



Collaborative Procurement and the Art of the Possible

*- Using the Cloud to involve suppliers,
staff and partners*



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Introduction

If there's one area of public sector activity that's really under pressure to deliver more for less, it's procurement.

With the new Crown Commercial Service setting the standard, government at all levels is refining – and often rethinking – the way it sources goods and services.

New technology and cloud software is increasingly at the heart of current procurement work being done across the sector. But while specialist procurement software still has a vital role, many organisations are also turning to utility cloud collaboration solutions to support and improve team communications during the procurement process, from pre-market engagement activities all the way through to contract management.

This is because public sector procurement teams have realised there is immense value in bringing people together to work online at all stages of the procurement process – whether they are colleagues involved in shaping requirements or identifying suppliers, or they are the suppliers themselves.

In this guide we look at the current landscape of public sector procurement, put the main stages of the procurement process under the spotlight, and show you ways of using cloud collaboration to make procurement leaner, more cost effective and – above all – innovative.

As you'll see, with the right online tools available to you, procurement becomes less a set of rigid processes – and more a discipline in which new ways of working regularly emerge.

This results in service improvements, stronger relationships and more agile ways of sourcing goods and services. We call it exploring the 'art of the possible' – and we're certain it'll change the way you think about public sector procurement for the future.

John Glover

Sales and Marketing Director
Kahootz

1. 2014: a new era of procurement reform

Public sector procurement in the UK is in a period of reform – with major implications for the way it sources goods, services and works.

The reforms are driven by the desire to deliver better value for money to the taxpayer. By making the way it buys equipment and services more efficient, the public sector stands to make major savings from a £227bn annual spend on goods, services and works – starting with the £45bn (excluding NHS spending) controlled by Whitehall departments.

This drive is centred on the recent establishment of the Crown Commercial Service (CCS). It brings together in one organisation, the former Government Procurement Service, the commercial function of the Cabinet Office, plus procurement and commercial management activities undertaken by individual departments.

The CCS has been created not only to drive savings, but also to improve the quality of commercial and procurement activity across the sector. To achieve this, it has six key objectives:

- 1) Centrally manage procurement of common goods and services through an integrated procurement function
- 2) Provide specialist resource to improve the management of common but complex procurements
- 3) Allow customers to focus on the commercial activity that is truly unique to them
- 4) Strengthen the procurement profession and improve government's commercial capability
- 5) Improve supplier and contract management
- 6) Work with the wider public sector to ensure that the benefits of aggregation and centralisation are shared across the public sector to maximise savings for the taxpayer.

The CCS is driving the public sector to not only do procurement better, but also to do it differently. And it's fair to say that many organisations from the smallest local authority to the largest government department are finding their feet when it comes to putting this into practice.

This means that they are entering a period of exciting new developments – which could result in radically different methods of procurement that are based on closer working with staff, suppliers and partners to explore the 'art of the possible'. It's something we've witnessed as public sector organisations use our Kahootz cloud collaboration software at all stages of the procurement process; and this guide looks to the future to predict developments in procurement, and how to use cloud collaboration to achieve more for less – innovatively and imaginatively.

£227 billion

Amount the public sector spends annually on goods services and works. £45bn is controlled by Whitehall departments.

Source: BBC

2. The current landscape

The CCS is at the vanguard of reform that will see collaborative procurement become the norm across the public sector.

In the broadest sense, collaborative procurement has been defined by senior public sector procurement specialist Colin Cram, who describes it as:

...when two or more groups of people or organisations, engaged in procurement, work together for mutual benefit.

“With all public service costs under pressure, better procurement provides an opportunity to make significant savings that don’t cut into front line services. Most councils already collaborate but, even where there is collaboration, it is not delivering all the possible benefits”

Mr Eugene Sullivan, Chief Executive of the Audit Commission, 21 May 2010

Cram was writing in Government Opportunities in 2003, but he saw that collaborative procurement was ‘evolving rapidly and becoming increasingly important within government’.

By 2010, it was clear the sector had travelled quite a distance. A National Audit Office / Audit Commission joint survey of heads of procurement across central government organisations, health trusts and local authorities found that:

- Of those interviewed, 45 out of 48 local authorities, 76 out of 82 central government organisations and 53 out of 57 health trusts had undertaken spend using collaborative arrangements
- 84% of all those surveyed said collaborative arrangements had helped them achieve better value for money
- 83% felt there was potential to improve value for money further
- 82% felt a collaborative approach reduced the number of contract tenders
- 73% felt it resulted in faster procurement.

These results reflect Colin Cram's seven main benefits of collaborating in procurement, which the newly created CCS is keen to drive forward. They are:

- Increased leverage, resulting in better value for money and service
- The ability to use each other's agreements (subject to supplier approval)
- Improved efficiency by avoiding both duplication and reinventing the wheel
- Quicker progress, such as in letting agreements, training programme development or implementing e-procurement
- Access to specialist expertise
- Cross fertilisation of ideas and information - to learn what is good and what is bad practice.

These benefits are more within reach than ever before; particularly given the way that collaborative procurement can now be aided by more effective – and affordable – technical solutions.

By this we don't simply mean that bespoke procurement software makes the process simpler and easier, although that is certainly true. Instead, by taking a wider view of the need for improved team communications throughout the procurement process – from identifying a need, right through to delivery and maintaining supplier relationships, cloud collaboration software can make the process cheaper and faster and develop stronger partner relationships.

It's an agile approach to the procurement process – and one that has incredible possibilities that could change the face of public procurement.

Let's see how it might happen.

3. The ‘art of the possible’

Dan Rowinski, mobile editor at ReadWrite, argues that ‘the future is built by people exploring the art of the possible... and pushing past it’.

In technological terms, he believes that ‘we see the future everyday’ and that:

The reason for this is that systems have been built that enable innovation, allowing people to build efficiently on layers of technology already laid down by their predecessors.

The ‘art of the possible’ is therefore about thinking creatively so you can use existing technologies to deliver new outcomes. Rowinski sees the most prominent example of this being the Internet, which is at the heart of almost every technological project being undertaken and allows people to collaborate in real time.

So what are the implications for public sector procurement?

In a nutshell, applying ‘the art of the possible’ to procurement means thinking beyond finding technology that’s designed by a manufacturer to handle a series of fixed processes – such as traditional e-procurement software.

While this software has a place, a more agile and beneficial approach is to look at the whole procurement process from the identification of a need, to delivery and beyond. By thinking creatively about what you want to achieve at each stage (and the things you are currently unable to achieve), you can match what you believe possible to the right technology – rather than trying to work round the constraints of rigid ‘purpose-built’ software.

