

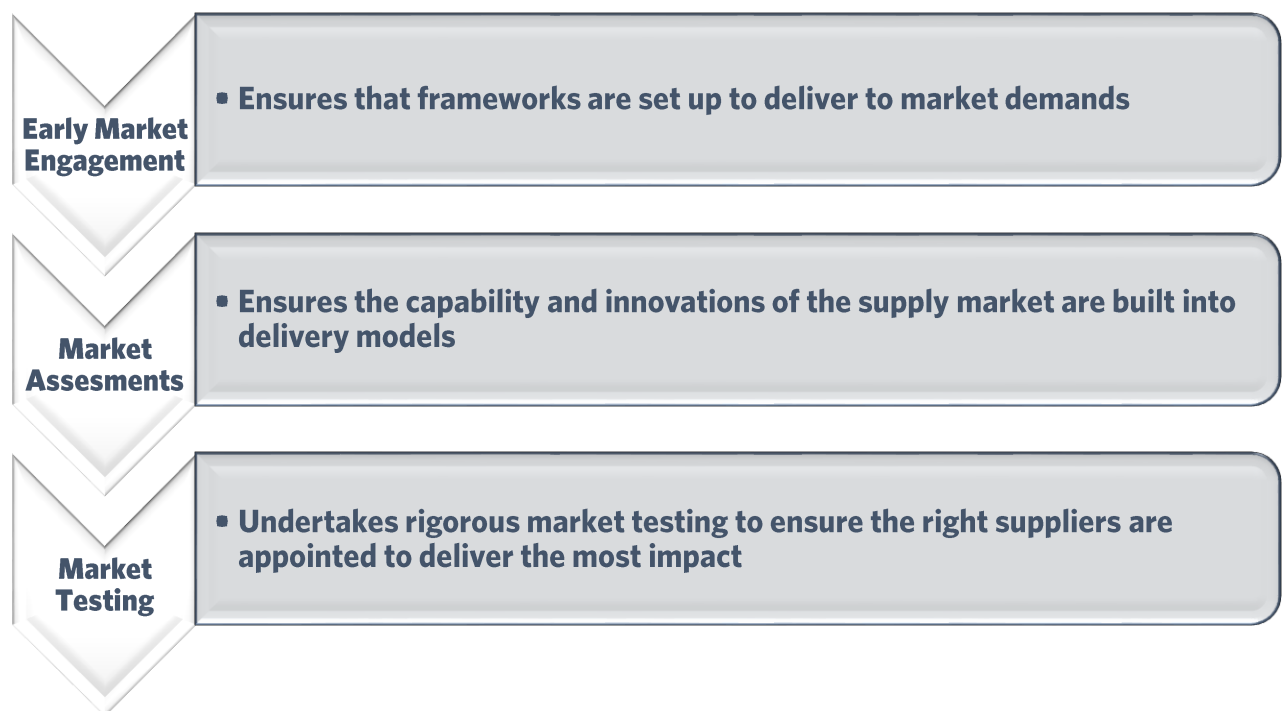
**Value of the Procurement
Function Part 3:
Making Savings & Addressing
Strategic Challenges through
Frameworks**

Those in the driving seat of procurement decision making often consider the use of a Framework Agreement as a best value and efficient route to market. This article drills down in to the detail of these benefits. We will explore how accessing Frameworks created by procurement service providers can save time and money whilst simultaneously addressing the strategic issues procurement professionals face.

Saving Time

It is widely recognised that it can take anything up to 18 months to successfully undertake an OJEU procurement process. This process often includes early engagement activity with the market place. Such engagement allows businesses to shape their procurement needs, develop contract terms, produce specifications, and evaluation strategies through to final award processes.

