



merlin standard

BUSINESS SENSE ASSOCIATES LTD

COMPACT REPORT

CONTENTS

1. KEY INFORMATION	3
2. ASSESSMENT OUTCOME.....	3
3. METHODOLOGY.....	4
4. ABOUT THE ORGANISATION	5
5. AREAS OF SIGNIFICANT STRENGTH.....	6
6. AREAS FOR DEVELOPMENT	7
7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT	9
8. FINDINGS	10
9. CONCLUSION AND CONDITIONS OF ACCREDITATION.....	15

1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	06/06/2022
Assessment Dates	05/05/2020 – 06/05/2020
Lead Assessor's Name	PAUL HESP
Customer ID	C23368
Assessment Reference	PN104869

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	77% GOOD
1. Design	77% Good
2. Procure	85% Excellent
3. Contract	80% Good
4. Fund	87% Excellent
5. Develop	73% Good
6. Performance Manage	71% Good
7. Quality Assurance and Compliance	80% Good
8. Review and Close	60% Satisfactory

3. METHODOLOGY

Business Sense Associates Ltd (referred to as BSA or the Organisation) nominated a Coordinator to support the planning and scheduling of the Assessment. The Coordinator submitted a Self-Assessment Questionnaire, and Pre-Assessment Notes based on this were shared before the Assessment by the Lead Assessor. The Lead Assessor prepared an Assessment Plan, and the Coordinator created a Timetable for interviews in line with this.

A survey was completed by the Supply Chain Partners (two in number), and the results analysed. Both Supply Chain Partners were interviewed during the Assessment, including one present Supply Chain Partner and one exiting Supply Chain Partner.

The Assessment was undertaken remotely by two Assessors (Paul Hesp and Ruth Regan), using Zoom online video calling. Both Assessors gathered evidence over ¾ of a day. Reviews of documentary evidence were included, and interim feedback was provided during the Assessment.

The BSA Senior Management Team launched the Assessment with an Opening Presentation. It concluded with verbal feedback being given by the Assessors and discussed with the Senior Management Team.

Interview sessions were held with staff, and with Supply Chain Partners as follows:

- Six interview sessions with staff (three individual, three groups)
- Two interview sessions with Supply Chain Partner staff
- Two interview sessions with supply chain staff affected by TUPE¹.

¹ Transfer of Undertakings (Protection of Employment) Regulations

4. ABOUT THE ORGANISATION

Business Sense Associates Limited is a small independent business established in 2004 to support enterprise start-up and growth and was incorporated in 2013. BSA has a four-strong management team, business support and finance teams and a delivery workforce of nine business advisers. Based in Swansea, BSA is the Prime Contractor for the New Enterprise Allowance (NEA2) programme in Contract Package Area 14 (Wales), commissioned by DWP². This is the Organisation's second Assessment against the Merlin Standard, and the Assessment was carried out after the initial NEA contract was extended. No other contracts in which a supply chain is used for delivery are held.

The business has experience in supporting business start-ups, and before taking on the role of Prime for NEA2 had been a Supply Chain Partner in the preceding programme, NEA1. Since the last Assessment there has been a change in supply chain members. There are two Supply Chain Partners, one of which is in the process of exiting, having ceased taking on new client referrals in April 2019, and is currently "working the tail" of their caseload. The other has re-engaged for the duration of the contract extension.

In the revised BSA delivery model, 90% of the contract is now delivered directly, and the remainder allocated to the continuing Supply Chain Partner.

² Department of Work and Pensions

5. AREAS OF SIGNIFICANT STRENGTH

A number of significant strengths were identified during the Assessment and these are described below. The numbers in brackets refer to the criteria of the Standard:

Considerable thought and risk analysis had been input into the process of planning and agreeing the allocation of market share. The dialogue that took place with Supply Chain Partners was consultative in nature and built upon established organisational goals, a strategy for growth and geographical access to customers. Increasing the market share of the continuing Supply Chain Partner secured their commitment to the supply chain, while at the same time providing growth in direct delivery volume for the Organisation. As a result of market share rationale, confidence was high that both parties would be able to fulfil their obligations. (2.3)

