

Small and medium-sized enterprises action plan

2020 to 2022

Government is open for business and wants to work with micro, small and medium sized businesses and civil society organisations in the UK.

The government is committed to work with organisations who generate social value and will strive to work closely with organisations who uphold the strong social values that are vital to the country's wellbeing and economy.

Find out more about 'Government is open for business' at https://openforbusiness.campaign.gov.uk/

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Foreword - Minister for Exports

GRAHAM STUART MP

Supporting small and medium-sized enterprises (SMEs) to succeed is a core aim for the Department for International Trade (DIT). Accounting for over 99% of all UK businesses, and approximately 50% of all private sector employment and private sector turnover, SMEs are the lifeblood of our economy and the engine room for economic growth. That's why I'm putting support for SMEs at the heart of our export planning. It's also why, as you can read in this Action Plan, we at DIT are seeking to maximise how much of our departmental procurement is spent with SMEs. We know the innovation and problem solving skills of smaller businesses can too often be ignored by government and that quality of public service delivery misses out as a result



For 2019 to 2020, I am pleased to say 34% of DIT's spend was with SMEs, narrowly exceeding the government's SME ambition of 33%. The Action Plan seeks to make our procurement SME friendly and to work with SME partners to help them to help us succeed. I will be regularly reviewing and monitoring our progress against the Action Plan with the DIT SME Champion and have asked that the Action Plan is revised and reissued on an annual basis.

In addition to our SME work we are also developing policy and processes to promote diversity and inclusion in our supply chains. Through 'meet the buyer/supplier' events and increased use of webinars we will break down barriers for those wishing to become a trading partner of DIT. We welcome questions, comments or suggestions on how our procurement processes can be improved and I hope anyone interested will speak to us at DITSME-Enquiries@trade.gov.uk.

For the Department of International Trade to be the most effective trade promotion agency in the world it needs to be open to world class SME suppliers. I want to thank all those who have worked with us to date and look forward to more companies joining our support team as we negotiate FTAs, attract more inward investment and turn the UK into an exporting superpower.

Foreword - SME Champion

TOM HYNER, COMMERCIAL DEPUTY DIRECTOR

DIT has a proud record in SME engagement and consistently performs well against government inclusion targets. SME businesses are already a core part of our supply chain and strategic contracts including in our services supporting UK exporters, in landing new foreign investments and corporately in our digital and interim labour agreements.

The principles underpinning our strategy for SME engagement aim to ensure that we are lowering barriers to entry for SMEs across the full range of our procured goods and services. Through implementing SME friendly best practice such as non-onerous contracts, engaging the market prior to commencing procurement and committing ourselves and our suppliers to prompt payment, we have built a strong base to build from.



This Action Plan represents an important next step in our maturity in supporting SMEs. Through publishing our plan, making public our main opportunity pipeline and continuing to widely advertise engagement opportunities, we aim to facilitate new opportunities for SME businesses either directly with DIT or in partnership with other firms when bidding for our contracts. In doing so we will build on our existing success and retain our place as one of the best performing Whitehall departments.

As a result of the collaborative cross-government approach to the government's SME Agenda, I have developed three key SME procurement principles which are set out in this Action Plan to ensure that DIT continues to enhance its strong position:

Principe One: Transparency and Accountability;

Principle Two: Access to Opportunities; and

Principle Three: Capability and Awareness.

Through our SME Action Plan 2020 to 2022 we aim to retain DIT's place as an SME customer of choice and at the forefront of SME engagement in Whitehall.

SME agenda

The UK government definition of SMEs encompasses micro (less than 10 employees and an annual turnover under €2 million), small (less than 50 employees and an annual turnover under €10 million) and medium-sized (less than 250 employees and an annual turnover under €50 million) businesses.

Since 2010 government has launched several initiatives designed to drive forward our economy and make public procurement more accessible to SMEs. The government's objectives have been centred on the promotion of SME friendly procurement processes and enhanced engagement. These objectives and initiatives have been enhanced and strengthened through the Public Contracts Regulations 2015 by re-enforcing the role of SMEs. For further information on the steps, measures and reforms the government has taken to enhance and promote SME procurement, please see:

Procurement Policy Note 05/11: Further measures to promote small business procurement

Procurement Policy Note 03/15: Reforms to make public procurement more accessible to SMEs

