



Achieving Resiliency and Social Value in Public Procurement

Introduction

Procurement sits at the strategic nexus of governmental operations. Those leading public sector procurement efforts are tasked with the imperative of driving value for money amidst fiscal constraints, maintaining citizens' trust, contributing significantly towards sustainability goals, and propelling wider reform.

Yet, government procurement and compliance teams find themselves in an increasingly complex and swiftly evolving supply chain environment. Meeting the challenge of onboarding a diverse mix of suppliers, including small to medium-sized enterprises, is intensified by the escalating complexity of the procurement landscape and the intricate, diverse regulations governing it. In this context, proactively monitoring supplier relationships becomes essential for government departments to mitigate risk exposure.

The landscape is further complicated by a multitude of risk incidents reported in global and regional markets, both within government and private databases, and a need for detailed corporate information to ensure the robustness of supplier

relationships. Harnessing this wealth of information is key to driving informed decisions and ensuring full visibility throughout all third-party relationship lifecycles. As procurement teams navigate this challenging terrain, the need for an agile, informed, and strategic approach to procurement is more pronounced than ever.

Three key areas of focus

Within this shifting landscape, procurement leaders are tasked with managing an intricate balancing act. They must ensure that their procurement processes foster local and ethical sourcing, thus aiding local economies and promoting responsible practices. At the same time, they are required to maintain supply chain resilience, ensuring that disruptions, risks, and uncertainties are minimised. Lastly, they are increasingly expected to make strides in delivering on social value and environmental sustainability. These are substantial demands, made more complex by the interconnected nature of these objectives and the increasing budgetary constraints that are tightening each year.

In this complex web, the role of data consolidation and strategic procurement is crucial. Many organisations still operate within a siloed infrastructure, leading to a lack of comprehensive data access and reduced overall efficiency. Added to this is the ongoing struggle with technology adoption, as public sector bodies strive to digitise and optimise their procurement processes. In this scenario, transparency becomes paramount. Public sector entities are accountable to their citizens and must therefore demonstrate clear, ethical, and value-driven procurement strategies.

Purpose of this report

This report aims to shed light on these intersecting objectives, presenting strategies to navigate this complex landscape effectively. It underscores the importance of an integrated, holistic approach to strategic procurement and contract management, bringing together local sourcing, supply chain resilience, and social value into a coherent strategy.

Our ultimate objective here is to provide public sector leaders with insights into how, supported by JAGGAER and their partners, they can balance stakeholder expectations, supply chain resilience, social value, and environmental credentials. In doing so, the report offers a comprehensive exploration of the crucial role of procurement software in process improvement, risk assessment, and the overall digital transformation of the procurement landscape.



Evolution in sourcing priorities

Over recent years, public procurement has evolved substantially to meet the growing needs and priorities of communities and stakeholders. One of the key changes lies in the renewed emphasis on local and ethical sourcing.

Local sourcing, where public sector organisations strive to procure goods and services from nearby businesses, often small and medium-sized enterprises, is gaining traction. This approach offers multiple benefits, from stimulating local economies and supporting job creation to increasing supply chain transparency and reducing carbon footprints. In particular, these initiatives help to foster stronger community relations, demonstrating the tangible impact of public spending on local societies.

However, local sourcing comes with its own set of challenges. Often, local suppliers, particularly small and medium-sized enterprises, may not have the resources to meet the demands of larger contracts, posing potential risks to supply chain reliability. Furthermore, the need for increased transparency and real-time

information on supplier compliance, performance, and financial stability adds a layer of complexity to the management of local sourcing.

At the same time, ethical sourcing, the process of ensuring that products and services are procured in a responsible and sustainable manner, has become a major priority. Public sector organisations are expected to ensure that their procurement practices adhere to principles of fairness, equality, and environmental responsibility. The growing trend towards ethical sourcing signifies the increased focus on social values within public procurement, as organisations are keen to showcase their commitment to socially responsible practices.

In the context of these evolving priorities, the importance of data consolidation, strategic procurement, and real-time supplier information cannot be understated. Organisations need the capability to assess and manage suppliers effectively, ensuring they meet ethical standards and local sourcing objectives while maintaining supply chain

resilience. As such, they require comprehensive, real-time insights into suppliers' compliance records, performance metrics, financial stability, and bankruptcy status.

