



NWT APPROACH TO SOURCING ADVISORY

A NEW WORLD VIEW

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Organisations invest significant resources in the commercial life-cycle from procuring goods and services to selling their products and services.

When employed successfully, an appropriate sourcing strategy contributes to improved business performance and business outcomes, as well as reducing risk and contributing to costs control. If the sourcing process is suboptimal, the financial and commercial impacts can be significant.

NWT believes that we should understand a businesses current strategy and challenges to enable us to consider how the IT strategy and sourcing process underpin the overall objectives of the company.

It is important that everyone involved fully understands the nuances of ensuring a fair, transparent and competitive sourcing process and the shared value this can unlock for the contracting organisation in a successful tender submission. Regardless of whether the bidder is successful or not, it is also important it to ensure that as part of any process, constructive feedback is given to successful and unsuccessful bidders.

All procurement exercises regardless of sector or industry, should follow legal, technical, ethical, transparent and best practice standards to ensure the right outcomes for the business and those organisations who respond to requirements.

In an ideal world, the service provider with the best fit qualifications and best price will be selected but in the real world unfortunately this often does not turn out to be the case. In many cases, the buyer does not have the perfect amount of information to make the appropriate decision for the specific product or service that is being evaluated. And the seller may not get across their added value and best fit qualifications. This often happens inside large organisations where the 'perceived' role of sourcing is to use the collective buying power of the organisation to get the lowest possible price.

Request for proposal (RFP) evaluation, sometimes known proposal scoring, is the process of allocating numerical values to RFP responses provided in a vendor's proposal. As part of our proposal evaluation process, RFP evaluation provides a data-based approach to support fair and unbiased vendor selection based upon pre-determined scoring criteria.

At NWT, we also believe that it is vital for organisation to have collaborative relationships with their partners and suppliers. When a relationship lacks trust, little incentive is present for either party to share information or work jointly for each other's benefits. Trust makes it possible to work in partnership to share ideas, pursue longer-term performance benefits and win-win scenarios that should ultimately result in increased value and a reduction in costs.

Modern supply chains are long, lean and operate in a highly competitive market, so working well with suppliers is a vital aspect of keeping supply chains running effectively. It is inevitable that at times, there will be disruptions to this supply chain. Being a 'customer of choice' makes suppliers more likely to pull out the stops in a crisis. Fair, open and transparent practices from sourcing right through to payment all contribute to a happy working relationship between all concerned.

Supply chain management, both up and downstream, is a critical factor in the long-term success of a business. Having a clear purchasing strategy can help you understand what components, resources, support and delivery mechanisms you need to successfully sell or buy your products and services and how to achieve the best value for money.

Even though technology tools are available to help the procurement process, more often than not these are adding further skill pressures to an already over-utilised department.

Many organisations find it difficult to retain experienced people, here at NWT, we have over 25 years of IT sourcing experience across multiple sectors. Our advisors have immense experience that enables us to understand, articulate and execute real business outcomes.





So, should you consider working with a Sourcing Advisor, rather than skilling up your internal teams?

A Sourcing advisor will be able guide you through the complete sourcing lifecycle, using their expertise to provide you with invaluable knowledge in the IT services marketplace. Often companies are tempted to go it alone, working with a forward thinking sourcing advisor will save you time and money in the long run.

Sourcing Advisors help to fill gaps in your workforce and often act as an extension of your existing teams to accelerate and simplify the entire sourcing lifecycle.

By working with a strategic sourcing advisor, who already has the expertise you need, you can dramatically improve the way your organisation buys or sells its products and services. A specialist sourcing advisor can help you build trusting relationships and make sure that all ecosystem partners work together more collaboratively to achieve better outcomes for all.

How to choose the right Sourcing Advisor?

As discussed earlier, a close, trusting and flexible relationship is vital to building a partnership and that is no different when choosing a managed services advisor. You need an advisor who will go the extra mile for you, even when you do not ask for it. And obviously you need an advisor that is very well versed in all the different areas of the entire pre-sales processes.

The relationship must be built on trust, integrity and collaboration. You need to ensure that there is a truly transparent commercial model in place that gives you total confidence that your sourcing advisor has your very best interests at heart.

