

SPS APPROACH TO CSM

Tuesday 24th October 2017

Andy Door
Head Of Procurement



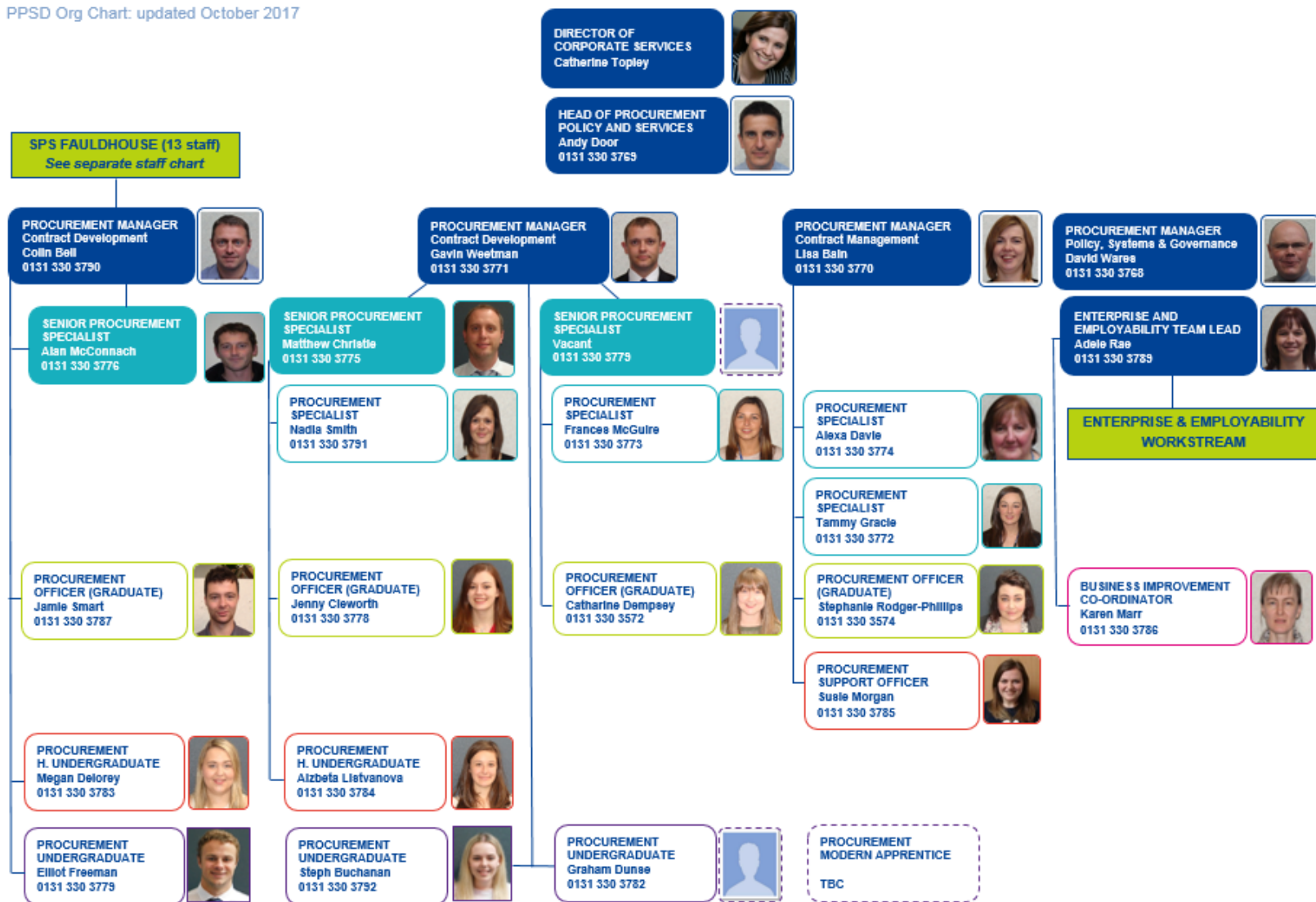
SPS APPROACH TO CSM

- Why Does SPS Undertake CSM?
- Approach taken:
 - Procurement-led approach
 - Strategic CSM
 - 'Standard' and 'Dedicated' CSM Models
- Future Developments