Although simple, the strategy for funding and payment arrangements is highly effective. In recognition that the continuing Supply Chain Partner is a small organisation, the ability of the Organisation to make rapid monthly payments mitigates any cashflow risk arising from the payments on results contract. Substantial discussions within the supply chain ensured that the Organisation and their Supply Chain Partners fully assessed the potential impacts of a significant reduction in funding value before committing to contract. (4.1)

Communications within the supply chain are excellent. Every individual involved in delivering the contract has been identified, and highly effective strategic and operational relationships have been built. The Organisation has been proactive in ensuring clarity, and the issuing of revised and improved documentation to Supply Chain Partners has further strengthened relationships. The effect is complete clarity about who should be involved at all stages and in all circumstances. Communication is rapid and effective, removing the potential for any misunderstanding or delays to arise. A positive and open culture has been maintained since the last Assessment. (6.1, 6.2)

Supply Chain Partners are rapidly informed of changes in legislative and regulatory requirements. The effectiveness of communications and the high priority that BSA gives to keeping the supply chain up to date ensures that delays are avoided. When new arrangements are imposed, they are immediately evaluated, and carefully written alerts are sent out, with discussion to reinforce actions and clarify as required. This ensures certainty and consistency in any required actions. (7.1)

BSA has taken steps to fully embed their due diligence processes into monthly and quarterly reviews. As a result, the policies and practices within the supply chain relating to information security, health and safety, safeguarding and environmental sustainability are now a strength. The Organisation now monitors these aspects of compliance alongside performance review processes. Therefore matters that might otherwise be consigned to only an annual review have become topical and are monitored and managed on a "business as usual" basis. This means that any irregularities or oversights are identified and rectified promptly. (7.4)

6. AREAS FOR DEVELOPMENT

A number of areas where further development would be beneficial were identified during the Assessment. These are for the Organisation to consider as a contribution to continuous improvement. The numbers in brackets refer to the criteria of the Standard:

Some progress has been made in improving the approach to establishing common principles and behaviours across the supply chain, but further work is needed. It was found that the Organisation's own core values had been revisited, and a further value "One Business – one family" had been added. However, this was not consistent with the Induction Handbook issued to Supply Chain Partners, and there was an absence of agreement; it is fair to say that the values of BSA are respected within the supply chain, and that there is some synergy with those of Supply Chain Partners. To develop the approach further, the Organisation could consider using their own business values as a starting point, from which they could develop some supply chain specific principles and behaviours, with the proactive input of the Supply Chain Partners. This may be one way of securing their conscious agreement. (1.5)

Significant improvement was required against this criterion at the last Assessment, and whilst there has been some progress, more development is justified. It was found that BSA has made available to the supply chain an online course portfolio of some 500 courses. Uptake of this offer carries a cost to BSA, and their financial investment should not be overlooked. However, there has been extremely limited uptake of courses among supply chain staff. BSA has still not undertaken any form of training needs analyses as suggested in the last Assessment, and neither is there a process in place to monitor the impact of staff training on performance. It was found that the offer has been promoted to Supply Chain Partners as a resource for their customers to access, and although it is BSA's intention that supply chain staff should also access courses, the promotion of this offer has been subdued. BSA may wish to consider the value of identifying training needs and of being more proactive in promoting the value of these courses within the supply chain. (5.3)

The Organisation has limited visibility of the quality of delivery of its Supply Chain Partners. The current absence of observations by BSA, and/or of evaluating Supply Chain Partners' own delivery observations, means that the Organisation is over-reliant on trusting the supply chain to manage their quality independently. BSA carries out compliance audits of evidence submitted by Supply Chain Partners and monitors the customer experience by sampling and calling customers across the supply chain. This approach may be considered relatively low risk by the Organisation because they consider a successful track record has been demonstrated. However, the impact is that BSA has little visibility of practices that are being used, and this, in turn, limits the extent to which practice can be shared within the supply chain. In addition, consistency of practice is less assured. The Organisation may wish to consider re-establishing an effective monitoring practice covering the quality of delivery, including sharing with Supply Chain Partners the results of the Organisation's customer telephone feedback. (7.2)

Whilst the communication of Information, Advice and Guidance (IAG) to the supply chain is good, BSA do not monitor or otherwise ensure that the provision of IAG by Supply Chain Partners to customers is of high quality and consistent. In conjunction with the criterion above, the Organisation may wish to review its strategy for assuring the quality of Supply Chain Partners' IAG. (7.3)

