# MANAGING INTERNAL STAKEHOLDERS

Personal Experience & NTU Case Study

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# Today's Talk

1. Common Issues & Themes

2. Private versus Public Sector… or the HE Sector

3. Some Approaches that worked

4. Some that didn't

5. NTU Case Study
   1. Implementing SCoRE
   2. SCoRE 2

6. Turning things on their Head?

7. Summary & Final Thoughts

8. Discussion / Q & A

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# 1. Common Issues and Themes

# "I'm very busy and important"

- If you don't know about my priorities & plans then… you aren't on my side/ doing your job/ worth talking to

- I've not got time for this tendering stuff – we have targets to meet

- My staff can't make a decision until they've checked it with me first

- I've given my word we will use this supplier so make it happen

- The suppliers must do what I say, irrespective of the contract

- I can summon you at a moment's notice, but if you want to see me my PA can get you in in 3 weeks' time (and that will get moved)

# All Human... All predictable to some degree

Psychology has many theories – which affect both 'us and them'

• People want to deal with people they like

• They like people who are like them

• Groups often don't like other groups, or think theirs is 'better'

• People will follow seemingly stupid orders from authority figures

• People avoid pain & punishment, but seek pleasure & gratification

• It is very important to 'save face'

• Over-rate own abilities. People always feel 'better than average'

• Success is due to them, failure due to uncontrollable external factors

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2. Differences between Private & Public Sector? Or the HE sector?

# Commercial Outcomes matter more in Private

- Always negotiate!

- VFM = Right quality, supplied on time

- Business case & Target costs

- Need to beat competitors (or react to a competitor)

*Helps support 'good procurement'*


Which means

- Mavericks doing it all themselves including any supplier deals

- Secret plans & business cases only communicated after Board sign off… so requiring immediate response in short timescales

*Hinders 'good procurement'*

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# Following process matters more in Public

- Scrutiny & Auditable (FOI requests)

- EU regulations & Public Contracts Regulations

- Committees, Steering Groups & Executive Teams

*Supports a thorough, robust, objective procurement*

Potential Downsides

- Process is the main thing - Tick box exercises

- Lots of time expended, but adding what value?

- Use of Frameworks as a 'compliant but quick' route

*Value for money?*

# HE Sector

- Many more 'experts' and more specialist areas than you can never know about

- High proportion of people allowed to buy things compared to many private sector firms

- Many with strong Opinions
  - I've got a research grant that's mine
  - I'm too busy or important to follow this process
  - I have fundamental opposition to this intellectually

- For some the main interest is own personal reputation – the Institution is lucky to have them
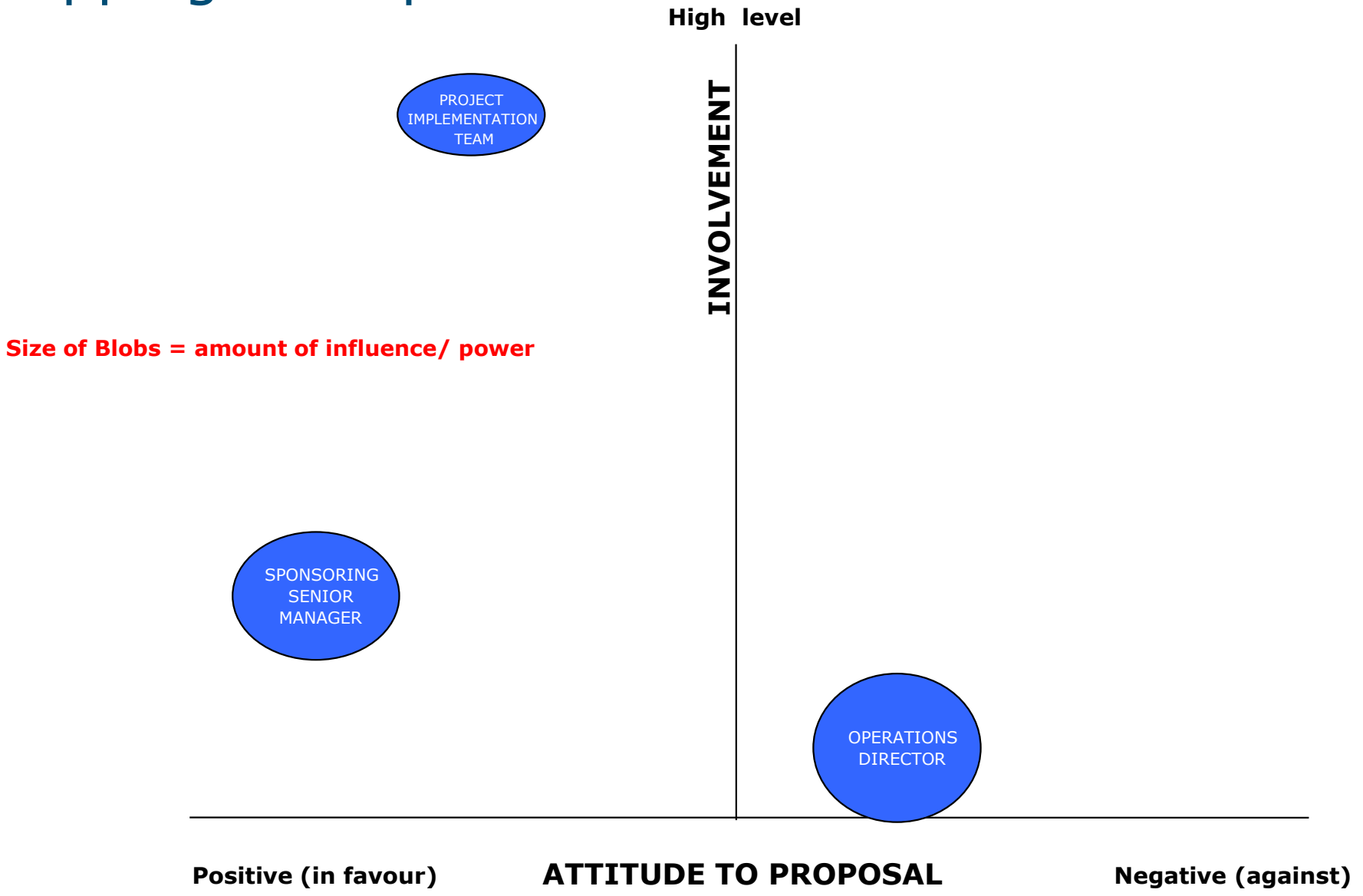
# 3. Some Approaches that worked