How you approach your own procurement process will depend on your needs, legal constraints, organisation and size of budget, but to give you a flavour of the ‘art of the possible’, these are some of the questions you might ask about the way you’d like to procure.

- Beyond issuing a PIN (Prior Indicative Notice), how can I make it easier to engage and involve team members, partners and suppliers before entering into formal procurement?
- How do I improve collaborative project communications to manage and speed up procurement – and provide opportunities to contribute and evaluate innovative ideas?
- How can I ensure team members and interested parties are kept informed and up-to-date?
- How can I work with team members and specialists based elsewhere, drawing on their expertise without the need for costly travel or meetings?
- How can I avoid using uncontainable and unreliable email attachments and work securely, in confidence, with different teams of colleagues and ensure they have access to only the information they need?

When you begin to consider questions like these, they begin to spark new possibilities for your procurement processes. And as you’ll see, many of them will lead you directly to the Cloud – and to flexible pay-as-you-go secure collaboration services like Kahootz.

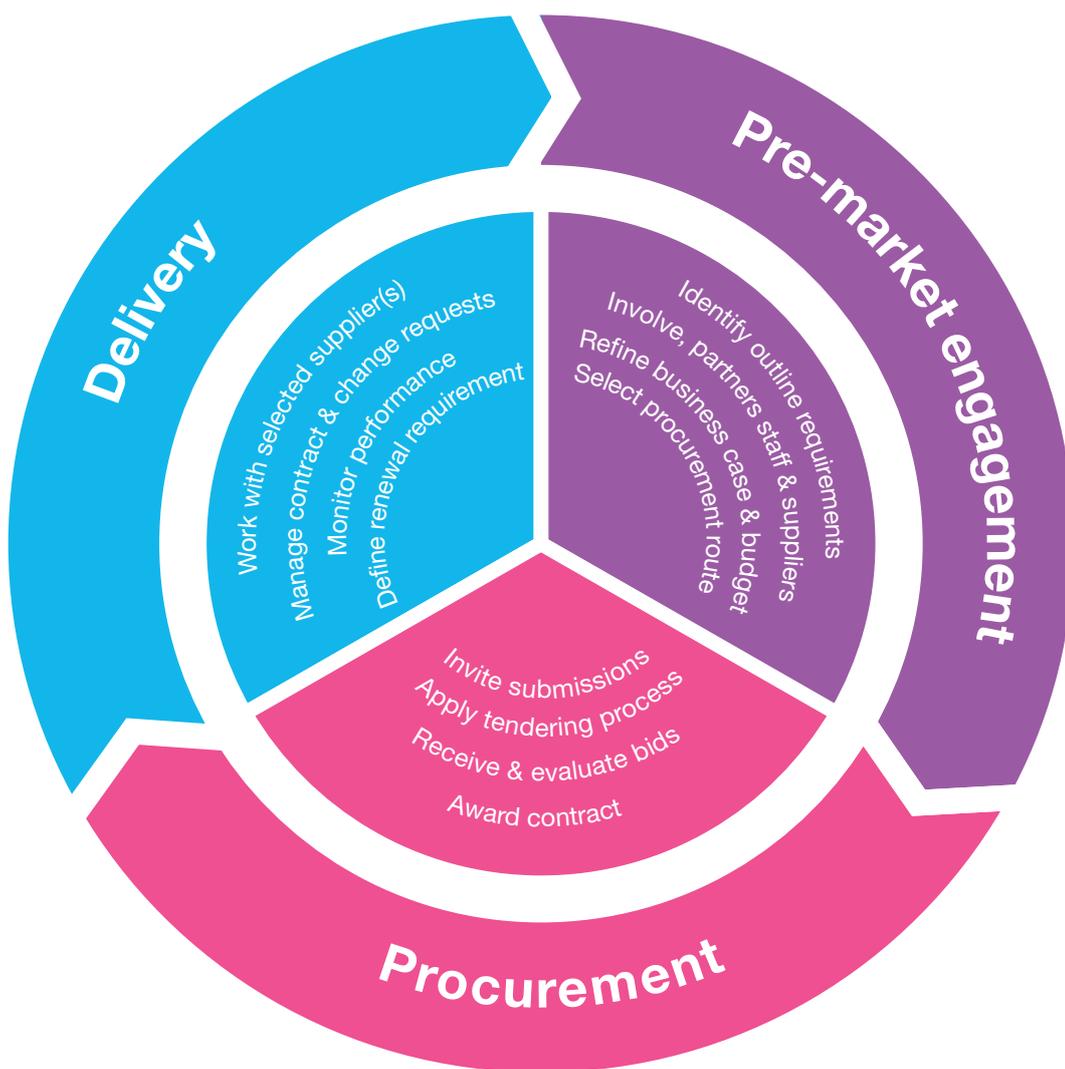
“The future will be fascinating. Perhaps also terrifying, if you imagine some of the possibilities. Either way, we must understand it.”

Dan Rowinski, October 2013

4. Visualising the procurement process – and seeing it with new eyes

The procurement process is best likened to a cycle, rather than a single journey with a beginning and an end.

It starts with pre-market engagement, moves through to formal procurement and supplier award, and then progresses to delivery and contract management. This last part of the cycle then often leads to renewal or replacement and back to pre-market engagement – with the knowledge gained and lessons learned being fed back into the procurement cycle.



The advantage of looking at the procurement process in this way is that it allows you to visualise it as three areas with specific contexts.

Pre-market engagement – the work you do before going to market

Procurement – communicating with bidders, evaluating bids and awarding contracts

Delivery – contract and supplier management.

Being clear about what you need to achieve at each stage of the procurement process allows you to view each part of the process from the point of view of user need. In this way you can decide whether you need to consult, inform or collaborate with each audience.

TIP

Effective procurement benefits from improved stakeholder engagement. By visualising which stakeholders you need to inform, consult and collaborate with, you can transform the way you procure.

For ideas on mapping digital tools to relevant stakeholders, see our guide: [Transforming Public Sector Stakeholder Engagement](#).

However, the more complex your procurement process, the greater the challenge of managing many-to-many communications and team-working activities. This is particularly true when trying to collate partner needs, evaluations and of procurement projects that are split into 'lots' that can be applied for separately, adding further dimensions to the process.

