



**Brian Farrington Limited**  
**Procurement and Business Solutions People**  
**September 2004 Newsletter**

**What exactly does your business do?**

We recently met the Chairman of a large private sector organisation. He asked a question 'What exactly does your business do?' We are often asked this question and it takes a time to explain the various assignments undertaken by our business.

We thought it would be helpful if we took a snapshot of some tasks currently being undertaken by our consultants. They demonstrate the range and depth of challenges facing us. We have deliberately avoided mentioning the names of clients because of confidentiality agreements in place. This also prevents the precise nature of some tasks being explained here. We hope that you will find it interesting. It may also trigger off an idea in your mind.

**Lead Negotiator**

We are now handling the Lead Negotiator role for a major outsourcing contract. We have taken the lead in the whole procurement process, preparing the PQQ and tender documentation. The tenders have been evaluated and detailed clarification is being undertaken, prior to the final negotiations being held. These will involve contractual, operational and price modelling negotiations, working closely with our client's project team. It is one year since this project started.

**International Research**

We are undertaking a detailed piece of international research for another client. This is regard to identifying the key players

in a particular market. It will build upon similar work undertaken for other clients who have the uneasy feeling that they do not have a satisfactory knowledge of the supply market.

It is interesting to note that the research links neatly into another task recently undertaken. This relates to the provision of a business critical service. Our work commenced when the Board of Directors were given a procurement recommendation based upon work where Procurement had been excluded from the process. Sound familiar? Our research efforts accompanied by rigorous procurement actions now show a potential saving in excess of £2 million for our client. There is sound evidence that there remains in many organisations the propensity for procurement actions to be taken without professional procurement. We should add here that it is a new Board of Directors who recognise that maverick procurement actions can be very costly.

**Partnering**

The Building & Construction sector continues to provide us with a range of assignments. These include acting as Partnering Advisor when clients use the PPC 2000 Form of Agreement. This approach is still in its relative infancy. It is, frankly, a novel concept for many traditional construction companies. They continue to thrive on the claims culture, as do many service providers, such as architects and quantity surveyors.

Allied to the previous point we are handling the total procurement effort to help a client put in place National

Agreements with a range of building service providers for a retail environment. This includes the provision of construction services, professional services, joinery, electrical work, asbestos removal, signage and security alarm provision and maintenance. We are at the stage of finalising the long-term requirements, specifications, new conditions of contract and formalising the procurement strategy that will be applied for the next five years.

**Tender Evaluation**

An international client gave us an urgent task to evaluate their proposed tender to a major new client. Our response was required within 24 hours and was, in effect, a Red Team review. It follows similar work where we challenge the tender documents that are proposed to be sent to their client. In this case extensive analysis was done on the responses to all the tender and concentrating on contractual risk exposure, cost models, pricing strategy, and tactics for dealing with tender non-compliance. This work typifies our responsiveness to clients with urgent requirements. Long hours were expended and the deadline was met. Our client's Chief Executive was profuse in his thanks, adding that it was very useful in that the tender team were very close to the detail.

A fresh pair of eyes had had the necessary impact and had led to significant changes to their document. This is a good example of procurement experts commenting on tenders being issued. It is an unfulfilled role in most organisations where there is



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no interface between sales/marketing and procurement.

#### **IT Projects**

IT also continues to be a significant part of our life. We are involved in projects with a procurement value in excess of £100 million. The largest relates to the design and implementation of a new system. Those readers who follow the debacles of some IT projects will realise the detailed work that procurement need to undertake if that end of the project is to be effective. Our recent experience shows that IT proposals are optimistic in the extreme. The suppliers and contractors seek to avoid all liability and obligations. The programmes submitted often lack the detail of resources being required and committed. The lawyers continue to take a massive role at the contract negotiation phase. Sadly, we note that our clients still do not appreciate the vital role of a Contract Manager. The knowledge and skills required are underestimated and little or no training is provided.

#### **Training**

That leads to the next point – our training activity. We continue to provide tailored in-house training in specialist subject areas. Our two largest tasks in the forthcoming months are the provision of tailored Contract Management training and Advanced Negotiation training. In both cases we are fortunate to be working with clients who know these are skills that need to be developed and

honed. We are the final stages of negotiation with an overseas client to provide similar courses in the UK. This would be done with one of our Public Sector Partners.

And finally, for something completely different. We have provided specialised training for voluntary and charity organisations. This was designed to help them win contracts from the public sector. Many of these organisations lack commercial and financial expertise, but they are expert at providing specialist services, unsurpassed by anything done by many Councils. We had the privilege of visiting an organisation providing services to the Chinese community. The range of services and support being offered was excellent and we look forward to extending our work in this specialised area. It extends our work in the social field.

There are many more but you now have the flavour. So, when they say, 'What do you do?', perhaps you can appreciate the response that says if you are spending money on goods, services and capital equipment we can add value in some way.

#### **Boardroom Briefing Invitation**

Why not join us at a Boardroom Briefing at 10am on Thursday, 30 September 2004 at Anfield, home of Liverpool FC.

The purpose of the Briefing is to explore: Improving Profit + Performance of your Business.

The basis of our logic is: a rigorous, objective assessment of 'where are you now?' is the vital first step in defining and executing 'where you want to go!'

This Briefing will introduce a proven Framework to provide your business with quantified modelling of your operations and key staff, specifically relating to third party providers of goods and services.

This Framework has been researched and developed over 20 years by our founder and Managing Director Dr Brian Farrington B.Sc. M.Sc. Ph.D. FCIPS and implemented by a large number of international and UK organisations.

Restricted to ten attendees - to ensure the best opportunity for discussions - the Briefing starts at 10.00am chaired by Dr Brian Farrington, followed by an open and informal dialogue.

To continue the exchange of views and ideas a working 'Heathcotes' lunch will be provided. After lunch you can also enjoy a complimentary behind the scenes tour of this world famous football stadium.

To confirm your attendance please contact Stephen Ashcroft on 01744 20698 or [s.ashcroft@brianfarrington.com](mailto:s.ashcroft@brianfarrington.com).

We look forward to seeing you on the 30<sup>th</sup> September 2004 for an informative and stimulating Boardroom Briefing.

**Brian Farrington Ltd, Rainford Hall, Crank, St Helens. WA11 7RP**  
**T 01744 20698 - F 01744 27897**

**Website address [www.brianfarrington.com](http://www.brianfarrington.com)**  
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