# Stakeholder Mapping - With a Purpose

- Who matters for the project or procurement you want to run?

- Who supports what you want to do

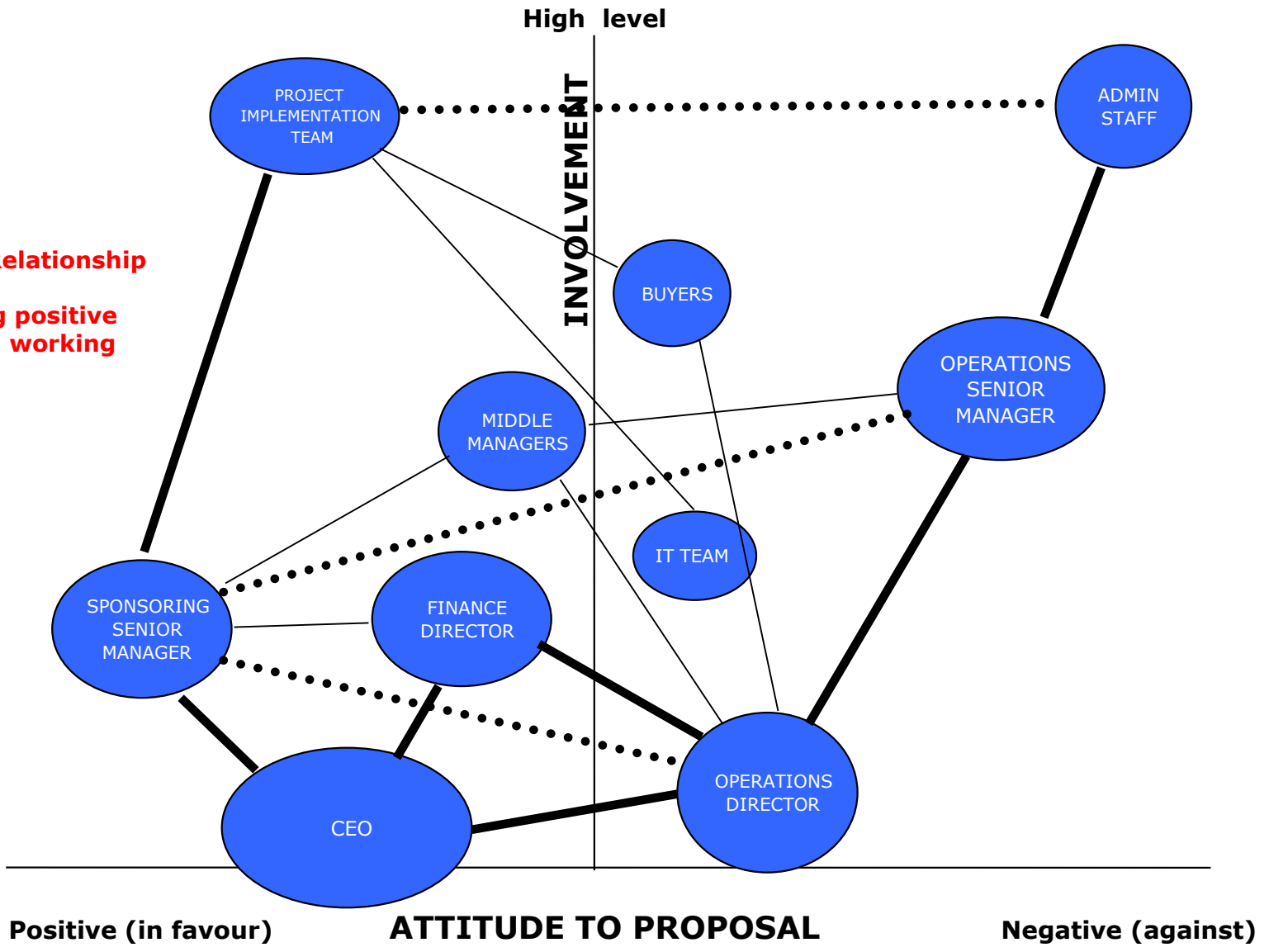- Who opposes?

