

Supplier Adoption and Economic Development (Strand 5)

KEY QUESTION 3: How can I get suppliers to commit to e-procurement?

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Prepared By:	PD

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Summary

- Communicate – and keep communicating
- Adopt the Kick-Start model
- Develop a 'Selling to the Council' website
- Consider extending this to a fully interactive 'supplier portal'
- Pool your resources

Communicate – and keep Communicating

The most important lesson the early adopters of e-procurement have learnt is how important it is to communicate with suppliers, to convey the benefits, gain their commitment and provide help and advice where needed.

The Guideline, 'Practical Steps to Supplier Adoption', on this site, introduced the idea of dividing types of communication by purpose – Awareness, Participation and Commitment. In the 'Awareness' phase you will be simply announcing intentions and explaining the benefits. In our exemplar materials under Resources on this site, there are sample letters and a template for an inexpensive 'Suppliers Guide' leaflet which could be customised to suit your authority's message and distributed to the target supplier group.

To get participation and commitment suppliers will need to know more specifics about the authority's plans. In the case of Bristol City Council, their first Supplier Adoption event was essentially an 'Awareness' event - spreading the word and getting suppliers to sign up to the idea. Following that event half a dozen suppliers were surveyed in depth, and their feedback was that they needed to know more specifics – deadlines, prices, mechanics. So a follow-up event was held which was shorter and concentrated more on specific plans than selling the benefits. They also organised a newsletter to keep suppliers abreast of progress. At the second event 100% of suppliers signed on to the new marketplace.

To get this level of commitment at an event it is important to consider carefully who will be invited, what you will ask them to sign up to, and how you will frame your message. Experience shows that the local authority needs to take the lead here – invitations from your IT solution providers are not going to be so successful because the suppliers will assume they are simply marketing their product.

Remember that the message needs to be framed in their language, not yours. You may not be able to offer them business as you rationalise your supply base so they need to see this as an opportunity to grow or find business from other customers too. It is useful to present the modernisation as a 'win-win-win' proposition: councils, suppliers and the tax payer are all winners if processes can be made cheaper and more efficient.

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Finally to get the suppliers committed to change their processes you may need to get even more involved. In the case of Bristol they teamed up with the local Business Link, Learning and Skills Council, **learnirect** and Regional Development Agency and tapped into their resources to hold e-procurement workshops and provide technical training. Slough also teamed up with Business Link and UK online for business.

The Kick Start model

An approach to supplier adoption that has been developed out of the experience in the London Marketplace Pathfinder project and Haringey's Trade Local project is Kick-Start. It was clear from these and other examples how hard it is to get commitment from suppliers, especially SMEs, unless someone from the Council makes the approach and the offer is designed to be attractive to the supplier (not just the council!). The Kick-Start approach comprises:

- A Kick-Start team based at the council which contacts selected suppliers
- Advisers who visit the suppliers if required to give them hands-on help
- The offer of a cheap and easy-to-use e-commerce platform that enables suppliers to start trading electronically with the Council in minutes and which also improves their competitiveness in other markets.

The Kick-Start team needs to be based in the Council and linked to the buyer community so that when suppliers are recruited online, buyers can be encouraged to start ordering from them online. This has been successful in recruiting hundreds of suppliers in Bristol and is now being adopted by other councils as a proven model.

The Kick-Start approach is described in more detail in the case study: **Bristol's kick-start model for supplier adoption** published on this site. This also provides a summary of the issues raised by suppliers and some detailed supplier profiles.

'Selling to the Council' Websites

The National Procurement Strategy for Local Government published in Autumn 2003 by ODPM includes a statement that by 2004 every council should have a "selling to the Council" website together with details of forthcoming contracts and other information to help businesses work with the council. **To obtain copies of this report email odpm@twoten.press.net or download from www.odpm.gov.uk**

Web sites – including extranets and portals – are one of the best ways to inform, recruit, interact with and monitor their suppliers. Within the private sector organisations like the NHS and Sainsbury's and BT have specific sites which are dedicated to the support and development of their suppliers. It is worth having a look at these sites to see what can be done.

