

Winning
Public Sector
Business

Quality standards for competitive advantage

Larch Consulting 2009



First things first

- Introductions
- Housekeeping
- Timetable
- Please remember to switch your mobile phone to silent.

The session covers:

- Setting the scene
- Policies overview
- Approaches to quality management
- Standards and accreditations
- Developing policies
- Integrating policies into your bid.

Session 1

- Setting the scene

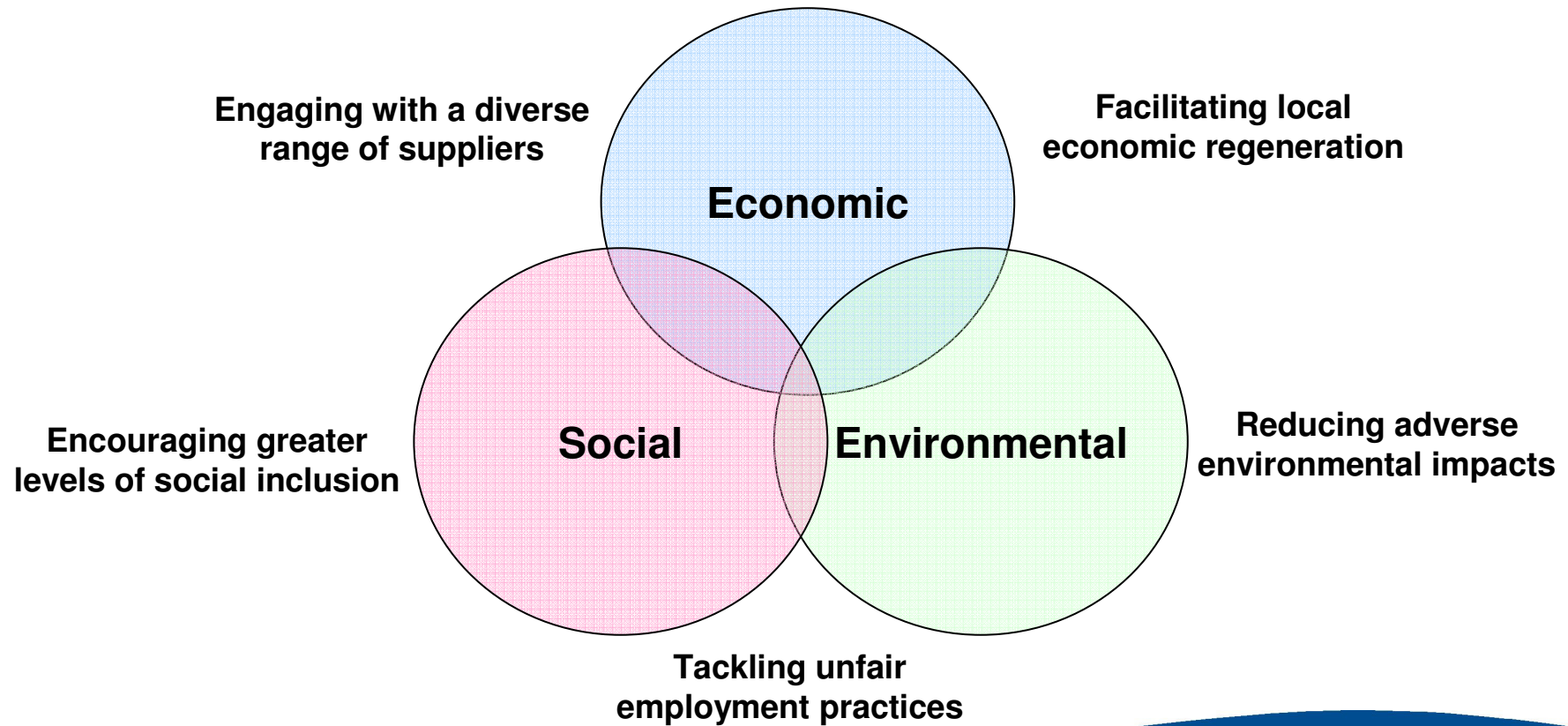
Value for Money

- Value for Money (VfM)
 - The optimum combination of whole-life cost and quality (or fitness for purpose) to meet user's requirements. This is rarely synonymous with price
 - Embraces the concept of the “price-quality” relationship
 - Selecting on economically most advantageous rather than best price.

The changing climate

<p><u>Political</u></p> <ul style="list-style-type: none">▪ Gershon review▪ Diversification of supply chains▪ Equality of participation▪ Sustainability▪ Olympics▪ European legislation	<p><u>Economic</u></p> <ul style="list-style-type: none">▪ Contract bundling & rationalisation▪ More sophisticated understanding of value▪ Requirement for cost savings▪ Commercial organisations have £ vested interest in social outcomes▪ E-tendering
<p><u>Social</u></p> <ul style="list-style-type: none">▪ Corporate social responsibility▪ Global vs. local▪ Polarisation of enlightenment vs. prejudice▪ Social cohesion & engagement▪ Ageing population	<p><u>Technological</u></p> <ul style="list-style-type: none">▪ Efficiency of response & mgt▪ E-tendering▪ E-auctions▪ Electronic market places▪ E-payment▪ Real time information

Sustainable Procurement



Competitive Advantage

- Discussion:
 - What underpins Competitive Advantage?

Session 2

- Policies overview

Policies

- Exercise:
 - Why do we need policies?
 - Which policies do we need?

Why do we need policies?

- Some of our clients insist on them
- They help us to clarify and articulate some of our values, principles and working approaches within our organisation
 - For our clients and for our staff
- They help us to demonstrate business probity in our tenders and bids.

Policies

- 4 key areas:
 - Quality
 - Health and Safety
 - Equal opportunities
 - Environmental.
- Others?
 - Business ethics
 - Corporate responsibility
 - Business continuity
 - Travel and transport.

Session 3

- Approaches to quality management

Quality management

- Quality management provides a framework for a business to manage its business processes and activities.

Policy benefits

- Exercise:
 - What are the business benefits of adopting policies in the area of Quality?

