

Commercial – Work Winning Input

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Risk management

- Bid stage > contract sum > end product
- Bid/No Bid > understand client and compliant bid
- Use of products:
 - Learn from previous lessons
 - Choose correct product
 - Standardise data
 - House rules / not keep using

Competitive commercial terms

- Analysis of competition
- Client approach to project/framework terms
- Balance of risk for procurement route

Identify customers with strong pipeline - 1

- Strong/longstanding relationship – negotiated projects

Dedicated commercial resource during tenders

Sourcing/secure funding - 3

Open and honest with OHPP upfront

Clearer view of commercial strategy on bids

Consistency and transparency during PCSA - 2

Commercial best practice examples

PCSA not being led by commercial managers

Costed risk/opportunity registers

Client warnings are real warnings

Delivery of commercials – not just an email

Closer to supply chain commercially

The right commercial team for tenders

No alarms, no surprises

Transparency via data

No cost overruns

Change management process

Shared pain & gain – no hollow legs

Management of risk

Commercial lessons learned – transparency internally

Collab – feedback loops

Core team/panel – internal & external – pre agreed fees & T&C's

Robust procurement strategy – length of time/same scope

Find new ways to make money – old ways won't win

Value not just cost - 3

Understand requirements of framework

Wisdom and discern needs not just wants

£ per sq meter on different project types:

- Too granular
- Need consistent product

Cost database – share with key partners to build trust - 2

Understand net cost

Smarter/refreshed risk strategy – inc ground risk

Transparency with the client – more open book – software?

Early engagement on cost planning – 1

Understand entry point – 5-6%?

Honesty/openness

Highlight capex/opex value (internal skill)

Whole UPE cost

Value on MEP – show it! 25% plus of overall value

JV SES transparency

Reduce our overhead – 2%

Speed of contract response

Our contract terms are good

We need to appeal to the markets we operate in and set margin appropriately – blended margin

Look at how we are performing in the sector to benchmark against

- Be mindful that when re-entering a sector the parameters may have changed. Don't expect to achieve the same margins.

Stop arguing about what the protocol should be between WCL/SES – at the end of the day, it is Wates

Consider buying into a sector

External benchmarking exercise – how do we compare against our competitors for value for money

Working with the customer in a partnership – not us & them – 1 team 1

Be transparent around opportunity and risk

Not cutting corners

Deliver what we promise – 2

Don't be scared of innovation

Key account management/customers/partners

Earlier visibility of what has been agreed prior to our involvement – e.g consultant appointments with a client – 3

Don't agree to things we cannot adhere to – kicking the can down the road

Agreeing commercial terms before it hits the market

Open, honest and transparent from the start

Offering feasibility to target clients before procurement begins

Educate PQS's > relationships > consistent update & value meetings

Should cost model in key sectors to inform client budgets

Less aggressive – importance of long term relationships

Top 3 Summary

1. Early engagement – reduce risks, agree terms
2. Transparency/open/honest/one team
3. Focus on PQS relationship to influence commercial outcomes