

Supplier Partnership

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Partnership - Why

- Key suppliers account for 70-80% of DWP's external spend the importance and spend share is likely to increase as we continue to rationalise our supplier base.
- Our requirements are becoming more complex. Greater focus on outcomes, multi services, and prime contractors.
- The procurement for new initiatives can be lengthy and costly (£m). There is a risk in selecting new suppliers plus a sharp learning curve.
- Key suppliers have an understanding and interest in the success of the DWP business – symbiotic relationship.
- If the Ojec allows there are advantages in using our key suppliers to jointly develop and implement solutions.

Partnership - Expectations

DWP Expectations:

- Key suppliers have the skills and capabilities and willingness to deliver more and exceed our expectations.
- To know and understand DWP business requirements both now and in the future.
- Actively seek to add additional benefits, taking a long term partnership view of the relationship.

Key Supplier expectations:

- Treated fairly and equitably.
- Opportunity to identify and develop further opportunities.
- Will work together to provide greater shared benefits and seek to deliver innovation – a key competence.

Partnership - Challenges

- We need to be satisfied that any partnership solution offers VFM.
- How should risks be distributed, governance, and duration limits.
- Over time, the mix of key suppliers will change – partnership is a competence that has a value.
- Do we need a joint code statement – each initiative will be different so cant be descriptive.
- Partnership can mean different things to different people people.

Questions

- What do you think are the main barriers to developing a good partnership with the department?

- How would you rate the current state of partnership with the department?
 1. Poor
 2. Fair
 3. Good
 4. Very good

- What three things could we do to develop more effective partnerships?

- Suggest at least one example of a good partnership and why.