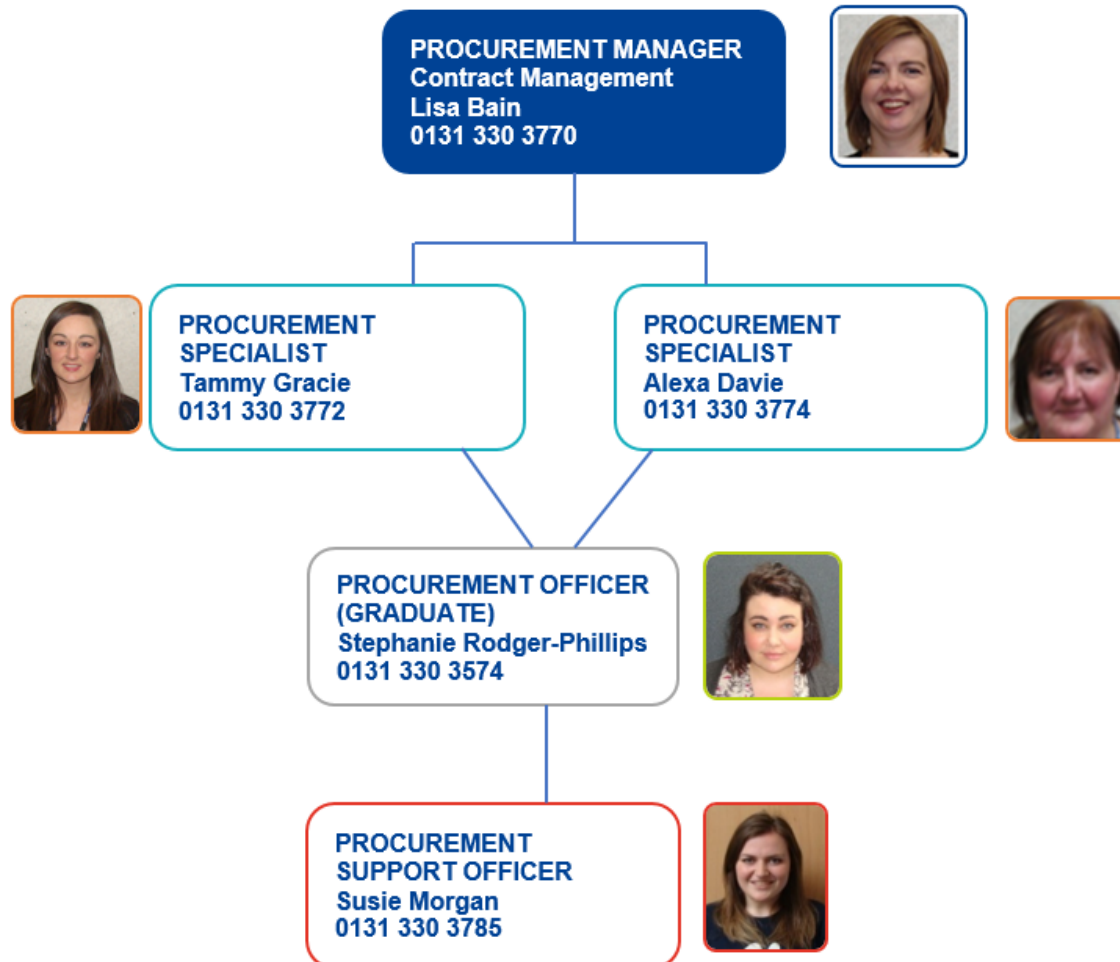
Why Does SPS Undertake CSM?



