

BERR – SOLUTIONS FOR BUSINESS: SUPPORTING SUCCESS

TENDER EVALUATION AND SELECTION

In a competitive, global environment, business support matters. The right advice, loan or grant at the right time can help a company deal with tough problems, setting it on a course to succeed.

Enterprises that receive support are more likely to do well. More than 80 per cent of firms helped through the Department for Business, Enterprise and Regulatory Reform (BERR) schemes said they benefited, or expected to benefit, from a substantial increase in productivity and competitiveness.

Most support is provided by the private and third sectors. But, where alternative provision is not available, government can and does offer help. The aim is to build strong and sustainable businesses and to achieve economic, social and environmental goals.

But businesses want support that is practical, easy to access and results-orientated according to their needs. This applies whether the company is large or a small to medium-sized enterprise (SME), new or existing, early stage or growing.

Business complained that government support was complex and confusing due to the number of overlapping schemes, multiple suppliers and many brands in the marketplace. Many were put off applying for assistance.

Consequently, publicly funded business support is being streamlined to offer help in a way that suits entrepreneurs and enterprises.

A new, honed support system is being put in place based on:

- A range of targeted support products and services, used consistently across national, regional and local government. Thirty products will be in place by March 2009, down from 3000, drawing on the best of existing and new schemes;
- Business Link as the main route to support, offering impartial assessment and access to bespoke packages of support;



- ‘Solutions for Business – funded by government’ badge for products, offering easy identification and quality.

This system will give businesses a quick, easy, direct route to effective products.

A similar exercise undertaken at the former Department of Trade and Industry (DTI) found that, with tighter targeting of products, every £1 spent on support delivered a £2.80 benefit to business. These numbers, when scaled up across government, equate to up to an estimated £1.4 billion of economic benefits a year, adjusting for already improved schemes and products with wider benefits. Benefits, depending on the support scheme, will include new products, more investment and improved productivity.

Wider benefits will include greater employment in assisted areas, lower carbon emissions and greater opportunity for minority groups. At the same time government will take its money out of schemes that have little benefit to business, so ensuring public money has maximum impact.

In addition, it is estimated that business will save up to an estimated £1.4 million a year in saved search costs through clearly identifiable products, and will experience less hassle. Companies that have previously had a frustrating encounter when applying for government assistance should now have a more straightforward experience. Ongoing work will look at making the application process even simpler, for example, through form filling.

Offering fewer products will also reduce backroom costs, taking duplication, waste and inefficiency out of the system. Changes to the way Business Link services are delivered have already brought administration costs down by 12 per cent – reducing administration costs as a percentage of Business Link spend from 35 per cent to 23 per cent. This money has been reinvested in the front line to increase advisor numbers by 462 over the past year.

Better targeting of schemes will also help government achieve social equity and environmental aims – enabling hard-to-reach communities to

start businesses, and improving resource efficiency and the impact of business on the environment.

A simpler business support system reinforces a wider government commitment to make the UK the most enterprising economy in the world. That is why monitoring at a national level will make sure the streamlined structure is maintained. This arrangement offers stability and consistency whilst allowing for dynamism and innovation.

‘SOLUTIONS FOR BUSINESS – FUNDED BY GOVERNMENT’

‘Solutions for Business – funded by government’ is the umbrella name for the cross-government package of products which businesses will see. All publicly funded business support products and services will carry identifiable branding and be accessible through Business Link as the first point of contact for companies.

The name and look of ‘Solutions for Business’ was arrived at after consultation with businesses and their representative organisations along with support providers and other interested bodies.

‘Solutions for Business – funded by government’ works hand-in-hand with the Business Link brand, the former as the Government’s guarantee of quality support, the latter as the main route to access this support.

Why is the Government doing this?

Businesses face common issues in meeting today’s challenges and tomorrow’s opportunities. Publicly funded business support can be a vital tool with which to meet these, as the case studies below show.

Case study: Blowing raspberries to fake food

Genon Laboratories in Hebden Bridge offers food and drink analysis to test food standards, content and authenticity – including, in one case, whether an ice cream contained raspberries or strawberries.