The role of advanced procurement systems in managing this evolution is paramount. Such systems enable more efficient management of local sourcing initiatives and better interaction with SMEs by providing real-time supplier information, efficiency improvements, and enhanced transparency. In addition, these platforms can incorporate social value metrics and qualitative measures, assisting organisations in their pursuit of ethical sourcing.

The evolution in sourcing priorities presents both opportunities and challenges for public sector organisations. By harnessing the power of advanced procurement systems and strategically addressing these emerging trends, organisations can optimise their procurement practices, deliver on their social value goals, and contribute positively to their communities. The rest of this report will further explore how organisations can achieve this balance, with the aid of JAGGAER's expertise and solutions.



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Renewed emphasis on supply chain resilience

In managing public procurement, the emphasis on supply chain resilience is more important than ever. As organisations navigate the complexities of local and ethical sourcing, understanding the nuances of supply chain resilience is key.

Supply chain resilience refers to an organisation's ability to quickly respond to disruptions, maintain operational continuity, and recover effectively. In the public sector, a resilient supply chain is crucial to

ensure that public services and projects are not compromised due to unforeseen disruptions.

With changes in geopolitical environments and macroeconomic factors, public sector organisations must manage potential ripple effects across all levels of their supply chains. The pandemic and subsequent global trade disruptions highlighted the importance of maintaining supply chain resilience in the face of unexpected events.



Several factors need to be considered when building and maintaining a resilient supply chain. First, organisations need to efficiently manage their reporting requirements, ensuring accuracy and timeliness. This requires advanced systems that can provide real-time data and insights, allowing for proactive decision-making.

Second, organisations must conduct thorough due diligence on their entire supply network. This includes direct suppliers and sub-contractors, assessing their quality

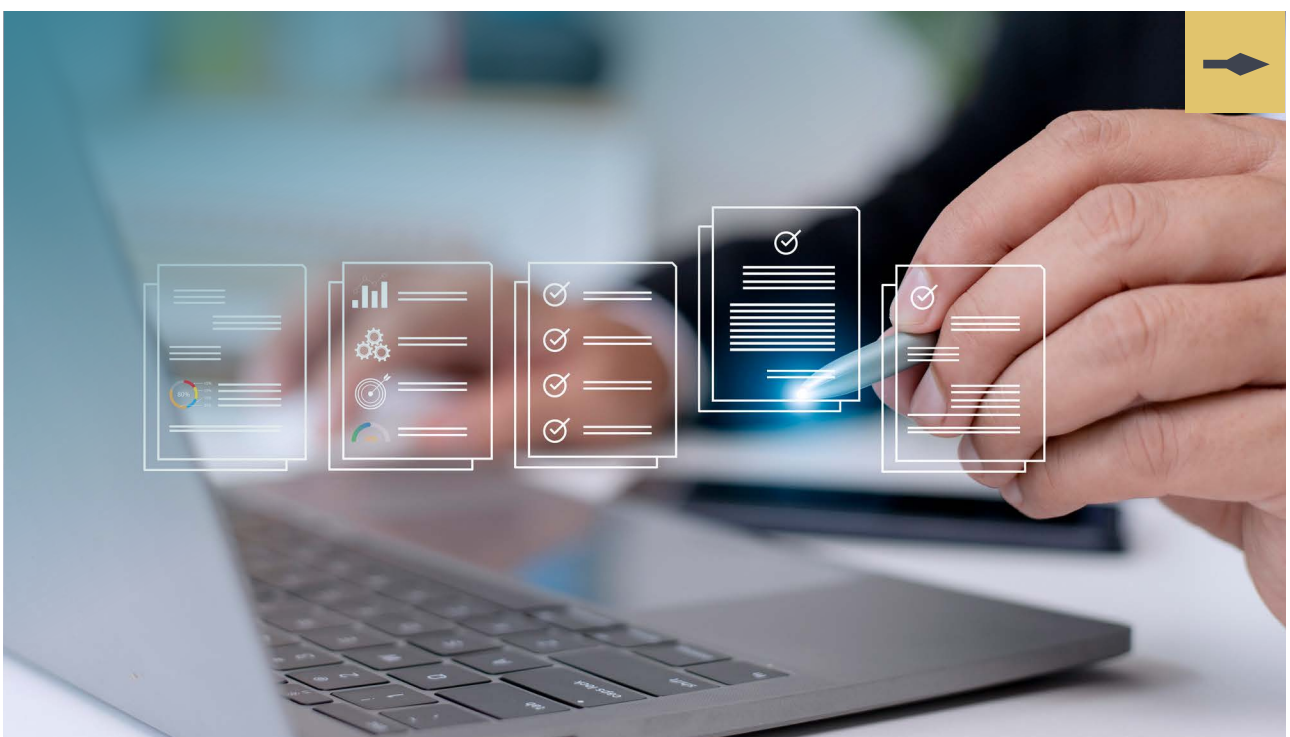
assurance, reliability, and adherence to ethical practices. Here, a deep understanding of the supply chain can aid in mitigating risks and protecting the organisation's reputation.