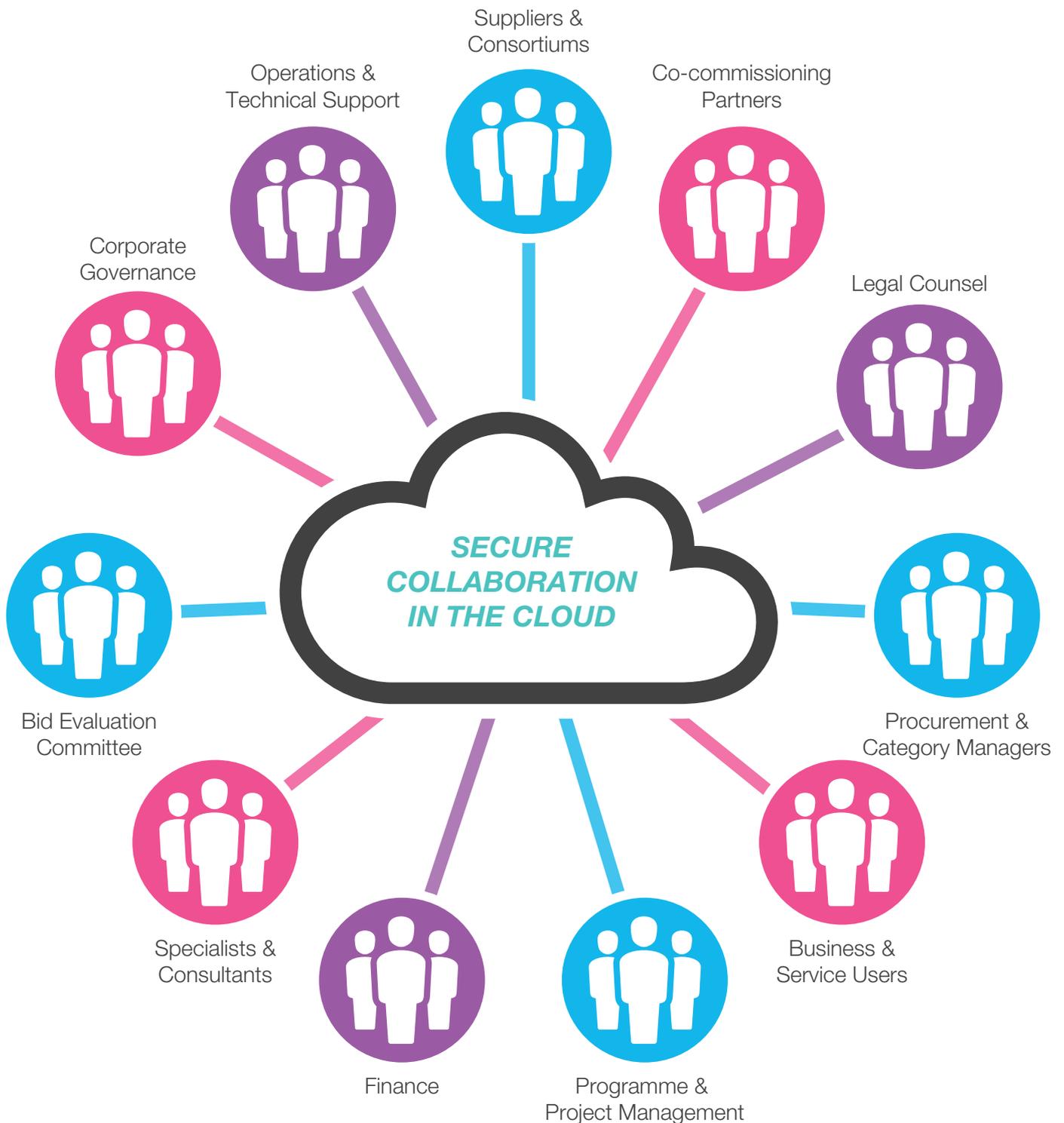
To make these relationships work, all parties need to have access to a single definitive source of information and know their own contributions can be seen only by authorised parties. Different teams also need to be connected at different stages of the procurement process, and you need to bring them together quickly in a secure environment – particularly between the buy side and the supply side.

When you do this you really open up the 'art of the possible' because a greater number of internal and external stakeholders can work towards better service innovation and specification. In other words, you are no longer restrained by having to discuss your plans, ideas, aspirations and fears with only the 'famous few' staff members and suppliers.

So what's the answer? How do you ensure continuity of communications throughout the procurement process, and use common tools that allow you to work with interested parties as and when you need them to be involved?

The solution is simple – secure cloud collaboration. With the right cloud collaboration software, stakeholders can work together from any place, at any time and from any device.

And as you can see from the following diagram, secure cloud collaboration has the power to unite any person or team at any part of the procurement process – simply, easily and flexibly.



So which cloud platform do you need? There are many on offer, but procurement specialists are increasingly turning to one that brings the 'art of the possible'

to their processes. It's called Kahootz, and in the next chapter you'll learn how you can put it to work.

One important aspect to remember is that continuity of communications throughout the procurement process is essential, and you need tools that allow you to work with interested parties as and when you need them to be involved. In this respect, speedy deployment is a critical factor as projects develop – and if the number of people involved changes significantly at different parts of the procurement process, it's a good idea to look at pay-as-you-go technologies so you don't waste money on unneeded user licenses.

You can find practical help with mapping digital tools to each stage of the stakeholder engagement cycle in our guide [Transforming Public Sector Stakeholder Engagement](#). But now we're going to focus in on each of three stages of the wider procurement cycle, how the tools in Kahootz collaboration software can support them – and then explore how to transform procurement with the 'art of the possible'.

As you'll see, there are also big savings to be made – particularly during pre-market engagement and service delivery, where you have more opportunities for agile working, innovative thinking and stakeholder engagement.

5. In Kahootz with your procurement teams

Kahootz is a cloud collaboration platform used right across the public sector, from Whitehall departments and the NHS through to local authorities and emergency services.

The software is popular for many different reasons, not least because it is designed with public sector working in mind. It meets stringent pan-government security standards and is easily procured, in the UK, via the [G-Cloud CloudStore](#)

As a cloud collaboration package, Kahootz provides configurable online workspaces that allow you to share files and collaborate in a secure environment. Workspaces allow you to bring any number of people together for specific purposes. You have full control over access privileges – allowing you to govern who can see, post or edit material and associated comments – and via the Cloud, you can collaborate with anyone who has access to any internet enabled device.

You can also control which collaboration tools are available to members of any given workspace. These range from file shares and co-authored documents, task lists, calendars and custom databases, through to blogs, wikis, online questionnaires and discussion forums.

