



cutting through complexity

Procurement Fitness Check for: Denbighshire

Output from the on-line survey and face-to-face
meetings

January 2014



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Fitness Check – Procurement Maturity Assessment

Denbighshire Executive Summary

Overall Maturity Rating

Developing Towards Conforming

Organisational Context

- Currently Denbighshire has a small central procurement team, with Directorates undertaking their own procurement and commissioning activities.
- The central team's primary role is to Welsh policy and procurement advice and to assist in strategic initiatives.
- There is a significant amount of change currently occurring and proposed within the central procurement team. This change relates to organisational structure, systems, process and ways of working. Additional organisational changes are occurring simultaneously. One key initiative is the move to a combine procurement teams across Denbighshire and Flintshire to create a 'strategic' procurement team, as well as collaborating to a greater degree with Anglesey and Gwynedd. These collaborations will require significant senior stakeholder involvement, development of agreed strategies and implementation planning, as well as concerted change management for not only the teams but also across the individual local authorities.
- Historically, Denbighshire has had limited resources within the central team which has limited the impact the team has been able to have on the organisation.

Model Dimension

Recommended Actions

Procurement leadership & governance

- Senior leadership are supportive of procurement. Continued support to develop initiatives for the team and embedded strategy across the organisation is vital to achieve success. Changes to PROACTIS will also improve compliance.

Procurement strategy & objectives

- Development of stakeholder engagement and change management plans across organisation is a priority. The development of the team's role and articulation of benefits that new structures will deliver will cement successful change.

Defining the supply need

- Conduct a 'Change Impact Assessment' across Flintshire and Denbighshire procurement teams and the wider organisation, as it relates to systems changes and function/role changes to identify in detail dependencies, risks and impacts.

Commodity/project strategies and collaborative procurement

- Continue with the current programme to restructure the procurement team into a strategic central team that will embrace category management. This programme is endorsed by senior leadership and has achieved external funding.

Contract and supplier management

- given the limited commercial input into contract management, it is likely there will be significant benefits from improved commercial input from the central procurement team.

Key purchasing processes and systems

- Develop a detailed implementation plan of new team structure, strategy and role and the PROACTIS rollout (to over 300 staff) in Denbighshire in April 2014 and conduct a project review mid 2014.

People

- Change management, stakeholder engagement and training will be critical to the success of multiple projects being rolled out simultaneously relating to procurement in Denbighshire in the next 12 months.

Performance management

- Review of system implementation, KPI monitoring mid 2014 to assess success of project implementation and organisational take-up. Tracking of benefits/savings achieved through central team involvement to meet settlement targets.

Fitness Check – Procurement Maturity Assessment

Denbighshire Executive summary

Model Dimensions	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance	35%	22	9	<ul style="list-style-type: none"> In process of developing and signing off a new procurement strategy and org structure for the team
Procurement strategy & objectives	34%	17	27	<ul style="list-style-type: none"> To be updated, endorsed and promulgated across the organisation
Defining the supply need	35%	12	31	<ul style="list-style-type: none"> Devolved structure, requirement defined by Directorates
Commodity/project strategies and collaborative procurement	39%	14	20	<ul style="list-style-type: none"> Yet to move to category management structure – business case and strategy in development
Contract and supplier management	35%	9	33	<ul style="list-style-type: none"> Devolved structure driving a lack of centralised/commercial contract management
Key purchasing processes and systems	43%	2	42	<ul style="list-style-type: none"> E-sourcing implementation project will be rolled out across organisation in April 2014 incorporating all rules/templates etc
People	24%	15		<ul style="list-style-type: none"> Proactive in regional and collaborative initiatives
Performance management	26%	18	33	<ul style="list-style-type: none"> This score should improve with the implementation of PROACTIS across the organisation

