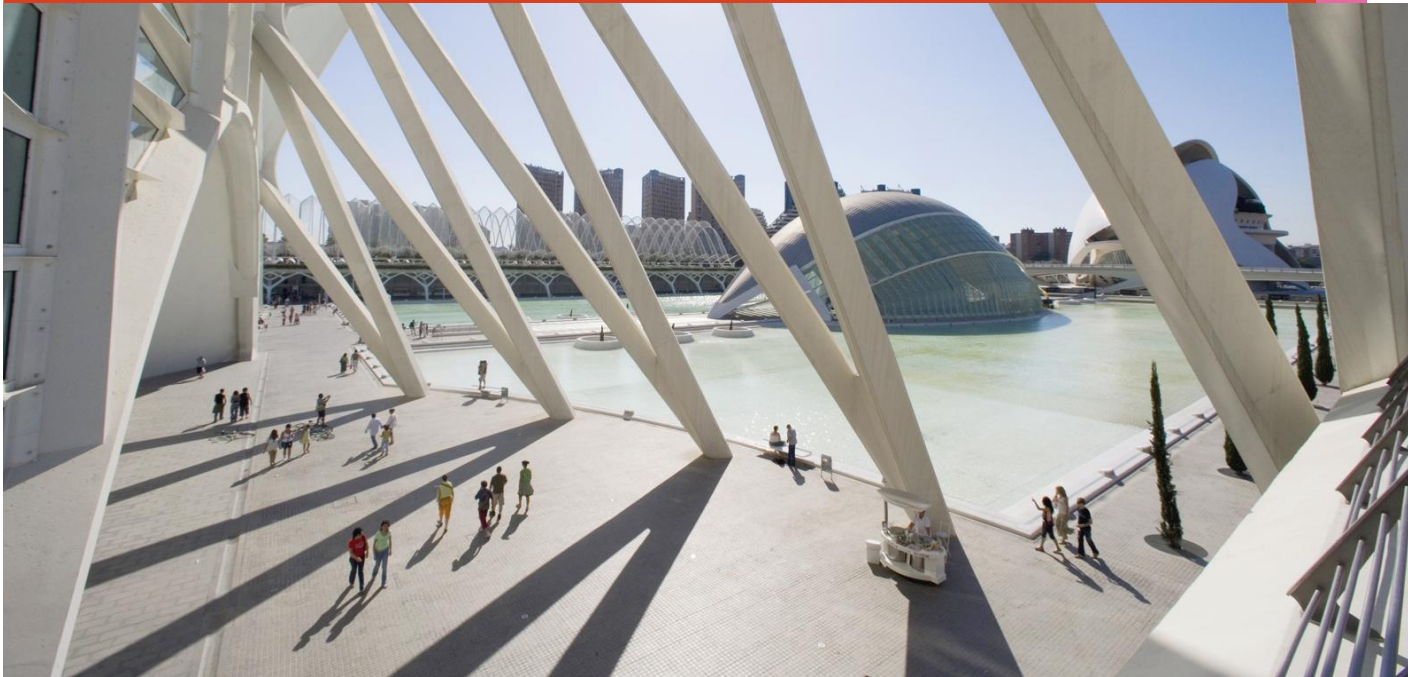


Business Unit

EPEC Private Sector Forum

Using Advisers Effectively

18 April 2013
Draft



Agenda

Page

1	Context	1
2	Key roles in a procurement	3
3	Common issues when using advisers	7
Appendices		
1	Further reading	10

Section 1

Context

*Business acumen is the ability to take sound commercial decisions based on an understanding of the motivations of private sector counterparts. There are numerous examples of poor commercial decision-making caused by a lack of business acumen within teams... **Nine out of 16** commercial directors told us that business acumen is an area of weakness within their departments. Private sector partners agreed.*

Commercial skills for complex government projects, NAO, 2009

Context

What are complex procurements?

Where the procurement *structure* is complex

- User requirements difficult to articulate
- Innovative payment mechanisms / contractual terms; or
- Private finance