The ability to bring the right people together in a workspace with tools relevant to the tasks they need to achieve is powerful. We have seen many public sector organisations start using Kahootz to share files securely, only to realise the ‘art of the possible’ that the software opens up before, during and after formal procurement. This has seen organisations get into Kahootz for many different and innovative purposes, including:

- Project management workspaces
- Intranets and staff communities
- Online boards and committees
- Secure legal and bidder deal rooms
- Category manager forums
- Special interest communities
- Partner and co-commissioning workgroups
- Supplier collaboration areas

Cloud collaboration allows you to tear down geographical barriers, cut time and travel costs, and achieve efficiency by ensuring all collaborators work on the same resources, kept in the same place. And because it only takes minutes to set up and configure a workspace, it's easy to create collaboration for any context – whether you need to work with another organisation to develop shared services, bring agencies together for local emergency planning or, most importantly for the purposes of this guide, work on almost any aspect of the procurement process.

So how can you use Kahootz to uncover the ‘art of the possible’ when you procure? First let’s take a look at the tools it offers.

Case Study: National Health Service (NHS)

Enabling procurement professionals to share best practice

The NHS Centre for Procurement Efficiency is being developed to enable a community of Department of Health and NHS procurement professionals to develop and share best practice at pace and scale. The Centre will support the NHS Procurement Efficiency programme and help ensure that best practice is embedded throughout the NHS.

The Centre will use an online collaboration portal (based on Kahootz software) and will be the home of all learning, networking and knowledge management for procurement in the NHS, supported by the new, national Academy of Procurement Excellence.



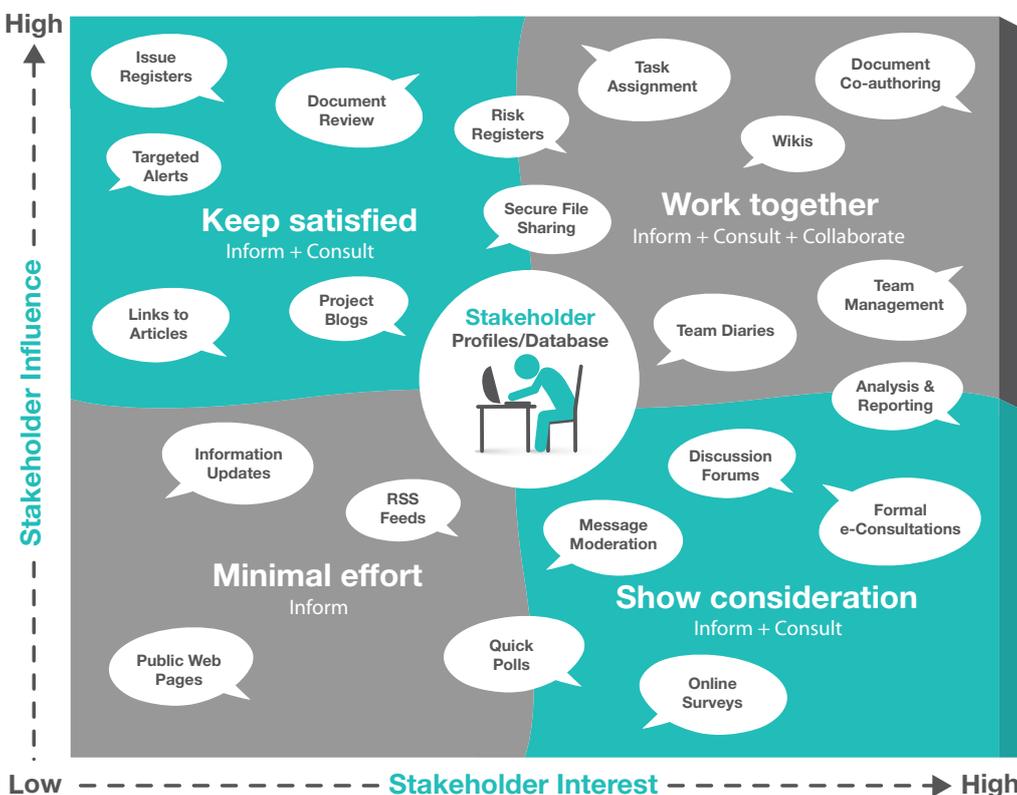
6. In Kahootz: tools that extend the possibilities of procurement

Getting in Kahootz involves creating secure online workspaces using tools and functionality that bring purpose and context to collaboration.

Before we look at the ways you can deploy them across the various parts of the procurement process, it's a good idea to gain an understanding of the tools that are available to you.

Again, this is where the principles of online stakeholder engagement are helpful. By mapping tools to stakeholder interest and influence, it's possible to gain an insight into which parts of the procurement process the tools available to you are likely to be most useful.

Let's take a closer look at some of the principle tools available in Kahootz, and potential key uses across the procurement process. The key to unlocking the 'art of the possible' is the way you use these tools together, as we'll see in the next chapter.