Finally, to enhance supply chain resilience, public sector organisations can leverage third-party collaborations and partnerships. These partnerships can provide valuable resources and expertise, aiding in the management of complex supply chains and contributing to a more resilient procurement process.

JAGGAER's solutions offer an integrated approach to enhancing supply chain resilience. By providing advanced contract management, risk management, and reporting tools, JAGGAER helps public sector organisations to manage their supply chains effectively.

Furthermore, the platform's ability to provide real-time data ensures organisations can keep up-to-date with their suppliers' performances and risk profiles, enabling them to respond swiftly to any changes, even anticipating issues in advance allowing for supply chain alterations to be made quickly. This ensures seamless services are delivered to the public, with optimal cost, environmental and ethical sourcing.

Resilient supply chains are an essential component of an effective procurement strategy, particularly in the public sector. As such, organisations need to invest in tools and practices that not just manage their supply chains, but enhance their resilience. By doing so, they can ensure their procurement processes remain efficient, effective, and responsive to changing circumstances.



04 |

Evidencing action towards achieving social value and net zero

In recent years, a paradigm shift has occurred within public procurement, with social value and environmental sustainability becoming integral factors in procurement decisions. As the UK government activates its 'Build Back Greener' initiative, public sector organisations are tasked with demonstrating commitment to social value and environmental sustainability through their procurement choices.

The increasing prominence of social value within procurement is a reflection of the growing recognition that public spending can, and should, contribute positively to society. This focus is not solely on delivering the best value for money, but also on creating positive social outcomes - from creating local jobs and boosting the local economy to contributing to social cohesion and fairness.

Simultaneously, the push towards net zero carbon emissions has brought environmental sustainability to the forefront of procurement decisions. Public sector organisations

are under increasing pressure to demonstrate their commitment to environmental sustainability, requiring them to balance their procurement objectives with this crucial goal.

However, reconciling these ambitions with other procurement priorities such as local sourcing and supply chain resilience presents a complex challenge. Organisations are tasked with establishing reliable and transparent metrics, tracking their carbon emissions and savings, and reporting their progress towards social value and sustainability goals.

JAGGAER's approach provides invaluable support to public sector organisations striving to maintain a strong environmental footprint. By partnering with information providers like Dun & Bradstreet and EcoVadis, JAGGAER facilitates effective ESG data tracking and promotes sustainable procurement practices. Our solutions enable organisations to assess and monitor their suppliers' ESG performance,

providing comprehensive visibility and control over the supply chain's environmental and social impacts.

With the right approach and tools, achieving social value and environmental sustainability in public procurement becomes more

manageable. By prioritising these goals and leveraging the capabilities offered by our platform, public sector organisations can effectively balance their procurement objectives with their social and environmental commitments, driving real change and positive outcomes for all stakeholders.

05 |

How JAGGAER helps customers strike the right balance

As many public sector leaders are now finding, achieving a balance between the priorities of local and ethical sourcing, supply chain resilience, and social value and environmental sustainability can seem like a daunting task. But with JAGGAER's integrated approach, public sector organisations are empowered to navigate emerging pressures and priorities efficiently and effectively.

At the heart of JAGGAER's value proposition is an understanding that the procurement process is more than just functional – it's strategic. This perspective enables us to design solutions that reduce process waste, improve productivity, and increase transparency, thereby enabling strategic decision-making and contract management.

A key differentiator for JAGGAER is our comprehensive supplier data view. In the pursuit of local and ethical sourcing, having real-time, accurate information about supplier compliance, performance metrics, and risk factors is essential, especially when dealing with smaller local organisations. JAGGAER's integrated platform offers these insights, enabling public sector organisations to make informed decisions that align with their procurement objectives.