Procurement Policy Note 05/15: Prompt payment and performance reporting

Procurement Policy Note 01/18: Supply chain visibility

<u>Procurement Policy Note 04/19: Taking account of a supplier's approach to payment in the procurement of major contracts</u>

Procurement Policy Note 05/19: Tackling modern slavery in Government supply chains

Procurement Policy Note 01/20: Responding to COVID-19

Procurement Policy Note 02/20: Supplier relief due to coronavirus (COVID-19)

Procurement Policy Note 05/20: The Outsourcing Playbook V2.0

<u>Procurement Policy Note 06/20: Taking account of social value in the award of central government contracts</u>

Our Department

DIT helps businesses to export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade. We are an international economic department, responsible for bringing together policy, promotion and financial expertise to break down barriers to trade and investment to help business succeed; delivering a new trade policy framework for the UK as we leave the European Union; promoting British trade and investment across the world; and building the global appetite for British goods and services.

Our services are provided in over 100 markets throughout the world. Our work supports productivity and our economy, providing our businesses with access to new markets, and in turn new processes, technologies and better supplies. This improves people's living standards as they benefit from greater choice at lower prices. Equally, by driving prosperity, trade and international investment, our work contributes to global stability and security, as well as increasing the UK's influence globally.

<u>great.gov.uk</u> has tailored support and advice for businesses on how to start exporting or increase the amount of goods and services they sell overseas. You can:

- read guidance for new, occasional and frequent exporters;
- find out about services offered by GREAT partners;
- use the <u>selling online overseas</u> tool to find the best marketplaces to showcase your products online. You can also take advantage of special deals negotiated by the government for UK businesses and find out more about the government's <u>e-exporting programme</u>;
- apply for overseas export opportunities for your products or services;
- <u>create a business profile</u>, which will allow you to promote your products and services to international buyers;
- search for events, trade fairs, missions and webinars relevant to your sector or overseas markets;
- see upcoming DIT international ministerial visits;
- apply for a trade show access grant to attend an overseas event;
- read our country export guides to selling overseas;
- contact a trade adviser in your area.

Our SME spend

Our SME spend ambition

DIT has set an overall ambition of 33% of spend going directly or indirectly to SMEs in line with the SME Agenda. This is in line with the overall government SME agenda. We are continuing to work on the methodology and data which will support our year-on-year SME targets.

Our SME spend

A breakdown of our spend as reported to the Cabinet Office is provided below. As DIT are a new department, F/Y 2018 to 2019 is the first financial year that SME Spend data was been reported. For both F/Y 2018 to 2019 and 2019 to 2020 this data provides a holistic view of direct and indirect spend.

DIT	Spend with SMEs - Financial Year 2018 to 2019	Spend with SMEs - Financial Year 2019 to 2020
Total Procurement Spend	£125,252,217	£152,221,302
Spend with SMEs	£47,858,451	£51,804,990
Spend with SMEs as %	38.2%	34%

Our SME strategy

DIT starts from a strong position on SME spend. However, there are challenges to maintaining this performance over time as a high proportion of our SME spend is driven by our larger contracts.

DIT has invested in its commercial policy capability and capacity and has implemented a strategy across the Commercial Directorate to encourage wider SME monitoring and participation in our procurements. In addition to our principles, this strategy will help us to maintain our performance and maintain our vision to increase and cement DIT's position as one of the leaders of SME spend across government.

Through the three key principles of our SME strategy – 'transparency & accountability', 'access to opportunities', and 'capability & awareness' – we will enable SMEs to continue to participate in our competitions and to support us in delivering critical services to UK businesses and the economy. Under each principle is a number of actions, which will identify what we will be doing within the key areas to improve SME participation.

Principle one: transparency and accountability

Action 1 - SME Minister.

DITs Minister for Exports, Graham Stuart MP, is the Minister responsible for ensuring DIT supply chains are SME inclusive. Minister Stuart will hold regular meetings with DIT's Commercial Leadership and SME Champion to ensure continual engagement on progress.

Action 2 - SME action plan.

In 2018, the Chief Executive of the Civil Service and Permanent Secretary, John Manzoni, contacted all Commercial Directors to request that each department has its own SME Action Plan. As part of this request, DIT has developed this Action Plan, which targets continual improvement with regards to SME spend and inclusivity within DIT supply chains up to 2022.

Action 3 - SME procurement policy.

By the end of March 2021, DIT will develop and embed an internal SME commercial policy, aligned to this Action Plan, which sets out DIT's procurement standards for SME inclusion and accessibility within our supply chains.

