

### Optimising Non-contracted Supplier Spend

**Serco specialises in the delivery of essential public services managing over 500 contracts in UK & Europe, North America, ASPAC and the Middle East. Employing over 50,000 people they are motivated to make a positive difference to the services that they deliver to customers across five sectors - Defence, Justice & Immigration, Transport, Health and Citizen Services.**

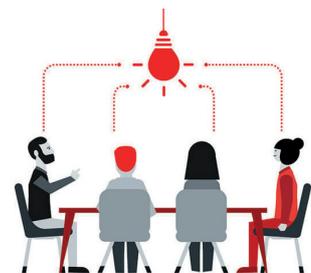
## serco

The complexity, scale and international reach of Serco's operations means that it is a strategic priority to ensure that their entire supply chain is robust, cost effective and represents minimum risk to the efficient running of essential services, e.g. hospitals, prisons, and military establishments and equipment.

We were delighted to be selected by Serco to partner with their Procurement function to deliver a project that would reduce the risk of non-contracted supplier spend as well as enhance existing partnerships and grow new relationships with their suppliers to showcase their capabilities, while adding tangible value to Serco and Serco clients.

A key reason for engaging with Retearn meant Serco could partner with a specialist procurement and transformation consultancy at the project outset to augment their internal procurement resource to focus on this important proportion of the Serco supply chain who, represented a significant percentage of all Serco spend. By using an external specialist in a risk and reward model, Serco mitigated their investment risk and could deliver value for money while benefiting from the experience, market best practice and outcomes that Retearn could offer.

In line with Serco's core values of Innovation, Trust, Care and Pride, the project outcomes were to support Serco in developing strong supportive partnerships by contracting all of their supplier spend, mitigating risk by completing screening checks and signing mutually agreeable terms, identifying immediate and future deliverable savings, implementing operational efficiencies and introducing service innovations where possible.



## Optimising Non-contracted Supplier Spend

### Experience and Capabilities deployed for successful execution

Supporting Serco on all these areas required Retearn to assess strategic options, commercial and contract negotiations, procurement sourcing including make vs buy, programme management, stakeholder engagement, communication, operating efficiencies, enhancements to guidelines and templates and process change.

The project due diligence covered three key areas:

- ▶ **Organisation and Governance** – understand the Serco organisation, gather and review internal policy and procedures, identify key stakeholders, agree project outcomes and periodic reporting
- ▶ **Data Analytics** - Retearn undertook a detailed review, in collaboration with Serco category managers, on annual invoice spend to identify addressable spend and suppliers not on contract
- ▶ **Stakeholder Analysis** – meetings with key business stakeholders to introduce the project aims and timelines and agree their involvement

The project originally started as a 4-month engagement across 50 identified suppliers, but as the first phase outcomes were positively received by Procurement, the business and suppliers, it was extended to a second phase and further 103 suppliers. A white labelled approach was taken, working to Serco high standards and processes, when engaging internally and externally the Serco Project Manager met with the Retearn Project Lead weekly to discuss project progress (via detailed programme reporting) and support required on any escalations.

Successful outcome delivered:

- ▶ Delivered £1million annualised improvement on unnecessary spend that could be reinvested
- ▶ 4:1 return on Serco's investment and drive to deliver value for money
- ▶ Supply chain contract risk mitigation and optimisation
- ▶ Improved how all suppliers could contract better in line with Serco's terms and values including key GDPR and Modern Slavery clauses
- ▶ Supplier screening undertaken on financial stability and ethical checks
- ▶ All payment terms standardised and moved to eInvoicing
- ▶ Catalogues of approved suppliers' goods and services updated to internal system
- ▶ All supplier prices benchmarked, including several formal tender processes
- ▶ Multiple recommendations & support provided on Procurement template documents and process improvements
- ▶ Additional support provided to time critical and high value (>£500k pa) projects
- ▶ Enhanced the Procurement business stakeholder and supplier relationships

## Optimising Non-contracted Supplier Spend

### Partnering on other procurement programmes

Retearn are delighted to be partnering with Serco to deliver several business wide projects, including:

- ▶ **Procurement transformation** – a joint team evaluated various options for the future provision of the required procurement/commercial services, e.g. in-house, outsourced, co-sourced. Serco selected a hybrid model of in-house and outsourced provision. Following a Retearn led supplier assessment, negotiation and contracting, and subsequently supporting on the service transition activities, the procurement transactional activities have been successfully outsourced whilst procurement leadership and category management remain in-house
- ▶ **New technology** – new IT solutions have been implemented to track project activity, third party spend and measure the effectiveness of supplier contracts
- ▶ **Supply chain risk assessment** (including GDPR) – a comprehensive risk assessment was conducted across the global supply chain to identify and manage key risks associated with all suppliers, partners and contractors
- ▶ **Tender and renegotiation of significant spend strategic contracts** – key contracts across FM, catering, property and IT have been reviewed and implemented to achieve best value and lowest risk within the complex supply chain

### Take our client's word for it...

"Thank you for your help. These are great results and something we would like to see maintained."

**Julia Rogers,**  
MD for Justice & Immigration

"Retearn have delivered several contracts and saved money. The team has been very engaging. Good job."

**Steve Hanrahan,**  
Hard FM Category Manager

"Retearn expertise and ethical approach to procurement has been refreshing. Retearn have assisted us in generating many contracts for our supply chain."

**Nick Fox,** Head of FM

"Through Retearn, and a formal tender process, we successfully renewed our working relationship with Serco, on mutually beneficial terms."

*Serco Supplier*