



Small to Medium Enterprises Strategy



Introduction

Sellafield is a wholly-owned subsidiary of the Nuclear Decommissioning Authority (NDA). Government policy and NDA strategy define our mission, which we deliver within the framework of our site licence obligations. The NDA currently invests £2 billion of its annual budget at Sellafield Ltd. We share and support the SME agenda and are committed to achieving 33% SME spend by 2022.

Most SMEs are private sector businesses, but the definition also includes voluntary, community and social enterprise (VCSE) organisations. We apply the European Commission's definition of an SME, which defines it as an entity engaged in economic activity that:

- Employs fewer than 250 people; and
- Has annual turnover less than or equal to 50 million euros (approx. £45 million); or
- Has a balance sheet total of less than or equal to 43 million euros (approx. £38 million)

And

- Is a standalone entity that is not part of a wider corporate entity / group; or
- Is part of a group of companies that in its totality meets the threshold set out as above.

Background

In the financial year of 2017/18 the NDA set a target of 25.5 – 29% SME spend direct and in-direct through our Tier 2 partners. Due to the size of many of our procurements this was a challenging target from the previous 23.5 – 25% from FY2016/17.

Sellafield Ltd achieved SME spend of 26.19% totaling £292,916,258 in FY2017/18. We had a direct SME spend of 7.02% (£78,427,039) and indirect 19.17% (£214,489,219). We engaged with 1,716 SME suppliers either directly or indirectly.

Our FY2018/19 target is 29 – 31% rising to 33% by 2022. To achieve this challenging target we have set up a committed and passionate team who understand the important part SMEs play in our economy.

Year	Target	Achieved
2016/7	23.5-25%	21.8%
2017/8	25-29%	26.19%
2018/9	29-31%	-
2021/2	33%	-

Objective

In May 2018 the Supply Chain Development team was established and the following strategy was written:

VISION

- Creation of an environment where SMEs are key suppliers for Sellafield Ltd and Tier 2 organisations, which leads to SME spend exceeding the governmental target of 31%

MISSION

- We will build strong relationships with stakeholders which positively influences SME spend. We will improve our reputation by acting collaboratively with Tier 2 organisations and SMEs.

AMBITION

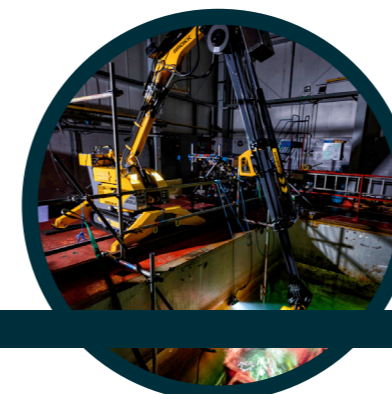
- Innovative, responsive supply chain companies able to meet our needs
- Stimulate business growth and jobs throughout the UK economy
- Provide Sellafield Ltd with access to specialist capability
- Creation of a diverse and sustainable supply chain
- Improve and increase access to opportunities for SMEs

STRATEGIC OUTCOMES

- Achievement of 29-31% SME Spend by March 2019
- Achievement of 31% SME Spend by March 2020

A strategy on its own would not deliver the outcome, so it is underpinned with an action plan which we have been delivering against and will continue to do so. As this is a working document actions will be added and removed as further learning and knowledge is gained from our interactions with both our Tier 2 partners and our SME community.

Action	Aim	What We Have Done
Attend and hold regular events to engage with our supply chain	Consistently deliver the 'How to do Business with Sellafield' message	We have held 3 Directors' Forums, a 1-to-1 with Sellafield event and attended a number of conferences. Follow us on Twitter to see our next event: @SELLtdBusiness
Hold regular Business Open Sessions in Cumbria and Warrington with SMEs	Give suppliers access to the Supply Chain Development Team to ask questions and provide feedback	Held monthly Business Open Sessions between Cumbria and Warrington. To book onto a session email: supply.chain.enquiries@sellafieldsites.com
Deliver Trade Missions in Cumbria & Warrington	Enable links between Tier 2 buyers and SMEs, educate buyers about the diverse range of capability, and improve existing relationships	Delivered our first programme of 5 Trade Missions. Currently measuring their effectiveness and impact prior to deciding on second programme. Keep updated on these by following us on Twitter: @SELLtdBusiness
Hold regular meetings with relevant contacts at Tier 2 organisations	To influence and encourage implementation of Tier 2 SME action plans	We hold quarterly SME Working Groups with our Tier 2 partners to carry out agreed actions in order to make it easier for SME's to do business with us
Establish and lead an SME Forum	For SMEs to feed in experiences, share opportunities and benefit from learning	SME Forum established with first meeting being held 7 March 2019. These will be quarterly meetings resulting in visible changes and learning for both Sellafield Ltd, our Tier 2's and SME businesses. If you are interested in being involved with this forum please email: supply.chain.enquiries@sellafieldsites.com



