



Project Support

PROJECT MANAGEMENT	
SUMMARY	<p>Our intended role is not to assume total control of a project but to provide expert support at key phases. The greatest contributions can be made at the early planning stages, expediting and dispute resolution.</p>
CASE HISTORIES	<p>A major engineering investment in Canada.</p> <p>Our support to this project was specifically in the area of procurement. A complex range of electro-mechanical and instrumentation packages were involved from over 30 vendors, each directly on the critical path. We did the sourcing, negotiations, contract placement and expediting. Later we were involved in the logistics to the port of shipment, taking account of the deadline for winter shipments. All dates and cost parameters were met.</p>
	<p>A Utilities organisation.</p> <p>This project concerned a long term contract with significant investment. It required capital equipment, purchase of goods and services, a third part contract management organisation. Important deadlines with the regulator were involved as well as the potential for payments to customers for a poor supply of the utility. Our involvement went through the whole critical path of design, planning, procurement, site management, financial planning, statutory approvals, etc. There was a significant amount of contractual work and the development of Service Level Agreements.</p>
DURATION OF ASSIGNMENT	<p>Typically, our involvement would be 20-40 days duration, depending on the nature, complexity and location of a project.</p>



DEVELOPING NEGOTIATION STRATEGIES	
SUMMARY	Our input to a client's process would usually be related to exceptional, high value purchases, such as information technology, engineering projects, outsourcing, long term product support and partnering agreements.
CASE HISTORIES	<p>Partnering agreement with a design house.</p> <p>This assignment required, in the first instance, a partnering agreement to be written by us and agreed with in-house legal advisors. Having done so, negotiation strategies were developed and rolled out to the design house. A series of negotiation over 8 weeks led to the successful implementation of the agreement. Throughout our process both Boards of Directors were advised of progress and obstacles. Key features agreed were open book, jointly located design teams, intellectual property rights, audit, cost and project management.</p>
	<p>Supply of \$million forgings for aerospace business.</p> <p>This purchase involved high value \$million supply of aluminium forgings. The vendor had to be capable of sustaining supply for military and civil programmes in Europe, Canada and USA. The technical specifications were very exacting as were the contractual requirements. A negotiation strategy was developed, rehearsed, conducted and finally debriefed. A long term supply agreement was negotiated taking account of supply chain costs, currency, technology development, inventory, joint research and development, liabilities, back-to-back contracting and management of risk.</p>
DURATION OF ASSIGNMENT	Usually 10 days is the minimum period of support but for a sophisticated client the time can be shorter.



CLAIMS NEGOTIATION	
SUMMARY	<p>Contractors and suppliers are capable of submitting claims to their clients at the end of contracts. These claims can, in monetary terms, exceed the contract price. Some contractors, frankly, see this as a way of life and believe there is a system to be milked. The negotiation of these claims requires contractual, financial and high level negotiation skills to successfully eradicate or reduce the claim.</p>
CASE HISTORIES	<p>A UK Government Department.</p> <p>This claim was made by a contractor in the Facilities Management area of business. Our client had attempted to negotiate the claim that they had placed upon the Contractor. Months of effort and frustration led to a marginal settlement offer being made. Our involvement stimulated a technical, financial and contractual review and, at our initiative, the active support of legal advisors. Two high level negotiations took place over a period of some eight weeks. The outcome was highly successful for our client who recovered all the claims made. The negotiations were very positive and the relationship between our client and the contractor has been preserved in an excellent manner. Adversity does not have to wreck relationships.</p>
	<p>An international airline.</p> <p>This situation concerned a series of claims made in connection with an engineering contract. The contractor was clearing monies for specification changes, delays, and additional product support. The impact of these claims impinged upon bonds, guarantees, payment of damages, price and long term product support. We reviewed the contract files, analysing data in the original tenders, all correspondence including site meeting minutes. The establishment of the audit trail and subsequent negotiations were instrumental in helping our client fend off the majority of the claims.</p>
DURATION OF ASSIGNMENT	<p>This will depend on the nature and complexity of the claim. We would usually require 5-10 days to assess the claim and review the background. The negotiations cannot be scaled for time. We are prepared to have a no success-no fee payment arrangement with our client.</p>