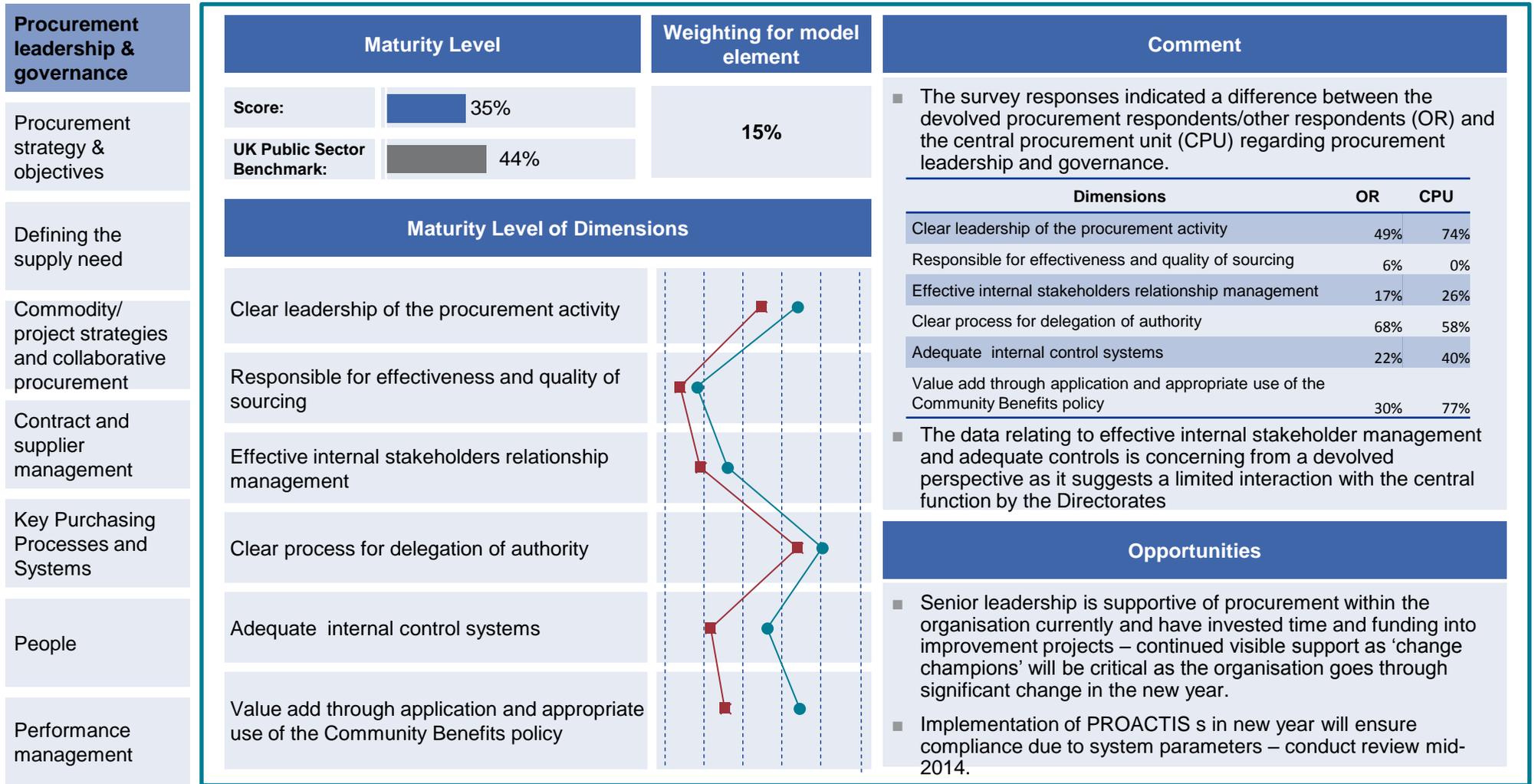
● Non-Conforming
 ● Developing Conforming
 ● Developing Advanced
 Denbighshire Score

● Denbighshire Average maturity grade
 ● Average of Welsh Authorities
 ● UK Public Sector Benchmark

Overall recommendation	<ul style="list-style-type: none"> In order for the successful implementation and embedding of new structures, systems and ways of working, Denbighshire must consider the change impact on the organisation, key stakeholders and individuals in the central team. There is considerable change occurring concurrently in the organisation and a well planned implementation and prioritisation of tasks/projects is essential. This change will impact upon the central team's ability to carry out its day-to-day requirements and clear priorities must be articulated to the staff and the organisational stakeholders.
Likely benefits from implementing recommendations	<ul style="list-style-type: none"> It is acknowledged that Denbighshire has invested time and thinking into developing initiatives, that once implemented successfully, will have a positive impact on the overall procurement maturity rating the authority receives moving forward. There is a considerable amount of change occurring to a key group who are required to continue to deliver commercial outcomes and savings. Considering Denbighshire and Flintshire's current maturity, consideration should be given to sourcing external expert support to augment the team and accelerate delivery of benefits.

