

# **Client and Partner Day 2022**

The annual Advice Cloud Client and Partner Day (27th January 2022) was held in a 'virtual space' again but was no less exciting and informative.

It was, as always, an event where public sector buyers and IT suppliers get together to find ways of improving the delivery of digital projects, with open and 'constructively challenging' debate.

The panel consisted of three well-known and contrasting public sector CIO leaders, to discuss how IT procurement is changing, and their plans to create better supplier relationships:

- Frank Manoharan, Head of ICT and Digital, Lincolnshire Housing Partnership
- Candice Lemaitre, Innovation Lead, Commercial Development at Transport for London
- **Milan Bogunovic**, Deputy Director, Digital Delivery and Digital Planning Reform at the Department for Levelling Up, Housing and Communities.

### How Procurement Is Changing In The Public Sector

I asked the panel for an honest assessment of how much things really are changing in the public sector's procurement practices.

Everyone agreed that there is a huge amount of change in public sector procurement at present – in terms of what is being bought, expectations on suppliers, and the sheer volume of technology change as we come out of the pandemic.

Some of this is driven by new digital operating models created by the pandemic. But some is driven by new IT plans, technology opportunity, and a backlog of digital projects.

But whilst the panel felt procurement practices were improving, there was also a sense that progress was slower than some would like. For example, there are still organisations where IT procurement is so fragmented and distributed, that overlap, and duplication occurs across departments and teams.

Where public sector organisations publish a 'pipeline' of requirements this can help the early conversations with suppliers, especially where procurement teams and IT teams work closely together to give seamless feedback.

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There was a consensus that there is a huge growth in opportunities for tech SMEs, but there needs to be "open and honest conversations about payment schedules and open discussions about risks, not just technology opportunities", as Frank pointed out. The message here is that IT suppliers sometimes need to be more upfront about product limitations, implementation risks and total costs of ownership.

The panel also noted that, because of the pandemic, a lot of public sector procurement has had to become faster, with a dependence on virtual meetings. Whilst some SMEs felt that this can make it more difficult to build a rapport and understanding with buyers, our panel also said that it can create environment of more time for meaningful conversations to take place with suppliers.

### Adaptability and Flexibility

From the discussion with the panel, there also seems to be greater tolerance of risk and uncertainty in the public sector, and a desire to work more closely with IT suppliers to better understand and to mitigate digital and IT risk. This is particularly true as technology adoption becomes more complex and embedded in the activities of public service organisations.

One panellist noted that this growing complexity means a greater dependence on expertise and help from the IT marketplace to understand and to manage technology risk. The recent public sector <u>Digital Trends Report</u> published by <u>Socitm</u> was referred to in this context, showing how AI, 5G networks and IoT are working together to support relational public services in an area.

The panel consensus in the face of uncertainty was that "flexibility and adaptability in the way technology implementation is undertaken with IT suppliers is vital, but this is difficult, and needs to be considered in the way tenders are expressed", as one panellist described it.

But the panel agreed that for this to work, trust is required on both sides to ensure that goodwill is not taken advantage of, and so does not compromise a well-intentioned procurement project. Early engagement before attending even begins can help to create the right relationship.

It is one of the benefits of using G-Cloud; pre-market engagement ensures a better understanding about the options and opportunities from IT suppliers, prior to formalising a contract through a framework; as Candice commented: "we aim for early engagement with the market to discuss what the options are, and what the results could look like – to find out who can help us and what are the IT options".

All panellists agreed about the need to be able to define the outcomes that the organisation is trying to achieve from a technology procurement, rather than just the technical specifications of the product or service being bought (the inputs). This led to a deeper discussion about social value and the 'green' agenda.

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#### Social Value and Environmental Factors

All panellists said that procurement selection criteria go beyond technology performance and that factors such as 'social value' and 'environmental' priorities play a bigger part in 2022 than they did previously, often becoming the key differentiators in IT purchasing decisions.

Public service organisations will typically have measurable targets for these factors which have now become much more than a 'tick box' exercise. The panel said that suppliers need to really understand these topics in the way they present their proposals.

There were comments from some SMEs in the audience that understanding this is not always easy, and the panel accepted that not all IT buyers are clear enough in how social value and 'green' requirements are measured in practice.

One attendee said that it can be easier for larger IT suppliers to respond to a 'social value' agenda, because they can call on their teams of specialists and internal resources. The panellists agreed, but also noted that SMEs have some advantages: "being authentic and showing where you are going as a company can be very powerful", said Milan.

The panel advised suppliers to take time to consider how, as an organisation, they can contribute to social value and to reducing environmental pressures. This could be in project work, in how they work as an organisation, in case studies, or in how their technical solutions can be applied.