Collaboration Tool	Pre-market Engagement	Procurement	Delivery
Discussion forums Interactive forums for group discussions	<ul style="list-style-type: none"> • Discuss priorities, plans, business & strategic objectives • Procurement route appraisal • Dialogue with existing and potential suppliers • Strategy and partnership dialogue with board 	<ul style="list-style-type: none"> • Distribute information updates and alerts • Publish answers to clarification questions • Debate responses to supplier questions (internal only) • Share views on short-list supplier responses (internal only) 	<ul style="list-style-type: none"> • Provide feedback on service provided • Brainstorm new ideas • Offer help and assistance to staff during deployment
Online questionnaires Full featured e-surveys	<ul style="list-style-type: none"> • Identify user needs • Market research from key stakeholders • Screen and appraise suppliers • Vote on priorities and collect intelligence • Short-list bidder selection 	<ul style="list-style-type: none"> • Gather pre-qualification questionnaire responses • Ask suppliers to answer clarification questions 	<ul style="list-style-type: none"> • Benefits evaluation and reporting • Staff and key stakeholder satisfaction surveys
Document management Collaborate to create, and securely manage access to, version controlled documents	<ul style="list-style-type: none"> • Prepare business case • Collaborate on PQQ, RFQ, ITT, RFI etc • Collate and share market research • Joint commissioning budget collaboration 	<ul style="list-style-type: none"> • Share core ITT documents and contract drafts • Full audit trail – knowledge of which bidders downloaded documents and when • Timestamped supplier submissions • Notices of award/failure 	<ul style="list-style-type: none"> • Benefits evaluation and reporting • Detailed specification development • Contract and change request management
Document consultation Consult with others across the whole procurement process	<ul style="list-style-type: none"> • Early engagement with suppliers and staff on draft requirements and contracts • Gather feedback on implementation plans and timetables • Peer review criteria, specifications and requirements lists 	<ul style="list-style-type: none"> • Evaluation team feedback on submitted supplier proposals 	<ul style="list-style-type: none"> • Implementation plan and approach • Contract and service revisions • Training and guidance notes
Task management Functionality to manage and assign tasks, and keep projects running to schedule	<ul style="list-style-type: none"> • Manage creation of tender documentation and bidder instructions • Project manage business case approval • Collaborate to research and select procurement method 	<ul style="list-style-type: none"> • Manage review of bidder documents by evaluation team members 	<ul style="list-style-type: none"> • Manage actions from project meetings • Conduct document reviews and approvals • Approve project expenditure • Manage resolution of risks and issues
Shared diaries Keeping meetings organised and making efficient use of individuals' time	<ul style="list-style-type: none"> • Publish supplier industry days and events • Schedule project and bid preparation meetings • Organise staff workshops and consultations 	<ul style="list-style-type: none"> • Create procurement timetable and key milestones • Organise evaluation team meetings • Schedule supplier feedback meetings/conference calls 	<ul style="list-style-type: none"> • Set contract dates and supplier reviews • Organise project meetings – recording actions and decisions made • Create implementation timetable with milestones, deadlines & deliverables • Set staff training dates • Schedule events with partners and key stakeholders
Databases Capture, search and report on data and information	<ul style="list-style-type: none"> • Searchable FAQ lists • Shareable RAID logs with traffic lights to highlight items that need addressing • Pre-qualified bidder lists • Existing supplier intelligence records • Capture requirements list by topic area • Future needs analysis • GAP analysis – resources, compliance, capacity etc 	<ul style="list-style-type: none"> • Team MEAT (Most Economically Advantageous Tender) evaluation scores • Collect points of clarification • FAQ lists – with responses to questions shared simultaneously with suppliers 	<ul style="list-style-type: none"> • Update and maintain RAID logs • Lessons learned recorded as you discover them • Activity logs • Gather evidence of non-compliance • Metrics and reporting of supplier and budget spend
Team-based permissions Restrict access to information, tailor access to tools and make workspaces more purposeful for all – by assigning permissions to groups of stakeholders	<ul style="list-style-type: none"> • Assign roles to staff by office location, job title or project role • Similarly assign specific access rights to suppliers, partners and external consultants 	<ul style="list-style-type: none"> • Suppliers and team members see only what they are allowed to access • Governance teams can have complete oversight 	<ul style="list-style-type: none"> • Use teams to support membership of one or more project workstreams and working parties.

Additional functionality – and creating context

Kahootz has a wide range of other functionality, which you can use across the procurement process in imaginative ways.

For example, you can use blog posts to provide project updates, make announcements and more. You can circulate web links to procurement guidelines, model order forms or standard contracts available on external web sites. You can organise shared folders to reflect OJEU stages, and apply access controls that makes content visible only to the right people at certain points in time.

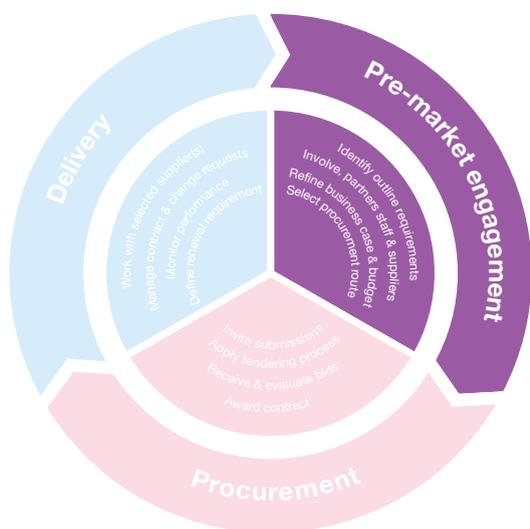
But the real benefits that Kahootz brings to the procurement process depend on combining tools and functionality to create valuable collaborative contexts. For example, in the pre-market engagement stage, you can set up a supplier community to share and receive feedback on specifications and future plans making it easier for potential suppliers to register for project updates and informational alerts.

Similarly, during the main procurement process, you can not only create a secure workspace to share information transparently, and simultaneously, with all bidders, but for increased confidentiality you can create individual virtual supplier data rooms – allowing suppliers to upload detailed submissions, and if required seek clarification and negotiate contractual terms and deliverables..

The beauty of Kahootz is that it helps you to create purposeful communities of relevant people at all stages of the procurement process. Using these communities imaginatively is what leads to better, quicker, more transparent and cost effective procurement.

Let's take a closer look at the processes you can support and the benefits you can enjoy at each stage.

7. Stage 1: Pre-market engagement



The Challenge

The primary focus of pre-market engagement is on stakeholder engagement, market research and discovery.

Traditional methods of engaging with potential suppliers can be time consuming, expensive and have major drawbacks. For example, supplier industry days are limited by those who can attend, and how often they are run. Similarly, by going down the collaborative procurement path, you face the challenge of working with partners who may be based in different locations, or have different specialisms.

The public sector is therefore increasingly turning to cloud collaboration services like Kahootz to overcome these barriers. As an example of specific challenges faced, it is worth looking at the issues raised by recent UK Government policies regarding ICT procurement.

Firstly, the government's digital by default agenda requires services to be built around 'user need', sometimes as a shared service with other parties, so it's essential to involve staff and users from all partner organisations in the discovery phase when researching and analysing vendor solutions. There are major benefits to doing this – your staff buy into new services at an early stage, and you demonstrate your commitment to transparency and openness at the outset.

Secondly, a more open market procurement policy requires that public sector organisations seek best value and scale up supplier involvement by reaching out to more suppliers in general, and SMEs in particular – the government has a target of procuring 25% of goods and services from small and medium sized enterprises by 2015. Capacity management and effective supplier communications is therefore a key logistic issue.

Thirdly, in support of the UK Government's Cloud First policy, many innovative SME cloud services such as Kahootz, can now be procured directly via the G-Cloud CloudStore – a good number of suppliers even offer you free trials, allowing your key users to put them through their paces and assess the 'art of the possible' to help you with your requirements before short-listing and formal procurement.

If, for example, you are procuring ICT it's a good idea to adopt a sourcing strategy like this one:

ICT sourcing evaluation steps

- 1) Do you really need the technology?
What improved outcomes will it support?
- 2) Can you re-use existing systems, possibly by piggy-backing on an existing service contract through a shared-service arrangement?
- 3) If not, is there a Cloud First solution available, perhaps via the G-Cloud CloudStore? Just like Kahootz, many commodity cloud services are pay-as-you-go and can be used for time-limited projects such as the procurement project itself!
- 4) If none, can you use another Commercial Off-The-Shelf (COTS) solution with limited additional configuration? If so, explore use of existing framework agreements where possible.
- 5) If there is no other option, then you commission agile bespoke development, ideally using open source tools to keep costs low. Remember to take into account sustainability issues and the cost of medium to long term maintenance and support.

