

Public-Private Partnerships Delivering Service Transformation

How to secure the best outsourcing outcomes

Chesterfield Borough Council and arvato UK
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Introduction

- The way Local Government is funded is changing
- Revenue is reducing whilst public expectation for services remains undiminished
- Increasingly Councils are seeking private sector partners to find innovative solutions to this problem
- Some Councils find the prospect of a long term relationship difficult to reconcile when the short term financial picture remains difficult to define
- This session will show:
 - How to approach selecting a private sector partner in this climate
 - How to get the best out of the relationship and
 - How to work together in a changing environment

What we'll cover



BEFORE CONTRACTING

- Why bother?
- Things to consider

DURING CONTRACTING

- Getting the right supplier
- Establishing the right relationship

AFTER THE CONTRACT HAS COMMENCED

- Setting off in the right way
- Managing change

Before contracting

WHY BOTHER?

Create capacity, reduce cost, create resilience, access expertise, investment, focus on core

DEFINING THE OUTCOME

Early agreement on the goals is critical

ROUTE TO MARKET?

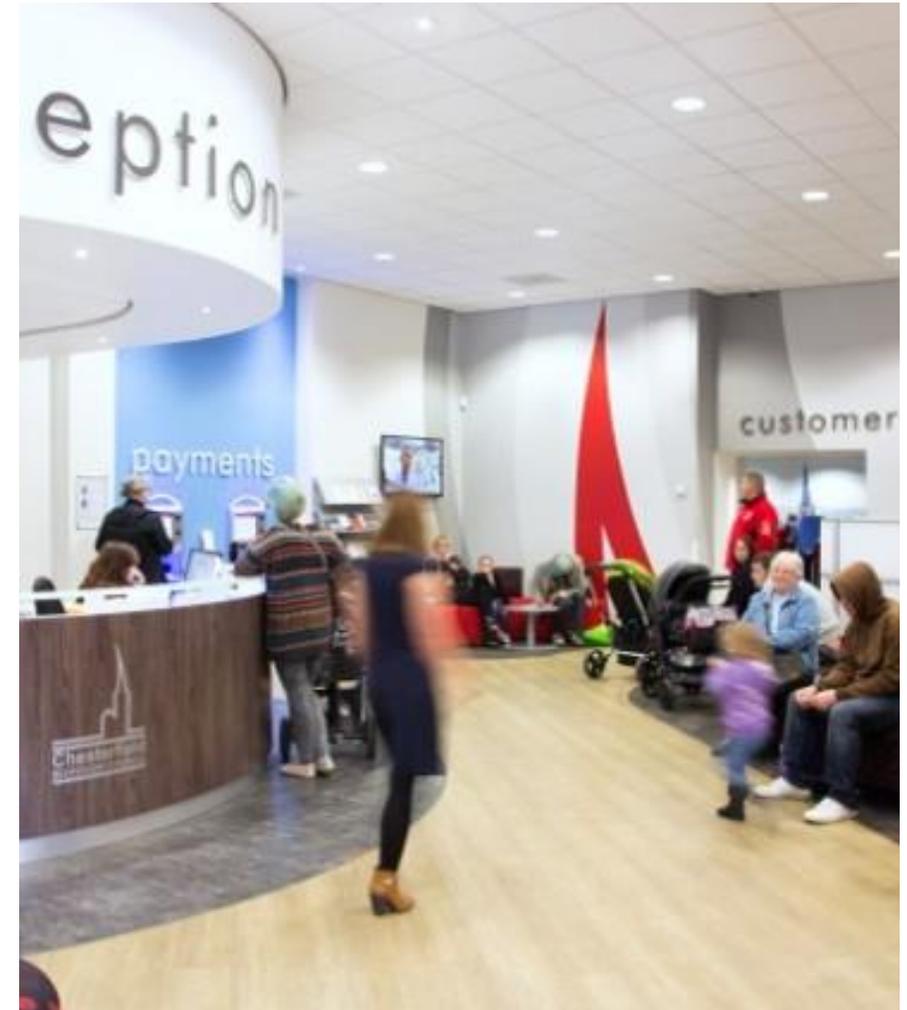
Traditional outsourcing vs. accessing frameworks or existing OJEU notices; cost implications for suppliers

WHAT SORT OF DEAL?