Procurement leadership & governance

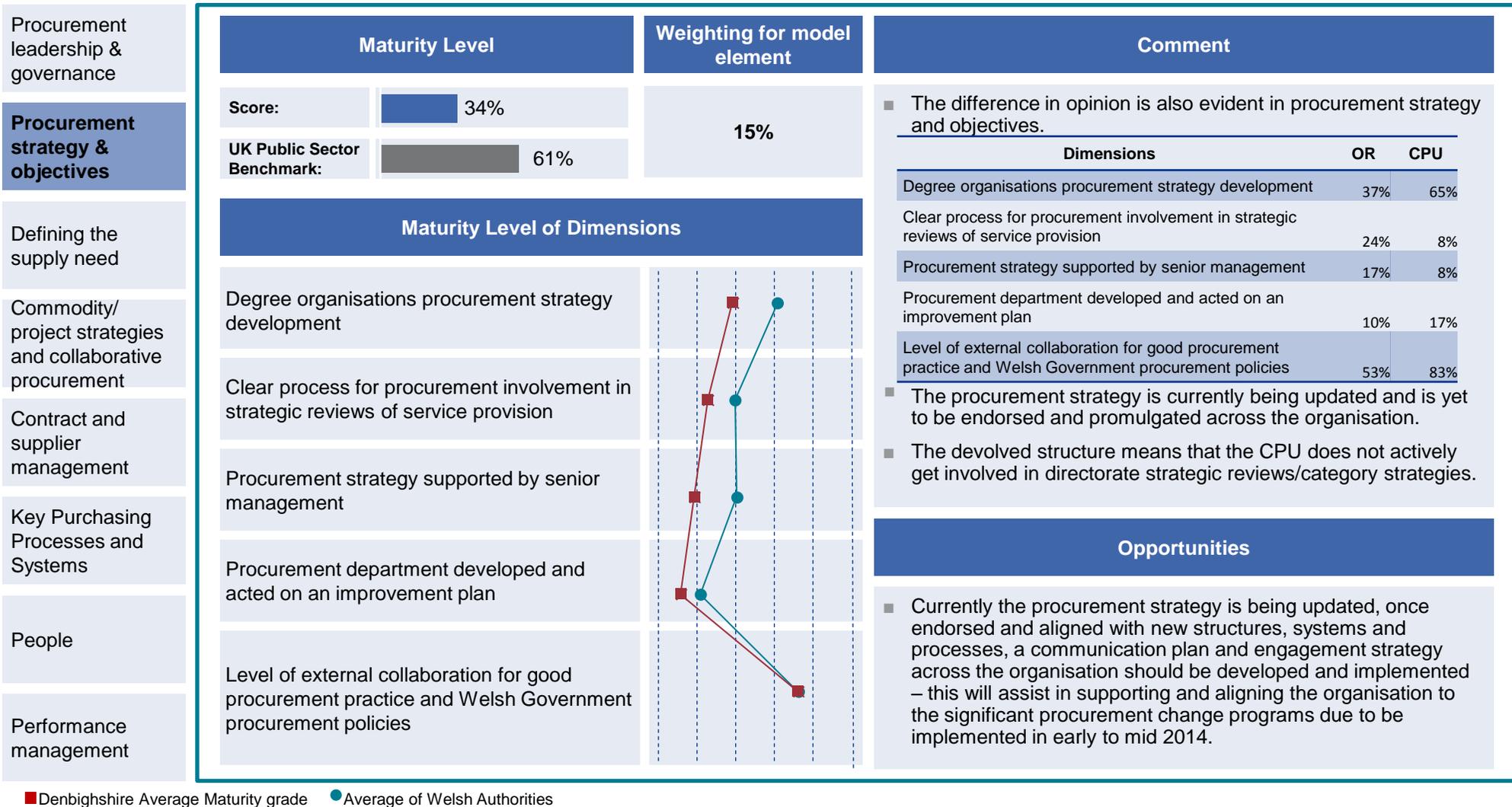
A detailed overview of the results per dimension KPMG found ...