PPSD Org Chart: updated October 2017

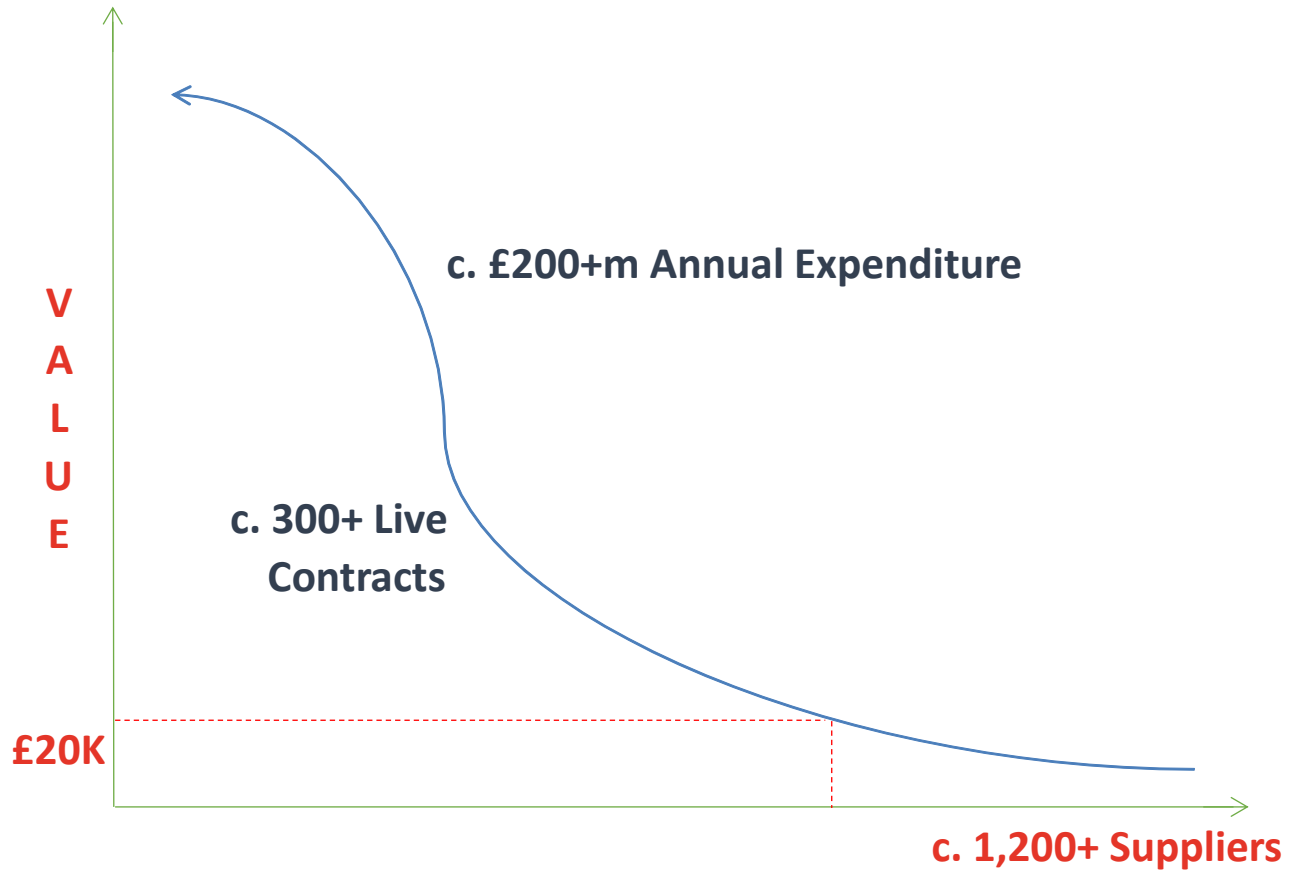


SPS Procurement - CSM Team