PRICE BASED NEGOTIATION	
SUMMARY	We have extensive experience in price based negotiations. These are often stimulated by a client's cost reduction programme but can also emerge when a new product needs a competitive edge in the home or international market.
CASE HISTORIES	<p>Purchase of an integrated Information Technology System.</p> <p>This assignment related to a client's purchase of an integrated IT system. This had a number of cost drivers including software development, hardware purchase, training, implementation, commissioning and maintenance. After an initial stance from the supplier of non-disclosure of cost a fully itemised cost disclosure was made. The purchase price, as quoted, was reduced by over 20% whilst preserving the programme dates and contractual requirements. In this instance there were also extensive in-house negotiations to ensure IT, purchasing and legal services were of one mind in the negotiations.</p>
	<p>Purchase of steel for a multi-national organisation.</p> <p>In this instance our client purchased steel on a devolved basis at over 30 locations. No strategy was in place to ensure the price and cost were effectively managed. Our negotiations were preceded by extensive purchase research. This led to negotiations with two vendors, each capable of maintaining long term supply. One was a manufacturer, the other a stockholder. The negotiations extended over a three month period, largely associated with price. The functions of price which were dealt with included manufacturing cost drivers, distribution and stockholding costs, payment, support for our client with international tenders, financing and technical support. An annual saving of 25% was achieved.</p>
DURATION OF ASSIGNMENT	Some assignments have been completed in 5 days. Others of a more complex nature have been up to 30 days in duration.



CONTRACTUAL BASED NEGOTIATIONS	
SUMMARY	Our expertise lies in the preparation of contractual detail and its subsequent negotiation with suppliers. We have done this in various legal jurisdictions and in vastly different cultures.
CASE HISTORIES	<p>Major Building and Civil Engineering Contracts.</p> <p>This is often the domain of standard forms of contract, such as JCT and FIDIC. We have represented a number of clients in the negotiation of contractual detail. The needs vary but typically these are issues with obligations, damages (or penalties depending on the country concerned), charge procedures, handling of claims, jurisdiction, programme slippage, mobilisation/demobilisation, force majeure. The essence of these negotiations is the organisation of risk and the attendant cost.</p>
	<p>Engineering support services for a Gold Mine.</p> <p>This task, in South Africa, involved a major negotiation of a contract for the supply of specialised equipment from a Japanese company. The contractual negotiations were spearheaded by our client, with us in support. Significant difficulties were experienced with bonds, guarantees, product serviceability, cost of spares, local agent capability, intellectual property rights and interfaces on safety. We provided coaching to our client throughout the process. The negotiations were completed on time and all the programme requirements in total were achieved.</p>
DURATION OF ASSIGNMENT	Some assignments have been completed in 5 days. Others of a more complex nature have been up to 30 days in duration.



INTERIM MANAGEMENT OF PURCHASING	
SUMMARY	<p>The need for interim management can arise for many reasons, including, long term capacity, extended management development, resignations, newly created positions, etc. We can inject relevant expertise to fulfil the management role whilst ensuring that operational performance requirements are met.</p>
CASE HISTORIES	<p>A well known f.m.c.g. food manufacturer and retailer.</p> <p>The need for this arose due to the unexpected resignation of a senior manager. This coincided with a major retail refurbishment programme and new product launches. To further complicate matters a business integrated I.T. system was being evaluated, including point of sale capabilities. We provided five months of support and during this time introduced new performance measures, enhanced the working relationships with, specifically, marketing and new product development. A significant cost savings programme was launched which provided a return of 10:1 on fees. A successful handover was made to the new purchasing executive.</p>
	<p>An international pharmaceutical research and manufacturing business.</p> <p>This situation arose due to a restructuring of the international business. The senior manager was given new responsibilities. Our role was to manage, motivate and re-engineer the purchasing department, concentrating upon purchasing for research laboratories, capital equipment, packaging, feedstock and motor vehicles. The consignment continued for six months during which demonstrable improvements were made in all designated areas. Our client then recruited a Purchasing Manager who then assumed responsibility for taking the initiatives forward.</p>
DURATION OF ASSIGNMENT	<p>Always by agreement. Typically a minimum period of one month is required but as the case histories show it can be longer.</p>