■ Denbighshire Average Maturity grade ● Average of Welsh Authorities

Procurement strategy and objectives

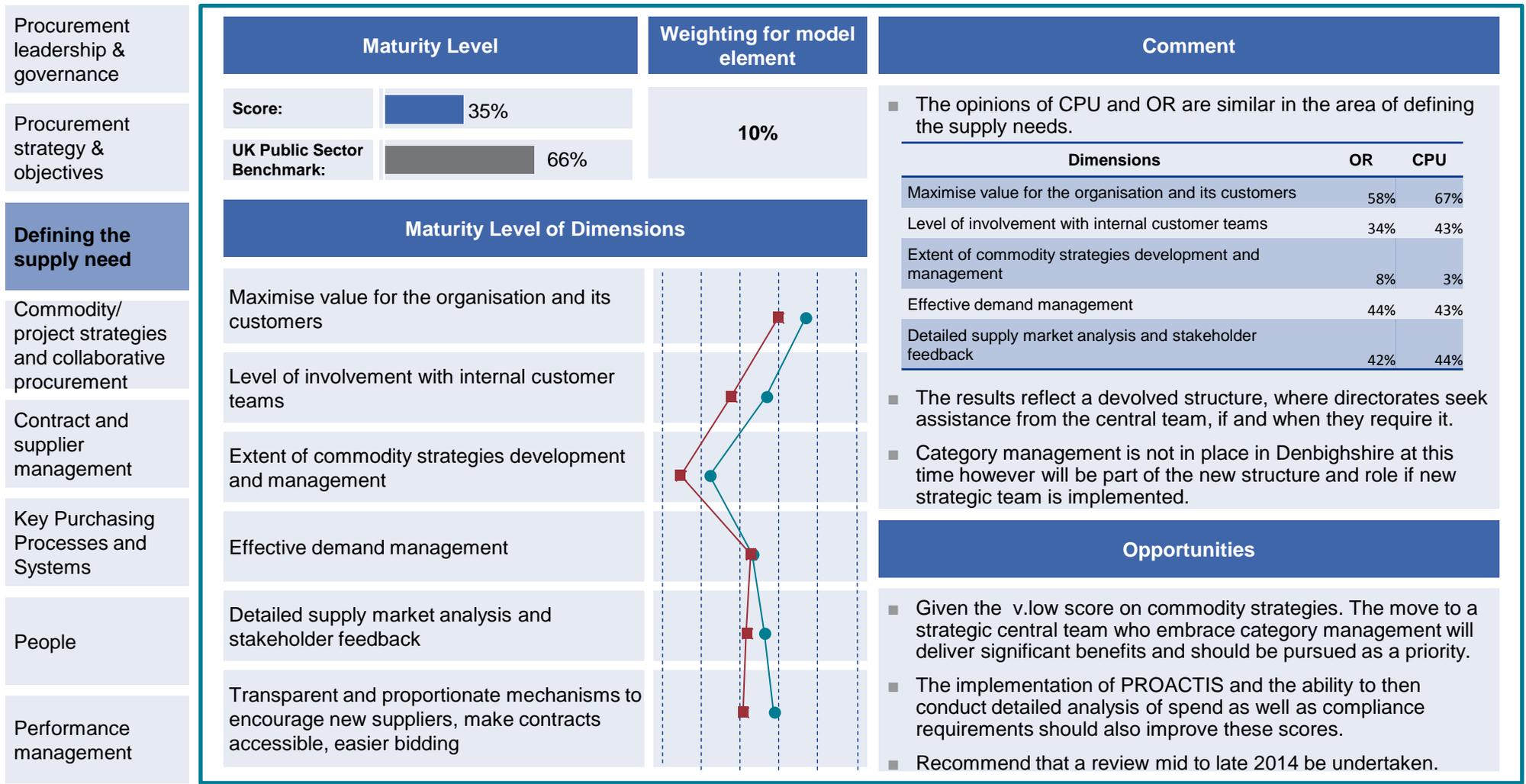
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■ Denbighshire Average Maturity grade ● Average of Welsh Authorities