Supported processes and benefits of being in Kahootz

Kahootz can be extremely valuable to your pre-market engagement work. As you saw in the previous chapter, it offers a wide range of functionality that can be applied to many different purposes.

The software can support many different team communication and collaboration processes at the pre-market engagement stage, including:

- **Procurement planning**
Working with colleagues in any location to plan the procurement process
- **GAP Analysis**
Collaborate to ensure the desired solution meets statutory and desired business outcomes
- **Managing work with project advisors**
Sharing information and feedback within secure workspaces
- **Financial planning**
Work together with finance teams to plan budgets, source funding and ensure value for money
- **Embed a process within**
Keep track of milestones, risks and issues
- **Develop business needs and business case**
Get in Kahootz to undertake an impact assessment of the new services

Case Study: Ministry of Justice

Simplifying early stage engagement on a common platform

The Ministry of Justice (MoJ) wants to create a common platform, across the Criminal Justice System, that would integrate its business and technology systems, both internally and with partner organisations.

It is a complex and urgent project. Current technology infrastructures struggle to cope with the demands of administering workloads such as the Crown Prosecution Service's 800,000 annual cases, and the HM Courts & Tribunals Service's 2 million annual proceedings seen in 350 locations each year.

To facilitate the project, the MoJ Project Management Office (PMO) adopted Kahootz. This allowed it to bring 250 PMO team members together with partner organisations' IT specialists within secure, flexible online workspaces. It also enables them to broaden discussions quickly by bringing on board additional advisers, experts and suppliers as needed.

Kahootz is used for all key early stage engagement processes – from programme management controls to stakeholder engagement. By delivering safe online collaborations, flexible management of project resources, better knowledge sharing and complete transparency of collaboration costs, Kahootz has helped the MoJ achieve efficiencies, major savings and innovation through the early stage engagement process.

- **Create and share project documents**
Develop and share key documents from requirements lists to bidding documents and price schedules.
- **Project board room**
For board members to review and oversee outline business case
- **Undertake review of supplier market**
Widen pool of suppliers by providing open facilities to ‘register an interest’, engage with stakeholders and collaborate with colleagues to undertake a market analysis
- **Communicate with potential users and suppliers**
To aid discovery, undertake consultations and communicate with the marketplace
- **Options appraisals**
Enhance the ‘intelligent client’ function and work with colleagues to evaluate different options at each stage of pre-market engagement
- **Category Management**
Connect with colleagues in partner organisations to discuss future needs and solutions

This list isn’t exhaustive, but it does give a good indication of what’s possible. By bringing colleagues, suppliers and other stakeholders together in a purposeful way, you unleash many benefits.

For example, you can:

- ✓ **Involve more interested parties** to create and validate business needs – working online means less travel and fewer meetings.
- ✓ **Collaborate with external consultants and legal specialists** without them having to leave their desk – cutting down billable hours
- ✓ **Improve the quality of your requirements** – by shaping them via wider consultation
- ✓ **Enjoy greater transparency** – of Risks and Issues, and via open, fair dealing
- ✓ **Ensure all stakeholders enjoy more frequent project updates**
- ✓ **Foster stronger links with suppliers** – via collaborative working and better communications
- ✓ **Standardise early market engagement** – making it easier to work with potential partner agencies (such as for shared service procurement) and central buying consortiums at national, regional or local level.
- ✓ **Benefit from uniformity and ease of communications** across all partner organisations – without having to worry about issues with large email attachments or firewalls.

Using Kahootz in these ways also stimulates innovative thinking – it helps suppliers to become creative in the solutions they devise when they fully understand the business requirements before formal tendering. One organisation that found this was ALTO.

Case Study: Association of London Transport Officers (ALTO)

Fleetcol collaborative vehicle procurement

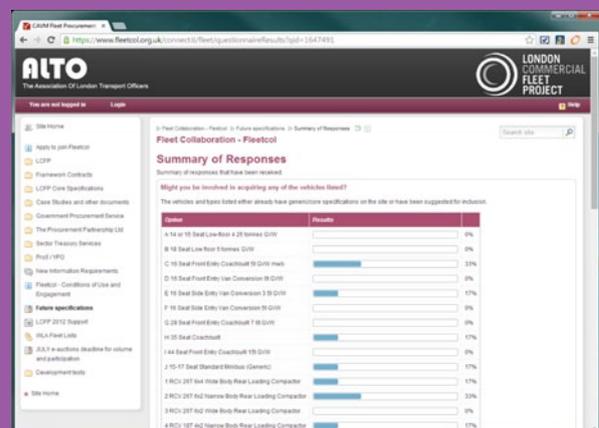
ALTO's London Commercial Fleet Project uses Kahootz cloud collaboration software as a dynamic and essential platform for vehicle procurement across the capital.

The Fleetcol portal, powered by Kahootz, allows any local authority in London to share and register their potential future requirements for commercial and specialist vehicles using a custom online database. They can also share details of suitable national or regional framework contracts together with their associated terms and conditions. This consolidated information allows ALTO members to aggregate buying requirements into lots and bring more power to public sector bulk buying.

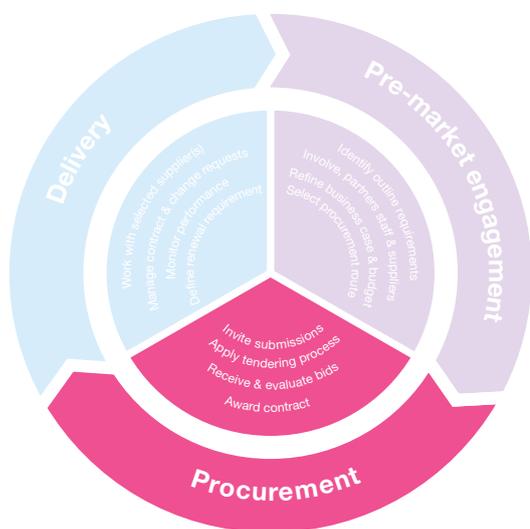
By using cloud collaboration for the procurement process, Fleetcol can easily co-ordinate buying among many different

stakeholders and, typically, deliver an additional discount of 10% to buyers. In London alone, local authorities spend over £100m each year on acquiring and maintaining some 6,000 vehicles – so the savings gained by using the Fleetcol portal are potentially worth tens of millions of pounds.

