

Improving Engagement with Local SMEs:

Time to draw the line?

Presentation to the London Heads of Procurement Network

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Alexoria helps tech organisations with an interest in the public sector improve engagement with each other

Help tech SMEs improve engagement with the public sector

Help local government improve engagement with tech SMEs

Help large tech suppliers improve engagement with SMEs

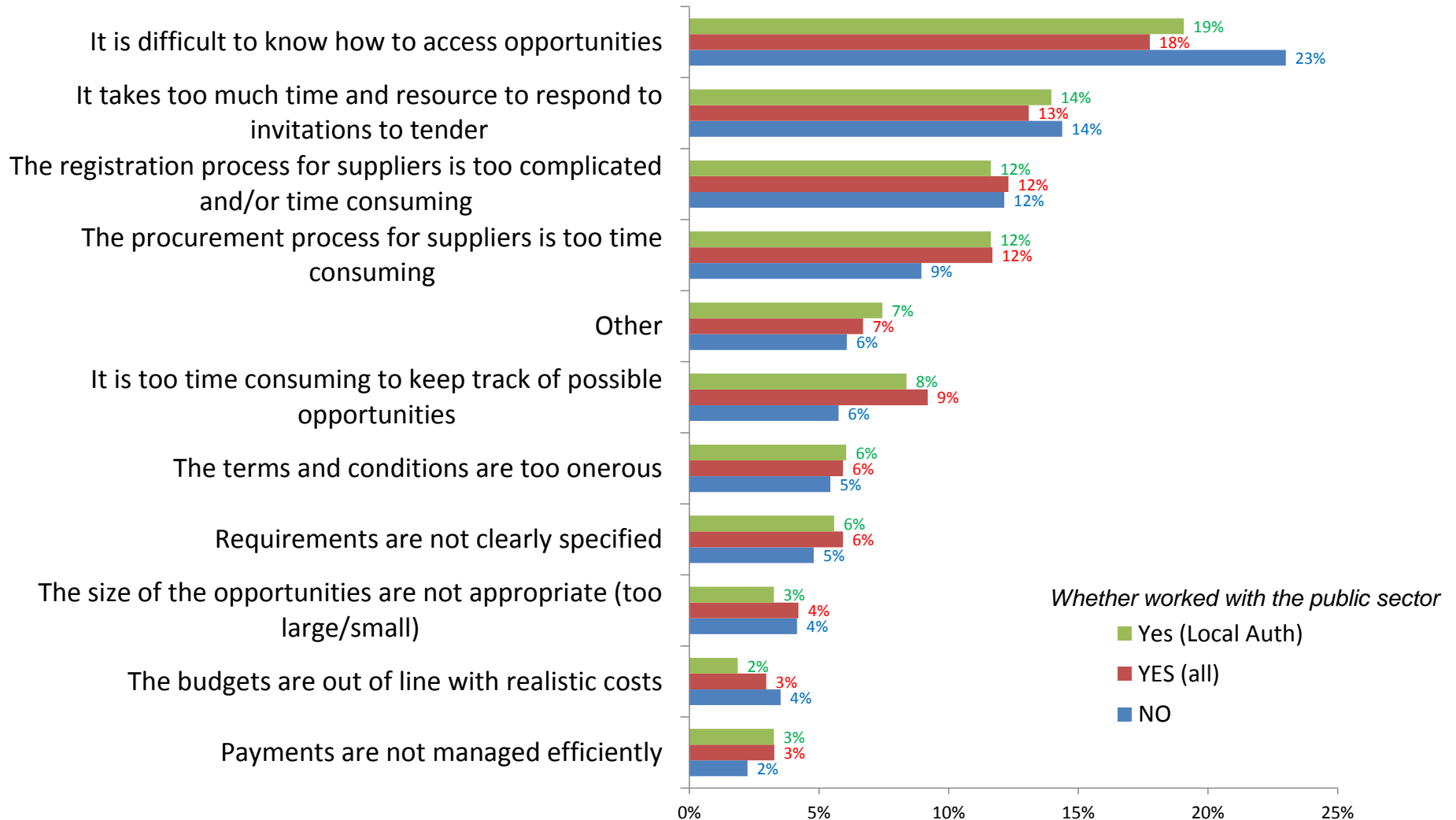
Example Clients

- Computron Software
- Peacock Engineering
- Questmark
- Data Diligence
- Wanstor