Quality management principles

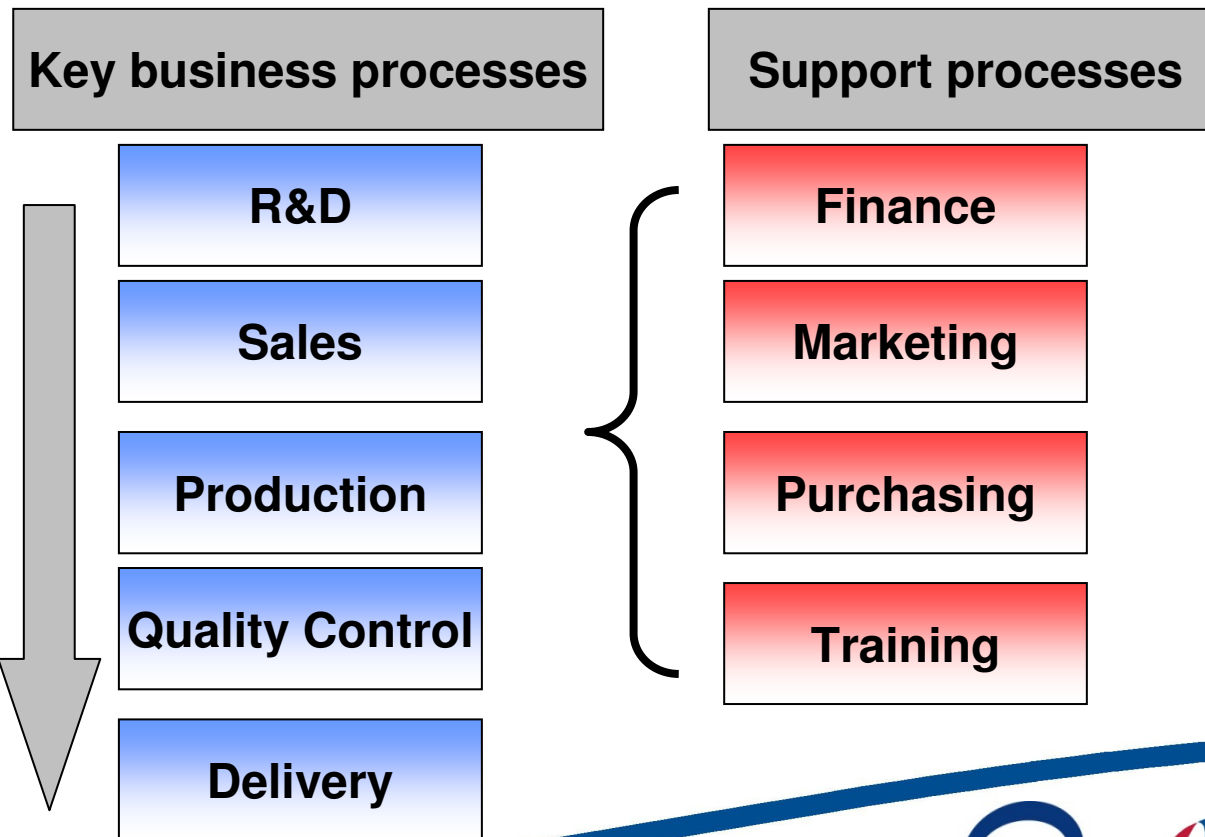
- Customer focus
- Leadership
- Involvement of people
- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision-making
- Mutually beneficial supplier relationships.

Quality management systems

- Core elements
 - Processes and procedures
 - Document management
 - Auditing
 - Performance measurement.

Processes and procedures

Process Map = Visualisation of processes as a series of sequential activities (Source: LRQA)



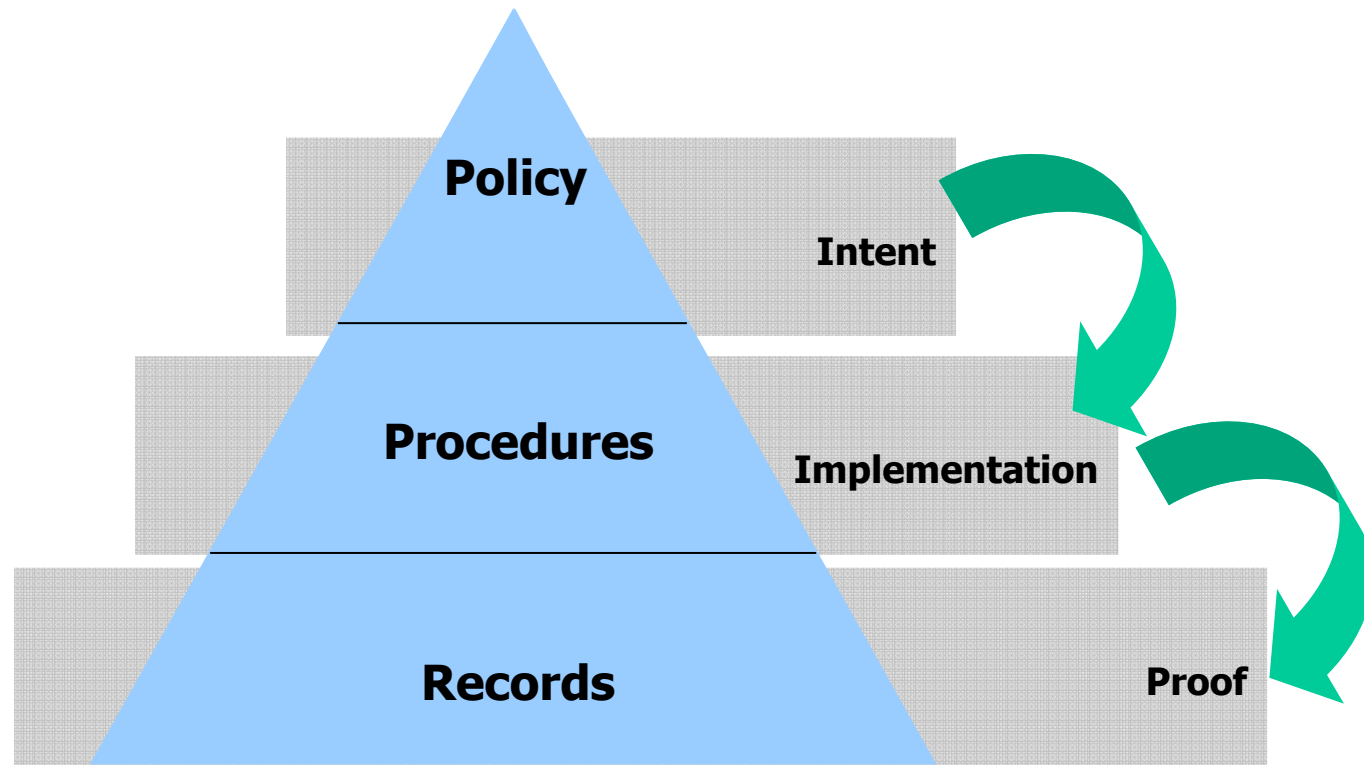
Processes and procedures

- Why map processes?
 - Reengineer
 - Reduce errors
 - Reduce wastage
 - Reduce cost
 - Improve efficiency.