CONTRACT MANAGEMENT	
SUMMARY	The term contract management is used here in the context of a supplier's performance of the contract awarded to them. The complexity of the contract will vary and our involvement would typically be for contracts in excess of £1 million.
CASE HISTORIES	<p>An engineering project (power station equipment).</p> <p>In this instance a major project in China required equipment from a number of suppliers. The assignment required obtaining detailed design and manufacturing plans from key suppliers. An effective contract management system then had to be implemented to give timely warning of potential problems. Vital shipping dates had to be met, otherwise milestones and payment schedules would have adversely affected our client and their credibility in the international market place.</p>
	<p>An information technology (maintenance) contract.</p> <p>At face value this should have been a simple contract to manage. It involved the maintenance of hardware and software. The supplier was deemed not to be performing but the actual detail was not known. Our work involved looking at error correction actions, provision of adequate resources, availability of parts and the downtime impact on our client's operations. Contract management processes were put in place and the supplier was proved to be in contract default. A sizeable sum of money was recovered for the failure to perform and through proper contract management future appropriate performance was obtained.</p>
DURATION OF ASSIGNMENT	This cannot be scaled. Our resources are linked to client need. In some cases a brief, short term input will suffice (3-5 days). In other instances we have expended 20-40 days in managing a supplier through various crises. Our regular reporting ensures the client remains in full control of our resource usage and its output.



CREATING SUPPLIER PARTNERSHIPS	
SUMMARY	Partnerships are a topical business issue. Many companies want them, either as a buyer or supplier. The detailed process of creating these relationships is not well understood. We provide the commercial, financial and contractual support to do so.
CASE HISTORIES	<p>A management consultancy partnership.</p> <p>The long term reliable business advice from a management consultancy organisation who understands the client's business is a valuable asset. The cementing of this into a long term partnership agreement which is output and performance based is a stepped change in this environment. The Agreement included a commitment to key personnel, performance outputs, payment, resource provision and other key factors. The process took some four months to finalise and demonstrated that whilst many have heard the expression 'partnerships' very few understand its implications. Nor do they know how to articulate and negotiate an agreement which delivers the benefits desired.</p>
	<p>A supplier of value added services.</p> <p>Many partnerships are in the service sector where, traditionally, the value added element has been ignored. The momentum of outsourcing has forced a number of organisations to reengineer relationships. The focus is now often upon open book declaration, performance measures, long term forecasting of resource requirements, joint funding of major developments, incentivisation for improvements, etc. In this assignment we guided our client through the complete process and were instrumental in 'educating' the service provider. Often, a partnership is a new way of life for both parties. A lack of trust, at the early stages of negotiation, is evident. High level negotiation skills are required.</p>
DURATION OF ASSIGNMENT	To adequately research, negotiate and finalise an Agreement takes circa 20 days of effort.



