Case study

BARKERS COMMERCIAL CONSULTANCY

SSE

Streamlining IT Agreements: How SSE Boosted Supplier Performance

Sector: Energy. Contract period: January'18 – December'18

Managing IT agreements across multiple Directorates was a complex task for SSE, with varying technological needs and suppliers to consider. Barkers helped simplify the process, driving efficiency, collaboration, and measurable results.

Summary

SSE needed to deliver a new set of IT agreements that aligned with the strategic objectives of each Directorate while addressing a range of technological challenges across the business. Barkers guided SSE through the process of consolidating to a smaller number of framework suppliers, all operating under standardised terms. This approach improved tender quality, enhanced supplier performance, and increased on-time delivery, while creating stronger collaboration between SSE and its suppliers.

Business Challenge

SSE faced the challenge of delivering IT agreements that met the strategic objectives of each Directorate. In doing so, they needed to navigate a complex landscape of technological requirements and ensure alignment across multiple parts of the business. The goal was to simplify supplier management without compromising performance or flexibility.

Our solution

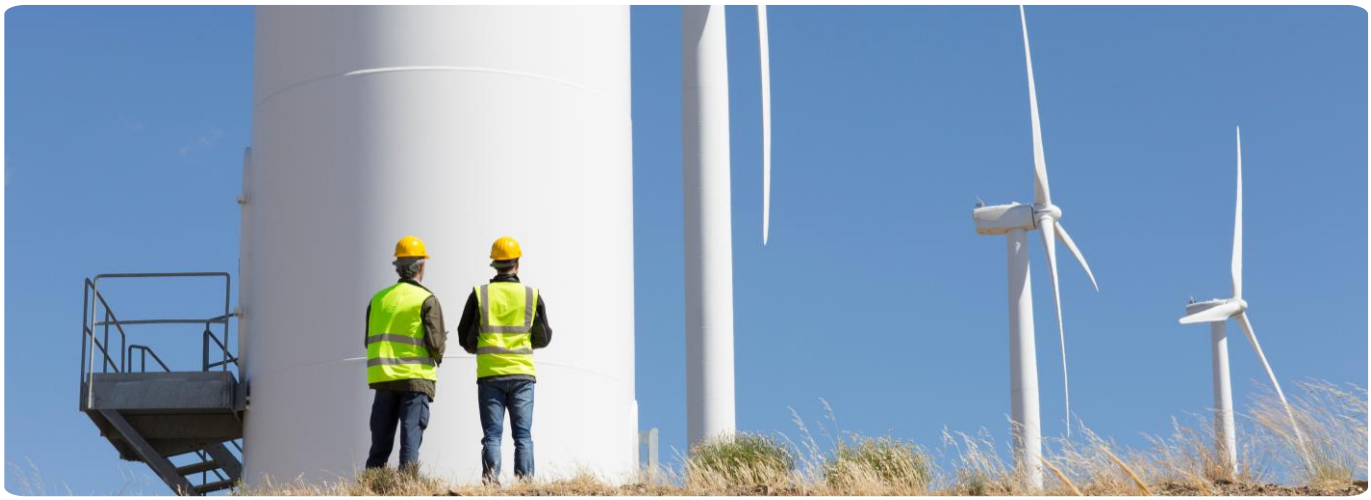
Barkers recognised that successful stakeholder engagement was critical. Before launching the tender process, we advised SSE to create a detailed business change roadmap, broken down by Directorate, which then formed the baseline for tender requirements.

The tender process was run by a small, joint team reporting directly to the Executive. Our strategy was to award framework agreements to seven suppliers on market-standard contract terms, with the intention that five suppliers would primarily serve the client's five main Directorates. This maintained competitive leverage while providing a degree of exclusivity. Further work would only be awarded to suppliers who consistently delivered successfully within their assigned Directorate.

Established terms and conditions were reviewed to ensure they were fit for purpose. Introducing these terms early in the bidding process made supplier agreement a prerequisite, ensuring consistency and reducing later disputes. Three pyramid models—covering small, medium, and large projects—were used to benchmark rates, with the Best and Final Offer stage structured to encourage alignment to the lowest-rate benchmark.

Each Directorate was assigned a Barkers Contract Manager (BCM), providing advice on appropriate commercial models based on project complexity and client needs. We also implemented governance structures to manage risks, align strategy, and maintain effective supplier relationships.

The results

The structured approach Barkers implemented with SSE delivered clear, measurable benefits across supplier performance, tender outcomes, and project delivery. By consolidating suppliers, standardising terms, and strengthening governance, SSE was able to drive consistency, collaboration, and efficiency throughout all Directorates. Key outcomes included:

- Seven framework suppliers were established on standard terms, with four servicing the five Directorates. This improved knowledge sharing and collaboration between suppliers and SSE, leading to higher-quality tender outcomes, better supplier performance, and increased on-time delivery.
- Terms and conditions were reviewed to balance risk and include robust provisions for time, cost, and quality failures. Governance frameworks were introduced to support long-term supplier relationships, including innovation pots, Supplier Relationship Management, and exit planning.
- Early introduction of standard terms ensured all suppliers agreed to the same conditions, with only minor deviations.
- Restructuring the Best and Final Offer stage helped align supplier rates more closely, achieving competitive pricing while maintaining high quality and capability.