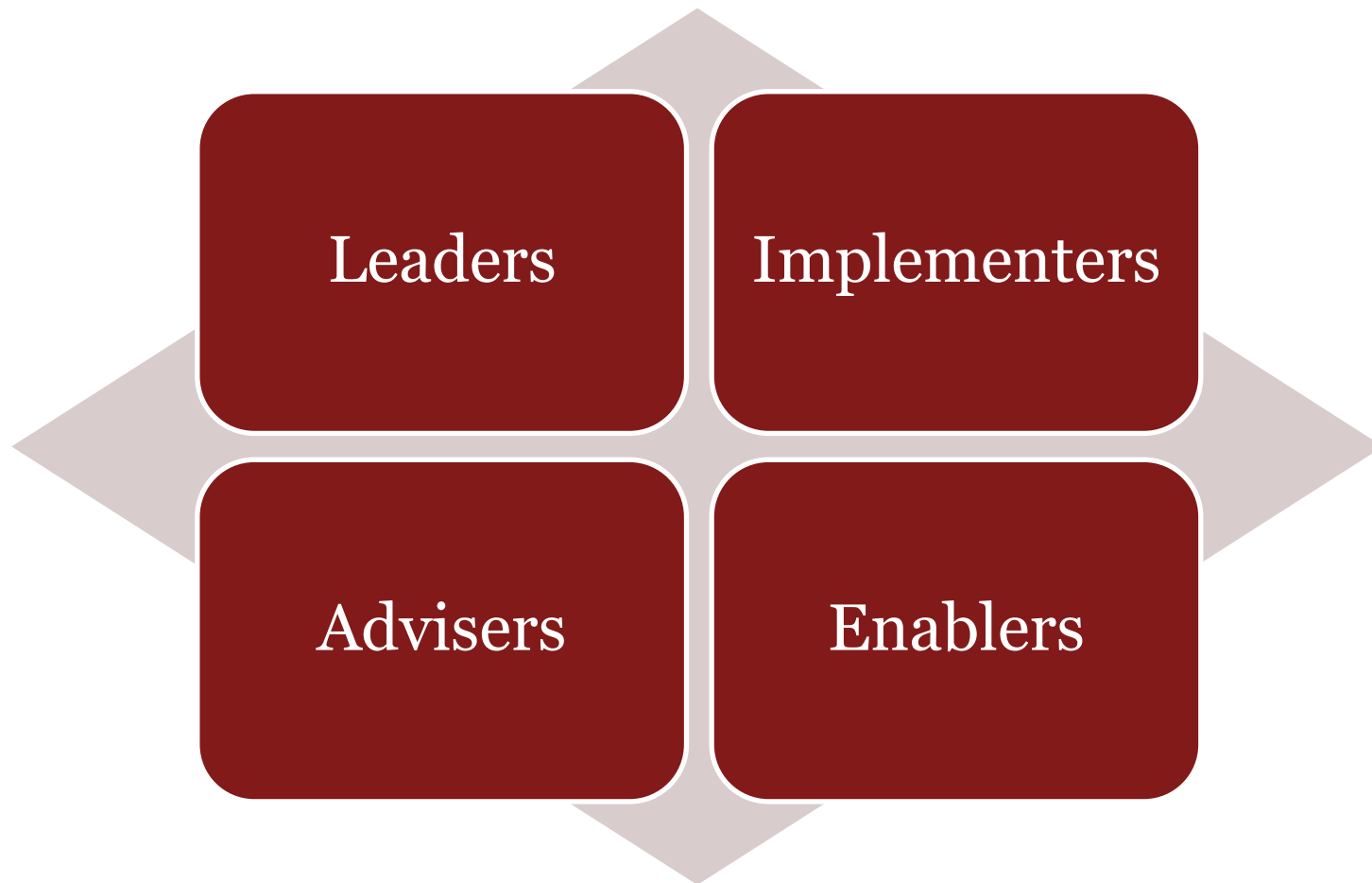
Where the procurement *process* is complex

- CD or negotiated procurements are inherently complex in process terms
- Bidders are increasingly willing to mount process challenges (e.g. UK rail)

Section 2

Key roles in a procurement

4 key roles in delivering a successful transaction



What does each role entail?

Leaders

- Charged with delivering the policy outcome
- “Guiding mind” re commercial structure and procurement process
- Hold stakeholder relationships at most senior levels

Implementers

- Engine room of procurement
- Procurement and contractual documents
- Bidder management and bid evaluation
- Need to be close to the leaders & fully part of the team