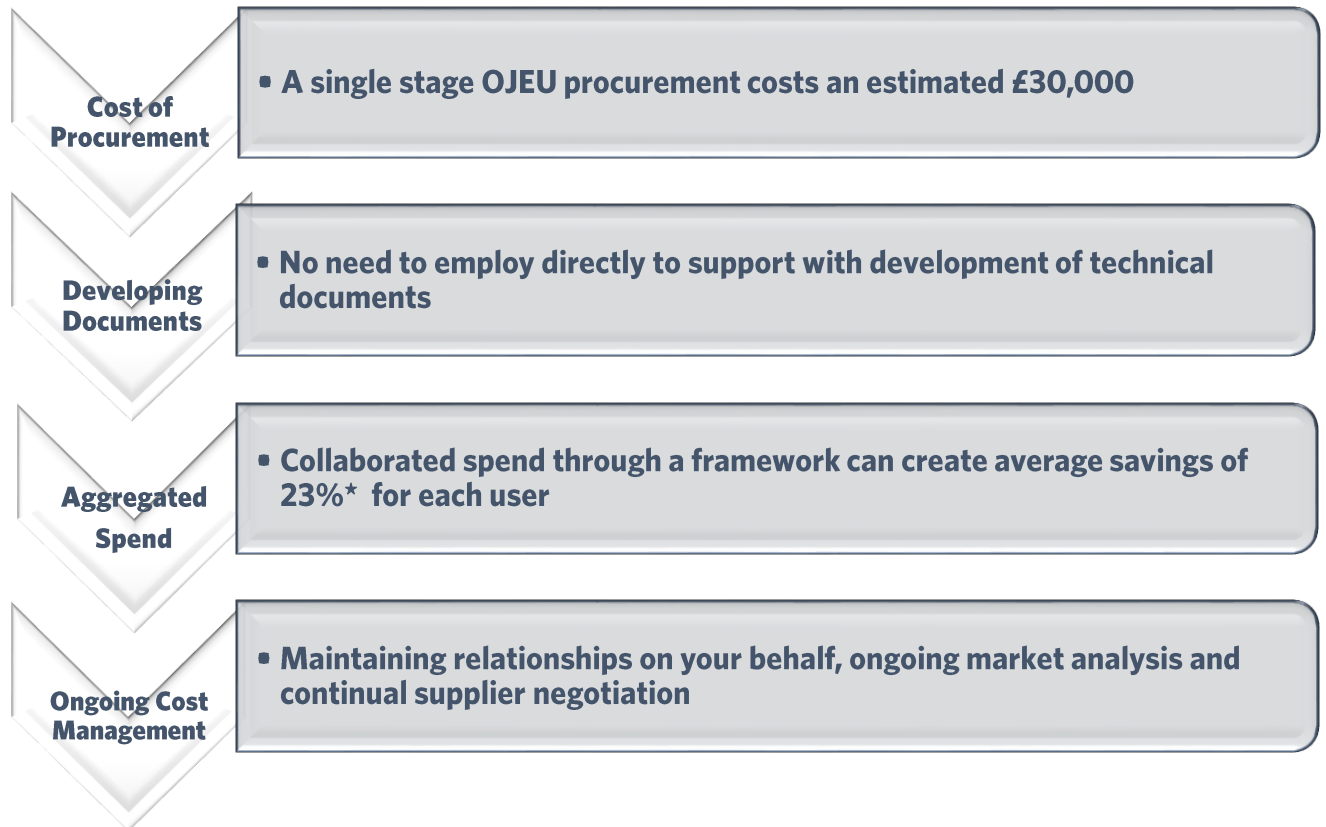
A key part of the process is often focused around specifications and developments of cost models. When Frameworks are created they have already been through these key stages;



By selecting a procurement partner that has robust frameworks, delivered by technical experts, significant amounts of time can be saved by public bodies that are already increasingly overstretched for resources.

Saving Money

Frameworks are most often used to deliver significant cost savings. There are various ways these savings are achieved:



** a 23% average efficiency saving was achieved for our members through collaborative procurement in 2016/17*

Addressing Strategic Issues

Organisations should always consider the wider impacts of their procurement decisions, ensuring they always look at the bigger picture.

For example, a simple focus on cost reduction will often fail to address the strategic impact of procurement, it will also fail to maximise innovations in delivering true efficiencies through the supply chain.

Frameworks mitigate risks and often address national challenges to deliver against wider government policy; some even seek to tackle issues on a local level. This can be achieved through:

1. *Creating Social Impact*

Contractual arrangements can stipulate compliance with the Public Services (Social Value) Act 2012. They can also be included in final call off contracts alongside social value strategies that support local areas.

Ensuring you create social impact through your procurement can achieve lasting recognition; it can help to position your organisation as forward thinking and also enhance individual skill sets of procurement professionals.

Fusion21's commitment to driving social impact through procurement was even acknowledged by the Cabinet Office who awarded us as Winners of the first ever Cabinet Office Social Value Awards 2016 'Driving Value for Money'.

Tips for creating social impact:

- 1. Embed social value clauses in to the procurement process***
- 2. Use an integration model to coordinate the activity of everyone involved***
- 3. Map out the beneficiary journey including all employability intervention, from recruitment through to selection and support***
- 4. Understand how the process will be financed to ensure all relevant activity can be delivered at the right time***

2. *Delivering the SME Agenda*

Intelligent structuring of framework Lots and streamlined procurement processes can ensure high levels of engagement with SME's.

84% of suppliers appointed to Fusion21 Frameworks in the past 12 months were SME's, far exceeding the Government target of 33%.

Tips to create SME opportunities:

- 1. Identify local SME groups within your delivery area and engage with them to determine their capacity and capability to meet your requirements*
- 2. Include SME's as part of your early market engagement strategy to ensure they provide a local view on how that contract can be best shaped*
- 3. Create a procurement strategy that supports delivery from SME's, highlight within this strategy the benefits of SME delivery against other options*
- 4. Create lotting strategies that open doors to SME's, at the very least this widens the market and increases your value for money outcomes through increased competition*
- 5. Streamline documentation to reduce bureaucracy and break down barriers to SME engagement*

