Improving Market and Social Research Procurement and Commissioning within the Public Sector

The Market Research Society (MRS) Report: Lessons Learnt from the Creation of the Pan-Government Framework for Market Research Services

The Executive Summary

A document prepared by the Market Research Society for the Crown Commercial Service & UK Shared Business Services Ltd

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Executive Summary

INTRODUCTION

Research is used to support critical policy and operational decisions in all areas of public life. It is particularly important in areas where behavioural management or change are important to policy or operational delivery.

When procuring market research, government is procuring intellectual capital and evidence on which important decisions are based. The procurement practices should be structured to reflect this.

MRS is the world's leading professional research association setting professional and ethical standards for over 60 years. MRS is globally recognised for its expertise in training and qualifications. The UK's research market represents a major asset in the UK, in terms of both the creation of intellectual capital and economic contribution with a conservative GVA of £3bn, it is bigger than many other creative industries and is an export success (with an export value of circa £1bn GVA).

Over the last two years, MRS has successfully assisted government as it has developed its post-COI market research procurement arrangements, focusing on delivering research procurement which is affordable and sustainable. However, the process has not been without its problems, and the aim of this report is to identify those areas which have worked well, those where it failed, and what can be put right now and in the future.

Following extensive consultation with MRS stakeholders, including research suppliers and in-house government research commissioners, MRS has compiled the attached report with detailed recommendations for the way forward. The findings of this report should be a significant consideration in future framework developments, notably the potential creation of new research framework(s) for social and economic research.

The management at UK SBS have been open in encouraging this report and should be congratulated on their willingness to listen to the more critical of the findings that it contains.

KEY FINDINGS

In summary our report details:

Some success with the creation of the pan-government market research framework

- UK SBS adopted many MRS recommendations from MRS' first report, *Improving Market Research Procurement: MRS Recommendations on the Creation of Framework 2 for Research Services.* The recommendations that were adopted – such as a business and policy focused lot structure – have been warmly welcomed by all stakeholders.

- Recognition and appreciation of the professionalism and flexibility of some of the senior project team members within UK SBS, particularly those that managed the project to create the new framework.

- Acknowledgement that a working framework is in place, and market research is being commissioned via the framework.

Significant concern: breaching commercial confidentiality of suppliers

- A serious error by UK SBS, which resulted in highly sensitive commercial pricing information from suppliers being shared with competitors. This serious commercial breach by UK SBS, severely undermined its credibility with research suppliers.

Significant concern: not seeking value

- UK SBS ignored recommendations from MRS, commissioners and suppliers, regarding the best approach to evaluating research, particularly regarding price. By preferring to treat research as a commodity rather than intellectual capital, UK SBS's approach to price evaluation failed first time round and had to be repeated. Even with the duplicated process, the approach favoured by UK SBS was inappropriate for research, and failed to meet the overarching objective which should be about maximising value, not just minimising price.

Significant concern: not supporting SMEs

- UK SBS continue to use its standard terms and conditions, developed originally for the construction sector, despite offers from MRS to assist with creating suitable terms & conditions which would attract SMEs and be consistent with those used widely for research. The result was that the terms and conditions used for the framework were inappropriate for the sector and ultimately too costly for many SMEs. This was best illustrated by the inclusion of consequential losses within the T&Cs. How would such a loss be measured for a research project? Why include such a costly insurance requirement if it can never realistically be applied?

Significant concern: wasteful bureaucracy

- The application process and documentation submission requirements for the framework were excessive, with UK SBS requesting significant amounts of information that were not to be used as part of the evaluation and were "for information only". It is unreasonable to place such an excessive and unnecessary administrative burden on suppliers, particularly in a sector that is dominated by SMEs.

- The primary advantages of a centralised procurement framework approach such as centralised documentation, pre-approved suppliers and their procedures, etc. are not being realised with departmental commissioners' incorrectly requesting information gathered by UK SBS as part of the framework process.

Significant concern: insufficient resources and structure supporting the process

- Poor communications, weak administrative procedures and inexperienced junior staff hampered the project throughout the process.

- The feedback from all stakeholders listed a litany of incorrect communications (e.g. informing suppliers they were unsuccessful when in fact they were successful), poor documentation (including documents with errors, tracked changes still showing, cross-references not aligning with text and so on), etc.

Significant concern: lack of expertise supporting the framework

- The poor quality of some of the research briefs and ITTs coming via the framework demonstrates the lack of research commissioning knowledge in some parts of the government. There are insufficient arrangements in place to fill these gaps. For example, there is seemingly no arrangement in place for assisting research procurement for those departments that have no in-house research expertise and are not in direct contract with UK SBS.

Significant concern: poor communication

- There continues to be a lack of clarity and understanding regarding the relationship between UK SBS and Crown Commercial Services (CCS). Stakeholders from all sides are unsure about the relationship between the two organisations, how they work together, where responsibilities lie, and plans for change going forward.

- There is a need for more, and improved, communication with all stakeholders by both organisations. Even relatively simple matters, such as commissioning routes for the framework, are not understood by all commissioners or suppliers.

- Overall there was a lack of clarity of purpose about the way the exercise was approached. This must be rectified for any frameworks created in the future.

KEY RECOMMENDATIONS

Going forward our report contains eight significant recommendations:

Recommendation 1: improve communication with stakeholders

Recommendation 2: make accessible all centrally held documents

Recommendation 3: provide workable standard template building on existing materials

Recommendation 4: enhance research procurement skills and experience

Recommendation 5: streamline the access routes to procurement portals

Recommendation 6: gather performance metrics

Recommendation 7: adopt a continuous improvement approach

Recommendation 8: amend the framework terms and conditions