Defining the supply need

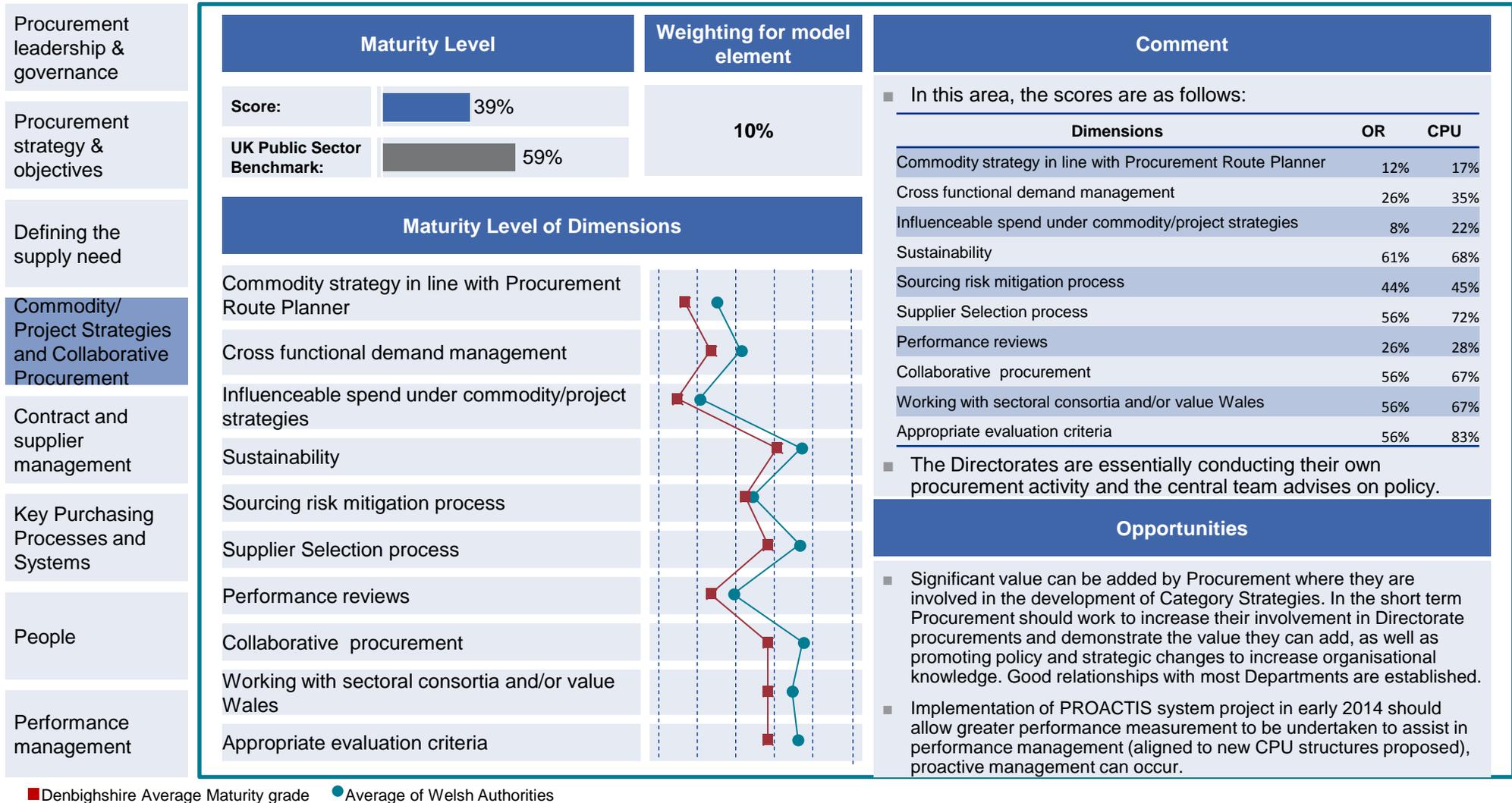
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Commodity/ project strategies and