Will Tuckley, Chief Executive of the London Borough of Bexley underlines the benefit of cloud procurement: “Through collaboration and co-operation, this innovative project harnesses our collective buying power to deliver significant cashable savings and improve the way we acquire and manage our fleet.”



8. Stage 2: Procurement



The Challenge

During the actual procurement process, your main focus needs to be on improving communication with bidders.

This is important, regardless of whether you are using any of the following procurement procedures, although the challenges are different for each.

- **Open procedure**
For simple procurements open to any supplier wishing to submit a tender.
- **Restricted procedure**
Used to 'pre-qualify' suppliers according to their financial standing, professional or technical capability or similar.
- **Negotiated procedure**
Now used rarely, and only in legally-specified circumstances. This procedure allows you to consult suppliers of your choice and negotiate the terms of the contract with them.

- **Competitive dialogue procedure**

Used for complex projects where you are unable to specify your requirements beforehand. It allows you to enter into dialogue with bidders before issuing a final tender.

While you may use dedicated e-Auction or e-Procurement portals at this stage of the process, the fact remains that they typically provide only limited supplier communication facilities. Rarely do they provide back-office support for evaluation and contract team communications.

This is where Kahootz brings great value to the process, especially in support of joint commissioning. By using collaborative workspaces, all partner organisations can be involved in the procurement process and have oversight throughout it.

Most importantly, because all communications between suppliers and buyers must be logged, and no off-the-record discussions are allowed, Kahootz's secure workspaces with a full audit trail are ideal for both receiving from, and disseminating information to, all suppliers.

Even in those rare instances where procurements require a negotiated procedure, the security and audit functions of Kahootz ensure full accountability throughout the process.

Supported processes and benefits of being in Kahootz

In this context, Kahootz provides valuable support throughout this stage of procurement, particularly in the following processes:

- **Shortlisting**
Keep a record of the longlist to shortlist deliberations and decisions
- **OJEU stages**
Creating folders to reflect the OJEU stages and restrict access as necessary
- **Invitation to bid, receipt of bids, bid evaluation**
Kahootz can be used to issue invitations to bid, submit completed bids and provide a secure workspace for relevant people to evaluate submissions
- **Post-tender clarification**
You can use Kahootz to capture and publish clarifications after tenders have been issued
- **Contract finalisation / negotiation**
Where appropriate, negotiated procedures and competitive dialogue can take place within a Kahootz secure workspace, contract documents and deliverables can be drafted and agreed.

Once again, using Kahootz within the central procurement process delivers a raft of benefits.

When you are in Kahootz at this stage, you can:

- ✓ **Provide a consistent structure to supplier dialogue** – Kahootz keeps expectations clear
- ✓ **Allow suppliers to access documentation simultaneously** – and keep them up to date via instant notifications, keeping the process fair and equitable.
- ✓ **Create a legally compliant audit trail** with version control
- ✓ **Securely archive all documentation** and correspondence relating to each bidder
- ✓ **Save time** in producing, revising, publishing and distributing documents – and save on last minute courier costs and environmental impact by distributing electronically
- ✓ **Provide clarity and transparency** - via effective communication of key procurement milestones and updates
- ✓ **Improved efficiency and communication for all** – team working between key stakeholders becomes simpler, and firewall restrictions don't apply

As you can see, using Kahootz at this stage of the procurement process is largely about improving efficiency, ensuring transparency and accountability are impeccable, and making communications much more effective and productive.

To gain an insight of this in action, let's see how the Land Registry and NWRWVG put Kahootz into action at this stage.

Case Study: Land Registry

Using secure data rooms for simpler, better procurement

The Land Registry originally began using Kahootz to better support external information exchange and engagement with stakeholders on major change management programmes. However, the ease with which users could set up secure online data rooms and virtual project team workspaces meant that the organisation soon began using them to simplify the procurement process.

For example, the Land Registry used Kahootz to support a significant procurement process for a building refurbishment project. The project team and its external advisors were spread across multiple sites and Kahootz allowed them to share information securely via the Cloud.

The team also created data rooms for the pre-selection process, allowing potential suppliers to answer pre-qualification questionnaires, while data rooms used during the tender process allowed all suppliers to exchange tender documents, specifications and Q&A responses. Separate data rooms were also set up for each supplier to submit confidential information such as pricing, commercial queries and completed tender documents.

A final data room within Kahootz was used to exchange information between internal team members allowing them to evaluate proposals from any location. As the Land Registry's Head of Procurement says: "This is simpler and easier for everyone and we've had good feedback from suppliers".

Case Study: North West Region Waste Management Group

Bringing cost savings and transparency to competitive dialogue

The North West Region Waste Management Group (NWRWVG) is a voluntary coalition of seven councils in Northern Ireland that delivers waste management.

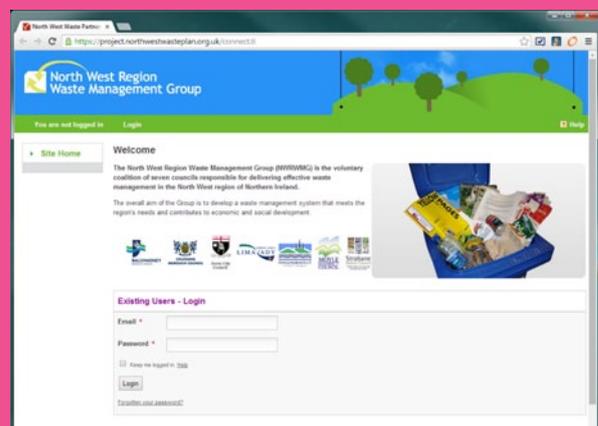
Recently it co-ordinated a major £500m public procurement exercise to deliver new waste management facilities. It needed to manage complex competitive dialogue and communications between buyer-side stakeholders and the eleven applicants for the contract.

To solve these issues, NWRWVG chose Kahootz to help simplify the competitive dialogue process, manage many-to-many relationships between buyer-side stakeholders and applicants, and to thin down the number of bidders at each relevant stage.