The company is operating thanks to Grants for Business Investment support from the Yorkshire Forward Regional Development Agency which contributed towards equipment costs and also rent of the laboratory.

“Yorkshire and Humber is well known for its food and drink industry. Genon Laboratories identified a real demand in the marketplace and combined their expertise with a regional strength to develop a successful business.”

Alex McWhirter, Head of Enterprise, Yorkshire Forward

Grants for Business Investment replaces Selective Finance Investment under ‘Solutions for Business’.

Research has shown that companies found the system of government support difficult to navigate due to the number of schemes, brands and suppliers.

The Annual Small Business Service Survey 2005 found that over 50 per cent of small businesses wanted government help but struggled to find their way through the maze of provision. Businesses that did persevere had to spend their own time and money sourcing help.

For government, the cost of providing the plethora of schemes meant the system was blighted with duplication and waste. The impact of many schemes was also hard to assess. Making government support more targeted, customer-friendly and easier to access through Business Link will make the provision of support more focused and efficient for everyone.

Case study: Sailing to success

The Manufacturing Advisory Service (MAS) offers manufacturing firms, large and small, easy access to dynamic, articulate and approachable manufacturing experts who can provide hands-on practical assistance that will deliver significant bottom-line benefits.

Bridgland Moulders Ltd, which specialises in laminating and bonding services for yachts, used MAS to reduce lead times and improve on-time delivery. Improved performance has led to profitability, which has contributed to a ten per cent salary increase for staff and helped reduced absenteeism.

“Bringing in MAS-East was one of our best business decisions...our consultant helped us regain our focus and the improvements are amazing.”

Martin Bridgland, MD, Bridgland Moulders Ltd

MAS will continue as a ‘Solutions for Business’ product.

The publication *The Economic Drivers of Government Funded Business Support*, available via www.berr.gov.uk, explains in more detail the economic rationale for publicly funded support and links the business support products to the Government’s objectives regarding productivity, equality and the environment.

What are the ‘Solutions for Business’ products?

As illustrated by the case studies above and below, effective government support has a positive impact on businesses. That is why improving the system focuses on streamlining and honing, building on the best of existing provision whilst adding and amending where gaps and overlaps have been identified.

Case study: Food for high growth

Family-run business Asiana Ltd, which supplies ethnic foods to restaurants and retail markets, has increased turnover by £1 million to about £11 million, thanks to help from the East Midlands Development Agency (EMDA).

The company was growing quickly, but lacked the systems and structures to cope. Under EMDA’s High Growth programme, Asiana could access the expertise of two coaches – one for sales, marketing and business development and the other for team coaching, supply chain management and operational performance issues.

“The most invaluable benefit was having an outside opinion of our company – this helped us identify our weaknesses within Asiana which we could then work on as a team.”

Sam Sangha, MD, Asiana

Support such as this will continue under ‘Solutions for Business’ as ‘Coaching for High Growth’.

Products will integrate with ‘Solutions for Business’ on a rolling basis from October 2008 onwards. All products will be in place by March 2009 when the support landscape moves from old to new. Change will complete by 2010 – at this point all other products will have closed, been given notice to close, or migrated to ‘Solutions for Business’.

Businesses will be increasingly directed towards ‘Solutions for Business’ products. This process will be seamless and managed to make sure businesses do not lose out during the transition phase.

Each ‘Solutions for Business’ product has a strong justification based on identified areas of business need – staffing, growing skills, finance, globalisation, innovation and environment. Businesses can be confident that the products on offer are evidence based and fit for purpose.

Case study: Grant for R&D splits hairs

Police forensic teams may soon boast another weapon in their crime-fighting arsenal, thanks to DNA advancements being pioneered at a North East firm.

Complement Genomics Ltd (CGL) is developing a new method of genetic material recovery that could see DNA samples extracted from shed hairs left behind at crime scenes. The company, which is based at Sunderland’s Business and Innovation Centre, has received a £75,000 research and development (R&D) grant from the One NorthEast Regional Development Agency to help fund the project.