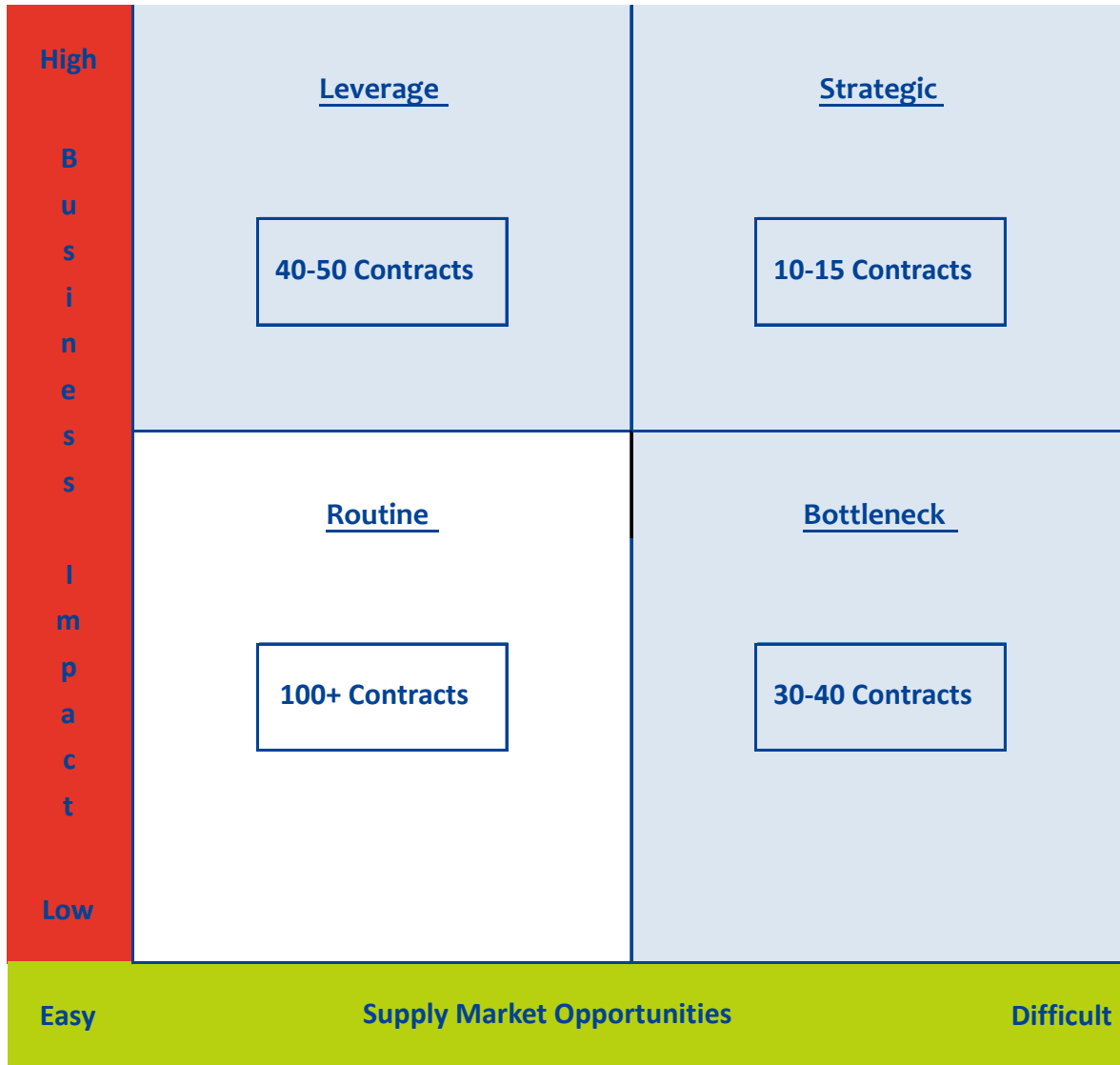


SPS EXPENDITURE OVERVIEW

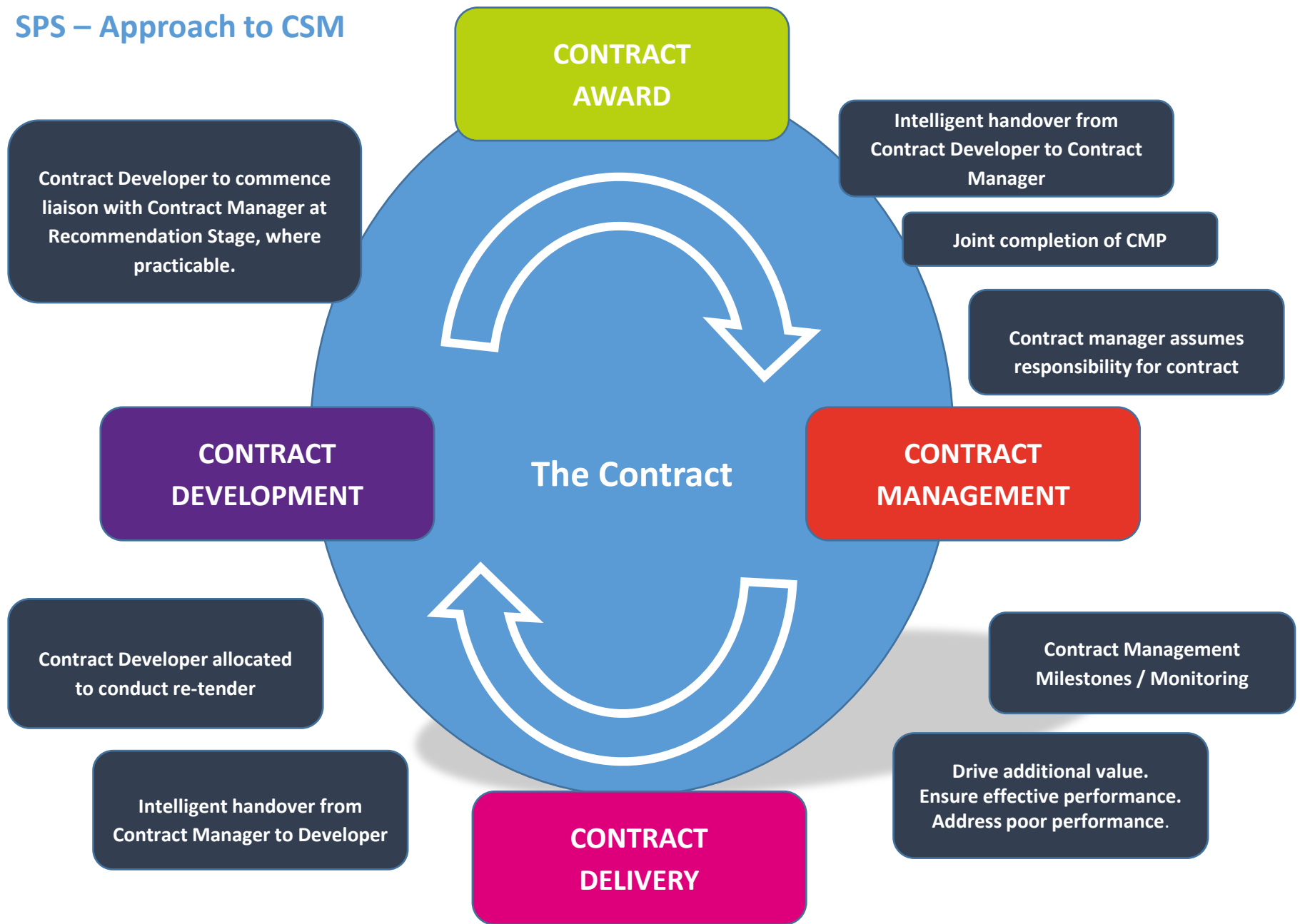
- No of contracts not static.
- Several hundred new suppliers used annually by SPS



