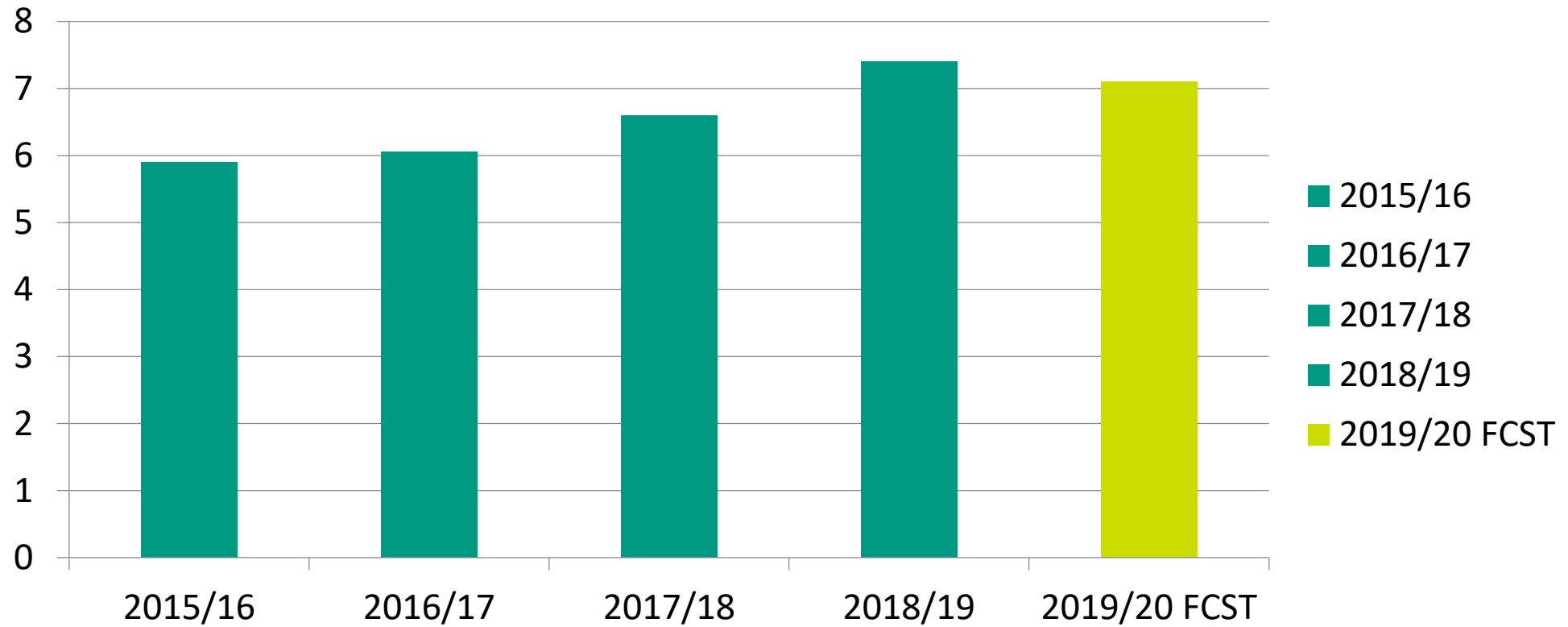


ESPO

The Rebate Journey

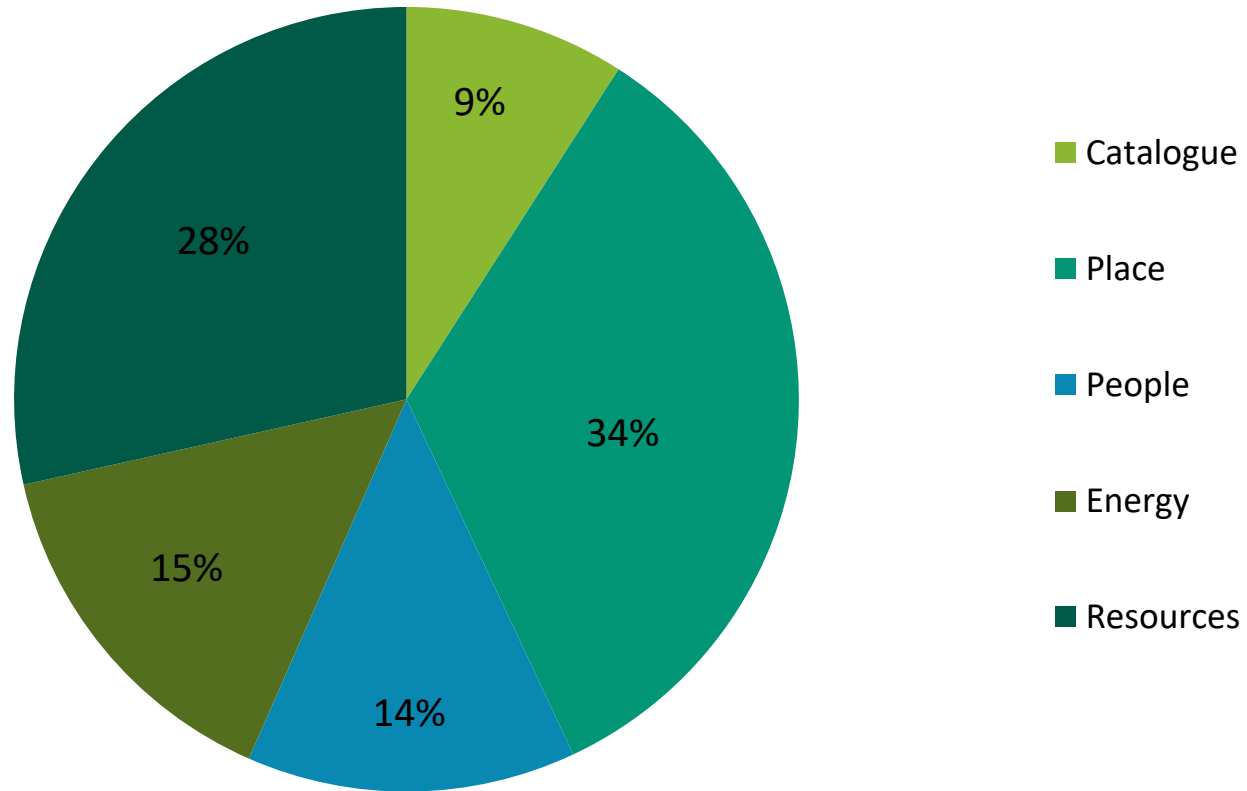
1. For over 15 years ESPO have been establishing national framework solutions
2. Today there are more than 150 live framework agreements (8 live frameworks for ETL and growing)
3. 22,000 customers (ordering points) access these agreements provided by 2,400+ suppliers
4. £2BN spend is currently under management (we market our big frameworks to big customers)
5. 85 staff within the Commercial Division, create, manage and market these frameworks

