary Group Procurement
Date: 1st March 2023

The Task

Wates were seeking support in upskilling and refreshing the knowledge of their procurement teams in Procurement and Supply Chain Management via our Procurement learning journey of workshops. In addition to this they were looking at specific support relating to carbon reduction. Specifically enabling the supply chain to understand what carbon reduction looks like and how it can relate to improved productivity.

The Action

The Supply Chain Sustainability School started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge.

Training:

The cohort identified for training were then placed on a training path that took them from the basics of procurement through to the more advanced elements including performance management, supplier relationship management and collaboration training. All the training courses were completed by the team at the end of 2022.

During the training element of the programme, we ran 8 training courses that included:

- Introduction to procurement
- Cost & Value in Materials Procurement
- Cost & Value in Subcontracting
- Cost & Value through Plant Procurement
- Supplier Performance Management (SPM)
- Supplier Relationship Management (SRM) and Collaborative Procurement
- E-Tendering
- Labour

The cohort was tailored to ensure that the training was aligned with the roles and responsibilities of the procurement team members however there was still opportunities for individuals to understand other aspects of procurement that they were not directly involved with, and attendees expressed an interest in evolving their careers to undertake other aspects of procurement that they had not thought about.

Carbon Reduction and Productivity

In Q1 of 2023 the Supply Chain Sustainability School then undertook a series of workshops with key supply chain partners designed to upskill them in carbon reduction requirements. It aimed to help the supply chain to action plan activity it can take and enable Wates to understand some of the challenges the supply chain is experiencing through the procurement process.

Wates have committed to carbon reduction targets but have linked the requirement with increased productivity and improved efficiency.

5 sessions were run covering 5 categories of spend, namely: Facades; Fit Out; Frame; GW & Infrastructure; and MEP.

The training sessions outlined Wates targets in carbon reduction and linked them to productivity requirements. The supply chain was then given an insight into carbon hotspots and measurement and finally they were then challenged to pull together actions they could take to address the challenges and support carbon reduction and productivity targets.

The Outcome, Benefit and Lessons Learnt

Outcomes from Phase 1 lead to Phase 2 wherein we:

- Engaging with all levels of procurement staff within Wates and allowing the more senior members of the teams to share knowledge and best practice.
- Identified procurement resources from our School to align with the organisation's strategic priorities, namely:
- Embedding a more collaborative relationship with suppliers
- Embedding a more formalised approach to supplier management process that would allow collaboration, innovation, and continuous improvement.
- Developing an approach to performance management that encouraged collaboration.
- Engagement with the supply chain, allowing for collaboration in areas of carbon reduction and productivity and an understanding of how procurement can be used to incentivise outcomes.

Participant Feedback

- » *Great course, fabulous presenting, very inclusive, very relevant content, helped me realise I knew more about Procurement than I thought but has also expanded my knowledge and given me a better understanding of Procurement and how it fits into the business and how we can look to improve.*
- » *A lot of what was discussed people could relate to for the most part which left it open for some interesting topics. Other conversations around real life past experiences and the challenges we have all faced or going to face moving forward as a business.*
- » *Even if I do not use subcontract procurement within my role it is always very useful to be in the know and good practice.*

Testimonial Quote

"The support and the quality of training from the Supply Chain Sustainability School has been fantastic, they have accommodated our requirements and delivered a programme of workshops which have allowed us to upskill our Teams and give really insightful knowledge to our Key Supply Chain Partners"

- David Oates, Wates Group Procurement Director



Client: Laing O'Rourke
Project Title: Supply Chain Improvement Programme
Dates undertaken, from/to: March to Sept 2022
Project Manager: Mellita D'silva
Written by: Kevin Horner, Procurement Operations Lead
Date: December 2022

The Task

Laing O'Rourke were seeking support in upskilling their procurement team via our Procurement learning journey of workshops. The participants ranged from beginner to advanced level of experience and expertise and included for project procurement managers as well as central procurement category managers.

The Action

The Supply Chain Sustainability School (School) started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge.

After analysing the scores of the 14 participants (category managers, assistant procurement managers, procurement managers, plant & materials buyers – MEICA, Civils and Operations) and discussing with the executive sponsor from Laing O'Rourke, we jointly ensured the participants attended the workshops that most suited their training needs and requirements.

The workshop topics were – Introduction to Procurement, Value through Plant & Materials Procurement, Value through Subcontract Procurement, Supplier Performance Management, Supplier Relationship Management and Collaboration in Procurement. We used the 5 workshop days to run the workshop sessions and the consultancy days to run the self-assessment, workshop allocation and 1:1 sessions with participants who are new to subcontract procurement and needed to understand the process and the concepts better.