Furthermore, JAGGAER recognises the importance of supply chain resilience in the public sector. By partnering with third-party providers, we enhance the tracking of supply chain data, facilitating risk identification and management. This holistic approach offers an invaluable safety net

for organisations aiming to build robust and resilient supply chains.

Given a wholesale shift in public sentiment, delivering on environmental sustainability and social value is no longer optional. JAGGAER's solutions cater to this requirement by providing the tools necessary to track ESG data and social value information. By consolidating these features into a single, user-friendly platform, JAGGAER simplifies the process of demonstrating commitment to these critical objectives.

Through understanding the unique challenges of the public sector and providing innovative solutions to address them, JAGGAER empowers organisations to strike the right balance in their procurement processes. Our goal is to support our customers in achieving their objectives, improving their operations, and creating positive social impact, all without compromising on the predictability and resilience of their supply chains. With our solutions and expertise, public sector organisations are well-equipped to navigate the complexities of modern procurement.

Gartner MQ Recognition



Contract Life Cycle Management with JAGGAER

Gartner defines Contract Life Cycle Management (CLM) software as a proactive tool that guides contracts from initiation through awarding, compliance, and renewal. Core capabilities of a CLM software platform include contract request, creation, negotiation and approval workflow management, contract storage, search functionality, advanced analysis (including automated contract review and risk scoring), and contract updates or renewals.

JAGGAER, recognised as a [Challenger in Gartner's Magic Quadrant](#), leverages these capabilities to serve approximately 375 clients on the latest version of its CLM solution, with over 700 clients across all versions. Mostly utilised as a procurement or buy-side solution, JAGGAER's R&D and support serve a diverse clientele of small, midsize, and large organisations in education, manufacturing, and utilities sectors.

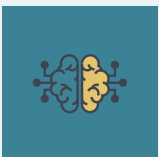


JAGGAER's Procure-to-Pay Suite

Gartner defines the procure-to-pay (P2P) suite market as integrated solutions encompassing automated workflows to request, procure, receive, and pay for goods and services across an enterprise. P2P suites, at their core, support e-purchasing and accounts payable invoice automation (APIA).

JAGGAER, a [Leader in Gartner's Magic Quadrant](#), stands out with the JAGGAER ONE suite, which focuses on providing P2P as part of a broader Source-to-Pay (S2P) strategy supporting direct, indirect, and service spend. JAGGAER is active across a range of industries, including manufacturing, life sciences/pharmaceuticals, and education sectors.

JAGGAER's product vision extends beyond traditional procurement by embracing autonomous commerce – a community of buyers and suppliers using shared insights to make intelligent procurement decisions within a trusted environment. This unique vision, along with a go-to-market strategy that aims to provide a highly functional solution at competitive prices, sets JAGGAER apart from other P2P providers.



JAGGAER's Hype Cycle for AI

As further evidence of this innovative approach, our capabilities have been recognised through the recent announcement from Gartner naming JAGGAER as the only source to pay vendor to be included in the Gartner Hype Cycle for AI. This is demonstrative of how, as a company, JAGGAER are continually striving to stay ahead of the curve when it comes to AC and AI elements when defining our vision for the future.

06 |

Balancing procurement priorities with JAGGAER

The real proof of JAGGAER's success in aiding public sector organisations to balance competing priorities lies in the success stories of our public sector customers. Let's explore two examples of how our platform was instrumental in supporting digital transformation and enabling a more strategic approach towards procurement.



Scottish Councils

South Ayrshire Council (SAC) and East Ayrshire Council (EAC's) journey with JAGGAER is a testament to how an integrated procurement platform can streamline operations and enhance social value. The councils faced the challenge of managing their vast supplier database, including numerous local SMEs. JAGGAER's platform provided them with robust, compliant and transparent procurement processes to manage supplier contracts, allowing them to work more effectively with local businesses and standardise KPIs for performance. This proactive approach also fostered stronger relationships with suppliers, enhancing the councils' local sourcing efforts.



The Welsh Government

The Welsh Government was grappling with several procurement challenges, including the need to demonstrate commitment to enhance agility and business continuity during uncertain times. They sought to leverage procurement to enable automation and obtain the best value from supplier relationships.

JAGGAER's platform was able to provide a solution that aligned with their diverse objectives. It offered the government a path towards digital transformation, resulting in greater inclusiveness, collaboration and organisational agility and enabling a stronger focus on value-added activities.