Candice noted "We have a <u>sustainability framework</u> that sets out our ambitions and our KPIs. It was developed through supplier consultation, and we hope that supplier input will to ensure that we have got it right".

Closer relationships between buyers and suppliers can help with this, and each panellist described how they engage with suppliers before tendering, mostly to have open discussions about problems, challenges, and failure. "We need to be clearer about the business problems we are trying to solve" said one.

Milan pointed out the importance of connecting IT investments with the improvement made to citizens' lives – "it must be more than providing great technology". Clearly this responsibility ultimately lies with the public sector buyer in-house solutions are specified and implemented, but suppliers who can describe IT solutions in the context of business problems facing the public sector increase chances of winning bids.

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### **Modern Partnerships With IT Suppliers**

Milan also spoke about the need for **"open and honest partnerships"**, rather than just a traditional 'buyer-supplier' relationship. But that is easier said than done – the panel agreed that everyone wants a 'partnership' but that it depends on trust, with honesty about what works and what does not work, from both the buyer and suppliers.

This works better in some parts of the public sector than others. For example, in Whitehall it can be difficult to admit that projects have had problems, or that IT policy may be ill-advised. There is a political dimension which cannot be ignored. But according to Frank, openness is now much more common in general in the public sector.

The panel agreed that it can be tricky to define a true partnership model in a traditional procurement project. Milan described the approach in Whitehall, where "early involvement with the market can help to shape the outcome and what we are trying to achieve". Candice also noted the increasing use of 'market sounding questionnaires', before formal tendering begins.

Few IT suppliers would disagree with this approach, but it can be difficult in practice, and several SMEs challenged the panel on how they can get involved on the 'inside track'?

Sadly, there was no 'magic answer' to this, but the panel did advise suppliers to look out for published information on digital and IT plans, pipelines of activity, strategic objectives, open supplier days, and to seek conversations on social media, such as LinkedIn.

### **Conclusions From The Day**

The panel of public sector buyers clearly felt that things were getting better in public sector IT procurement, especially in terms of opportunities for SMEs. But there were also some worries. For example, whilst everybody welcomed social value in procurement and more transparency in partnerships, the experience of some SMEs was mixed.

Procurement frameworks can help, but as one SME noted, simply having more frameworks is not the answer. Indeed, there is a growing complexity in the landscape of public-sector IT frameworks, and it can be hard for an SME to know where to start in securing the right accreditations.

All our panellists did believe the public sector is becoming more adept at building flexibility and appropriate risk management into procurement projects, as well as recognising that early engagement with the market and with individual suppliers can improve digital transformation project success. This was welcomed by SMEs in the audience.

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The panel also felt that that SMEs have a distinct advantage, despite some challenges in competing with larger IT suppliers. IT business opportunities are increasing, as the public sector is committed to wholesale digital delivery, partly necessitated by Covid and a backlog of projects, but also the new possibilities from technology innovation.

To close what was an interesting and insightful afternoon, key messages from our panellists included:

- Communications are important IT suppliers should say what is unclear, and seek feedback on procurement projects to learn from mistakes
- Patience is important: the public sector must go through processes to manage risk and ensure transparency in how public funds are used
- Use social media and personal contacts to build brand visibility and awareness attend the right events to build CIO contacts (but please don't 'cold call'!)
- We want suppliers to succeed, and to create a friendly environment for innovation discussions. But we need suppliers to respond appropriately as well – to understand the sector and our challenges
- Social value in environmental factors really matters IT suppliers need to consider the practical and authentic ways in which they can respond to these
- Be prepared to walk away however potentially lucrative a project, some parts of the public sector are just too difficult to work with
- The public sector depends on the private sector for understanding technology opportunity and risks and truly wants to work more closely.

The day ended with the usual networking, and a feeling that next year's 'Partner Day' cannot come too soon and will hopefully be face-to-face with cake and beer!

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# **About Advice Cloud**

Advice Cloud are public sector procurement specialists and G-Cloud consultants. We specialise in assisting both Public and Private organisations in buying and selling services that include IT, Cloud, Business Process Outsourcing (BPO), Digital and Professional Services.



We work with organisations of all sizes, from large multi-billion global entities, to micro/SME businesses and 'start-ups', central government departments, local authorities, 'blue light' services, education, housing, healthcare/NHS, and more.

# **About The Author**



Jos Creese chaired this event and has been an Advice Cloud Strategic Client Advisor for 6 years, running over 100 business surgeries and workshops to help SMEs who work with Advice Cloud. He has been a public service CIO for many years and is now a recognised independent analyst and advisor, with extensive experience and knowledge of public services.

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