Document management

- Documentation can be:
 - Process Maps
 - Checklists
 - Forms
 - Pictures
 - Audio/Video
 - Paper based
 - Online.

Documentation frameworks



Document management

- Documentation needs to be evaluated:
 - Functionality
 - Usability
 - Consistency
 - Accessibility.

Document management

- Why document?
 - Communicate aims and objectives
 - Consistency in working practices
 - Define requirements
 - Training and development
 - Evidence of success.

Auditing

- Definition
 - Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled - ISO 9000:2000 (3.9.1)
- Audits can be:
 - 1st Party (Internal)
 - 2nd Party (Client)
 - 3rd Party (External)

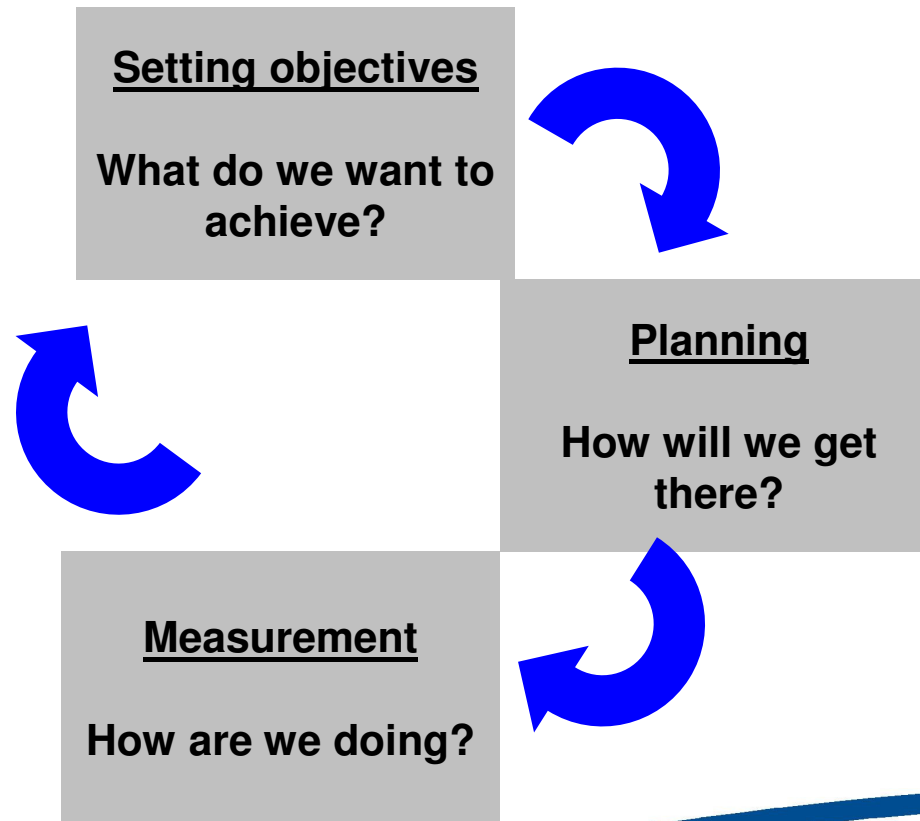
Auditing

- Why Audit?
 - Is the system
 - Implemented
 - Maintained
 - Working effectively?
 - Not a “one off “event
 - Must be part of an audit programme
 - Results should generate both corrective and preventive actions.

Performance measurement

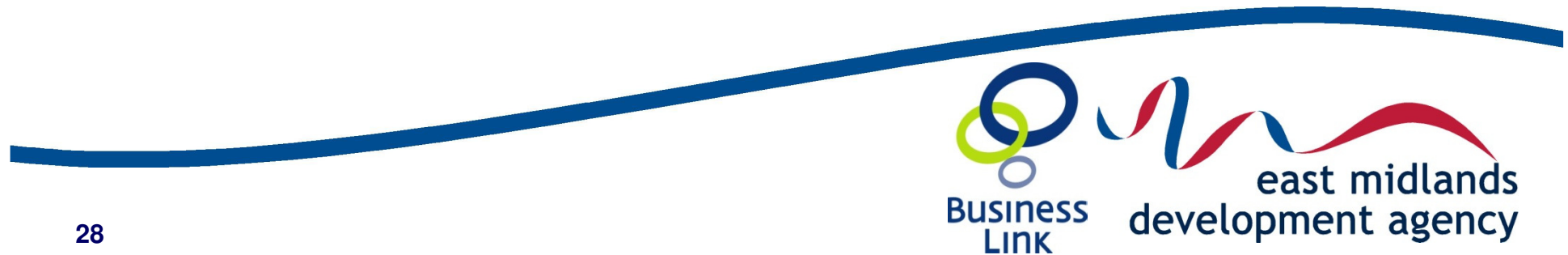
- A Performance Measurement System (PMS) is:
 - *“A complete set of performance measures and indicators derived in a consistent manner” (LRQA)*
 - *“If you can’t measure it, you can’t manage it”*

Performance measurement



Performance measurement

- Why measure performance?
 - Improve customer retention
 - Increase profitability
 - Gain competitive advantage (Benchmark)
 - Grow or maintain market position.



Session 4

- Health and Safety
- Equality and Diversity
- Environmental.

Health and Safety

- Health and Safety is about preventing people from being harmed by work or becoming ill through work.