collaborative procurement

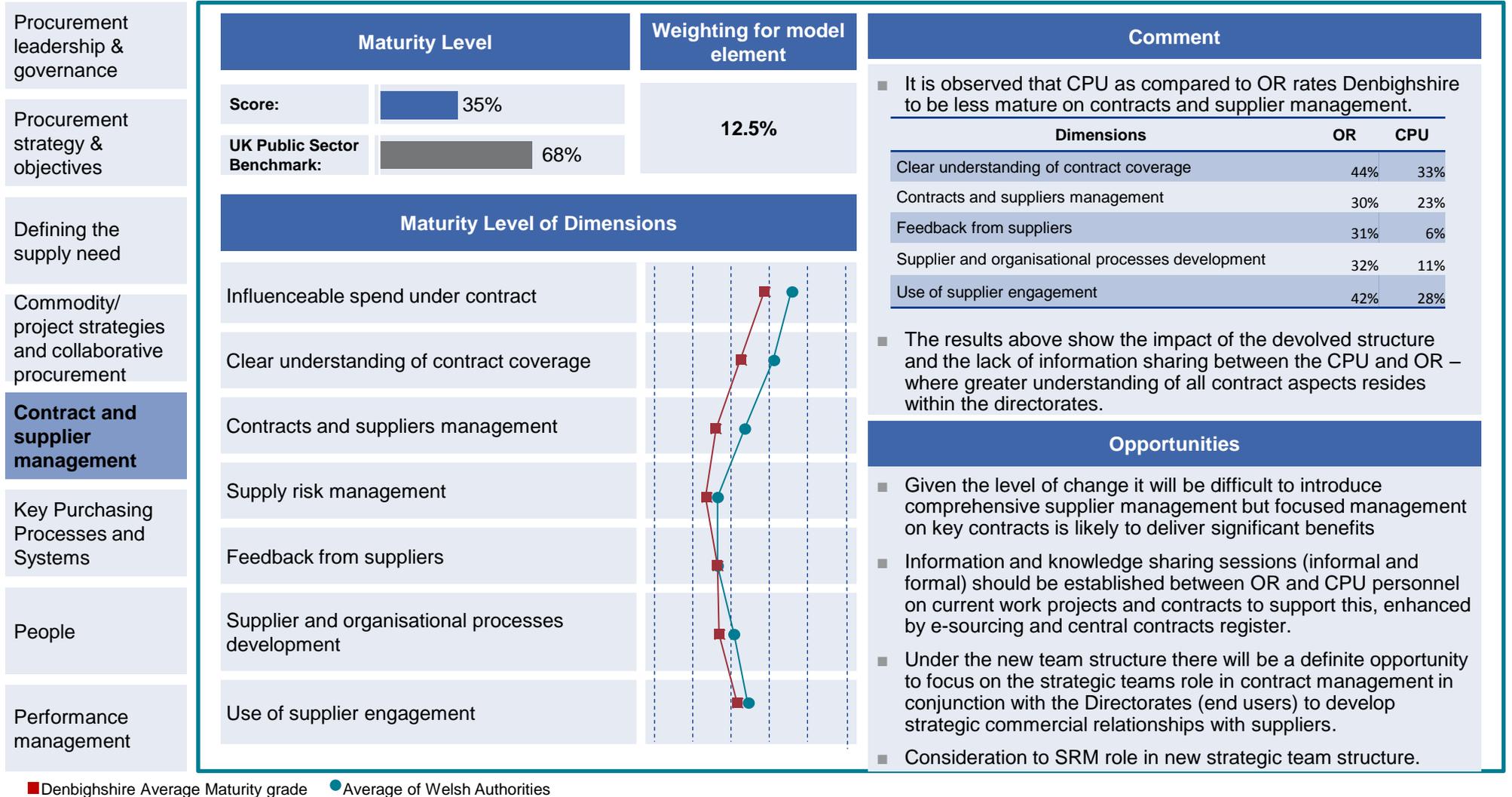
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Contract and supplier management