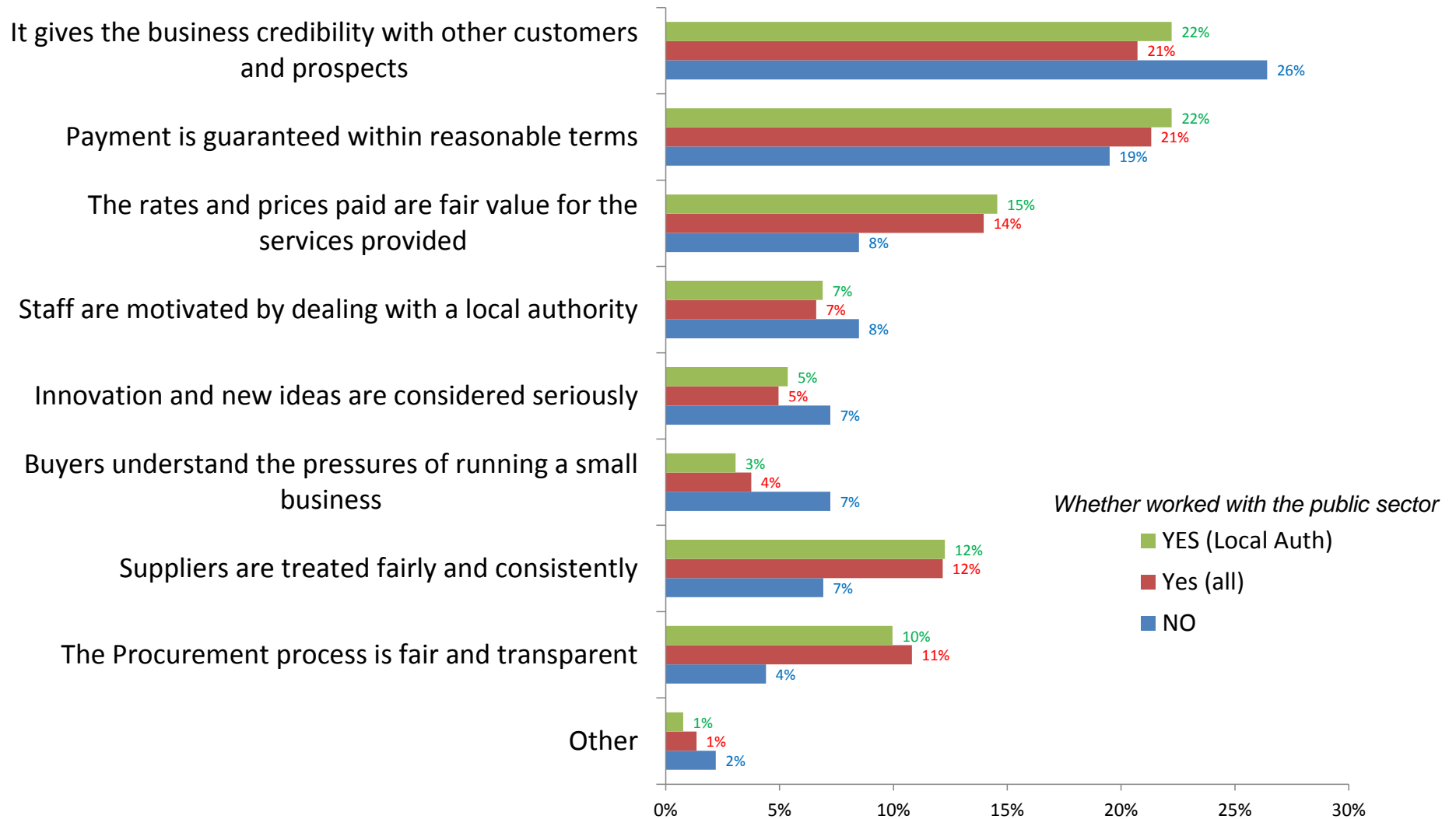
- Essex County Council

- Hewlett Packard
- Large supplier of ICT services #1
- Large supplier of ICT services #2

Barriers SMEs perceive to working with a local authority



SMEs value credibility and prompt income from working with local authorities



Essex County Council is following a structured approach to improving the way it engages with local ICT SMEs

Consolidated ICT Spend Forecast (£m)

	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Consumables and MFDs	2.2	2.1	2.0	1.9	1.8	1.8
Software	12.8	13.2	15.3	12.4	13.5	10.0
Hardware	0.8	0.8	0.9	2.9	1.4	4.0
Telecoms	4.7	5.7	8.1	7.9	7.7	3.6
ICT Related Services	5.8	5.5	5.3	5.0	4.8	4.5
Professional Services	1.6	1.7	5.2	2.9	4.4	1.7
Totals	28.0	29.1	36.8	33.1	33.6	25.7

ICT SME Market in Essex

- 7,000 Companies
- 30,000 people
- All ECC spend categories represented
- Prevalence of Consultants
- Greatest interest from Telecoms

Targets for spend with ICT SMEs¹

FY11-12 (As Is)	FY16-17 (To Be)
~ 14%	20% - 25%

¹ Provisional

Change Ways of Working

Key Strategies

- Change ECC's working practices so that it is easier and more attractive for SMEs to engage with ECC
- Help SMEs engage more easily with ECC
- Motivate and enable large ICT suppliers to include more local ICT SMEs in their supply chains

Key Improvement Opportunities

- Increase capability
- Increase knowledge and understanding
- Change systems and processes

Time to 'draw the line' for SME spending?

1. Engagement with local SMEs is likely to remain a political priority
2. However what can be achieved by allocating spend is constrained by practical issues in terms of what SMEs are able and really want to do and by addressable spend that is suitable for SMEs
 - How far is this recognised by politicians and colleagues?
 - How far should it be recognised?
3. Procurement's primary responsibility and core discipline is to safeguard and deliver value from expenditure
 - Awarding more spend to local SMEs potentially conflicts with this responsibility
4. *Is it time to move on?* From 'aspirations' to realistic expectations for SME spend
 - Set expectations based on viable levels of spend that can be awarded to local SMEs – both directly and in the supply chain – and the business case for doing this

Thank you

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