

Efficiency drive opens the door to specialists

Pressures on public spending combined with the national procurement agency Buying Solutions are creating opportunities for niche firms – in consortia such as the Moorhouse Consortium.

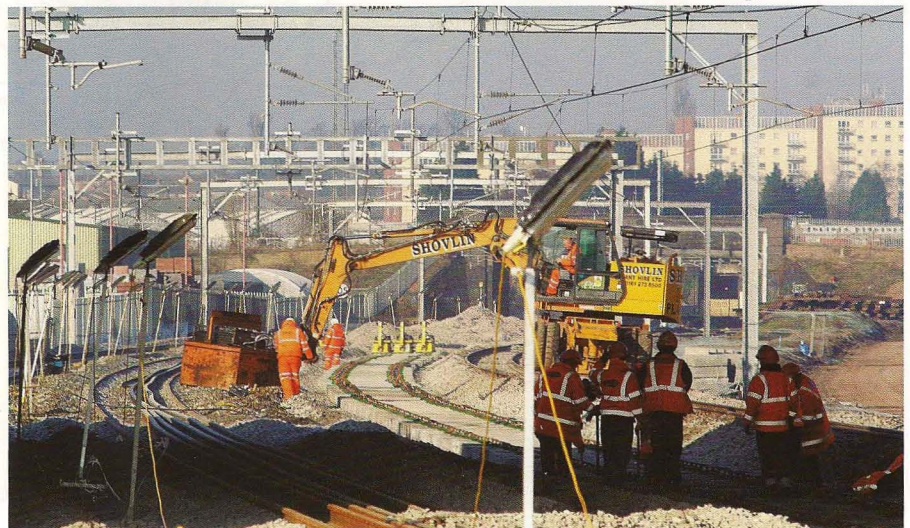
There's nothing like a recession to focus minds on efficiencies and business opportunity. The public sector has been pursuing an efficiency agenda at least since the Gershon review of 2005; and as transportation awaits a new Government's spending plans that will in all likelihood demand more savings, a group of specialist consultants has spotted an opening.

Thirteen small to medium sized companies got together this time last year to form the Moorhouse Consortium, led by the programme and change management specialist Moorhouse Consulting. They did so to bid as a consortium for framework agreements of the national procurement agency Buying Solutions, which has developed in tandem with public sector efficiency initiatives (see box right).

Places on three of the Management Consultancy & Accounting Services (MCAS) frameworks were awarded to the Moorhouse Consortium earlier this year. The 13 specialists now have a strengthened foothold in public sector procurement of services including management support for major transport programmes. According to the consortium's partners,



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Surviving transport programmes may demand delivery support and efficiencies from specialist suppliers

however, demands on delivery and the efficiency of projects in both public and private sectors equally encouraged the forming of the partnership.

"Our transport clients require a breadth of skills for their projects, but every purchasing decision is under scrutiny," says Moorhouse Consulting principal Mark Warren. "There is pressure on everyone to do more with less, yet there is no room for error. As a stand alone company, Moorhouse Consulting could not be all things for its customers. The Moorhouse Consortium was formed by its partners to help clients deliver programmes and hit targets as a team."

So who is in this consortium and what are they offering? Some of the partners are similar but subtly different, being in the game of change management – organisational or business process consultancy aimed at helping teams deliver projects better. There are also two procurement specialists, BiP Solutions and Buying Team; the leadership coaching specialist Lane 4; risk analysis and management consultant DS&A and the more obviously titled Environmental Resources Management.

According to a Moorhouse Consortium spokesman, previous clients of the consortium's partners include Transport for London, the Department for Transport, the Highways Agency, Crossrail and the Civil Aviation Authority. Which of these organisations' projects and programmes survive in coming months remains to be seen, but in all probability, some will remain. Relevant authorities may then need to look for programme delivery consultants, says the Moorhouse spokesman; and to buy this support efficiently via government frameworks.

"Public sector clients need specialist advice in many areas including the hot areas of affordability, sustainability and carbon management, although they also have to demonstrate that any expertise they buy offers real value for money," says RedRay director Chris Connor (MCIHT). RedRay is a procurement, project, commercial and risk management specialist of the Moorhouse Consortium.

"We selected our partners on the basis that their offering is complementary to ours and fits what clients need," Mark Warren says. "It was also critical to ensure that their personalities and cultures suited

Buying Solutions adds spice to national procurement



Buying Solutions is an executive agency of the Office of Government Commerce (OGC) in the Treasury. Now the 'national procurement partner for UK public services', Buying Solutions was formed as a result of the Gershon review through a merger of procurement functions of the Buying Agency

and Consumer Credit Trade Association. While OGC still sets policy for public sector procurement, Buying Solutions acts as a hub for accessing suppliers and services for central government and the wider public sector. The list of frameworks and suppliers is huge; there are 13 different frameworks under

the Management Consultancy & Accounting Services heading alone. The Moorhouse Consortium was awarded places on three of them in February this year: for programme and project management; for procurement consultancy; and for organisation and change management.

our own. If we don't share similar values and a sense of purpose, life isn't going to be much fun, for us or our customers."

According to Moorhouse, the consortium can call on the specialist skills of around 1300 consultants, using a specially developed 'partner selection assessment tool' to help pick the right specialists for the job. "As a group we provide scale, skills and breadth of

disciplines equivalent to the big firms, but offer a more tailored, personal and specialist approach," Mr Warren says.

It all sounds good, but is a consortium of small firms really a true and safe alternative to larger consultancies? DS&A chairman Derek Salkeld thinks so: "Buying from a larger consultancy has its benefits, but there are two nagging worries for the client," he says. "Firstly, if the supplier's thousands of staff have learned their trade working on a multitude of projects across a variety of sectors, is the client really getting an expert in the required field? Secondly, a big brand name inevitably means large corporate overheads – and the client's bill will tend to reflect this."

The difference with a consortium of small players, Mr Salkeld says, is greater assurance of specialist ability and lower costs. "Every firm of the Moorhouse Consortium is a specialist with years of experience in one subject and low overheads. However, they can still expand if needed to, by turning to their partners," Mr Salkeld says.

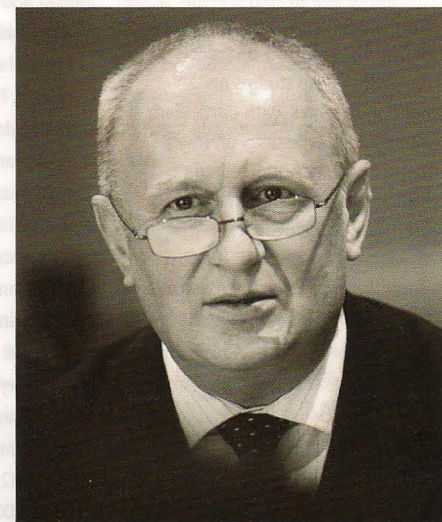
"If you choose to buy a procurement expert, for example, but a few months down the line decide a specialist in

affordability modelling is needed, the original supplier can introduce a partner of similar size and culture with those specialist skills. There will be no sudden 'blow the budget' fees, or culture change, but ability to call off support needed with minimal hassle or risk."

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Clients have to demonstrate that expertise they buy offers value for money, says Chris Connor



"There will be no blow the budget fees," says David Salkeld