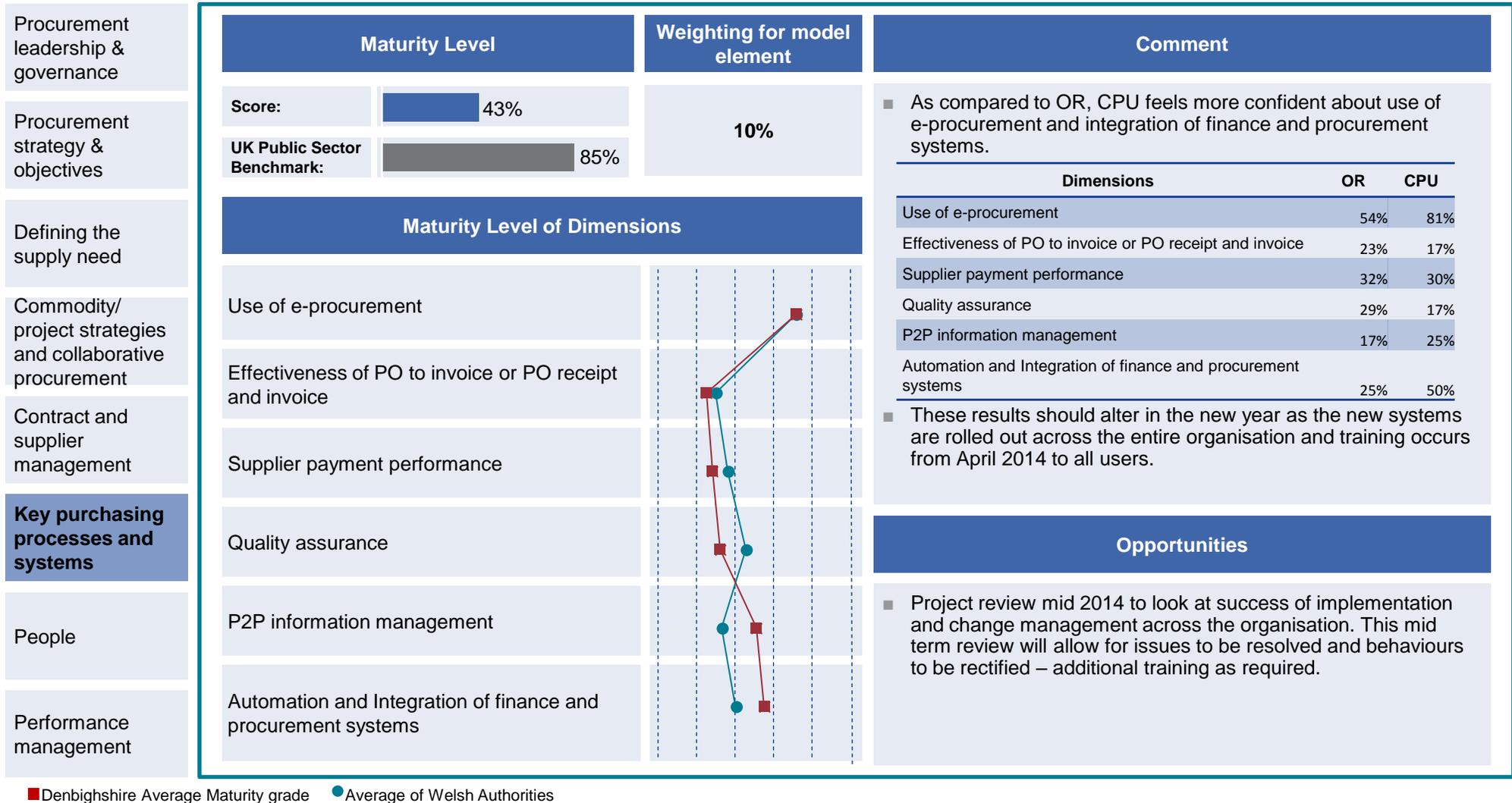
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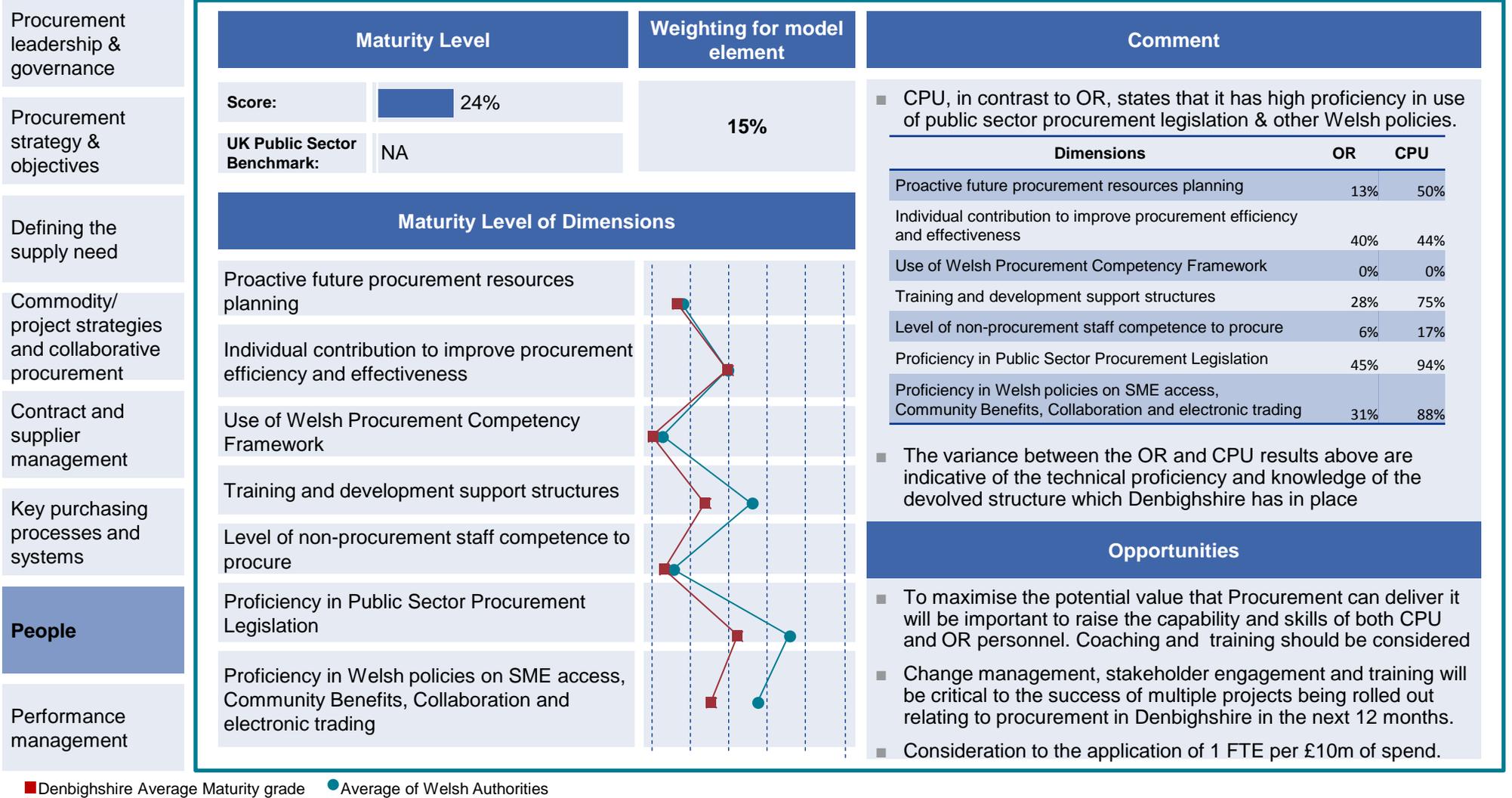
Key purchasing processes and systems

