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Government needs big and small IT suppliers, says COO

The government is keen to [maintain its relationships with big IT suppliers](#) while [encouraging competition from SMEs](#).

“SMEs drive huge innovation, but big business can be beautiful too,” said Stephen Kelly, chief operating officer for government, at the Public Sector Show in London today.

Sally Collier, chief executive of the Crown Commercial Service, stressed that the government is not turning its back on large IT suppliers in [favour of SMEs](#).

[Back in January, the government published new rules aimed at reducing the dominance of a small number of large suppliers offering the government inflexible IT contracts.](#)

The Cabinet Office published what it described as “red lines” for IT contracts to increase the number and variety of IT suppliers to government.

“We need to be really clear what we want from suppliers,” Collier said at the show. “We want them to embrace competition, we want innovation and, of course, savings.”

Purchasing frameworks

Commenting on purchasing frameworks, Collier said: “When they are bad, they are very bad and they lock out innovation. But when they’re good, they’re very good.”

She pointed to [G-Cloud](#) as an example of a good framework that has seen [“phenomenal growth.”](#)

“It’s really brave to set up something like G-Cloud and completely transform the way government does its buying,” she said.

When G-Cloud was set up in 2012, said Collier, there was a small concentration of suppliers in the London area, but now, two years on, the penetration is country-wide and 84% of the suppliers on the framework are small firms.

“It’s not because it’s ‘be nice to small firms’ year,” she said. “It’s about getting the best supplier, getting the best outcome for the taxpayer. We need to have a diverse and vibrant supply base with SMEs playing their part.”

Tony Singleton, chief operating officer of the Government Digital Service, pointed out that while buying through [G-Cloud provides savings of about 50% over traditional methods](#), it can also be very quick to search and implement services. In one extreme case, it took only three minutes to place a contract using G-Cloud, said Singleton.

Helping SMEs

Collier said other ways the [government has helped to encourage SME involvement](#) other than G-Cloud include appointing a Crown Representative for small firms, the government's Contract Finder website for SMEs, which is currently being refreshed to make it easier to use, and the abolition of pre-qualification questionnaires for IT contracts.

Kelly said the Crown Representative programme helps the government to be fairer to smaller companies. “We cannot be slaves to process,” he said. “We have to apply judgement.”

Profit transparency

Collier and Kelly both said they want the government's IT suppliers to make a profit, but not “an unreasonable profit”, said Collier.

Kelly added: “We believe profit is good, but in the past, profit been a mystery.”

There is still a need for better transparency on contracts, he said. “We need more capability on our side of the table to understand transparency. If we get it right, we can have much better relationships with suppliers. It is vital that our suppliers are profitable, because we want them to invest more.”

Collier said making commercial deals more transparent would be a major focus of the Crown Commercial Service over the next 12 months.

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