A partnership model should not mean creating lots of reports or governance arrangements. It should be about defining a clear supporting framework within which all parties operate, with alignment of the overarching objectives, goals and targets.

A good Sourcing advisor will Evaluate quality and price and ensure there is balance between both to make sure you receive your desired outcomes.

Figure 1: Key considerations to create an effective evaluation model





Why NWT?

NWT provides a flexible as-a-Service sourcing model, that allows you to draw down on the advice, experience and services needed, when they are needed to help you:

- Source competitive and innovative commercial products and opportunities
- Achieve greater value from choosing to build or buying your technology
- Discover potential long-term financial savings
- Improve supplier negotiations
- Define a commercial approach that supports the disaggregation of contracts
- Ensure a smoother transition of knowledge and capability once a contract or programme ends
- Transition to the cloud, commodity and common technology
- Achieve shorter, more manageable contracts with a streamlined renewal process
- Obtain a clearer view of contract status, risks and issues

NWT will work with you to build a collaborative relationship with your customers and suppliers, whereby all parties feel confident to share information and work jointly for each other's benefits. We can help you to:

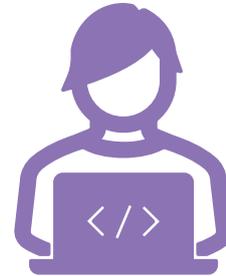
- Establish a successful sourcing strategy that ensures organisational and cultural alignment between all parties engaged in the process
- Fully understand the real cost of selling or buying a product or service
- Define what best fit qualifications look like
- Define value as opposed to only focusing on lowest cost solutions
- Decide the upper cost you should be willing to spend based on the business outcomes you want to achieve
- Understand what is available in the technology market
- Understand a product's lifecycle including building or buying, upgrading, continuous improvement planning and retirement
- Use common sourcing routes to find/sell appropriate services and avoid lengthy and expensive sourcing processes
- Work with your in-house departmental commercial team to understand which route is most appropriate
- Leave behind a legacy of best practice and upskilled teams in your business.
- Conduct critical reviews and constructive assessments including holding face-to-face briefs/debriefs



Specific areas of expertise

Technology Sourcing:

Our expert teams are constantly exploring new ways of working, finding solutions and developing commercial agreements that help organisations to buy and make the best use of technology. We engage with both customers and suppliers in building all of our new technology solutions, to ensure we keep up with market developments, support customer requirements and help enable digital transformation. Our advisors have over 25 years in the Technology sector working on projects across the globe.



Central Government Sourcing:

The Government has taken major steps to ensure business gets the most out of procurement opportunities, whilst still securing value for money by simplifying processes, making contract opportunities easier to find and by mandating prompt payment terms throughout a public procurement supply chain.

NWT can also provide specific guidance on buying/selling supplies, services and works for the public sector including guidance on regulations and policies relating to procurement.



Cloud services

Crucially, one of the key benefits of cloud computing is its flexibility and agility and it is vital that the procurement process does not constrain the offering. Having the right commercial terms and conditions and the right management controls are, of course, essential, but at the same time there needs to be flexibility both for current and for future growth, otherwise, the advantages are lost before transformation can begin.

It is also crucial to acknowledge that cloud computing is fundamentally different from traditional IT, and to understand what this means (in both positive and negative terms) before developing a procurement plan.



Helping you achieve your digital imperatives

Over the past five years, NWT has utilised its own industry experts coupled with strategic partnerships to offer a range of enterprise-grade Consultancy Services that are designed to help our clients embrace the digital world and modernise their IT. Our experts tap into a wealth of knowledge and expertise gained whilst working at CEO, CTO, CFO level to deliver immediate and sustainable value for our clients.

NWT has established key strategic partnerships and alliances with world-class organisations in order to create positive outcomes for our clients. Built on a foundation of collaboration, differentiation and innovation, our partner ecosystem underpins and complements our own specialised consulting capabilities and real-world experience enabling us to deliver the right solutions and teams to address the complex, critical business challenges our clients face in a time of unprecedented disruption and change.

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