GLOBAL PURCHASING STRATEGIES	
SUMMARY	Large multi-national organisations operating in a number of countries, regularly do not have Group Purchasing Strategies. This problem will be worse when there is devolvement to Strategic Business Units.
CASE HISTORIES	An aerospace company. This study took place in UK, USA and Canada, across all manufacturing locations and service support facilities. The company manufacturing a range of equipment for aircraft, including landing gear. Our study included a range of commodities, of which the highest value was in large, complex aluminium forgings. A Group Purchasing Strategy was formulated and implemented. Essentially it aggregated USA/Canadian requirements into one contract and Europe into another contract. There were a number of benefits gained including lower purchase prices, lower inventories, technical developments and design for manufacture.
	An international mining company. This assignment was related to Group Purchasing Strategies for a range of equipment used in gold mining. This included mining machines, timber/metal support props, miners accommodation, catering supplies, explosives, conveyor equipment, electrical supplies and company helicopters. The study included the procurement operation in Southern Africa and major mining locations in varied geographical locations. We supported detailed international sourcing actions in Europe, Japan, Africa and Scandinavia. Because of the excellent work done prior to our involvement, the strategies were not dramatically changed but major benefits were obtained through cost investigation and an attack on inventory.
DURATION OF ASSIGNMENT	Each of the examples referred to above were completed within 30 days.



FRAUD INVESTIGATION	
SUMMARY	<p>It is a fact of life that various individuals are tempted into fraudulent activity when making purchases. The lack of adequate controls and a failure to audit the process gives the opportunity to those who wish to take advantage. The problem can exist in any area of a business.</p>
CASE HISTORIES	<p>An engineering company - Europe.</p> <p>This assignment was triggered by a new Chief Executive who suspected that fraudulent practice was taking place on major capital purchases. Various surveillance measures and audit routines were put in place. These revealed excessive hospitality, acceptance of bribes from a European supplier. They had received contracts without adequate tendering practices and technical evaluations. The fraud was perpetrated by engineers and buyers working in a closed loop situation. Many subsequent changes took place including introduction of suitable purchasing policies and procedures.</p>
	<p>A scientific company - Europe.</p> <p>This investigation took place when a purchasing review conducted by us revealed problems surrounding the disposal of vehicles (over 1000 per annum). The transport manager had a 'private' arrangement with a local garage who did not pay the market price for used vehicles. Observations were made on actual disposals and prices paid against the marked up price on garage forecourts. The problem could be traced to a single person closed loop, lack of financial controls and no involvement of professional purchasing. The output of this study was further investigations working with the Head of Security of this organisation.</p>
DURATION OF ASSIGNMENT	<p>This is totally unpredictable in its nature. An initial review of practices and observations/checks would typically require 10-20 days. The investigation phase entirely depends upon the scale and complexity of the potential fraud.</p>



INFORMATION TECHNOLOGY PURCHASING	
SUMMARY	<p>The purchasing of information technology is often left to I.T. specialists. They are usually untrained in commercial skills and through either intent or default exclude purchasing from the buying process. There is a huge role for purchasing at all phases of buying and maintaining I.T.</p>
CASE HISTORIES	<p>A large financial institution.</p> <p>Our role here was to evaluate the supplier's contractual performance and pricing actions associated with the maintenance of I.T. hardware and software. The contract was in mid term which made negotiations particularly difficult bearing in mind that the supplier was a 'monopoly' supplier. Our detailed cost analysis proved dramatic overcharging. An investigation of contract performance showed that software faults were often unfixed after five months. We conducted negotiations and persuaded the supplier to reduce the price and to agree to a new contractual document which was written by us. The financial benefit to our client was over £100K in the first year.</p> <p>A purchase of an integrated business system - mining.</p> <p>In this instance our client was on the African Continent. They were investing \$2m on an integrated business system but did not have any experience of doing so. We guided them through the process including drafting ITT's and contractual terms and conditions. At the bid analysis stage we prepared the clarification questionnaire and identified the area requiring negotiation. At the client's request we led the negotiations, seeking to pass on our skills to the Senior Managers involved. The contract was placed at a figure well below the budget.</p>
DURATION OF ASSIGNMENT	<p>A review of I.T. procurement can be completed, typically, in 10-15 days. Individual projects are quoted per event.</p>