SPS – APPROACH TO CSM



SPS – Approach to CSM

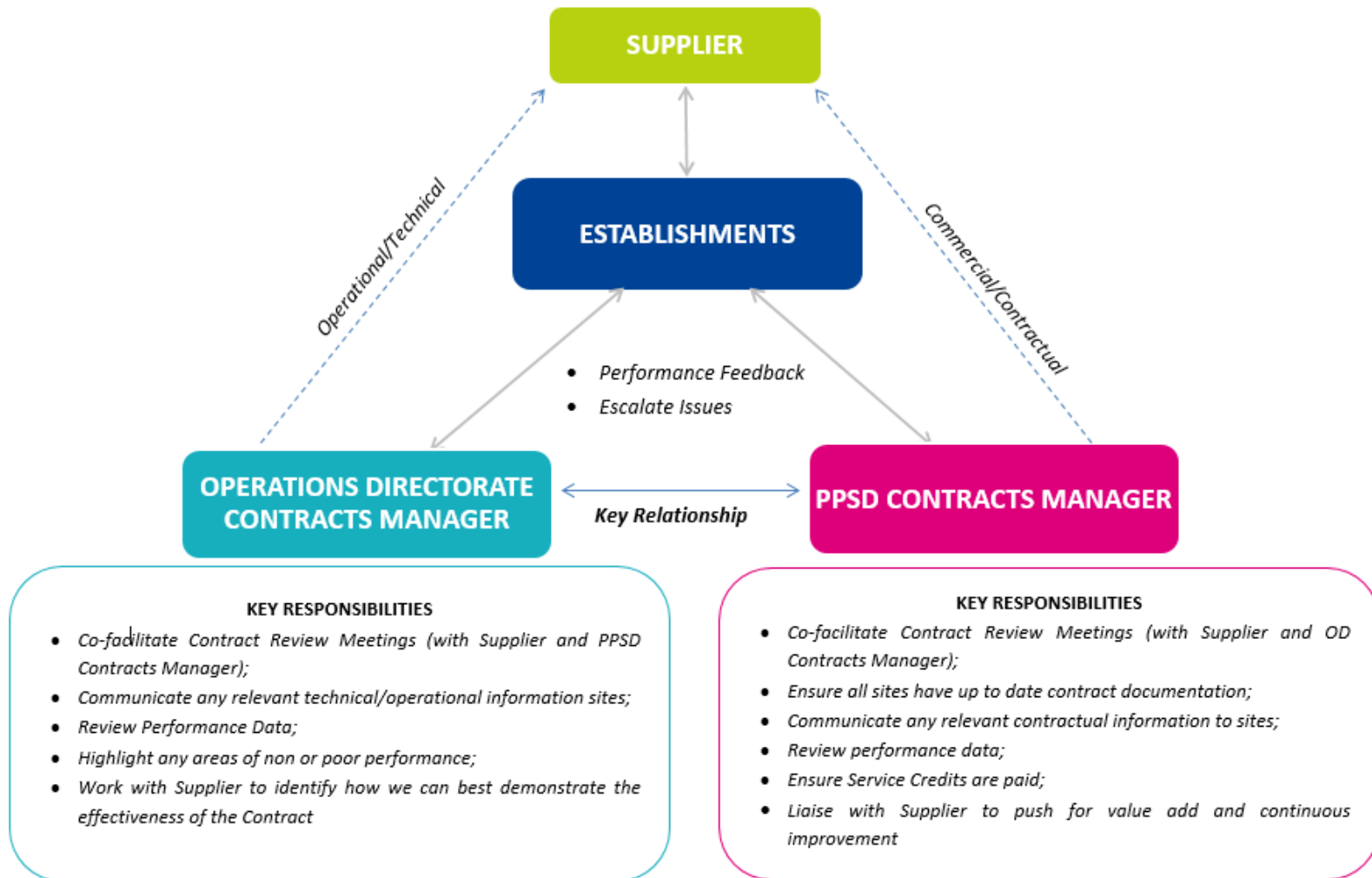


CONTRACT MANAGEMENT MILESTONES

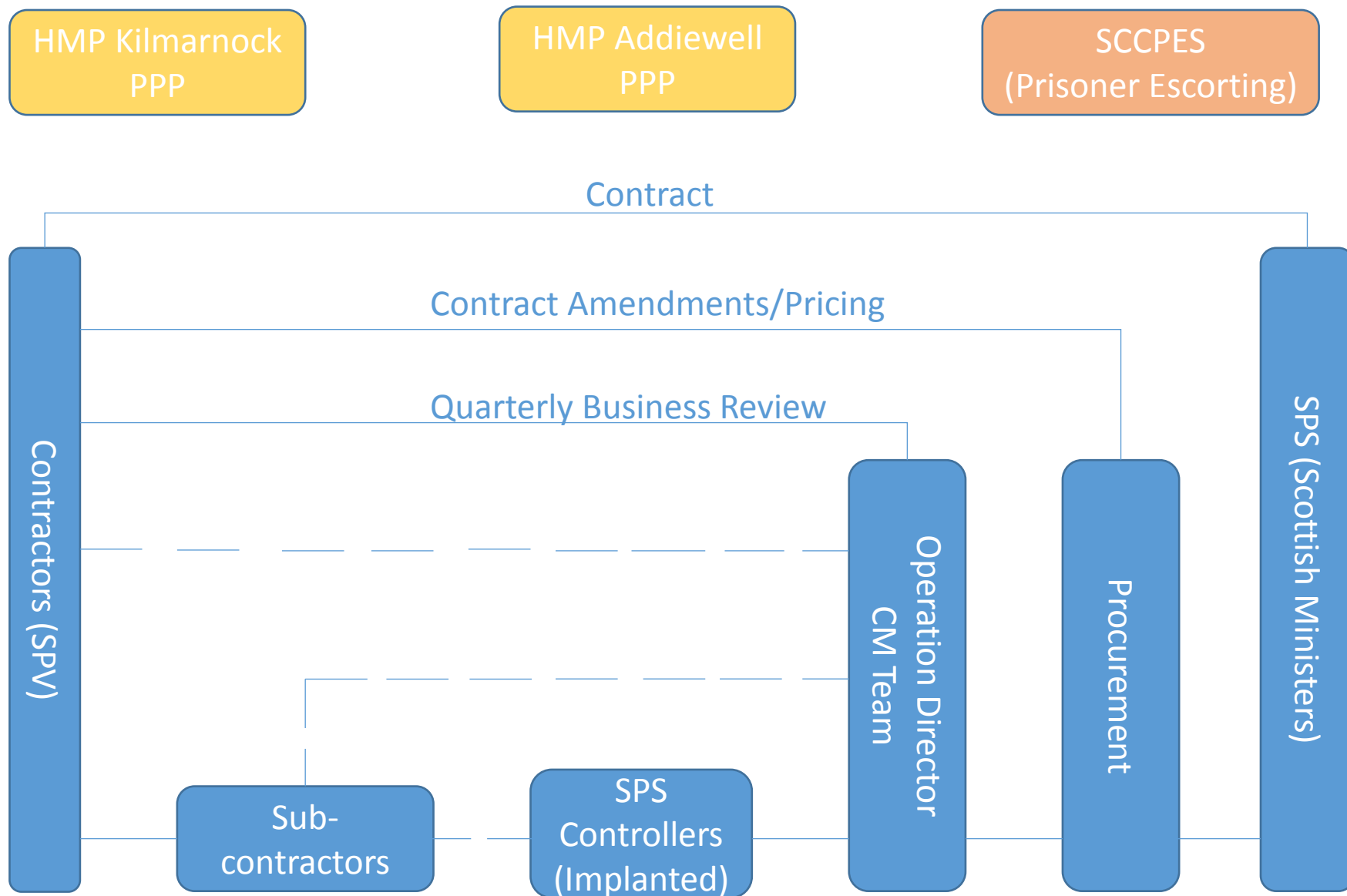
	Milestone	Expected Timeline	Format	Resource
1	Intelligent Handover from Contract Developer	1-3 months prior to contract commencement	Formal, sit down meeting between contract developer and contract manager to 'handover' key information. Joint completion of the CMP. Suggest a meeting room is booked for this meeting with access to a PC to enable the CMP to be completed 'real time'. If a CMT contract then developer to flag to CMT Procurement Manager for allocation.	CMP Template
2	Contract Implementation/Transition Review	3 months from contract start	Contract Manager to ascertain how the initial 3 months of the contract has gone.	Contract Implementation/Transition Review Template
3	Performance Review Meetings	As required by the contract type	At contract commencement, contract manager to schedule these in the diary and share dates with supplier and internal customer. Frequency to be defined by contract type.	standing agenda Template
4	Extension Review	9-12 months prior to initial contract expiry	Contract manager to undertake the required extension review process and make a recommendation/decision based on their review. Mostly desk based but may require visits to internal customer and/or supplier.	Extension Review Template