Rebate Income £M



REBATE BREAKDOWN:

2018/19 Rebate Distribution



TOP REBATE CONTRIBUTORS:

TOP 10 FRAMEWORKS FOR 2018/19	INVOICE VALUE	REBATE
191 Electricity	£107,878,536	£823,514
653F MSTAR	£1,033,010,232	£268,264
263 Cleaning Services	£15,578,225	£242,996
215 Specialist Vehicle	£27,585,231	£237,895
664 Consultancy	£45,750,743	£236,115
3S Strategic HR Services	£31,964,704	£231,234
83/88/241 Food	£21,729,137	£219,740
3A Advertising Solutions	£33,386,454	£212,812
RM 3781 MFD's(RM1599)	£91,501,632	£212,577
704 Catering Services	£63,456,144	£204,624

REASONS FOR EXISTING GROWTH:

1. Focused marketing and customer engagement strategy
2. Increased scrutiny of supplier management information
3. Introduction of a category management approach
4. Senior account management introduced for framework customers
5. Success of rebate price strategy and introduction of eTendering in 2015
6. Customer Relationship Management roles added for specific categories
7. Success of new frameworks (e.g. modular buildings)
8. Staff development and continuous training

IMMEDIATE INITIATIVES:

1. Supplier Relationship Management
2. Enhanced marketing strategy
3. Increased sales resource
4. Electricity bill validation
5. ETL frameworks
6. Strategic collaborations
7. Refining our customer offer (e.g. social value measurement)

SWOT ANALYSIS:



SUMMARY:

1. People and Capability - We recruit well to our Trainee Procurement Officer (TPO) and Work Placement Roles. Such appointees learn quickly and add a lot of value when you consider the relative low cost.



2. Continue to identify and attract new talent from the private and public sectors. Ensuring that we have the right mix of fresh blood with established DNA (corporate memory) is important



10

3. Ensure that we have the right structures in place and buy in to our mission and values

4. Keep processes and systems under review to ensure we get the most from our resources and invest in systems to improve efficiency

5. Invest in the function where it is appropriate to do so and where there is a ROI in the short or medium term



6. ESPO's commercial team will seek out ways to expand the framework offering within the available budget

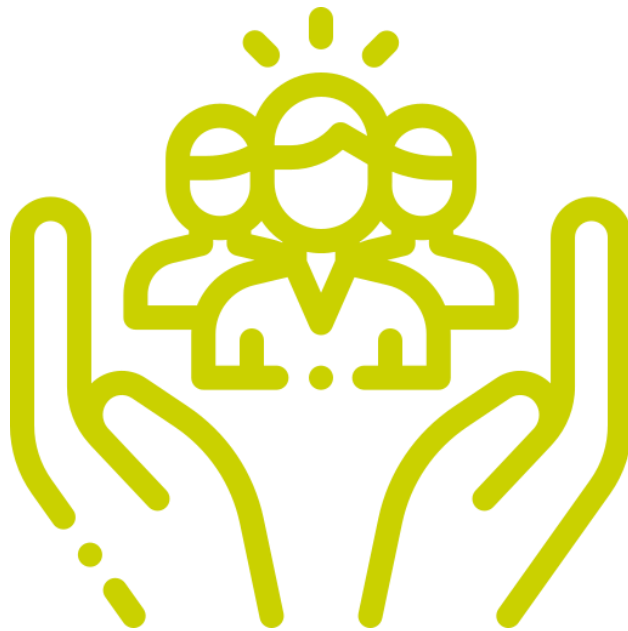
7. ESPO's commercial team will actively seek to broaden the customer base
8. Utilise any pricing leverage available to increase rebate without loss of volume
9. Seek first mover advantage in terms of developing new and innovative frameworks (e.g. Drones for the Home Office).
10. Maximise value for money for our customers and provide a high quality and reliable procurement service that is legally compliant
11. ESPO promotes consistency, both in ways of working internally and in approaches to and engagement with, the supply market.
12. Overall the wider public benefit from ESPO being able to return surplus funds for investment in front line services by member authorities.
13. Schools and other public sector organisations rely on ESPO to provide the procurement shield necessary when acquiring goods and services.



20



14. Lastly, we never stop putting our customers at the front and centre of everything we do!





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Any questions?