Policy benefits

- Exercise:
 - What are the business benefits of adopting policies in the area of Health and Safety?

Health and Safety climate

- Changing Health and Safety climate
- Introduction of new legislation
- Increased fines.

Health and Safety climate

- In 2007/2008:
 - 2.1 million people were suffering from an illness they believed was caused or made worse by their current or past work.
 - 229 workers were killed at work, a rate of 0.8 per 100,000 workers.
 - 136,771 other injuries to employees were reported.
 - 34 million days were lost overall (1.4 days per worker), 28 million due to work-related ill health and 6 million due to workplace injury.
 - There were 1,137 offences prosecuted by HSE resulting in 839 convictions. The average penalty per conviction was £12,896.

Health and Safety requirements

- Health and safety law applies to all businesses however small. It covers employees, full - or part-time, temporary or permanent, the self-employed, young people doing work experience, apprentices, charity workers, mobile workers and home-workers.
- Legal requirement for all employers (with more than 5 employees) to have a written Health and Safety policy.
- Your Health and Safety policy should reflect your organisational activities.
- An introduction to Health and Safety:
 - <http://www.hse.gov.uk/pubns/indg259.pdf>
- Health and Safety for small businesses
 - <http://www.hse.gov.uk/betterbusiness/index.htm>

Health and Safety requirements

- Remember:
 - We all have a duty to keep ourselves safe, by co-operating with safety measures and not putting ourselves or others in danger. This is just common sense - something we all use every day.



Equality and Diversity

- Equality and Diversity is about not discriminating against racial/ethnic, gender, cultural, disability, age, sexual orientation and social differences in staff, suppliers and customers.

Policy benefits

- Exercise:
 - What are the business benefits of adopting policies in the area of equal opportunities?

Equality and Diversity

- An employer will, in most cases, be liable for any discriminatory acts by its employees. For example:
 - a manager conducting interviews in a discriminatory manner
 - employees harassing a disabled colleague.
- Simply showing that an act of discrimination was not authorised by the management of the company is not sufficient.
- As a contractor for a public authority, you may also have a duty to make sure you work in a way that actively promotes equality, rather than just avoiding discrimination.

Equality and Diversity

- Areas of responsibility:
 - Recruitment and job advertisements
 - Pay, benefits and workplace conditions
 - Pregnancy, maternity and parenthood
 - Making reasonable adjustments for disabled employees.

Equality and Diversity

- Key legislation:
 - Sex Discrimination (Gender Reassignment) Regulations 1999
 - Race Relations Act 1976 (Amendment) Regulations 2003
 - Employment Equality (Religion or Belief) Regulations 2003
 - Employment Equality (Sexual Orientation) Regulations 2003
 - Disability Discrimination Act (Amendment) Regulations 2003
 - Employment Equality (Sex Discrimination) Regulations 2005
 - Employment Equality (Age) Regulations 2006
- You can download acts and regulations from <http://www.equalityhumanrights.com> - Key legislation

Equality & Diversity

- Useful links
 - General advice and guidance
 - <http://www.equalityhumanrights.com/advice-and-guidance/>
 - Guidance for employers
 - <http://www.equalityhumanrights.com/advice-and-guidance/information-for-employers/what-the-law-says/>
 - Guide to public sector equality
 - http://www.equalityhumanrights.com/uploaded_files/PSD/psdgen.pdf

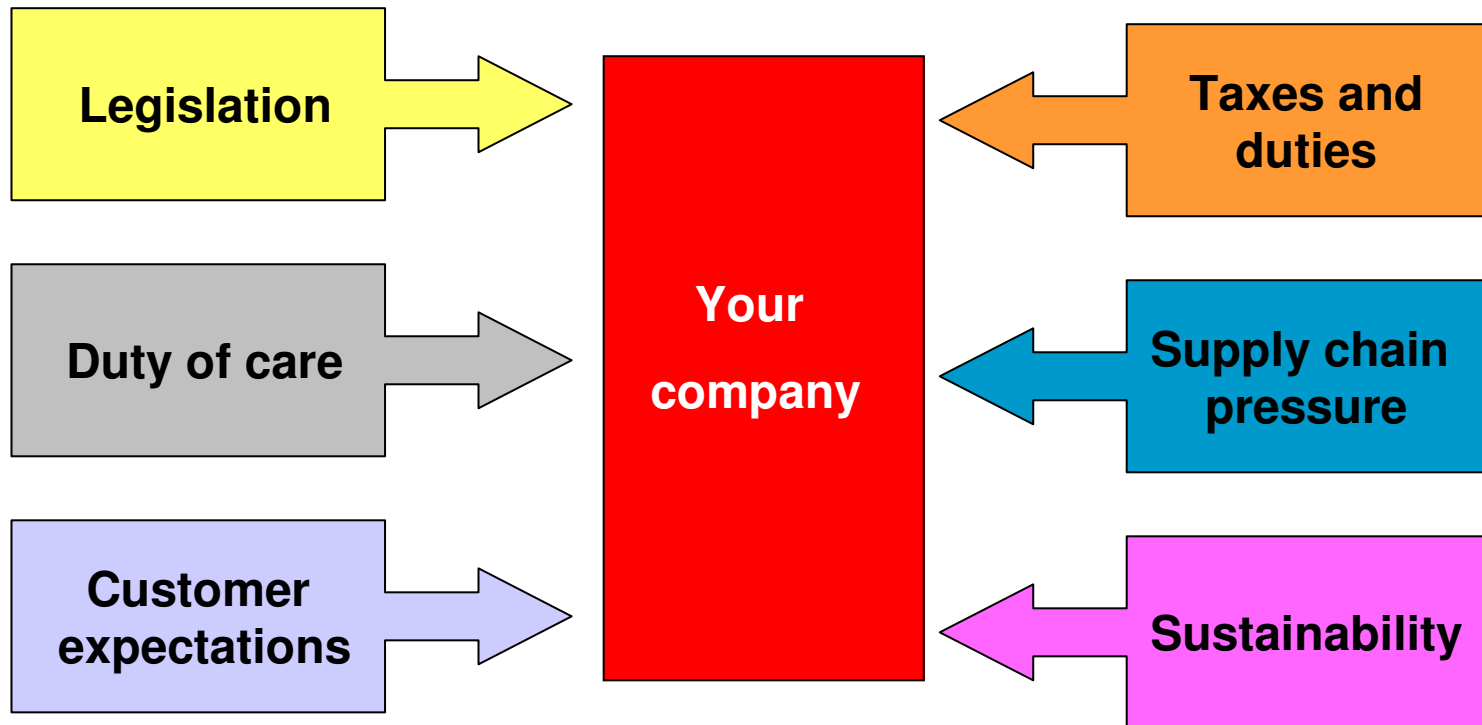
Environmental and Sustainability

- Sustainability issues have gradually crept up the corporate agenda over the past two decades.
- Companies are now expected to provide their products and services in a way that lowers negative environmental impacts.