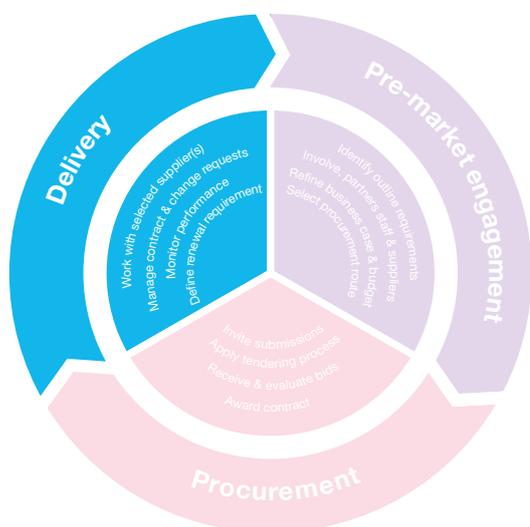
The primary features used by the procurement teams were file sharing and

discussions, but the workspaces were also used to clarify questions during the Outline Solutions stage. This ensured that all stakeholders got the same information simultaneously. During the Final Tender submission stage, Kahootz was used to seek clarification from shortlisted bidders and their specialist teams.

Kahootz allowed NWRWVG to manage the process using only a quarter of the resources normally used, and during Gateway Reviews reviewers could log in and inspect evidence of good procurement practice. This methodology has now become a best practice exemplar.



9. Stage 3: Delivery (contract and supplier management)



The Challenge

Once you have chosen one or more suppliers and sub-contractors, your next challenge is the most important of all – working with them and managing them to ensure they deliver.

To do this effectively, it's important to assemble a multi-disciplinary team that can design, build and operate your service, led by a skilled senior manager with full authority and decision-making responsibility.

Fortunately, these processes have become much simpler thanks to software like Kahootz and a drive across government to provide agile delivery. This means that those key stakeholders demand – and should expect – more frequent updates, regular communication and greater transparency of development options and ideas.

The beauty of using Kahootz is that you can go far beyond managing a buyer/seller relationship. Instead you can work closely with your suppliers to innovate and enhance products and services – while potentially developing shared services with team members in more than one location or organisation. For a good example of this continuous enhancement, see the Crossrail case study at the end of this chapter. The benefits of working in this way are significant, and the opportunities to cut costs while saving money are there for the taking. That's something that will steadily become more pressing as the new Crown Commercial Service drives for cost savings while improving supplier and contract management.

While Kahootz delivers these benefits and more, it does not get in the way of running your projects or managing your suppliers. It can be set up instantly, requires little or no training to use, and quickly proves its worth as you devise more uses for the online collaboration platform as your project evolves.

Supported processes and benefits of being in Kahootz

Online collaboration software like Kahootz is invaluable at almost every stage of the supplier management cycle. Processes that it can support particularly well include:

- **Contract management**
Use project management and file sharing tools to implement and monitor the contract within a secure workspace.
- **Operations support**
Maintain RAID logs and review meeting actions
- **Rolling out new services**
By creating staff peer support networks and special interest communities
- **Contractor and sub-contractor communications**
Dealing directly with all involved parties
- **Service evaluation**
Measured against key targets and other metrics
- **Supplier handover communications**
If awarding a contract to a new supplier or a transfer of undertaking arrangement
- **Communities of practice & innovation**
Share lessons learned with colleagues and contractors

Case Study: Crossrail Innovation Portal

Getting in Kahootz to deliver post-procurement innovation

Crossrail and its Tier 1 contractors wanted a secure, cloud platform to help them make savings by sharing innovative ideas at the delivery stage of the procurement process.

They chose Kahootz, using it to create a jointly funded and co-managed portal called Innovate18.

The portal is valuable because it allows project members to access:

- *Know-how. Innovation experts help develop and share ideas, and it's easy to identify people with relevant skills and experience.*
- *Funding. Ideas that are accepted for development can be matched to available capital and resources.*
- *Sharing. Learning from innovations across the Crossrail programme.*

Innovate18 has over 900 users, and this network of innovators has so far shared over 200 ideas and re-used over 30 ideas via cross pollination, allowing them to quickly amplify the benefits of their collaborative innovation.

Users like the system's stability and the fact they can customise workspaces to share information and collaborate in a highly focused way. Future plans include using online workspaces to embed and share video that has been filmed on site by contractors.



Furthermore, when required, using separate workspaces provides you with an ‘air gap’ to ensure confidentiality between internal working and communications with external consultants and suppliers. That said, the benefits of embedding Kahootz at the heart of all processes are significant. In particular:

- ✓ Every person has access to a **single, definitive source of documentation**
- ✓ Secure sharing of confidential information
 - **Firewall blocking issues become irrelevant**
- ✓ All parties **can collaborate between meetings**, regardless of location
- ✓ User licenses can be added or removed as project progresses – **you’re not locked into inflexible licensing**
- ✓ **Improved communication with suppliers** strengthens relationships
- ✓ **Admin costs are slashed** – fewer meetings, less postal correspondence
- ✓ **Greater transparency of project risks and issues**
- ✓ **Improved visibility of supplier performance and lessons learnt**
- ✓ **Reduced commercial risk.**

To see how public sector organisations enjoy these benefits by using Kahootz for

Case Study: Firelink

Delivery using a cloud-based Management Information System

Firelink provides the Fire and Rescue Service (FRS) with communication facilities needed to mobilise resources in response to any 999 call, and maintain communication between the control room and incident commander.

To make this happen, the Firelink team needs to communicate with a large number of internal and external stakeholders, including the project contractor chosen after the procurement process.

Firelink needed a secure and flexible way for stakeholders to share and work together online. It wanted a secure cloud system that would allow them to take contract and project documents through a formal review cycle, as well as communicate project status, milestones and other crucial information.

The Firelink team chose Kahootz as the software to power its new Management Information System because they felt it was secure, flexible, easy-to-manage and had proven itself in other government departments. They also liked the fact Kahootz was quick and easy to deploy and could help them meet tight project timescales during the delivery part of the procurement process.

To date, Firelink has used Kahootz to deploy over 100 online communities and collaborative working groups, helping it to streamline project management and reporting processes and allow any number of stakeholders to work together in a secure environment.

10. In Kahootz: creating a virtuous circle of procurement

Using Kahootz at the heart of your procurement processes creates a virtuous circle that strengthens relationships and improves stakeholder engagement around future procurement projects.

You can use Kahootz to get staff and potential partners and suppliers involved early in the process, and strengthen your relationships with them. You can explore new possibilities pre-procurement and try out new things. And improved team communications provide opportunities for contributing fresh thinking and innovative ideas.

Most importantly, putting collaboration at the heart of the procurement process stimulates bottom-up innovation from within your organisation, rather than top-down prescription. And you can nurture the delivery of projects with stronger communications – helping you work with suppliers to explore service improvements at every stage.

Indeed, whenever you need to bring people, partners or stakeholders together for procurement purposes, Kahootz provides you with the tools to work smarter, cheaper, faster and better.

You can try it for yourself.
[Sign-up for your free trial today.](#)



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