The Outcome, Benefit and Lessons Learnt

The workshops provided a forum for participants to learn in a way that added to their existing CIPS qualifications and modules, with real life and project examples. The sessions also provided a chance for newcomers to the team and procurement professionals to hear what the senior team members contributed and learn from there. The interactivity of the workshops helped to seal concepts and process steps in the participants minds.

The benefit of these workshop sessions was that it enriched what participants were doing in their day jobs by helping them connect to other project good examples and lessons learned to ensure tools like the due diligence, collaboration and supplier performance management are given more priority.

We have gathered examples of how the delegates have put their learning into practice from the executive sponsor of this project:

- Upskilling of professional and best practice methods
- Contract knowledge of subcontract procurement
- Upskilling around supplier relationship management techniques
- Data management
- Risk Management

For Laing O'Rourke, the PtP programme has delivered tangible and measurable benefits, which can be attributed to learning being implemented and better procurement practices.

Participant Feedback

- » *I thought the training was in some areas positive and many of the examples provided were helpful to understand the learning points. Thanks for your time through this process I have appreciated the opportunity to be part of the process.*
- » *examples were excellent and easy to remember the content because of this*
- » *The interactive nature and examples given.*
- » *Free flowing of the training punctuated with discussions and surveys, kept things interesting*
- » *I thought the course was helpful and provided useful context behind my role within Procurement. Use of best practice to apply to certain aspects of my role has improved my efficiency and expertise as a Procurement professional in my opinion.*

Testimonial

With an increased focus from the government on construction procurement activities a training platform like this enables us to upskill our team. The programme providers outlined a clear education path for our team members in supply chain improvements and technics, we were instantly impressed by course content and overview of the value this would bring to the individuals attending and our organisation.



Client: J N Bentley

Project Title: Supply Chain Improvement Programme

Dates undertaken, from/to: July 2022 to January 2023

Project Manager: Helen Carter

Written by: Jake Parker, Procurement Manager; Dean Holmes, Director

Date: 27th March 2023

The Task

J N Bentley were seeking support in upskilling and refreshing the knowledge of their procurement teams in Procurement and Supply Chain Management via our Procurement learning journey of workshops. The aim was to engage with all current procurement staff which in turn supports the changing nature of the procurement function in the organisation.

The Action

The Supply Chain Sustainability School (School) started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge.

The cohort identified for training were then placed on a training path that took them from the basics of procurement through to the more advanced elements including performance management, supplier relationship management and some collaboration training. All the training courses were completed by the team at the end of 2022 and during January 2023, the Supply Chain Sustainability School provided 1-2-1 sessions with the Senior Procurement teams to discuss and provide advice on the developed procurement business plans that would be executed during 2023.

The Outcome, Benefit and Lessons Learnt

During the training sessions we ran 9 training sessions for 33 individuals. The courses included Introduction to Procurement, Cost & Value for Plant & Materials Procurement, Cost & Value for Subcontract Procurement, SPM/SRM & Collaboration in Procurement, Category Management and Cost & Value for Labour Procurement. This equated to 267 hours of training delivered over the 6-month period.

Whilst the cohort was consistent for the entire syllabus attendees found it useful to understand other aspects of procurement that they were not directly involved with, and some expressed an interest in evolving their careers to undertake other aspects of procurement that they had not thought about.

At the end of the programme 1-2-1 sessions were held with 5 senior procurement team members to review their procurement business plans and provide support and information relating to supplier relationship management processes, increased sustainability inputs, KPIs and team development and capacity building within the procurement teams going forward. There were some common areas for development, the biggest being an approach to managing suppliers and subcontractors that would support ongoing cost and value targets for the organisation.

Outcomes from Phase 1 lead to Phase 2 wherein we:

- Engaging with all levels of procurement staff within J N Bentley and allowing the more senior members of the teams to share knowledge and best practice.
- Identified procurement resources from our School to align with the organisations strategic priorities, namely:
- Embedding a more collaborative relationship with suppliers
- Embedding a more formalised approach to supplier management process that would allow collaboration, innovation and continuous improvement.
- Working with the supply chain to understand the capacity to address carbon targets
- Supporting the plant supplies strategies and connection to the carbon and air quality requirements starting to find their way into client requirements.