Policy benefits

- Exercise:
 - What are the business benefits of adopting policies in the areas of environmental/corporate responsibility?

Issues facing business



Legal liabilities

- [English air legislation](#)
- [English chemicals legislation](#)
- [English conservation legislation](#)
- [English energy legislation](#)
- [English environmental permitting legislation](#)
- [English land legislation](#)
- [English noise and statutory nuisance legislation](#)
- [English pesticides and biocides legislation](#)
- [English radioactive substances legislation](#)
- [English waste legislation](#)
- [English water legislation](#)

Environmental facts and figures

- 100m² of office space produces 14 tonnes of carbon dioxide per year
- A monitor left switched on overnight wastes enough energy to laser print 800 A4 pages
- A photocopier left on overnight wastes enough energy to make 5,300 A4 copies
- Heating a room with a window left open can cost up to £85.00/year
- Reducing office temperature by 1 °C can reduce heating bills by 10%.
- Replacing just one ordinary 100W bulb with a compact fluorescent could save you up to £10 per year on your electricity bill
- Businesses can save 4-5% of their turnover through waste minimization at little or no cost!

What is corporate responsibility?

- Government definition:
 - “Corporate Social Responsibility (CSR) is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides.”
- The ‘Triple Bottom Line’ Principle:



- The CSR timeline:
 - Origins of CSR can be traced back to early 20th Century
 - 1970’s - 1980’s - More legislative approach to pollution and environment
 - 1990’s - Business integrity under increased scrutiny
 - 21st century - CSR high on corporate agenda.

What can we do to implement CR?

- Organisation for Economic Co-operation and Development guidelines:
 - Timely disclosure of information
 - Responsible employment practices
 - Environmental protection
 - Make no undue payments
 - Safety and quality of goods
 - Responsible use of science and technology
 - Avoid anti-competitive practices
 - Fulfil all tax obligations
 - OECD guidelines: <http://www.oecd.org/>

Session 5

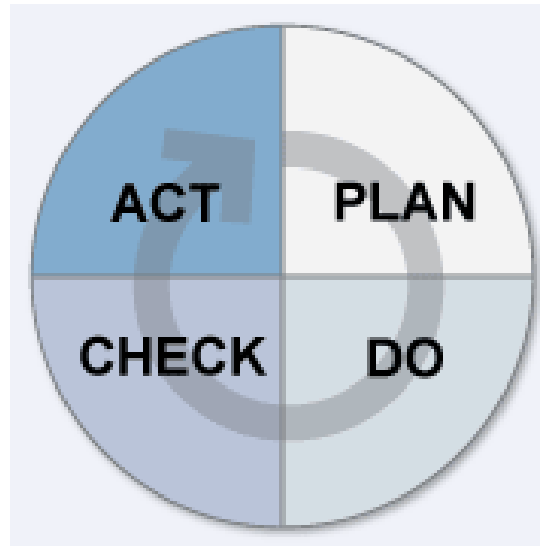
- Standards and accreditations

Quality standards

- There are over 20,000 formal standards
- Formal standards fall into 2 categories:
 - Technical - Specification that businesses use to shape products/ services to meet regulatory needs
 - Quality Management Standards (QMS) – Recognise best practice for the way business should be run.

ISO 9001 standard

- Internationally recognised standard
- All ISO management systems follow the Plan – Do – Check – Act (PDCA) operating principle.