This criterion was identified as one for further development at the last Assessment, but no compelling evidence was found of improvement. Anecdotal accounts only were found of the impact the supply chain has on the intended customer groups, and although some "Good News Stories" had been produced, there was no robust assessment of the impact. The Organisation still needs to formalise its approach to how it conducts and records an assessment of impact, be that annually, at the end of contracts or on some other planned timeline. In doing so, it should ensure that such an assessment is broad enough to gauge its impact on the wider communities in which the supply chain operates. (8.3)

The Organisation takes steps to monitor equality and diversity of staffing within the supply chain, but the leadership team has formed the view that there is limited value in monitoring equality and diversity across customers and asserts that the Commissioner takes some steps to do this. Leadership should dispel this misunderstanding and promote the value of monitoring customer equality and diversity as doing so could reveal differences in the impact of delivery. BSA does not monitor, for example, if business start-up or survival rates vary according to customer ethnicity, gender or other factors. Consideration should be given to reflect on the value of having such information available, as this would surely enable targeted improvements to be made where appropriate. This was also highlighted as an area for development at the last Assessment. (8.4)

"We don't record ethnicity: There may be a risk of stereotyping and we don't want the team to look at ethnicity or gender" - Staff

There remains some lack of clarity in the arrangements for review and closure at the end of the Supply Chain Partner / Prime relationship. At the time of the last Assessment, BSA had no experience of ending relationships, but since then one of the Supply Chain Partners is transitioning towards exiting. The approach to preparing and agreeing a process to handle the end of a relationship would still benefit from further development though, for instance to address potential remaining considerations of digital records held by Supply Chain Partners, and the desirability or otherwise of offering support or services to former customers after the relationship ends. It might be appropriate to consider including some guidance on how this would be handled in the Supply Chain Partner Induction manual, or elsewhere, as a common reference point. (8.5)

7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

The following areas were identified as needing improvement as there was limited or insufficient evidence found during the assessment (a score of less than 3). The numbers in brackets refer to the criteria of the Standard:

Identifying, sharing and monitoring cases of practice, and a process for generating an annual continuous improvement plan both remain areas requiring significant improvement. Limited evidence was found of both. In relation to annual quality improvement planning, it was found that there was evidence of intention and policy, but the documentation seen was heavily oriented to organisational objectives and risk management, rather than being an effective, robust action plan. BSA produces a Self-Assessment Report annually, but there is not a sufficiently robust review of supply chain performance within it, and it does not link to a documented action plan that would improve the performance of the supply chain. Improvements had been made since the last Assessment, but these appear not to have been managed using a formal action plan. BSA need to revisit these areas and ensure they formalise and document processes for sharing practice and creating and implementing annual improvement action plans. (6.6, 6.7)

"There's no annual review because we're doing it monthly" - Staff

Whilst some interviewees could make anecdotal links between supply chain delivery and instances of improvement in mental health, improvements in work-life balance and reduced anxiety or stress among individual customers, this falls short of being a managed assessment of impact. BSA needs to devise an approach that will ensure an assessment of the positive impact the supply chain has, not only on customers but on external stakeholders and the wider community. This area required significant improvement following the last Assessment, but no progress has been made. (8.2)

8. FINDINGS

The feedback below is reported against key criteria of the Merlin Standard, aligned with the “Plan-Do-Review” business cycle.

PLAN
<p>Through planning an effective supply chain, the range of Partners and how they are engaged ensures there is a group of organisations that cover a diverse range of providers that all understand the requirements of the contract and their contributions to achieving the desired outcomes.</p>
<p>Since the last Assessment there has been no requirement to redesign the supply chain. DWP extended the current NEA2 contract, but with significantly reduced funding. It was important to BSA to protect the integrity of the existing supply chain, and so the Organisation wanted to make minimal changes in proceeding with the contract extension. Their rationale, therefore, was to minimize risk and work within the existing arrangements if possible. The Organisation consulted with its existing Supply Chain Partners, and it was concluded that for one, it was no longer a financially viable contract. Consideration was given to introducing new Supply Chain Partners, but rapidly dismissed when it was able to conclude negotiations with one of the incumbent Supply Chain Partners.</p> <p><i>"It would have taken too long to get a new partner up and running so once we were sure [the continuing Supply Chain Partner] could manage an increase in their market share we were happy." - Staff</i></p> <p>An informal review of the supply chain has identified that significant increases in digital delivery is to be expected. Whilst no immediate action (other than responding to the Coronavirus outbreak) was necessary, steps have been taken to rework the EOI³ process to increase the prominence of digital capability, in readiness for future bidding rounds.</p> <p>BSA's handling of TUPE considerations has been good. At the time of the contract extension, one Supply Chain Partner decided to exit, and BSA was proactive in transferring staff who were identified as being involved in delivery. Also, an agreement was made between the exiting Supply Chain Partner and BSA that other staff would also be redeployed. This ensured continuity of service to customers, as well as enabling the exiting Supply Chain Partner to fulfil their remaining obligations in winding down their delivery.</p> <p><i>"It was the easiest and most straight forward TUPE I've been involved in – it was all very easy and well handled" - Staff</i></p>