“We are delighted to have received this prestigious award from One NorthEast, which will support our desire to build our company into a significant innovation-led entity in what is a very competitive field.”

Louise Allcroft, Director and owner, CGL

Grants for R&D will continue as a ‘Solutions for Business’ product.

Products will be provided by a range of government suppliers, including government departments and their delivery bodies, Regional Development Agencies and local authorities. Business Link, as the first point of contact for business support, will ensure that companies will always be directed to the appropriate mix of products for them, including if appropriate a mix of public, private and third sector support.

However, in today’s dynamic, global business environment it is important that government support remains responsive to changing economic circumstances and business needs. ‘Solutions for Business’ will therefore be kept under review to make sure it adequately addresses business issues and does not stifle innovation. The business community will be part of this process.

How will ‘Solutions for Business’ work?

Government only intervenes in the support marketplace when there is a need that is not catered for by other means, such as private sector provision. For example, it offers certain types of schemes in deprived areas. Such interventions benefit not just businesses but also local economies and society as a whole in tackling deprivation and regeneration.

For this reason, ‘Solutions for Business’ products are highly targeted in terms of specification, eligible applicants and, in some instances, geographic areas. The regions will provide appropriate products according to need, so making sure the right support reaches the right people and builds on local strengths.

Firms can apply for more than one product from more than one source, mixing and matching public, private and third sector schemes. Business Link advisors will work with companies to identify bespoke packages to meet individual company needs.

Once in place, ‘Solutions for Business’ will offer assistance with generic business problems and will help companies at different stages of growth.

For example, people needing help to start a business could benefit from the following products: ‘Starting a Business’, ‘Intensive Start-Up Support’, ‘Starting a High Growth Business’, ‘Understanding Finance for Business’ and ‘Small Loans for Business’.

An established company going for growth, depending on its desired outcomes, could benefit from a combination of products such as: ‘Finance for Business’, ‘Business Growth: Specialist Facilities and Environments’, ‘Design and Demand’, ‘Improving Your Resource Efficiency’ or ‘Train to Gain’.

And, although business support is of particular relevance to SMEs, larger firms can also get help through a small range of products to help with business collaboration, exporting, manufacturing, innovation, environmental management and resource efficiency.

Ongoing monitoring and evaluation will make sure products continue to work for customers and deliver the intended outcomes. If for any reason circumstances change, there is flexibility in the system to add or take away products in the future.

How will I recognise government products?

The ‘Solutions for Business – funded by government’ logo and look will badge all government products, offering instant recognition, so removing the confusion businesses feel with the current plethora of brands. It will be a guarantee of quality and consistency for customers, whether products are delivered nationally, regionally or locally.

In customer testing, businesses said they felt ‘Solutions for Business’ was user friendly and customer focused:

“Simple. Help is at hand... not hard to read and you’ll get the benefit of what is offered. Inviting, not overcomplicated, not off-putting.”

Each product will also carry the contact number and web address of Business Link, directing customers to the Business Link service as the first port of call on their route to support.

‘Grant for Business Investment’, which becomes part of the ‘Solutions for Business’ portfolio in October 2008, demonstrates the branding approach.

A limited number of well-known existing brands which are recognised in the market place, ‘Train to Gain’, for example, will be co-branded or endorsed with the ‘Solutions for Business’ logo to show they are part of the portfolio.

How can I apply for products if I am a business?

Many businesses have stated that the main cost to them of using government support was the time it took to find the right product for them. ‘Solutions for Business – funded by government’ will take this cost away from businesses.

Under the streamlined system, Business Link is the main conduit by which all companies – large or an SME, new or existing, early stage or growing – can find appropriate support, not just from government but from all providers.

It is important that businesses – especially new companies, SMEs and growing businesses – have access to good-quality, impartial advice from an experienced and authoritative source. The know-how of Business Link advisors in navigating companies to the right support, and in a way that suits them, is central to the ‘Solutions for Business’ offer.

Business Link is a national service, managed regionally and delivered locally. It is free and open to all by telephone on 0845 600 9006, online at www.businesslink.gov.uk or face to face.