A detailed overview of the results per dimension KPMG found ...



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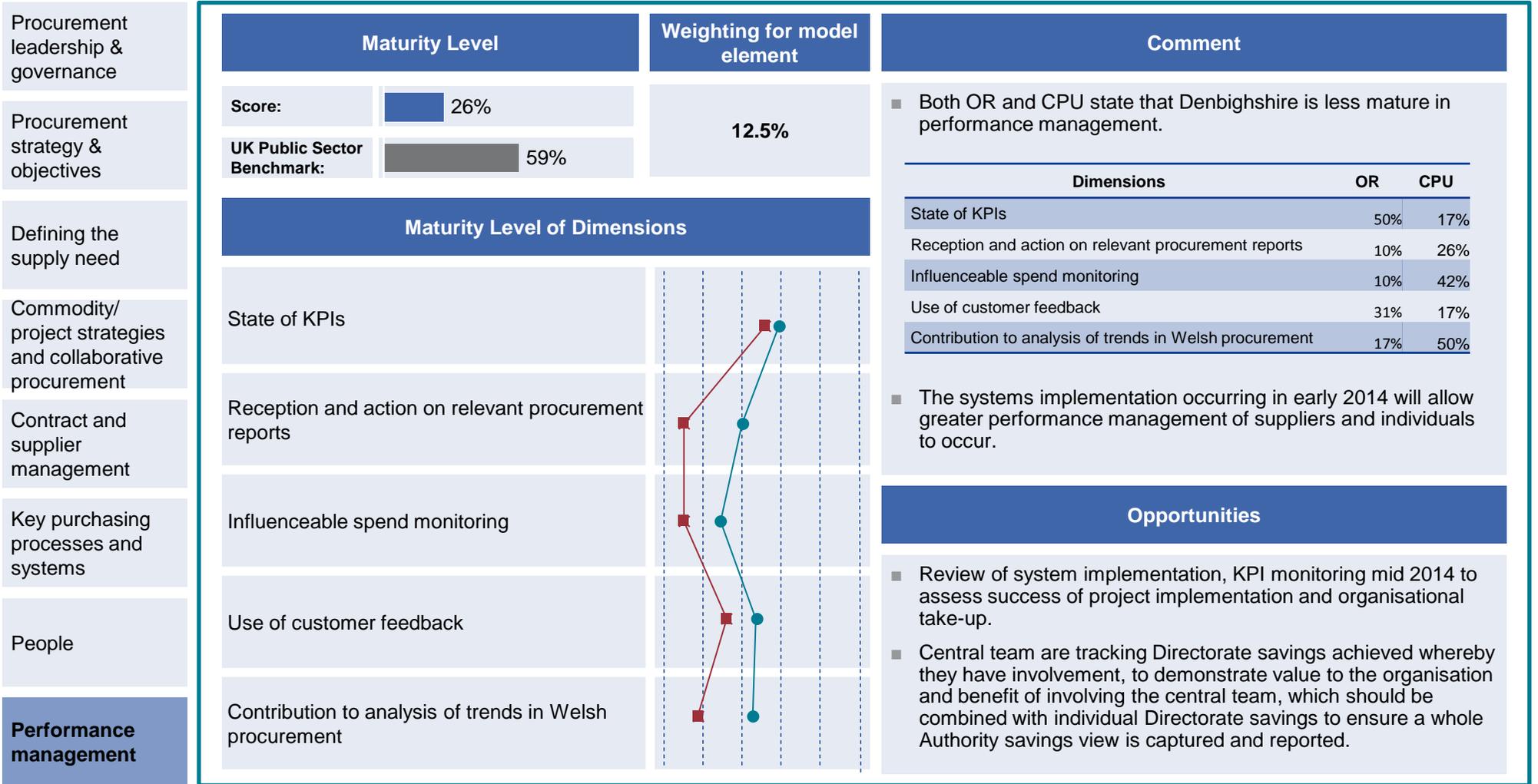
A detailed overview of the results per dimension KPMG found ...



■ Denbighshire Average Maturity grade ● Average of Welsh Authorities

Performance management

A detailed overview of the results per dimension KPMG found ...



■ Denbighshire Average Maturity grade ● Average of Welsh Authorities

Fitness Check – Procurement Maturity Assessment

Profile of respondents

Number of respondents

36

Contract Value responsibility	Number of respondents
Between £0 -£500K	23
Between £500K - £10m	11
Greater than £10m	2
Total	36

Qualification	Number of respondents
Degree (or equivalent)	44%
Masters	6%
MBA	11%
CIPS	3%
MCIPS	14%
Other	44%
Total	36

Years Experience	Number of respondents
Less than 10	7
10 - 15	6
15 - 20	2
20 - 25	10
25 - 30	7
Greater than 30	4
Total	36



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