³ Expression of Interest

Performance obligations are still clearly defined and realistic, and consultation at the time of contract extension was engaging and effective. Dialogue provided good opportunities for exploring the potential impact of reduced funding on the supply chain's ability to maintain its track record, and all parties were confident and clear about expectations. Documentation updates including contracts, Induction Handbooks and Process Handbooks all support the revised performance obligations.

Due consideration was demonstrated by the Organisation in the open and proactive way it consulted with the supply chain on contract extension. The Commissioner imposed a significant reduction in funding, and BSA immediately identified this as a risk to quality and financial management. At the most senior level BSA led exploratory conversations with Supply Chain Partners to identify potential impact. BSA was able to mitigate financial risk to the continuing Supply Chain Partner (a small organisation) by ensuring rapid payment of claims. This has been done without undue risk to BSA, by paying Supply Chain Partner claims within three weeks, and after receipt of the payment from the Commissioner to the Prime.

"Ten to 15 days for payment, that's remarkably good" - Supply Chain Partner

DO

Supply Chain Partners are supported to develop their services to meet or exceed expected performance and quality assurance requirements.

Good practice was found in the way BSA supports its Supply Chain Partners to fulfil contractual obligations. In respect of the exiting Supply Chain Partner, care was taken when transferring staff under TUPE to also ensure that sufficient experienced staff remained to “work the tail” of the contract effectively, and this has proved successful in practice. More recently, BSA has carried out marketing campaigns on social media to drive demand among potential clients from NEA referrals in the geographic area covered by the continuing Supply Chain Partner. The campaign has been effective in prompting claimants when in discussion with Jobcentre Plus staff to raise the potential of referral into the NEA programme. BSA has also spent time in a peer mentoring capacity with the continuing Supply Chain Partner to highlight the potential financial impact of a major downturn in payments for 26-weeks trading (of customer start-up businesses), because of the present lack of referrals from Jobcentre Plus during Coronavirus restrictions.

The underlying culture across the supply chain remains open and honest, and people can and do raise any issues promptly. No-one feels any anxiety in raising matters of concern. Communications are effective, and it was noted that communication channels adapted quickly and effectively to respond to Coronavirus restrictions. Prior to restrictions, attendance at events, including social events, had become the norm within the supply chain, and strong interpersonal relationships have been formed. The supply chain believes that good personal relationships speed up communications. The exiting Supply Chain Partner had some internal processes that were not changed to support the supply chain's claim processes, and this caused some inefficiencies and administrative difficulties for the Organisation. However, dialogue remained positive throughout.

“We have a very open relationship – we say things as they are – we have always been able to talk things through and can raise anything with each other.” - Supply Chain Partner

Management information systems are relatively basic yet effective, relying on a bespoke spreadsheet, known as the Tracker. BSA had investigated the feasibility of procuring a CRM⁴ in the marketplace but, after due research, concluded that it would not be financially justifiable for the remaining contract period. Instead, it has made some refinements to its Tracker, which means the availability of performance data has speeded up, and there are now fewer discrepancies apparent during Monthly Partner Performance Reviews. Data is input by the Organisation on sight of evidence emailed by Supply Chain Partners, and reporting is organised against established KPIs⁵. Data from the Tracker, which identifies each delivery Advisor's performance, is shared weekly with Supply Chain Partners.