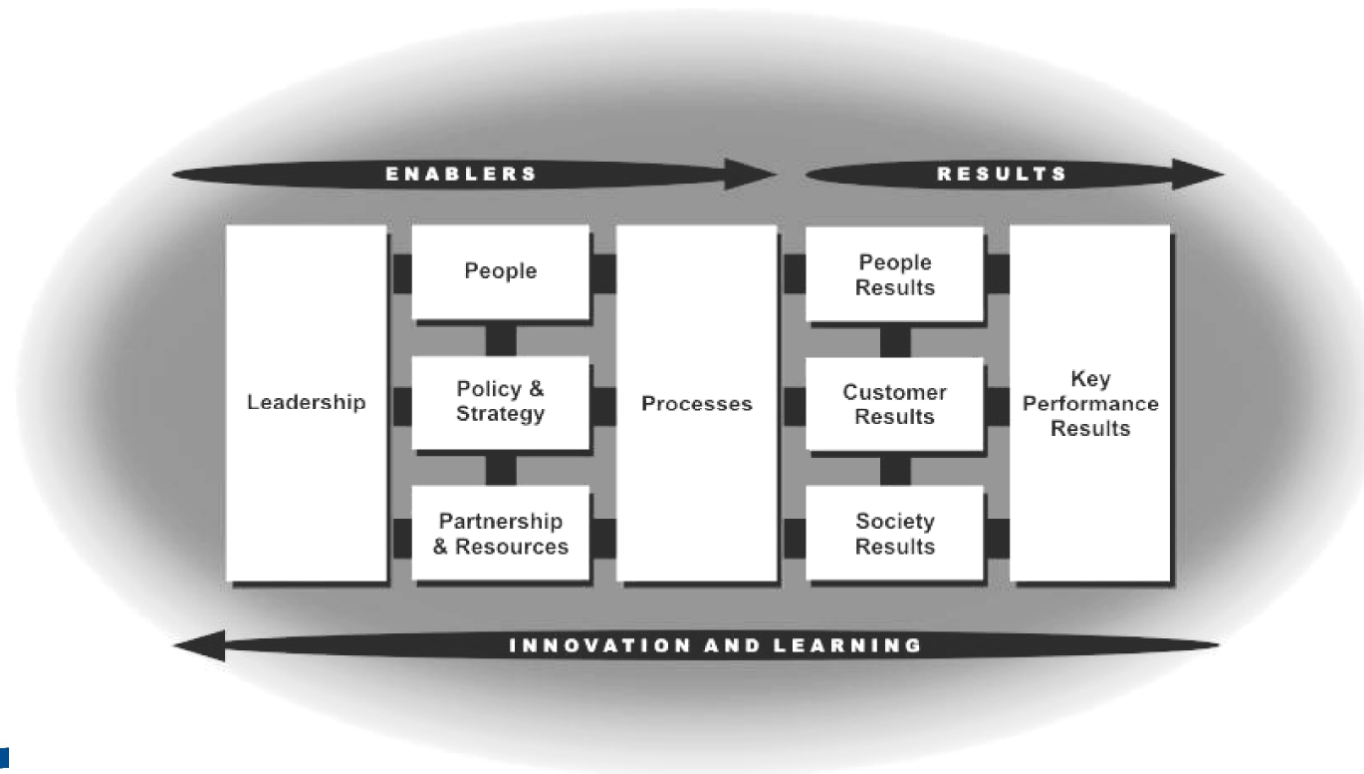


ISO 9001 standard

- Certification is not a requirement
- Use a United Kingdom Accreditation Service (UKAS) accredited assessment body
- Can be costly to implement
- Not a prerequisite for public sector contracts.

EFQM Excellence Model

- A framework to develop goals and vision
- Looks at the “systematic nature” of business (enablers and results)
- Basis for EFQM Excellence Award.



Source: © EFQM Brussels

Investors in People

- Assists organisations to improve business performance and competitiveness
- Planned approach to setting and communicating business objectives and developing people
- Assessment involves interviews with people all across the organisation
- In 2008 there were almost 40,000 organisations currently working with Investors in People.
- Link:
<http://www.investorsinpeople.co.uk/Pages/Home.aspx>

Quality/Customer service standards

- CQI Small Business Standard - Quality standard tailored specifically to SMEs
 - Small business standard - Chartered Quality Institute
- Customer First - National Standard for Customer Service
 - Customer First
- PQASSO - Practical Quality Assurance System for Small Organisations - widely used within the voluntary and community sector
 - PQASSO Quality Mark
- Matrix - National quality standard for any organisation that delivers information, advice and/or guidance on learning and work
 - The matrix Standard
- Training Quality Standard - assessment framework for organisations delivering training and development solutions to employers
 - Training Quality Standard - Background

Health and Safety standards

- OHSAS 18001 - International occupational health and safety management system
- CHAS – Scheme for health and safety pre-qualification in the UK
 - CHAS - The Contractors Health and Safety Scheme
- Constructionline - register for pre-qualified contractors and consultants aimed at improving efficiencies for buyers and suppliers in the construction industry
 - <http://www.constructionline.co.uk/>

Environmental and corporate responsibility frameworks

- Formal accreditation options:
 - SA8000 – Social Accountability Standard
 - BS 8555 – British Environmental Standard for SMEs
 - ISO 14001 – International Environmental Standard
 - EMAS – Eco-Management and Audit Scheme
- Responsible business practice:
 - Good Corporation Standard – www.goodcorporation.com
 - Small Business Journey – www.smallbusinessjourney.com
 - London Better Together – www.londonbettertogether.org.uk

Standards and accreditations

- Exercise
 - What criteria would you use to select a standard/accreditation?

