



Brian Farrington Limited Procurement and Business Solutions People

June 2004 Newsletter

Software Licences.

Do you know what software is within your organisation? On a recent assignment one of our consultants came across the following situation. A well respected software company offered a range of products of increasing functionality and, of course, price. Support and maintenance was a staggering 36% of the purchase price. The buying organisation had bought the entry level product. After 3 months they decided the more advanced product was required. A supplement was paid for the upgrade.

On the anniversary of the original purchase they received an invoice for the annual maintenance. It was followed three months later by an invoice for the higher product support. Both invoices being 36% of the current list price of the product.

Fortunately this duplication was spotted and not paid. Are there sufficient controls in your organisation to avoid such an occurrence?

Brian Farrington Ltd PPC User Group

Strategic Alliances and Project Partnering is a favoured procurement route for both the public and private sector.

PPC2000 was the first standard form of contract for Project Partnering of construction projects. It evolved from the recommendations in the CIC Guide to Project Partnering that endorsed the initiatives in the 1998 report 'Rethinking Construction' (published by the Construction Task Force set up by the Government). Rethinking Construction extolled the virtues of an integrated project process on the basis of 'project team

partnering' for the delivery of best value.

Kevin Murray, our Director of Construction and Facilities Management Services is one of a limited number of accredited Partnering Advisers and is leading the implementation of a major strategic procurement exercise for a central government department, based on partnered procurement, and providing Partnering Adviser services on projects totalling £70m. He is also a founder member of the PPC2000 User Group that has just published its inaugural Newsletter. A copy is attached. If you would like further information on how we may assist you in any aspect of partnering please contact Kevin: k.murray@brianfarrington.com

Excellence in Procurement

The Excellence in Procurement seminar has been received extremely positively. Feedback from the April 2004, Birmingham Airport event included: 'The style of presentation and interaction with the course attendees made for a very interesting and informative day' and 'as a new participant in procurement I found the seminar very helpful in understanding procurement from the buyer's perspective, and how this role can assist in the achievement of the organisation's objectives'.

Thank you to all the participants for your involvement and for your positive feedback. The event is to be repeated on 30 June 2004 in Manchester. Please contact Pat Robinson for details on 01744 20698 or probinson@brianfarrington.com

Purchasing and Supply Chain Management

Our Managing Director, Brian Farrington has agreed to be a co-author of the forthcoming 7th Edition of the above textbook. He will work closely with Dr Kenneth Lysoms who has been the author of previous editions. The book is published by Prentice Hall and is a recognised source of authority by the Chartered Institute of Purchasing & Supply. The book will directly cover the CIPS syllabus and special summary notes, OHP slides and case study solutions will be available, providing certain procedures are followed. The new Edition will have new chapters dealing with such topics as strategy, policy and supply chain strategies. As with previous editions it will include a variety of examples from the public and private sectors. Specialised in-house training and development activities will be offered by our business to augment the studies for CIPS examinations.

Due Diligence

We have successfully won a contract to conduct due diligence studies in association with a company acquisition. We are undertaking a thorough review of expenditure, contracts, risk and opportunities for cost reduction. The assignment has already proved the opportunities that abound for professional procurement.

Contact:

If you or a colleague / contact would like to receive the newsletter by email please contact, s.ashcroft@brianfarrington.com

The newsletter will also be posted on our website.