5	Pricing Review	As required by the contract	Contract manager to undertake the required pricing review process and make a recommendation/decision based on their review. Mostly desk based but may require visits to internal customer and/or supplier.	Pricing Review Template
6	Supplier 'healthcheck'/Risk Management	As required by the contract type	Contract manager to undertake checks per the original ITT.	Financial Appraisal docs
7	Savings Review	Feb – April yearly	Contract manager to undertake a review of savings to identify actuals (only for savings >£10k).	Savings form
8	Intelligent Handover to Contract Developer	9-12 months prior to final contract expiry	Contract Manager to ensure CMP is fully up to date before sitting down with the contract developer and handing over any key information from the existing live contract. Contract Developer will approach the contract manager to schedule this.	Use existing CMP.

Plus almost endless 'reactive' activity.....

‘STANDARD’ OPERATING MODEL



‘DEDICATED’ CMT MODEL



SPS – Approach to CSM – What next?



CSM in SPS – Future Development Areas

o **Reviewing CM Models in place**

- Increase stakeholder ownership?
- Hybrid approach depending on business area?

o **Improve Reporting on CSM**

- Supplier performance – individual contracts and overall
- Outcome tracking – CBs/other sustainable outcomes

o **Implementation of eCM module on PCS-T**

- Reduce systems duplication
- Enables better work programming (milestones)
- Strategic view of portfolio for Procurement Specialists
- Encourages proactive supplier engagement

Q & A