Long term vs. short term; small basket vs. large basket

MANAGE EXPECTATIONS

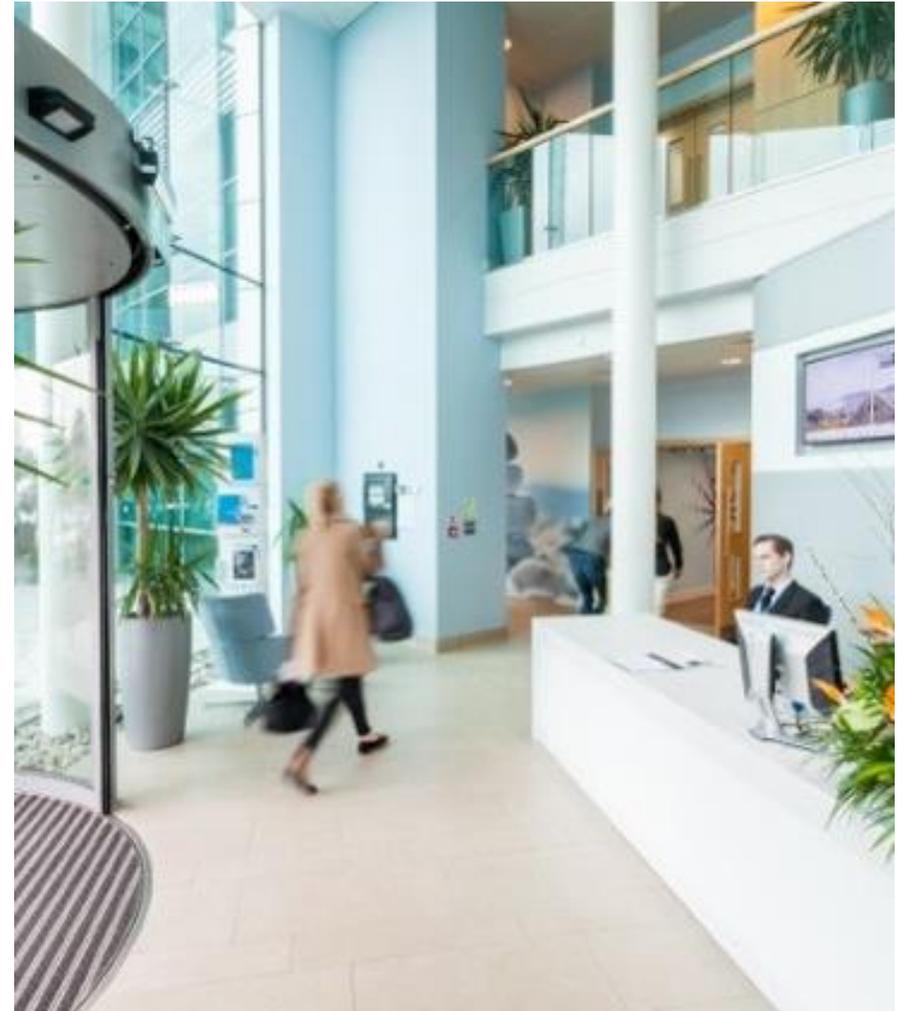
A partner can help you meet ambitious aspirations if you are prepared to be equally radical



Before contracting

DO YOUR HOMEWORK

- The more data you can provide your potential suppliers the better (and more reliable pricing you will achieve)
- Comprehensive communication with staff is critical to successful delivery later
- Never underestimate how long it will take



BEFORE CONTRACTING

Consider a broad scope to your OJEU notice

- You may want to add extra services later
- Allowing others to access service through your OJEU makes you more of a strategic target for suppliers

During contracting

EARLY ENGAGEMENT

Your supplier will need to engage with you as soon as possible in the process to finesse the details of the contract

DEFINE YOUR RELATIONSHIP

Is a supplier/contractor relationship what you need? If not, are you able to offer your supplier flexibility to allow a partnership to flourish?

CONSIDER WHAT FLEXIBILITY YOU WILL NEED IN THE FUTURE

The world will change and change again over the lifetime of the contract

SET OUT YOUR EXPECTATIONS FOR GOVERNANCE

- Are you focused on process or outcomes?
- What do members expect?
- Make sure your governance process drives value and is not an industry in itself
- Avoid placing extra layers of management over outsourced services

After the contract has commenced

BUILD RELATIONSHIPS

Take time to get to know each other as people very early

ESTABLISH TRUST

Focusing on outcomes helps to make sure the relationship operates in the right way

PLAN FOR CHALLENGES AHEAD

Handle delivery challenges constructively; you may need some flexibility later down the line

MANAGING PEOPLE CHANGE

- Keep a clear record of the intentions behind decisions so that meaning is not lost if people move on
- Don't stay reliant on individuals once they have transferred, focus on the outcomes

MANAGING THE CHANGE IN LANDSCAPE

- A great relationship with the right partner based on flexibility will help you manage the contract, whatever the future holds

Checkpoints



- Finding the right supplier is as important as getting the lowest price
- Give yourself enough time to prepare
- Expect challenges and change over the course of the contract
- Building a potential extension into the contract may help secure further positive outcomes later down the line
- Continue to negotiate throughout the life of the deal

Thank You
Questions?

Debra Maxwell – CEO, CRM & Public Sector, arvato UK & Ireland