RECRUITMENT - ADVERTISED & EXECUTIVE SEARCH

SUMMARY	<p>Our expert knowledge of the purchasing market usually ensures we can help clients fill positions at senior levels. We are not interested in filling lower level positions, nor is this recruitment activity our core business.</p>
CASE HISTORIES	<p>A nuclear submarine manufacturer.</p> <p>This assignment was one of the largest undertaken in our field. A new purchasing department was recruited and required in excess of 25 appointments. They included senior and middle management grades, buyers and purchase research staff. A massive advertising campaign was undertaken involving national and local press. Interviews were held nationally and the assignment was successfully completed. This was a complex situation requiring our expert knowledge of the client and the purchasing requirements of highly specialised purchases.</p>
	<p>A U.S.A. animal health organisation.</p> <p>This assignment arose directly from our strategic review of a European structure of a USA owned animal health organisation. We reported to the Corporate Operations Director. The position was Head of European Procurement, located in the UK. Applications were handled from Germany, France, Holland and the UK which is where the major research and manufacturing locations were sited. The assignment was completed entirely satisfactorily and we were then retained to recruit an Operations Executive for Europe. This was also completed without delay or problems. Executive search was adopted for the latter of these positions.</p>
DURATION OF ASSIGNMENT	<p>We would go through a process which involves client briefing and research, draft advertisement, place advertisement, handle responses, interviews, short listing etc. Depending on the assignment a period of 6-12 weeks is usually required.</p>



CAPITAL EQUIPMENT PROCUREMENT	
SUMMARY	The procurement of capital equipment is often a “one off” for companies. In consequence they need support with the contractual, financial, commercial and negotiation facets of the deal.
CASE HISTORIES	<p>Furniture industry.</p> <p>The project was the replacement of an old paint spraying booth system with state of the art equipment. There were legal, financial, environmental, safety and commercial features requiring detailed planning, negotiation and contract execution. The work was done in collaboration with the in-house project team. The value of the contract was circa £750,000.</p>
	<p>An international airline.</p> <p>This project was the procurement of specialised handling equipment with a value exceeding £5 million. The competition was international and the contract was awarded to a German contractor. The contract involved design, manufacture, supply, install and maintain through life. Our work was related to tender analysis, negotiation, contractual risk analysis and subsequent contract advice. Our task is to add value in the areas where the client requires professional support and enables them to stand on their own feet next time.</p>
DURATION OF ASSIGNMENT	This is utterly dependant upon the nature of the procurement. We prefer to be involved at the planning stage of the procurement and guide a client through to contract placement.



DISPUTE RESOLUTION	
SUMMARY	There are occasions when relationships totally break down between buyer and seller. Each resorts to pre-established positions and eventually stubbornness and/or price prevents a sensible resolution of the situation. Our third party intervention can unlock attitudes.
CASE HISTORIES	<p>An international retailer.</p> <p>This case revolved around an allegation of 'copy action.' This phrase covers many potential problems of intellectual property rights. A European manufacturer accused our client of patent infringement. If proved there were dire consequences including the payment of damages, destroying all current stock and repaying the total value of all sales. Our intention led to a satisfactory resolution of the problem with all claims being withdrawn. Furthermore our client became a large buyer from the company who made the allegation. A very satisfactory outcome for all parties.</p>
	<p>An electronics manufacturer.</p> <p>In this situation there were hundreds of outstanding warranty claims made by our client against a manufacturer. All were in dispute because of our client's lack of credible process to monitor dates in use, serial numbers, returns, etc. Equally, the manufacturer did not have a credible process either. Our intervention, and detailed discussions led to a new process, agreed by both parties, which adequately dealt with warranty claims. Of course, this solution was not in either parties mind when we began the assignment. Our skill in this case lay in establishing the <u>real</u> problem and exercising appropriate negotiation skills with both parties.</p>
DURATION OF ASSIGNMENT	In the first of the above cases, four days were involved. In the second, eight days. The time/cost benefit in these situations is typically highly beneficial.