NHS: <http://www.pasa.doh.gov.uk/sid/>

Sainsbury's: <http://www.j-sainsbury.co.uk/sid/>

BT: <http://www.selling2bt.com/>

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In a local government context early adopters are already making use of these techniques to communicate with their suppliers. Some have downloadable guides (www.birmingham.gov.uk). Others publicise events, and may also invite self-registration....

The site for **Slough**, for instance describes the benefits of e-procurement, explains the mechanisms and has a simple downloadable form to allow prospective suppliers to register. It also publicises events to inform prospective suppliers, which are run in conjunction with Business Link, UK online for Business and the market place supplier – in this case IDeA.

<http://www.slough.gov.uk/businessandwork/e-procurebenefits.asp>

Slough's list of benefits include publicising the degree to which becoming fit to supply electronically and adopting standard UN based coding and nomenclature enables suppliers to gain access to wider and more demanding market sectors.

The site describes the different mechanisms for issuing orders – directly via the market-place catalogue, by fax or by e-mail to establish that companies can get onto the lower rungs of the ladder without e-enablement. However it stresses that the full benefits are only achievable via active participation in the market place.

The site also gives a series of links to support organisations including Thames Valley University, The Business Link, SOPO, OGC and the local chamber of commerce.

St Helens has a comprehensive section on its site which is easy to find and in fact was publicising an e-procurement event on its news and views page on the day the site was reviewed.

<http://www.sthelens.gov.uk/departments/procurement.nsf>

The following tools are available on the St Helens site to smooth the path of the prospective supplier:

- Comprehensive 13 page suppliers guide in downloadable PDF format
- List of forthcoming tenders broken down into supplies, services and works
- List of contracts
- Instructions as to how to get on the approved list with reference to the Constructionline prequalification service
- Full details on contractual issues, EU directives, equal opportunities policies, financial standing orders and safety regulations.

The links and PDF documents effectively give a lot of the information that concern the processes and compliance issues which suppliers must deal with to become an effective public sector supplier.

Bristol outlines the stages of the tender process and specifically presents it as linked with performance management and contract review. This ensures that the supplier understands how framework agreements function, how there is a two-stage process of evaluation and then invitation of a shortlist to tender against pre-set criteria. See the Bristol web page on <http://www.bristol-city.gov.uk/Fuguri/frame.html?B+BSS02900+BG+F+BMM00101+BSS00110> or look for it on our Exemplar materials page.

Other sites include Thurrock and Harlow – see our Exemplar materials published on this site.

In summary, if you are developing or improving a 'Selling to the Council' website there are already some examples of good practice to copy. The key points are that:

- the section should be easy to find

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- it should give the supplier the information he needs in a clear and sufficiently detailed way
- it should signpost to support and training opportunities via partner organisations
- It should give sufficient information about contracts and rules to give new suppliers confidence that they have a real opportunity to compete

Supplier Portals

Once your 'Selling to the Council' website is in place you may consider developing a full 'supplier portal' offering interaction between supplier and buyer. Instead of the site being a passive 'advertising board' it becomes a 'door' through which the supplier can exchange information with the Council. These are some of the features that should be considered:

- Supplier Self-Registration – offer your suppliers the ability to register their details, products and services. Make sure you can collect their email address so that you can keep them updates with developments.
- Download of tender documents and contracts. It is cheaper and easier and more efficient to publish documents on the web, rather than mailing them.
- Upload of prequalification documents, questionnaire, and tenders.
- Ultimately an end-to-end system could be developed which would include order and payment tracking.

A detailed guideline '**What is a supplier Portal and what should it do?**' is available on this site.

Regional Collaboration

Communicating with your suppliers via events, mailshots, or building web portals involves significant investment. For smaller authorities the answer is to join forces with neighbouring or overlapping public sector purchasers and pool your resources. For information about this, including regional purchasing associations, see **KEY QUESTION 6** on this site.