- Who has Influence?

Sometimes helps to visualise…

- How do you move the person to the correct area?

- How do you get others to do the persuading for you – rather than being the 'bad guy'?

# Mapping Example

# Build Final view



Lines shows Relationship

Thick = strong positive
Thin = normal working
Dotted = bad

High level

INVOLVEMENT

ATTITUDE TO PROPOSAL

Positive (in favour)    Negative (against)

PROJECT IMPLEMENTATION TEAM

ADMIN STAFF

BUYERS

OPERATIONS SENIOR MANAGER

MIDDLE MANAGERS

IT TEAM

SPONSORING SENIOR MANAGER

FINANCE DIRECTOR

CEO

OPERATIONS DIRECTOR

# Match your offer to their needs or fears

Positive – Needs/ Gratification

• Understand how you can help them achieve their goals

• Sell benefit of getting more out of budget or grant

• Get 'publicity' so they can shine relative to peers?

Negative – Fears/ Pain

• How you can help them avoid pain – e.g. flouting EU regs and resulting fines, legal challenges, negative publicity

• Reports or Escalation to senior managers (pick your battles)

• Stopping them looking ridiculous?

4. Some that didn't

# Bending over Backwards to help

- Get treated as administrative staff

- Team act like servants and lack confidence to question

- The more you do, the more they expect... and the more you get criticised

- In the end you let them off the hook – they have roles and responsibilities

*Stand up for certain principles no matter who is asking!*

# Culture mismatch?

- Bureaucratic Boards and Steering Groups in a fast moving, flat structure don't work

- Nor does a personal chat and 'handshake' in a scrutinised, audited regulated environment

- 'Name & Shame' works where adherence to process is valued – but may be a matter of pride in other places

- Naivety – assuming suppliers are open/ friendly/ fair because we are

- Naivety 2 – believing the account manager is your best mate and really does care about your sports team, dog, or partner's birthday

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# Best Intentions gone awry

- Sent the stakeholder map to the stakeholder – showing them as very negative & did not go down well

- Opening 'cans of worms' – exposing previous bad VFM deals by demonstrating big savings

- Promise big savings & deliver 80%… Even though would have been delighted with 50% originally, now your are a failure!

Included Stakeholders in source team who then

- Blurted out confidential information

- Promised certain suppliers concessions not given to others

- Agreed concessions during negotiations for areas not allocated to them

5. NTU Case Study (Award winning!)

# Procurement link to NTU Strategy

## SCoRE

NTU's 5-year strategy "Creating The University of The Future" has five key strategic groups defined as:

1. Valuing Ideas
2. Creating Opportunity
3. Enriching Society
4. Connecting Globally
5. Empowering People

NTU Procurement has developed a strategic framework called SCoRE that runs through everything we do in Procurement and Supply Chain Management and maintains alignment with Creating The University of The Future.

SCoRE helps us define our direction and plan our actions to align ourselves appropriately with the University's core agenda and articulate activity to our stakeholders.

**SCoRE** as a strategic framework stands for:

**S**ustainability
**Co**mmercial Effectiveness
**R**esearch
**E**mployability

SCoRE links directly to our Supplier Award Categories to reward those supporting NTU

NOTTINGHAM TRENT UNIVERSITY
Procurement

Nottingham Trent University's Supplier Forum and Recognition Awards 2016

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# External recognition 2015/16



This certificate is awarded to:

**Nottingham Trent University**

for achieving the:

**CIPS Corporate Certification Standard Award**

Date: May 2016
Number: 0369  Valid to: 05/2019

- Went outside HE sector for 'benchmark' by Chartered Institute of Procurement & Supply (CIPS)
- Became only 2nd HE establishment to gain CIPS Corporate Certification
- Independent assessment to ensure appropriate policies, processes, structures in place for supply chain assurance