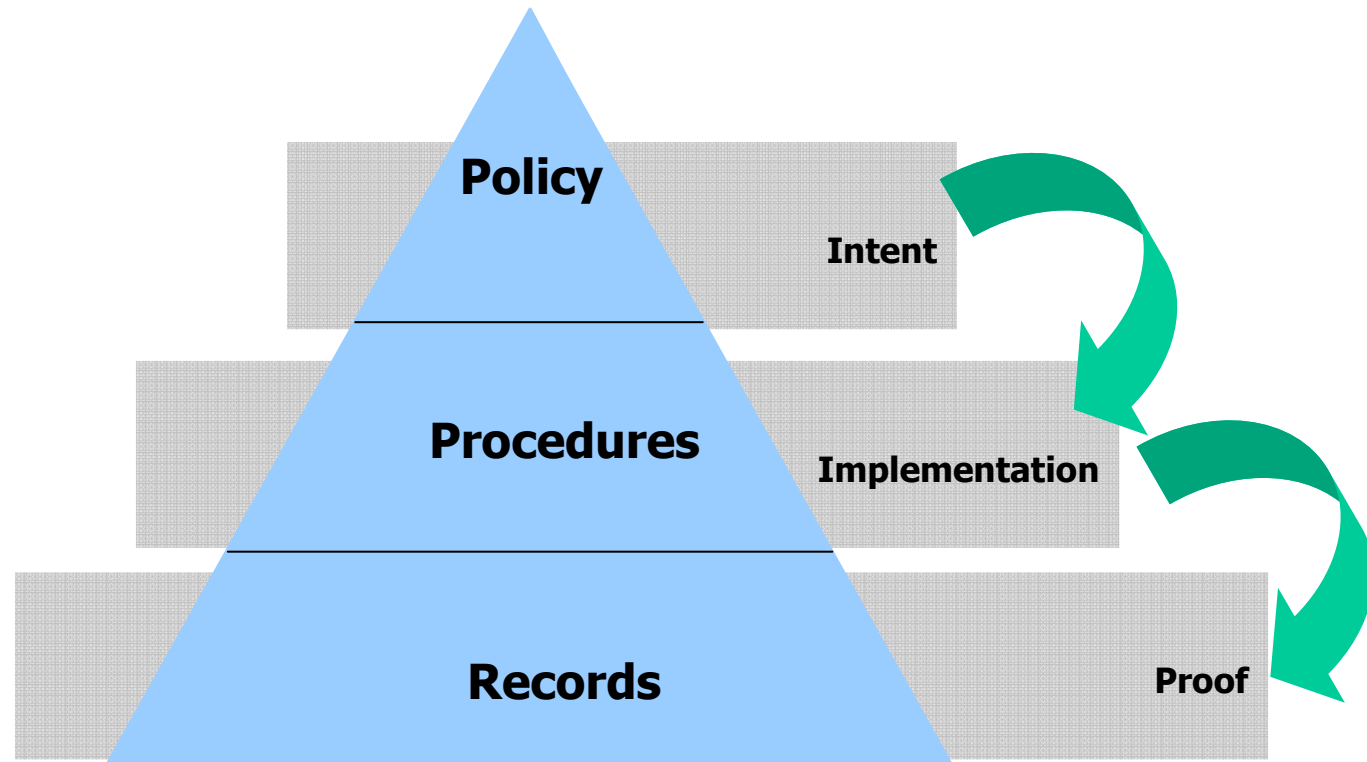
Standards and accreditations

- How to choose:
 - Research the market:
 - what do your competitors use?
 - What do you need to gain a competitive advantage?
 - Consider your customers:
 - What will impress your existing customers?
 - What will enhance your services in order to attract new customers?
 - What are the most common tendering requirements?
 - Seek professional advice.

Session 6

- Developing and improving your policies

Documentation frameworks



Policy Statements

- Before detailed action plans can be developed overarching objectives must be determined.
- A Policy Statement is a written statement regarding your commitment and what you intend to do.
- Typically includes:
 - Broad aims of the company and description of core activities
 - Outline policy commitments
 - Person responsible for implementation
 - A summary of how the policy will be implemented
 - Supporting systems and documents
 - Expectations from suppliers, contractors and staff.
- Should be annually reviewed.

Exercise: Policy Statement

- Draft a headline statement on your policy towards:

Health & Safety

**Equal Opportunities
& Diversity**

Environment & Sustainability

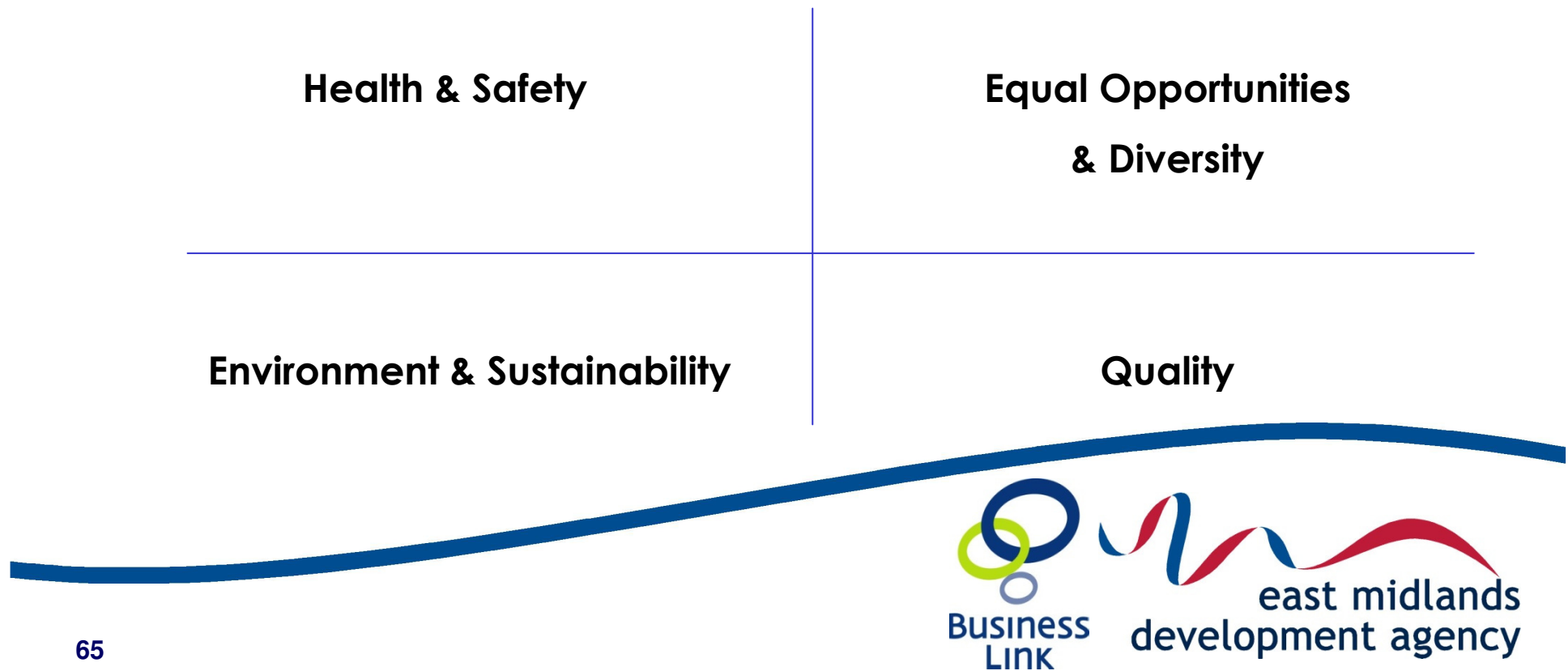
Quality

Bringing your policies to life:

- Think about:
 - What we do and how we do it (rather than what sits on a shelf)
 - How do people find out about it?
 - How is it embedded in our organisation?

Exercise: How do we bring policies to life?