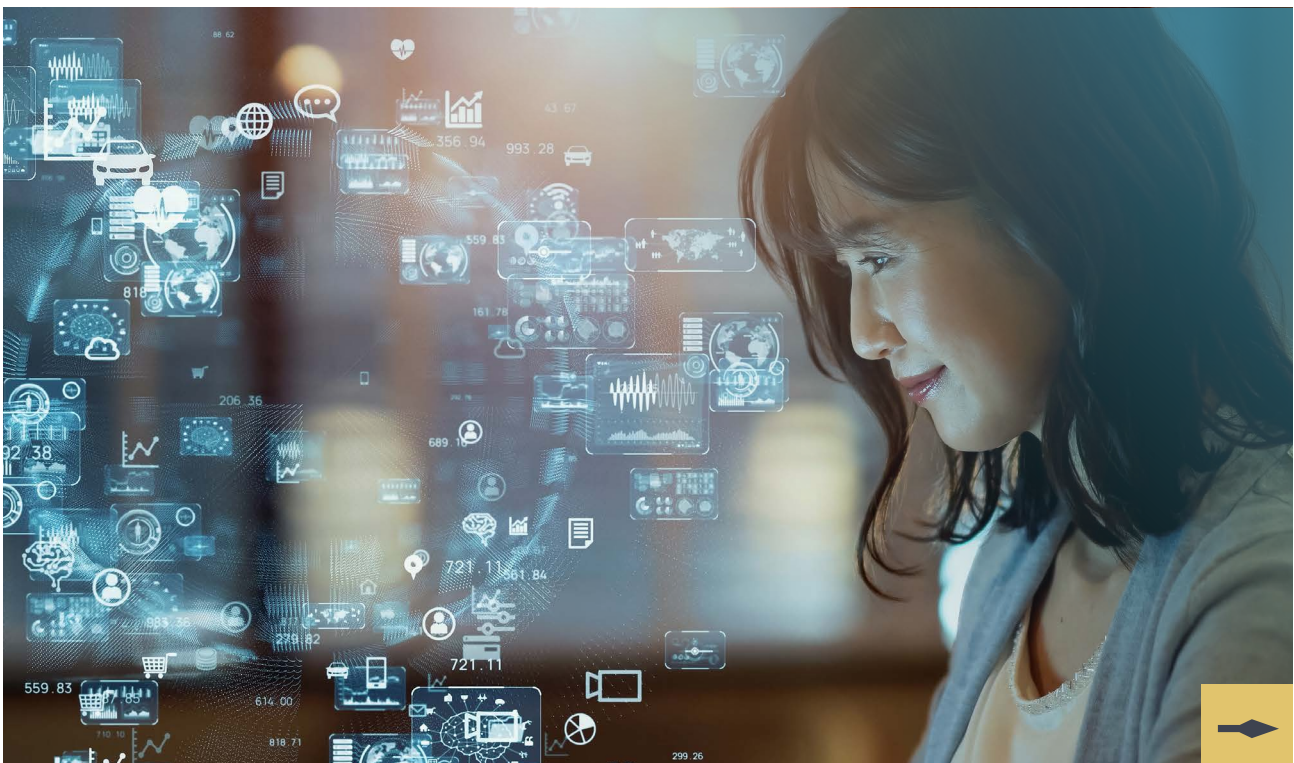
These case studies exemplify how JAGGAER's platform empowers public sector organisations to balance various procurement objectives successfully. Our approach helps organisations future-proof their procurement processes, enabling them to adapt to changing requirements and ensuring their procurement practices continue to deliver value for their stakeholders.

JAGGAER - Your strategic partner in public sector procurement

Today's public procurement landscape, shaped by a growing emphasis on social impact, calls for a strategic, integrated approach. JAGGAER's 15-year track record in the public sector and strategic partnerships with key organisations underpin our unique understanding of this sector's dynamics.

Moreover, our focus goes beyond transactional efficiency. We are committed to enabling organisations to achieve their broader social value and environmental sustainability objectives. Through our platform, organisations can effectively track and report on these dimensions, demonstrating tangible action towards achieving net zero goals and driving social value.

As the complexity and stakes in public procurement continue to rise, public sector organisations can rely on JAGGAER to be their trusted partner, equipping them with the tools and insights they need to drive a fair, transparent, and future-oriented procurement process.





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