Action 4 - procurement pipeline.

DIT will conduct annual reviews of its pipeline data and make amendments where necessary to ensure continual enhancement in order to easily identify procurement opportunities that are accessible for SMEs.

Action 5 - supply chain data.

DIT will implement conditions within its procurement documentation, aligned to the SME commercial policy, that will place contractual obligations on our suppliers to report annually on SMEs within DIT supply chains. This will enhance DIT's holistic view of indirect SME spend.

Principle two: access to opportunities

Action 6 - Lean sourcing.

DIT recognised that SMEs may find the significant amount of documentation required to tender for public contracts a barrier. DIT are committed to altering this and are continually looking for ways to make procurement processes easier for businesses to understand and navigate. DIT will apply lean sourcing procurement principles to all procurement activity and aim to conclude all open

competition within the Cabinet Office target of 120 calendar days. DIT has developed and implemented a lean sourcing commercial policy which is aligned to the government's lean sourcing agenda. Where appropriate, DIT look to break contracts down into lots and promote the use of the Public Contracts Regulations 2015 Open Procedure as DIT's default competitive position. This will support the SME agenda by reducing costs for prospective suppliers, reducing the number of large, complex contracts, thereby making our supply chains more accessible to SMEs.

Action 7 - Crown Commercial Service.

Wherever possible, DIT will seek to utilise centrally negotiated Crown Commercial Service Agreements, which have been designed with the intention of being accessible to all. The Crown Commercial Service Agreements offer opportunities for a significant number of SMEs through leaner, streamlined procurement processes and prompt payment mechanisms.

Action 8 - collaboration.

DIT will collaborate with its suppliers to share best practice, including new reporting practices, on developing, maintaining and enhancing SME accessibility within the supply chain.

Action 9 - Contracts Finder.

DIT, aligning to its proposed SME commercial policy, has placed contractual obligations on all its suppliers to publish sub-contracting opportunities above £25,000 on Contracts Finder.

Principle three: capability and awareness

Action 10 - working groups.

DIT will be a proactive member of all SME-related cross-government working groups. These include, but are not limited to: Prompt Payment (DIT's Prompt Payment Data: https://www.gov.uk/government/collections/dit-prompt-payment-data), Modern Slavery and SME Champions.

Action 11 - SME Champion.

DIT has nominated Tom Hyner, Commercial Deputy Director, to perform the role as SME Champion. DIT's SME Champion will work to increase awareness and visibility of the SME procurement agenda within DIT and promote and align SME inclusion with Departmental objectives.

Action 12 - regular forums.

The SME Champion will host regular forums with DIT Contract Managers to ensure continued communication and engagement with Contract Managers about the importance of the SME agenda and what can be done to support it through the life of a contract.

Our pipeline

The below table identifies upcoming opportunities due to be launched in 2020 for SMEs to become part of DIT's supply chain. Future versions of the pipeline will look to include a differentiation of direct and indirect opportunity indicators. As these are upcoming opportunities, please note that timescales and values may be subject to amendment. To access pipeline, procurement and award information please go to https://www.gov.uk/contracts-finder.

Planned Award Date	Title	Value Range (£)	Current Supplier	Commercial Category
Jan-2021	Occupational Health Services and Employee Assistance Programmes contract	10,000 - 500,000	Health Management Ltd	Corporate Services
Jan-2021	Business Polling Services	10,000 - 500,000	IFF Research Ltd	Research
Jan-2021	Trade Remedies Authority Employment Legal Support	10,000 - 500,000	N/A (New Requirement)	Legal Services
Mar-2021	Penetration Testing Call-Off Contract	10,000 - 500,000	CGI	Digital Data and Technology
Mar-2021	Mobile Office 2020-2021	10,000 - 500,000	Core Technology Systems (UK) Limited	Digital Data and Technology
Mar-2021	Security export statistics	10,000 - 500,000	N/A (New Requirement)	Research
Mar-2021	Provision of International Trade Services to businesses in the London Region	20 million - 25 million	NEWABLE TRADE (LONDON) LTD	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the South East Region	20 million - 25 million	NEWABLE TRADE (SOUTH EAST) LTD	Business Process Outsourcing