The examples below demonstrate how the Business Link referral process works in practice.

Advisors will be equipped to inform businesses about ‘Solutions for Business’ products as they become available between October 2008 and March 2009. The Business Link website will also carry product information in the ‘Grants and Support Directory’. When seeking advice, companies can request information and be eligible for a review of their needs which probes key aspects of the business – strategy, finance, markets, people and processes. Following a review the advisor will then set out an Action Plan to meet the firm’s goals. This could include identifying appropriate support and navigating the company to the product provider. Eligible companies can then apply – however, acceptance will be based on specified criteria and is not automatic.

The vast majority of the 1200 advisors have direct first-hand experience of setting up and running a business. Their knowledge and understanding makes them well placed to help clients.

A slice of success

After baking the 400 cakes that made the Skoda in the TV advert, Sharon Goodyer and Martin Major of the Cake Bake Company turned to Business Link to help it grow.

“We met our local Business Link team and our advisor supported us in so many ways. She put us in touch with other people and organisations that have helped us look at lean manufacturing, becoming a limited company, creating a website, introducing new accounting software, exporting and staff training. We’d come to the point where we had exhausted our own ideas, but Judy and Business Link have opened up so many new avenues for us.”

Sharon Goodyer, Partner, Cake Bake Company





Socially enterprising fashion

Rubana Ahmed set up Ethika, a social enterprise business that empowers women in Pakistan, after seeing the devastation of the 2005 earthquake. She now employs a cooperative of five women and gives 25 per cent of profits to Pakistani orphans.

“Having never run a social enterprise before and, coupled with my sense of urgency, I needed everything in one place. Business Link furnished me with invaluable information and helped me to create an action list. My advisor put me in touch with the kinds of organisation that would fund social enterprises, and in no time my application to the New Entrepreneur Programme was accepted.”

Rubana Ahmed, Founder, Ethika

Thousands of customers have been helped this way each year, with over 850,000 helped in 2007-08. As a result, customers value the service, with 90 per cent of face-to-face clients reporting to be satisfied with the service. Industry-wide advisor standards and accreditation will continue to improve the service. Increased outreach work will help reach under-represented audiences, such as black and ethnic minorities and female entrepreneurs, and target particular sectors. And we will ensure customer input directly drives up Business Link performance by bringing senior business leaders into the strategic oversight of the service.

Online the ‘Grants and Support Directory’ lists business support products from a range of sources. The www.businesslink.gov.uk site also has useful downloadable guides, interactive tools and podcasts to help with many business topics such as regulation, employment and dealing with the credit crunch. Streamlining will be ongoing – for example, a simpler online application process for support will be explored.

Over the next year a series of upgrades will improve the breadth and navigation of the site as it becomes the main channel for government and business interactions. Within three years the aim is to have 60 per cent of businesses using the site. However, customers need choice, so face-to-face contact will still be there for those in need of support.

These changes, alongside simpler access, will equal better service, making sure businesses benefit from the support products Business Link can unlock.

How can I be sure government products are effective?

All ‘Solutions for Business’ products have strong, built-in evaluation criteria to make sure they deliver the intended outcomes for businesses. Performance will be checked on a regular basis. This, alongside tighter targeting, will demonstrate whether products are delivering results.

If for any reason take-up or performance of a product is poor, the evaluation will show if changes need to be made to the product or its delivery, or if it should be removed from ‘Solutions for Business’ altogether.

And ongoing monitoring will keep the overall portfolio customer focused and effective, driving changes, if and when these are needed.

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PASS CONSULTANCY

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The PASS consultancy's mission is to help you to deliver the best in government procurement through:

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- Innovative approaches to knowledge transfer within government
- Joined-up government
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best practice procurement training

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PASS ONLINE GUIDANCE

The PASS service provides online guidances on all aspects of the public procurement process and legal requirements: www.bipsolutions.com/html/briefing.php

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The *PASS Mark Health Check* is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the **PASS** service, contact our **PASS Team** on **0845 270 7055**, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/