



Joining Up to Meet the Needs of the Emerging Market

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Drivers for a new approach

- Emerging commercial focus
 - Financial imperative
 - Commercial principles
 - Social policy and joined up service provision
- A rapidly changing market place
 - From delegation of budgets
 - Through to autonomy
 - Fragmentation
 - Followed by consolidation?



Some commercial principles

- Sell something that somebody wants to buy
 - Market size/market share
- At a price that provides a return on expenditure
 - What cost?
 - What price?
- On a sustainable basis
 - Returning customers
 - New customers/products

Who is the customer?



	<h2>Schools</h2>	<ul style="list-style-type: none">• Heads?• Business managers?• Pupils?• Parents?• Governors/directors?
	<h2>Local clusters/chains</h2>	<ul style="list-style-type: none">• Cluster business manager?• Executive Head?• Individual schools
	<h2>National chains</h2>	<ul style="list-style-type: none">• Trust board?• Trust procurement officer?• Individual schools

What sort of things matter to school customers?



Low cost or lowest cost?

Demonstrable value for money

Comprehensive package of services

Single point of contact

Simple procurement process

National/regional capacity

Local supply chain

Trust

Reliability

Continuity

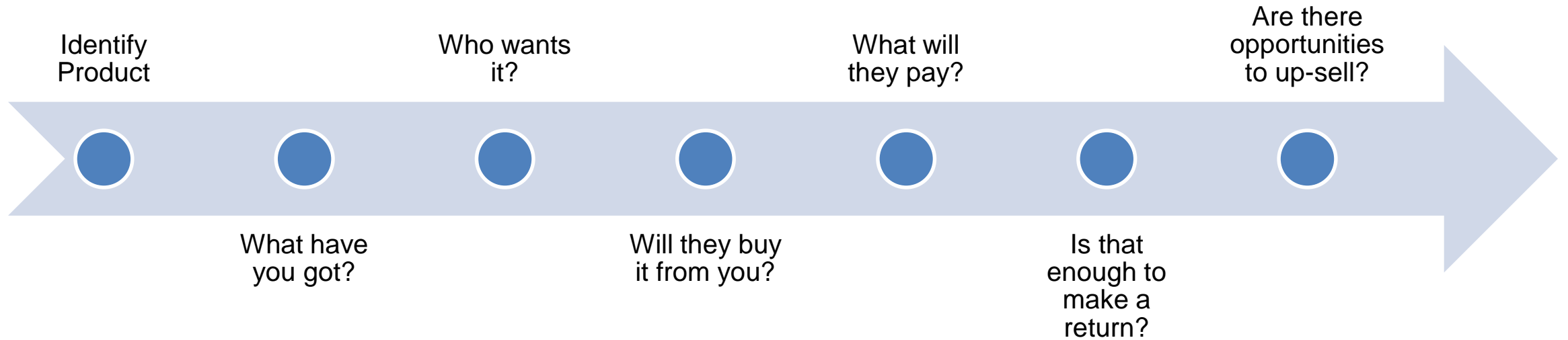
Flexibility

Avoiding capital spend

Analysing the Council Offer



Product focus



Identify
Product

Who wants
it?

What will
they pay?

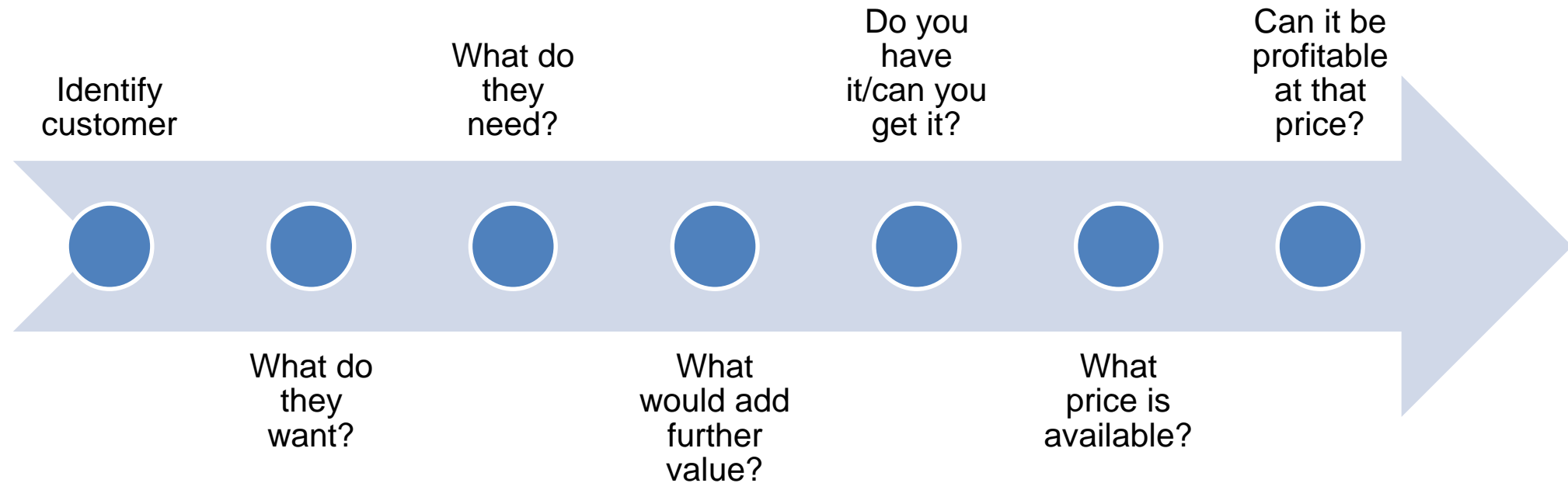
Are there
opportunities
to up-sell?

What have
you got?

Will they buy
it from you?

Is that
enough to
make a
return?

Or customer focus





Creating a compelling offer

- All non-teaching services
- Menu based approach
- Flexibility
- At least regional capacity
- Potential to avoid statutory procurement
- Competitive overall cost –zero capital cost
- Single point of contract – whole account managed approach
- Long term relationship

Avoiding procurement: A unique opportunity



Public Contract Regulations 2015 Reg 12.

Contracts which establish or implement co-operation between contracting authorities

(7) A contract concluded exclusively between two or more contracting authorities falls outside the scope of this Part where all of the following conditions are fulfilled:—

- (a) the contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;
- (b) the implementation of that co-operation is governed solely by considerations relating to the public interest; and
- (c) the participating contracting authorities perform on the open market less than 20% of the activities concerned by the co-operation.

Resources and competitive advantage: Do you have a USP?



SUMMARY OF THE VRIO MODEL

IS IT VALUABLE?	IS IT RARE?	IS IT HARD TO IMITATE?	IS THE FIRM ORGANIZED AROUND IT?	WHAT IS THE RESULT?
NO				COMPETITIVE DISADVANTAGE
YES	NO			COMPETITIVE EQUALITY
YES	YES	NO		SHORT-TERM COMPETITIVE ADVANTAGE
YES	YES	YES	NO	UNUSED COMPETITIVE ADVANTAGE
YES	YES	YES	YES	LONG-TERM COMPETITIVE ADVANTAGE

So how can we do it - options?



- Joined up approach to market knowledge
 - Create a market intelligence hub
- Marketing partnership
 - Work together to communicate with academy chains
- Shared services
 - Easy, accountable and clearly public
- Sub-contract arrangements
 - Lead authority plus supply chain
- JV Company
 - Teckal restrictions on external income
 - Loss of public/public advantage – but could include Academy Chain to gain Teckal status



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