

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

June 2007 Issue:

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Sent to 2526 subscribers on the first Monday of every month.

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

Please forward on *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: 1,590

Approximate time to read:
Just over 4 minutes.

June 2007 *Think Procurement* Hot-Links

Supplier Evaluation and Performance Rating 28 June 2007, Manchester.
North West Universities Purchasing Consortium and English National Purchasing Consortium [Universities Procurement Training Programmes](#)

Conference on University Purchasing:
2 presentations on 6 September 2007 at Royal Armouries, Leeds
<http://www.coup.ac.uk/sessions.php>

"Winning Public Sector Business" Hawksmere Seminar:
20-21 June 2007, London
[Winning Public Sector Business Hawksmere seminar](#)

"IT and software procurement" Hawksmere Seminar
19-20 September 2007, London
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Subscriber benefit:

On behalf of *Think Procurement* e-Bulletin subscribers, Brian Farrington Ltd has negotiated a **10% discount** with Hawksmere for all new bookings on any of their seminars. Quote promotional code SPK10 by email: [mailto:services@hawksmere.co.uk?subject=Hawksmere booking from Brian Farrington email](mailto:services@hawksmere.co.uk?subject=Hawksmere%20booking%20from%20Brian%20Farrington%20email) or call Hawksmere customer services on 0845 120 9602.

1. Recruiting Problem Solvers

Reflecting on the recruitment advertisements in '*Supply Management*' and other trade journals for procurement professionals – at all levels - there appears to be a search for the candidate with 'excellent' (or outstanding or 'world class') knowledge and skills related to procurement coupled with relevant qualifications. A key attribute appears to be 'problem solving'. What informs the decision to identify and recruit problem solvers? MCIPS? MBA? XX years experience of buying XXX commodity? Knowledge of EU procurement regulations? Strong communication skills?

A *Think Procurement* suggestion: A seven stage process to project how well a candidate will perform when confronted with a real-world procurement problem at your organisation. Ask the candidate to describe a challenge they have confronted in a previous work situation. Good problem solvers should demonstrate an ability to:

1. **Define the problem** – what went wrong including, the cause and the effect
2. **Define the objectives** – articulate the outcome they achieved after solving the problem
3. **Generate alternatives** – candidates can demonstrate their creativity and resourcefulness as problem solvers
4. **Develop an action plan** – ask the candidates to recap their action plan – the devil is in the detail – detailed problem solvers can be more effective than generalists
5. **Address risk management** – awareness of worse case scenarios and mitigation plans
6. **Communicate** - ask which individuals or groups affected the success of the action plan and how they were engaged.
7. **Implement** – who carried out the plan and monitored (and managed) its implementation, engaging people and ‘speaking with data’.

Tip: If you don’t challenge the candidate on their problem solving ability during the interview process you may pay a steep price later for your lack of diligence.

Without exception, top-performing organisations have top-performing people working for them. Clients retain Brian Farrington Ltd for their problem solving ability, one area being screening of short-listed candidates. For details contact Stephen Ashcroft on 01744 20698, s.ashcroft@brianfarrington.com

2. Seven Key Aspects of Procurement

The National Audit Office published a report (HC 361-1 Session 2003-2204: 12 March 2004) entitled ‘Improving Procurement’ detailing seven key aspects of Government Departments’ procurement. Departments in this context referred to 86 departments, agencies and non-departmental public bodies spending some £15billion each year on procurement. The seven key aspects are detailed below. As you consider them you may recognise the value to your own procurement planning and activities:

1. **Raise their commercial awareness** to realise the potential to influence suppliers’ pricing strategies and the quality of services delivered.
2. **Have better management information** to identify and tackle poor procurement performance.
3. **Work more closely with other departments and agencies** to maximise their collective buying power to secure better deals.
4. **Be more proactive in their management of suppliers** so that purchasing requirements are clearly understood and communicated.
5. **Manage the risk of dependency on too small a number of suppliers by opening up the market place** and by making it easier for smaller and medium-sized companies to compete for government business.
6. **Make more progress in developing procurement expertise** so that all those involved in taking procurement decisions have access to recognised professional skills.
7. **Better targeting of value for money improvements** so they are much more widely based.

So, this is a list of the ‘what’ of procurement as defined by the NAO. These aspects are also targets or aspirations, admittedly without a stated level of performance...but ‘how’ do Departments (buying organisations) achieve them. Please see the box below to inform your thoughts:

Think Procurement Special Series

Over the next three *Think Procurement* ebulletins we will be detailing the 'how' – informed by our own experience and academic research - for each aspect 1 through to 7 of the NAOs Improving Procurement report.

The implementation of key elements of a procurement strategy is, we suggest, of value to all types of enterprises and organisations. Third party expenditure is third party expenditure from battle ships to paperclips!

Please forward *Think Procurement* to colleagues and contacts interested in subscribing to our ebulletin, on this special series. ThinkProcurement@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.

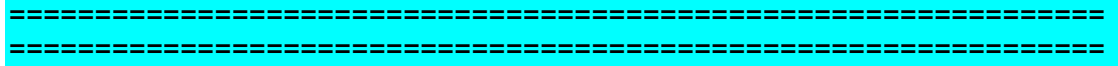
As one of the longest established Procurement Consultancies in the world, founded in 1978, we are driven to perform, to partner, to execute. We undertake our client assignment with a passion for delivering results that exceed our stakeholders' expectations for quality, service, innovation and interaction. 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 a scrap 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.

This month you will have noticed we have added a 'read receipt' to the email. This will enable us to find out the range of people interested in the newsletter. What percentage of subscribers read the email? This will be revealed next month!

Until next month,

Stephen Ashcroft
Brian Farrington Ltd

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

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What do **you** think about *Think Procurement*?

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

Please email ThinkProcurement@brianfarrington.com

Note: Nothing will be published without your clear and written permission.

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