Action	Aim	What We Have Done
Delivery of workshop involving Supply Chain Directorate	Explore barriers and solutions to increasing direct SME spend. Gain wider buy-in from team to achieving spend	Workshop designed and delivered in October 2018
Establish an SME Education Working group	To facilitate opportunities for SMEs to gain access to information which educates how to become more competitive and improve their likelihood of winning work	Ongoing monitoring of the usage and value to the SME community
Establish Buyer Empowerment Working Group	Internal review and amendments of T&Cs, documents, benchmarking, intelligent approach to documents, CCS framework to ensure fit for purpose for SMEs	We are carrying out regular meetings to fulfil the outlined aim
Establish SME 'Knowing Me, Knowing You' Working Group	Develop and share knowledge of SME capability	Work underway to look at the creation of an SME directory for use within Sellafield and the Tier 2 community. Currently investigating Sellafield procurement processes for small value procurement and how this may work.
Publication of LINC challenges	To provide SMEs with direct access to competitive opportunities	We regularly launch challenges through LINC, which gives SME's the opportunity to win work direct with Sellafield. To find out more about LINC visit: https://www.gov.uk/guidance/how-to-do-business-with-sellafield-ltd#smes---linc-with-sellafield-ltd
Establishment and launch of LINC with Tier 2s	To encourage Tier 2s to simplify processes for SMEs on lower value procurements	We trialled LINC with DDP which wasn't successful. We are now looking to roll out a LINC with Tier 2 programme by September 2019
Creation and implementation of a Dynamic Purchasing System	Allow SMEs to respond directly to the need for innovative solutions from Sellafield Ltd	Much work has been underway to create a DPS. The aim is that this will be in place and open for registrations by March 2019
Investigate options for building SME KPIs in new contracts	To apply a method of measurement on new contracts which enables supply chain spend with SMEs	Started conversations and investigations as to how we can fulfil the aim

Action	Aim	What We Have Done
Build relationships with engineering/project forums across the site	Educate buyers on the SME agenda and LINC to encourage behavioural change and understanding of routes available for purchasing	Attending meetings and using internal communication channels to fulfil the aim
Production of supply chain map displaying all Tier 2 partners with the frameworks they are involved in	Provides SMEs with information on the contractors they may wish to engage with	An initial map will be published in our new Supply Chain Strategy being published at the end of March 2019.
Creation of 'How to Do Business with....' leaflet	To provide information as a follow up to events which we speak at, explaining How to do Business with Sellafield Ltd	This has already been published and distributed. We are continually updating this to keep it as up to date and useful as possible
Increase our Social Media activity	Increase awareness of events we are attending and holding. Publicise tenders suitable for SMEs. Publicise opportunities from Tier 2s	Increased interaction and followers on Twitter: @SELLtdBusiness using this as a platform to fulfil the aim
Creation of a Supply Chain Bulletin	To keep the supply chain updated on what is going on with regard to commercial aspects of Sellafield such as procurement regulations, events and bidding tips	First 2 bulletins have been published and circulated. These are produced on a quarterly basis. If you would like to be added to the distribution list please email: supply.chain.enquiries@sellafieldsites.com

Summary

Sellafield Ltd remains committed to the SME agenda and this action plan will act as enabler to increase SME spends whilst ensuring we adhere to the public procurement regulations. We are spending taxpayers' money and this has to be done in a structured and robust manner, displaying transparency, equal treatment and value for money. (www.gov.uk/guidance/public-sector-procurement-policy)

All our procurements are advertised on our Complete Tender Management (CTM) system and dependent on the value of the contract opportunity via the Official Journal of the European Union (OJEU). Opportunities are also listed on Contracts Finder.

The Supply Chain Development Team lead on the delivery of the strategy and action plan and can be contacted on supply.chain.enquiries@sellafieldsites.com