Mar-2021	Provision of International Trade Services to businesses in the West Midlands Region	20 million - 25 million	West Midlands International Trade Limited	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the North West Region	15 million - 20 million	Chamberlink Ltd T/a Business Support Solutions	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the East Region	15 million - 20 million	Exemplas Trade Services Limited	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the Yorkshire and Humberside Region	10 million - 15 million	Enterprise Growth Solutions Ltd	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the South West Region	10 million - 15 million	GWE Business West Ltd	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the East Midlands Region	10 million - 15 million	East Midlands Business Ltd	Business Process Outsourcing
Mar-2021	Provision of International Trade Services to businesses in the North East Region	5 million - 10 million	NORTH EAST WORLDWIDE LTD	Business Process Outsourcing
Apr-2021	Evaluation of the Tradeshow Access Programme	10,000 - 500,000	Frontier Economics	Research

May-2021	Enhanced International Support Service (EISS) EECAN	1 million - 10 million	N/A (New Requirement)	Business Process Outsourcing
Jul-2021	Export Opportunities 3rd Party Feeds	10,000 - 500,000	Spend Network	Digital Data and Technology
Jul-2021	Enhanced International Support Service (EISS) Europe	1 million - 10 million	N/A (New Requirement)	Business Process Outsourcing
Jul-2021	Enhanced International Support Service (EISS) Asia Pacific (SE Asia)	1 million - 10 million	N/A (New Requirement)	Business Process Outsourcing
Jul-2021	Enhanced International Support Service (EISS) Asia Pacific (North Asia)	1 million - 10 million	N/A (New Requirement)	Business Process Outsourcing
Aug-2021	Cyber Frond Theme	10,000 - 500,000	Deloitte LLP	Digital Data and Technology
Aug-2021	Department for International Trade - Provision of Client Survey on Quality & Impact of Trade Services	1 million - 2 million	Kantar UK Ltd (t/a Kantar Public)	Research
Sep-2021	Specialist Live Event Management Services	10 million - 50 million	Bray Leino Ltd	Marketing and Events
Sep-2021	Provision of Event Management Services	10 million - 50 million	Bray Leino Ltd	Marketing and Events
Oct-2021	Contract for the Provision of Specialist and Generalist Interim Services	50 million - 250 million	Green Park Interim & Executive Search	Contingent Labour

	Mar-2022	Domestic Participant Recruitment Call- Off Contract	10,000 - 500,000	SimpleUsability Ltd	Digital Data and Technology
	Mar-2022	Evaluation Services	10,000 - 500,000	Ipsos MORI	Marketing and Events
,	Mar-2022	GREAT Digital Asset Library	10,000 - 500,000	Brandworkz	Marketing and Events
	Mar-2022	Strategic & Specialist Services	10 million - 50 million	M&C Saatchi (UK) Ltd	Marketing and Events
,	Apr-2022	International Participant Recruitment Call- Off Contract	10,000 - 500,000	Meister.works ltd	Digital Data and Technology
	May-2022	Media buying	10 million - 50 million	Manning Gottlieb OMD	Marketing and Events
_	Jun-2022	e-Sourcing Tool	10,000 - 500,000	BravoSolution (Jaggaer)	Digital Data and Technology

Our risks

Public sector procurement is subject to a framework (Public Contracts Regulations 2015) which encourages free and open competition. This framework is underpinned by the Treaty of the Functioning of the European Union's five principles. These are non-discrimination, equal treatment, transparency, mutual recognition and proportionality. As a result, we are not able to guarantee that DIT contracts can be restricted for award to SMEs.

Risk 1 - Source Data. DIT's current reported SME spend data is with all SMEs, regardless of location. It is not UK SME specific. DIT is currently establishing a methodology for collating SME spend data (direct and indirect) for UK SMEs only.

Risk 2 - DIT recognise that a high level of SME spend is with a small number of SMEs. There is a risk that in the event a non-SME replacing the incumbent through open competition, DIT's SME Spend Ambitions could be significantly impacted. This Action Plan helps mitigate this risk.

Risk 3 - Suppliers fail to publish sub-contracting opportunities above £25,000 on Contracts Finder. As a mitigation, DIT's procurement documents place this contractual obligation on suppliers and it monitored as part of our Contract Management Policies.

Useful links

DIT GOV.UK pages

DIT Procurement pages

DIT eSourcing system

CCS Public Sector Procurement Guidance pages

Contracts Finder

EU Procurement Portal advertising procurement notices

Government Spend with SMEs

Single Department Plan

GREAT

The Department for International Trade (DIT) helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions trade.

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