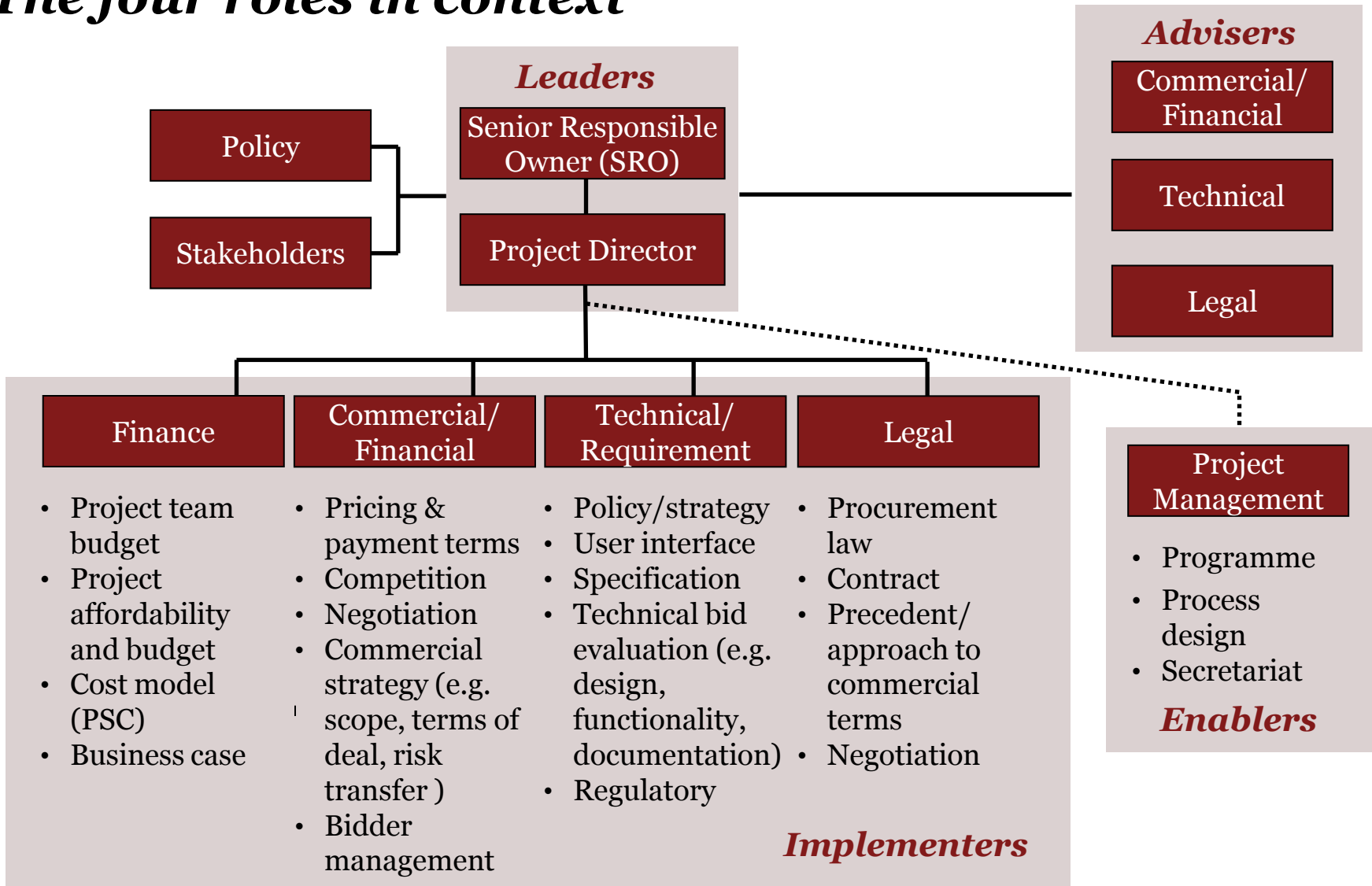
Advisers

- Leaders and implementers are the crew
- Advisers are the pilots (i.e. navigate difficult water, but not be on board all the time)
- Must be on the bridge to be effective

Enablers

- Facilitate effectiveness of the rest of the team
- Project and programme management

The four roles in context



Section 3

Common issues when using advisers

Different issues related to advisers arise in each role

Leaders

- SRO must be a client
- Project director interfaces ownership and delivery
- Must be *seen* as representing the client
- Must be staff, long-term contract or secondment, not adviser type contract

Implementers

- Mix of interims, agency or consultants with some staff
- May be under-powered
- Must be embedded in the client team and accountable to leaders
- Need stability across whole procurement

Advisers

- Need typically accepted, but role not well understood
- Often used to fill capability gaps in other roles
- May not be 'on the bridge' enough

Enablers

- Often externally sourced agency/contract staff
- Sometimes operate to their own agenda, becoming disconnected from team
- Not the leader, even if on the bridge

Points to address for a successful procurement

Know PPP
is not “free
money”
(funding
vs.
financing)

Prioritise
(economic
vs. social)

Have
baseline
data to
make
decisions

Keep
projects,
documents
and
procureme
nts simple!

Coordinate
pipeline

Be realistic
about
financing
markets

Give project leaders insight into policy and (ideally) cross-party support

Appendix 1

Further reading

Sources cited

Commercial skills for complex government projects, NAO, 2009

at http://www.nao.org.uk/publications/0809/commercial_skills.aspx

OGC Projects and Programmes Toolkit

at http://www.ogc.gov.uk/delivery_lifecycle_project_management.asp

A Formula for Success: Procurement effectiveness in major project delivery,
OGC, 2009

at [http://www.ogc.gov.uk/documents/A_Formula_for_Success\(2\).pdf](http://www.ogc.gov.uk/documents/A_Formula_for_Success(2).pdf)

Other sources

The roles described in this paper are fully consistent with key UK Government procurement and programme management guidance, for example:

SRO

Review of the Senior Responsible Owner Role in the Major Projects and Programmes of Government, OGC, 2009 at

http://www.ogc.gov.uk/documents/SRO_report_final.pdf

See also

http://www.ogc.gov.uk/User_roles_in_the_toolkit_senior_responsible_owner.asp

Project Director/Project Sponsor

See http://www.ogc.gov.uk/documents/Project_Sponsor_Support.pdf

PMO See, for example, http://www.dfpni.gov.uk/content_-_successful_delivery-pmo_detail

Thank you

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