⁴ Customer Relationship Management

⁵ Key Performance Indicators

Policies, processes and activities that monitor the quality of delivery and the customer experience were considered good at the last Assessment, but some aspects would now benefit from further development. The arrangements are satisfactory overall, with BSA sampling customers and carrying out informal telephone calls to gauge their satisfaction with the service received, and any concerns raised follow-up by the Organisation's management. Results of these calls are not shared with the supply chain, however. The Organisation audits all evidence received from Supply Chain Partners, reviewing documents for completeness and compliance. However, this is from an administrative perspective rather than as a judgement of professional practice. BSA carries out observations of its own staff's delivery and acts appropriately on the findings but does not extend this to the Supply Chain Partners' delivery, and nor does it monitor the Supply Chain Partners' own arrangements for observations.

REVIEW

Review and evaluation is used to demonstrate the impact of the services delivered and continuously improve service delivery.

Limited evidence was found that the Organisation assesses the measurable impact of supply chain activities. Anecdotal evidence was shared which demonstrated that the Organisation and its Supply Chain Partners independently recognise some impacts of their activities, for example in contributing to the economic prosperity of local communities and reducing unemployment. A "Social Value" document was produced during the Assessment, but this was a statement of intent rather than evidence of an assessment being carried out. The document expressed the Organisation's commitment to, for example, encouraging the supply chain to use local suppliers and local labour, to promote citizenship in local communities and to "give back to the community". However, no evidence could be found that such measurable impacts have yet been formally assessed.

Anecdotal evidence was also found of the positive impact of the supply chain on intended customer groups, but not on external stakeholders nor the wider community. As above, a formal assessment of impact has not been carried out, and so only limited evidence was relied upon. "Good news stories" produced by Supply Chain Partners often highlight customers' low esteem at the point of engagement, confidence-building because of the support from the NEA programme, and some of the positive impact that NEA has had on individuals is also captured. More work must be done to effectively assess the impact on intended customer groups, external stakeholders and the wider community in which the supply chain operates.

9. CONCLUSION AND CONDITIONS OF ACCREDITATION

BSA have made good progress in some areas and raised their overall score significantly. There was modest improvement in Performance Management and had an effective annual improvement plan been in place this could be significantly better. Design saw the biggest improvement overall, but Review and Close continues to present the most significant challenge and opportunity for the Organisation.

The senior leadership team should be mindful that any significant organisational or senior staff changes, and / or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure BSA continues to operate in line with the Merlin principles.

Holders of the Merlin Standard Accreditation must:

- Maintain and continually improve upon their approach to Supply Chain Management.
- Cooperate with annual Reviews as required by Assessment Services Ltd
- Inform Assessment Services Ltd (merlin@assessmentsservices.com) or their Lead Assessor if the key contact name or contact details change.
- Inform Assessment Services Ltd of any significant changes made to the organisational structure, senior management or systems that may impact on their accreditation; email: (merlin@assessmentsservices.com)
- Inform Assessment Services Ltd immediately if they gain additional contracts.
- Inform Assessment Services Ltd of any serious complaint or rise in numbers of complaints received from Supply Chain Partners.
- Not undertake or omit to undertake any activity that may be misleading and/or may cause Assessment Services Ltd and/or the Merlin Standard to be brought into disrepute.
- Only use the Merlin Standard Quality Mark for the areas within the scope of the accreditation and in accordance with the guidelines.
- Ensure in cases where accreditation is withdrawn or where they do not come forward for Accreditation Review, remove from display any certificates or plaques issued by Assessment Services Ltd and do not display the Merlin Standard Quality Mark, nor refer to being a former holder of the Merlin Standard.
- Be aware that Assessment Services Ltd reserves the right to remove any accreditation and/or certification previously applied if payment is not received for services provided.
- Submit their Booking Form for re-accreditation to the Merlin Standard at least 4 months prior to the accreditation anniversary date ensuring all pre on-site activity is completed in a timely way including planning, payment, completion of the Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview scheduling. Accreditation Reviews are due 2 years from the anniversary accreditation date; it is expected that organisations will be assessed by this date or will risk being de-accredited.

ASSESSMENT SERVICES



PO Box 14,
Grantham,
Lincolnshire NG31 0EL

T: 0044 (0) 2038805059

E: merlin@assessmentservices.com

https://twitter.com/merlin_standard