Participant Feedback

- » *A lot of information presented in a very easy to digest manner.*
- » *Good introduction. Brought those new to procurement up to speed in terms of definitions, what procurement encompasses, what is expected of them. I suspect it leads on to what's to come very well.*
- » *Understanding how basic procurement strategy can be implemented into everyday procurement. Was also good to understand new things coming up.*
- » *Excellent use of prompts to push us to thinking about the values that can be achieved during the lifecycle of orders we are placing*
- » *Helpful for learning how to build supplier relationships, enforced the importance of communication and collaboration with suppliers*
- » *Learning how to dive deeper into our supply chain and grow closer on a project by project basis.*

Testimonial Quote

Jake Parker - *"The feedback from the team has been overwhelmingly positive about the programme with everyone getting a great deal out of it which can be evidenced through the savings achieved during the period. All of the team were very complimentary about Helen and Dyanne's teaching style and found the sessions to be easily accessible, informative and applicable in their day-to-day roles. The consultancy hours also proved to be very useful as they allowed for the teams to get outside expertise on the business plans for their areas and to refine them to ensure they deliver the best results for the business in 2023."*

Mark Greaves, Lead Buyer – *"You can tell Helen & Dyanne have a wealth of knowledge in this industry and this comes across well during the sessions where they regularly share their past experiences, whilst also engaging the team to share theirs too. All in all the sessions were really beneficial for our team as a whole."*



Client: Octavius Infrastructure

Project Title: Supply Chain Improvement Programme

Dates undertaken, from/to: Sept 2022 to Feb 2023

Project Manager: Mellita D'silva

Written by: Nikolaos Sapounas, Supply Chain Manager

Date: 17th Feb 2023

The Task

Octavius Infrastructure were seeking support in upskilling their buying team and quantity surveyors via our Procurement learning journey of workshops. The 16 participants consisted of mostly quantity surveyors and some plant and materials buyers and procurement administrators.

The Action

The Supply Chain Sustainability School (School) started out by ensuring the participants undertook the procurement self-assessment of 14 skill/topic areas within procurement as a function and scored themselves ranging from 1 point for minimal knowledge to 5 points for expert level knowledge. After analysing the scores of the 14 participants, the executive sponsor from Octavius ensured the participants were registered for the workshops that most suited their training needs and requirements, based on their scores from the self-assessment. The workshop topics selected by Octavius from the participants were – Introduction to Procurement, Value through Plant & Materials Procurement, Value through Subcontract Procurement, Supplier Performance Management, Supplier Relationship Management, and Collaboration in Procurement.

We used the 5 workshop days to run the workshop sessions and the consultancy days to run the self-assessment, workshop allocations. This project was delayed due to a merger and rebranding of the business and hence the workshops finished in February 2023, leaving little time for phase 2.

The Outcome, Benefit and Lessons Learnt

The 5 workshops provided a forum for participants to understand the basics of the 'Plan-Source-Manage' part of the procurement process and to dive deeper into the details of what the process entails, what could be missing from their current tools and process and where better practice could be implemented. The workshop offered plenty live examples and discussion points to drive down the learning. The interactivity of the workshops helped to seal concepts and process steps in the participants minds.

The benefit of these workshop sessions was that it provided for an appreciation for procurement as a function and process and how it ties in with work winning/the bidding team and what can be incorporated early on to ensure that important added value considerations were not left out in the procurement process later on.

How have the delegates have put their learning into practice:

- Created a stage gateway process based on the procurement cycle (Plan-Source-Manage),
- Incorporated elements of the learning in the revised supplier relationships management strategy,
- I will shortly be involved in the procurement of Walsgrave Junction and will look to implement the training I have been given,
- The training received was invaluable in assisting me to understand the processes and how to better support the procurement and delivery teams.

Participant Feedback

- » *The jam board session was useful to see where our gaps and opportunities are.*
- » *My perception around collaborative procurement was limited only to the procurement process and collaboration elements and the session made me understand that this extends to risk mitigation, early contractor involvement and added value.*
- » *I did enjoy the in-depth discussion we had about how we manage supplier performance in our business, identify where there are gaps in best practice are and what we can do to achieve it.*
- » *The trainer was very engaging and was actively encouraging participation in the group exercises.*
- » *I did enjoy the Value through Subcontract Procurement workshop. It was very informative, and the trainer was quite engaging.*
- » *I did enjoy the sessions a lot and the training on collaboration will definitely come in handy.*

Testimonial

When we were offered the opportunity to participate in the Supply Chain Improvement Programme (SCIP), we considered it as a great opportunity to upskill our colleagues in procurement but also changing some perceptions given the on-going business challenge to demonstrate value through our supply chain. The knowledge and expertise of the trainers both from Action Sustainability and CIPS, equipped our commercial, supply chain and procurement colleagues with the most up to date academic learning and best practise. Most importantly, it instanced that value cannot only be defined in terms of cost but has a number of forms in which can be demonstrated. At business level, it allowed our function to update the procurement process and introduce concepts in the supplier relationship and performance management. Overall, the programme was a big learning curve both for our colleagues and our business and this would not have been possible without the collaborative effort of all parties involved.