

Think Procurement - The Procurement e-Bulletin from Brian Farrington Ltd

July 2007 Issue:

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Sent to 2396 subscribers on the first Monday of every month.

Welcome to this month's 19 new subscribers (and our loyal ones!).

Please forward *Think Procurement* to those in your network interested in:

'How to enhance management of third party expenditure and mitigate risk'

To leave the list or change an e-mail address, scroll to bottom.

Word count for this issue: 2148

Approximate time to read: Just over 6 minutes.

July 2007 Think Procurement Hot-Links

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1. Dr Brian Farrington receives Outstanding Recognition Award from CIPS

The CIPS Outstanding Contribution Award is to reward members and encourage contribution as a volunteer to the running of the institute and delivery of its plans. It is the role of the CIPS Awards & Honours Panel to identify those individuals and ensure that their efforts receive the special acknowledgement they deserve. The criteria used in evaluating awarding individuals are:

- Service to CIPS and to the profession
- Service 'above and beyond' the norm, through effort and/or impact
- Generally, over a significant period of time
- Credibility with CIPS peers and colleagues

- **Highest ethical standards; sets an example**

Dr Farrington's academic qualifications are in economics, a Masters degree from Bradford University in international sourcing and a PhD from Henley on pricing decisions. He is also a Fellow of CIPS. His business expertise and experience is in the broad area of procurement strategy, supply chain management and negotiation as Managing Director at Brian Farrington Ltd, a classic SME. Brian Farrington Ltd, established in St Helens in 1978 is a leading procurement consultancy and training specialist with a track record in retail, defence, government and construction. 33 of the current FTSE 100 have been or are clients.

His focus is the commercial, contractual and financial issues associated with major project procurements. He is a frequent speaker at industry and procurement events including working with CIPS, OGC and a number of Universities.

Prior to establishing his own consultancy business worked at St Helens Management School. He held senior appointments and was responsible for building the largest European training operation for procurement and Materials Management. He was the author of the first block release programme leading to the CIPS Professional Qualification. During that time he was also a member of the Council for National Academic Awards. In that capacity he was a visiting member of the DMS Board, accountable for academic standards. He is co-author of the UK's most popular procurement text book 'Purchasing and Supply Chain Management' (seventh edition published August 2005), the only current book that fully meets the CIPS syllabus. Later this year it is to be published in China in the local language, an indication of his influence. He is currently retained by CIPS to co-author a level 5 course book on 'Contracting in the Public Sector

A recent success was advising on the outsourcing of 6 key services by Pendle Borough Council. ODPM awarded Beacon status 2006 for the procurement work led by Dr Farrington.

CIPS have arranged an event on the 14th July 2007 at Easton House where Dr Farrington will formally accept the award.

2. Commissioning Shared Services: who is managing the process?

You may be aware that a number of shared services providers are engaged in informal discussions with Chief Executives and senior officers on the 'next steps in outsourcing'. For example, we understand that one supplier has a regional database of local authority 'decision makers' and details of their probability and timescales to deploy shared services. Such activities are not limited to the public sector clients

Brian Farrington Ltd is an independent procurement consultancy with over 25 years experience, gained with some of the World's leading organisations. We are appointed as client side advisers on major strategic shared services procurements by a number of North West local authorities.

Our job is to advise and support the client throughout the process by focussing on an outcome that is the best possible deal for the client. In particular, we ensure that the commissioning process is managed by the client and not by the potential supplier!

In response to increasing budgetary pressure, the need to demonstrate Value for Money and deliver improved services; many local authorities have already concluded that commissioning shared services with a strategic partner is the solution. Others are actively considering this option. Hence there is a clamour from shared services providers to be considered in this role. Furthermore, when shared service opportunities arise, big-budget pre-sales and bid teams are assembled to present the best possible case, invariably supported by the most plausible and eloquent personnel during presentations to the client. Unless the whole procurement is well planned and managed (on the client-side!), there is every possibility that the actual result will be less impressive than expected.

May we propose an informal discussion, without commitment, to consider the subject of commissioning shared services in your area? We believe that this should be beneficial to you, stimulating ideas and clarifying your thinking.

We would be pleased to agree an agenda for such a meeting, which could, for example include the following topics:

- Planning the shared services strategy
- Identifying key legal and regulatory issues
- Maintaining control of business processes
- Managing the people agenda
- Selecting potential services providers
- Navigating contract negotiation phases
- Constructing service level agreements and pricing models
- Ensuring you achieve the benefits

Major procurement projects often benefit when there is external support and advice on the procurement strategy, planning expertise and programme delivery. BFL has been retained to advise on a number of strategic procurements in local authorities namely Burnley, Chorley, Craven, Pendle, St Helens, Preston and Sefton. Elsewhere, we have advised Rushcliffe, Southwark and Sandwell.