Won 2 awards:
1. THELMA
2. ESCEA

Shortlisted for CIPS 'Not for Profit' Category



**2016 THELMA Awards**
Outstanding Procurement Team



**2015 European Supply Chain Excellence Awards**
Public Sector & Utilities Category

# SCoRE '2'

Wil go through same process to get senior support

- Original Objectives set in 2014

- Updating those to incorporate
  - Category Management
  - Supplier Relationship Management
  - Support for Research

*Plus more on SMEs*

# 6. Turning things on their head

# How Stakeholders might appear to us

- Aloof

- Arrogant

- Stubborn

- Bureaucratic

- Unwilling to engage

- Scary

- Unwilling to make a decision

- Irrational

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# The Curse of Procurement

- Procurement never '*liked and admired*' anywhere I've worked
  (exception being  RR Aerospace, where 75% of cost of jet engine procured and HoP was Director on Operational Board)

- Everyone thinks they can do it "if they just had the time"

- We are here to serve students and the taxpayer as much as anyone, so
  - Will always 'clash' with staff who want to spend, spend, spend
  - May be the first ones that have to say no

- Our teams need to recognise they don't exist without the rest of the organisation, so must do best NOT to be seen as:
  - Blockers, bureaucratic, incompetent & Petty
  - Obsessed with unit prices and not total value and service
  - People that talk in Jargon about obscure nonsense

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# A Better Approach. 'We' not 'Them & Us'

Somehow have to work together as we all have the same Aim!

That means

- Getting involved early - invited not imposed

- Actually adding something to the quality of decision making

- Challenging constructively on better ways to do things that will contribute to meeting overall strategy

- Always looking to provide best value for students & taxpayer

- Treating each other like Adults

- Communicating clearly – in 'layperson's terms'

# A Table that might help…

| General Theme | Approach | Actions or Outcomes |
|---|---|---|
| *People like Them or being part of the Group* | Understand their objectives, issues & problems before talking about Procurement.<br>Empathise with their problems & try to find causes.<br>Frame procurement benefits in their terms where you can help to address those problems.<br>Tailor your 'offer' to meet their needs | Devote time to meeting stakeholders & understanding their needs on regular basis.<br>Attend their team meetings from time to time.<br>Invite them to talk at your team meetings.<br>Co-locate Procurement staff to sit with & work with them.<br>Involve them in recruiting key staff members. |
| *Dealing with People they like* | Take an interest in their area and team members.<br>Ask their advice on how they would approach Procurement activity & who they would involve in source teams.<br>Be honest if your team has shortcomings & ask for their help to develop them.<br>Understand more about them outside of work and build some rapport (learn from salespeople). | Think about the personalities of people you allocate to spend categories & use people that will 'fit in' where possible.<br>Get other stakeholders they respect or like to influence them on your behalf.<br>Try to meet less formally for updates. |
| *Authority Figures* | Get support of senior Leaders for approach to Procurement.<br>Get 'boss' to instruct stakeholder to work with Procurement.<br>Then praise Stakeholder to the boss at every opportunity.<br>Don't allow yourself to be bullied - act as an equal whatever their hierarchical level (you are the subject matter expert!). | Provide updates to boss praising the support given.<br>Let stakeholder take the credit for successful sourcing projects & get publicity, which should stress collaboration & teamwork.<br>Apply pressure via boss if they won't participate as hoped. |
| *Overestimating own skill levels* | Build uncertainty over being able to do properly 'DIY'.<br>Explain EU thresholds, PINs, PQQs, ITTs, timescales, standstill, award letters etc. to show 'not easy' .<br>Drop in Case studies of challenged procurements under EU regs or unsuccessful previous contracts in organisation.<br>Explain the need to prove VFM to audit committees etc.<br>End goal being "Get them to ask for your help every time!" | Develop standard pack for senior stakeholders that:<br>- Explains full tender process, EU timescales & need for record keeping & objective evaluation.<br>- Asks how to calculate total cost of ownership, target costs, implementation milestones etc.<br>- Asks for detail of their outcome-based specification.<br>- Requests the names of source team members. |
| *Avoiding Pain & 'Saving Face'* | Use Case Studies of successful projects elsewhere to build level of 'discomfort'.<br>Warn of potential problems & explain consequences for them.<br>Build 'Fear factor' - EU fines, legal challenges, or Compliance reports & audits. | Develop those Case Studies.<br>Brief staff about EU regulations & expectations/ responsibilities.<br>Make processes user-friendly, simple & not 'jargonistic'.<br>Only bother them with important things. |
| *Gaining Pleasure* | Involve them in parts of the process they enjoy<br>e.g. decisions at steering group, input to final negotiations, photographs shaking hands on deal | Find out  their personal objectives & how this would contribute to those.<br>Praise & publicity, giving them credit for success etc.<br>Invite to Awards dinners etc. |

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