- Give an illustration of how your policy on..... is implemented in your organisation:



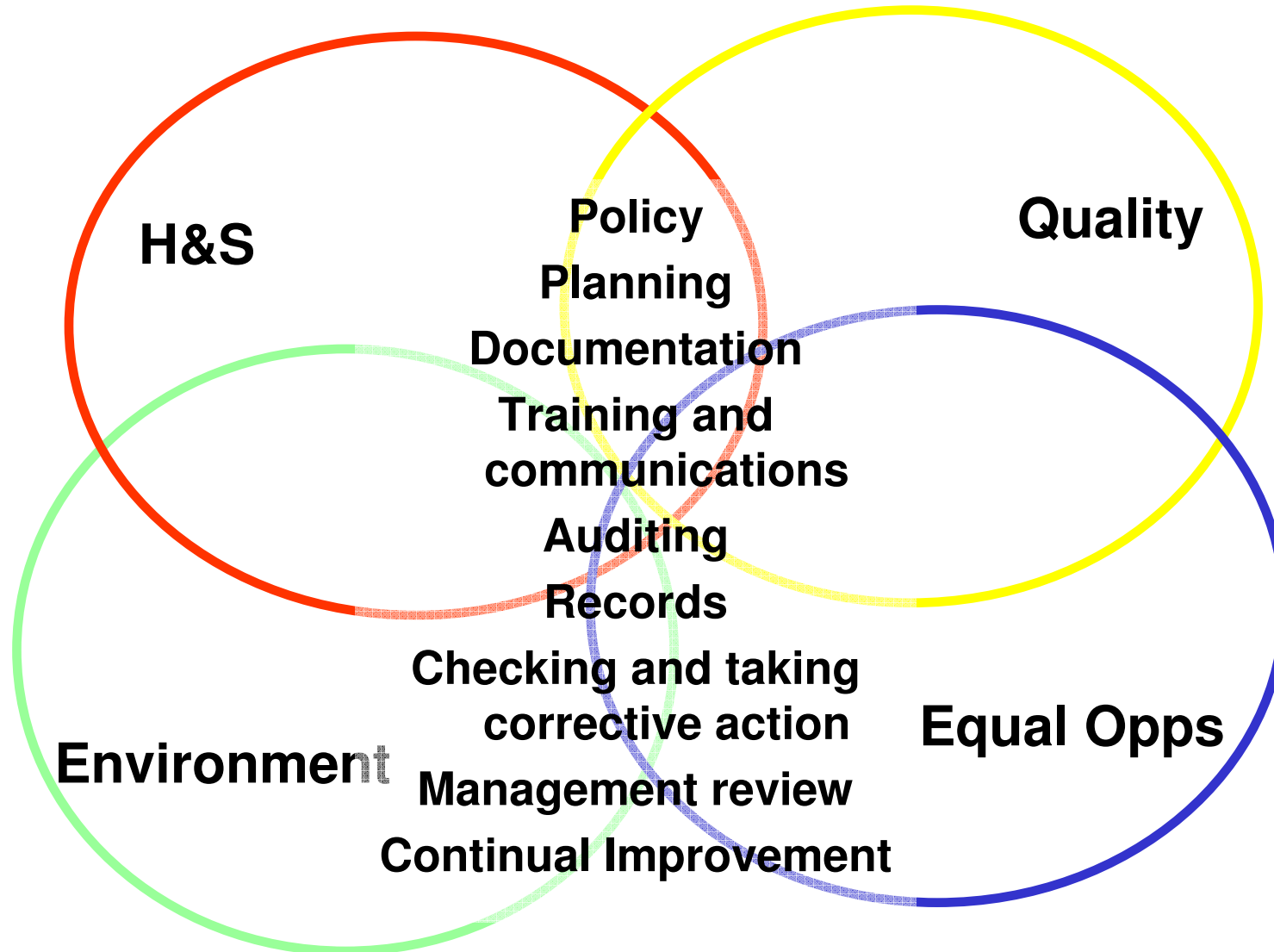
Policy implementation

- Implementation Plan – Sets out aims and actions in order to deliver your policy:
 - Aims – Relate back to your policy but provide more detail
 - Objectives – The steps you will undertake to meet objectives
 - Success Criteria – The measure of performance you will take to assess whether objectives have been met
 - Measurable Targets – Targets set in relation to objectives.

Policy implementation

- Example - Environmental and Sustainability
 - Annual review
 - Internal communication
 - Championing environmental issues
 - Legal compliance
 - Recycling
 - Supporting the community
 - Supplier responsibilities
 - Staff responsibilities.

Integrated policies



Supplier selection

- Are you a safe and appropriate choice?
- Evaluation - 3 key areas:

	Business ethics	Quality	Health and Safety	Equality	Environmental
Business probity	✓	✓	✓	✓	✓
Financial standing	✓				
Technical ability		✓			✓

Sample evaluation criteria

- Has the contractor shown evidence of being efficient and reliable with regard to the proposals they are offering?
- How will quality assurance standards and measures for ensuring quality proposed by the contractor be adhered to?
- Do they have in-house and/or monitoring/quality control standards?
- What technical assistance and after-sales service can they offer?
- Can the sustainability, regeneration and equality objectives of the Council be met?
- What is the organisation's philosophy towards training and staff development and in practical terms how it is achieved?
- How is good environmental practice encouraged amongst their supply chain?

Exercise

- How can you embed your policy on in your tender response?

Health & Safety

**Equal Opportunities
& Diversity**

Environment & Sustainability

Quality



Next steps/actions

- Develop missing policies
- Review existing policies in line with good practice to ensure they are up to date
- Consider how to embed the policies within the organisation
- Make further changes as required
- Re-launch the policies internally
- Undertake research on formal accreditations and standards.

Policies: The future

- Business continuity
- Travel and transport
- E-mail and Internet
- Supplier selection / Sustainable Procurement

Help and guidance

<p><u>Equal Opportunities</u> Equality and Human Rights Commission http://www.equalityhumanrights.com/</p> <p>DirectGov http://direct.gov.uk/en/Employment</p>	<p><u>Health & Safety</u> Health & Safety Executive: http://www.hse.gov.uk/</p> <p>Contractors Health & Safety Assessment http://www.chas.gov.uk/favicon.ico</p>
<p><u>Quality</u> Business Link Quality management standards CQI The CQI - Chartered Quality Institute BQF British Quality Foundation</p>	<p><u>Environmental</u> Environment Agency http://www.environment-agency.gov.uk/</p> <p>Envirowise http://www.envirowise.gov.uk/</p>

Help and guidance

- Policy guidance and templates:
 - [What types of policies should I set up? | Business Link](#)
 - [Writing and communicating staff policies | Business Link](#)
 - [Creating a quality policy | Business Link](#)
 - [HSE: Write your health and safety policy](#)
 - [Envirowise - Developing an environmental policy](#)
 - [NCVO - Example equal opportunities policy](#)
 - [www.equalityni.org/Model Equal Opps Policy](http://www.equalityni.org/Model%20Equal%20Opps%20Policy)

Further information

Please visit www.procurementem.co.uk or
please contact:

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