The Pendle shared services project was awarded Beacon status by DCLG and is described as 'an outstanding example of a public private partnership'. Two other Local Authorities have retained BFL on Shared Services projects, with one using the recently introduced Competitive Dialogue procedure.

Examples of other recent local authority assignments

- retendering waste management & street cleansing services
- procurement and negotiation advice on the outsourcing of key services and provision of a business centre
- options appraisal on educational catering services
- advice on tendering ethical banking services
- training and briefing for more than 300 staff on standing orders and EU procurement Directive compliance
- training on commissioning and procurement social service care contracts
- outsourcing property and market services

- procurement support through a competitive dialogue process to deliver a shared services project
- advice to 60 SMEs/BMEs/SEs on how to win public sector and corporate (private sector) contracts

Summary

In summary, we have a track record with local authorities particularly, but not exclusively, in the North West. We offer you our proven insight into the complexities of commissioning shared services to ensure that you achieve the desired benefits and actively help you to manage the potential risks.

Would you welcome an informal exchange of ideas, without commitment, as a positive first step?

To arrange a brief meeting with one of our team with proven shared services procurement expertise and experience please call 01744 20698 or email s.ashcroft@brianfarrington.com.

3. Who is Brian Farrington Ltd?

Brian Farrington Ltd Delivering value from third party expenditure

Who we are

Brian Farrington Ltd offers services and solutions in the broad areas of purchasing and supply chain management. We are a trusted provider of consultancy, training, coaching and interim resources. We help leading organisations, in the UK and internationally, to keep their most essential third party expenditure subject to the focus of delivering value and mitigating risk.

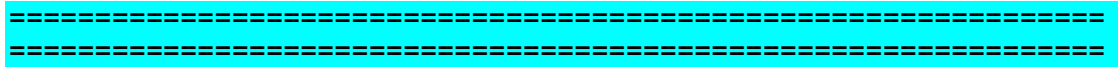
As one of the longest established Procurement Consultancies in the world, founded in 1978, we are driven to perform, to partner, to execute. We undertake our client assignment with a passion for delivering results that exceed our stakeholders' expectations for quality, service, innovation and interaction. We pride ourselves on doing what's right and on putting our clients' best interests first.

What We Do

We help organisations in the private, public and third sector manage their growing volumes of third party expenditure — from contract creation, transformation, to close. We combine our problem solving expertise, experience, products and services into high-value, low-risk procurement solutions. We help organisations maximise the value of their third party expenditure, improve service levels, lower costs, react quickly to change, achieve compliance with regulations, mitigate risk, and manage and enhance the control over more of their overall third party expenditure. Our solutions integrate, as appropriate, technologies, partnering agreements, EU regulations, DEFCONs and contracts, suppliers and partners, systems and services.

Our Objective

The objective of Brian Farrington Ltd is to assist leading organisations achieve the most value from their third party expenditure and their relationships with our company.



Lastly, a gentle reminder, a thank-you - and two scraps of information that may interest you.

If there are any questions you have, or something you'd like *Think Procurement* to cover, let us know.

Thank you to those who have said they enjoy our eBulletins.

Scrap 1

You may recall we added a 'read receipt' to the Think Procurement email as part of our marketing analysis activity. The findings were interesting. Some numbers for you.

Number of e-bulletins:

| | |
|------------------------------|--------------|
| <i>Sent:</i> | <i>2526.</i> |
| <i>Acknowledged as read:</i> | <i>1465</i> |
| <i>Deleted on receipt:</i> | <i>86</i> |
| <i>Bounced back:</i> | <i>63</i> |
| <i>Sent but no reply:</i> | <i>975</i> |

How do we interpret these numbers? We welcome your thoughts please email thinkprocurement@brianfarrington.com

Scrap 2

In Think Procurement June 2007 we stated that we were starting a new series over the next three Think Procurement eBulletins detailing the 'how' – informed by our own experience and academic research - for each aspect 1 through to 7 of the NAOs Improving Procurement report. This new series will commence in the August 2007 edition.

Until next month,

Stephen Ashcroft
Brian Farrington Ltd

PS Don't forget - if you have a friend or colleague who you think would like to hear from us, please forward their address. They'll get a polite invitation - which they can decline - and we never share our email list.

Helping procurement and related professionals manage third party expenditure and mitigate risk.

www.brianfarrington.com

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Subscribers' contributions, comments, queries, questions and input to *Think Procurement* are all very welcome!

Please email ThinkProcurement@brianfarrington.com

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