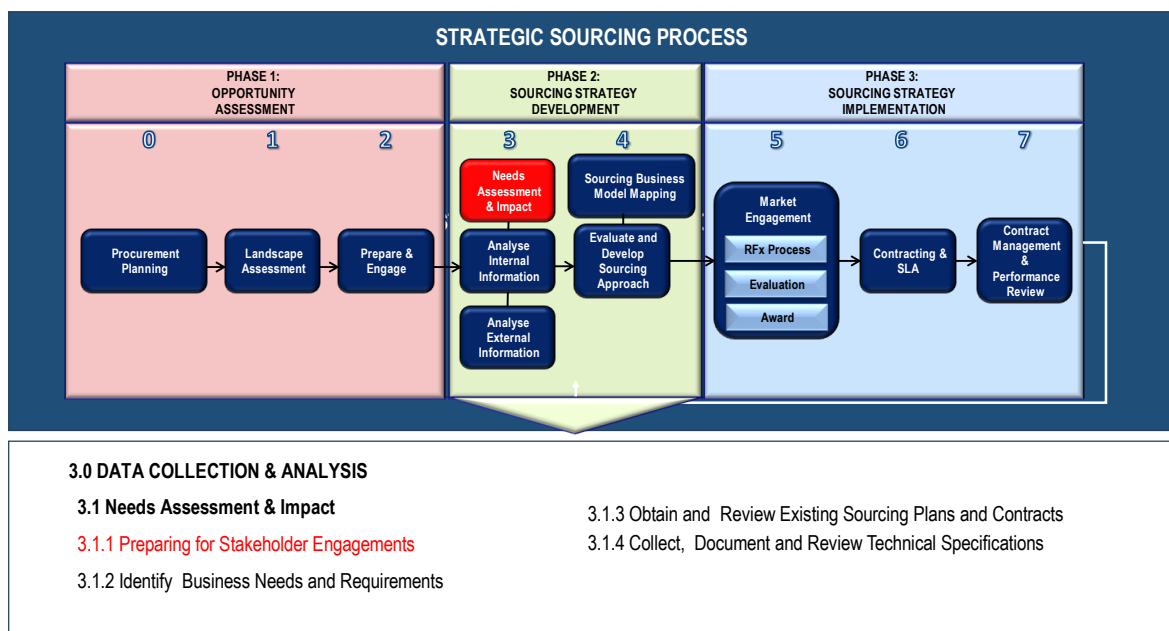


Using this guide

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>. The SPF can be found here: http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf

PREPARING FOR STAKEHOLDER ENGAGEMENTS



1.0 Introduction

- i. The needs assessment involves engaging with the key role players, so as to align their needs to the business needs, and reviewing the existing sourcing plans to check their continued relevance to meeting the current and future organisational needs.
- ii. The following good practice guides and templates are applicable when preparing for stakeholder engagement:
 - a. Why engage with stakeholders
 - b. What are the objectives of stakeholder engagement?

- c. How far does stakeholder engagement go?
- d. Stakeholder engagement (template)
- e. Stakeholder mapping matrix (template)

1.1 Objective

- i. To fully prepare for stakeholder meetings to get maximum value out of the engagements.

1.2 Output

- i. A stakeholder meeting schedule

2.0 Good practice guides

2.1 Why engage with stakeholders?

- i. Stakeholder engagement is very important as it has the following benefits. It:
 - a. Improves communication to ensure the highest level of trust and accountability.
 - b. Keeps the market and end-user communities informed about supply opportunities and initiatives.
 - c. Assists with managing end-user and supplier relationships during the sourcing process.
 - d. Assists with managing complaints, enquiries and debriefs.
 - e. Provides timely, accurate and relevant information to the market and end-users.
 - f. Is central to a positive view of government and supports supplier participation in the government marketplace.
- ii. Good stakeholder engagement can help an organisation meet their business objectives.

- iii. Collaborative and mutually beneficial relationships can deliver greater levels of innovation and competitive advantage than could be achieved through a traditional transactional purchasing arrangement.

2.2 What are the objectives of stakeholder engagement?

- i. The objectives of stakeholder engagements are, amongst others:
 - a. To improve transparency of procurement-related information;
 - b. Map the actions, processes and activities when engaging the supply market;
 - c. Obtain relevant information from the supply market as well as the user community; and
 - d. Adopt new ways of engaging with stakeholders, for example, procedures for encouraging innovation and market-based solutions.

2.3 How far does stakeholder engagement go?

- i. Every staff member is responsible for building and maintaining good relationships, especially with suppliers.
- ii. This applies primarily to procurement staff, project managers and contract managers, but also includes employees who make occasional purchases (provided they have been given authority to do so).
- iii. It is important that stakeholders hear the same message and receive the same fair treatment from every level of the organisation.

2.4 Practical advice when engaging with stakeholders

- i. State the purpose of the meeting and the outcome you seek.
- ii. Invite the right people.
- iii. Think about preparing a presentation and agenda that is purposeful and "sells" the message.
- iv. Decide on a time limit but be sure to allow adequate time for brainstorming, questions and healthy debates.

- v. Schedule meetings well in advance.
- vi. Distribute the agenda, meeting objectives and any reading material in advance so that attendees can prepare.
- vii. Prepare a list of questions to elicit opinions and ideas and to obtain relevant information.
- viii. ALWAYS be on time, dress appropriately and professionally conduct yourself.
- ix. Circulate an attendance register and keep it on record for future engagement and communication purposes.

3.0 Templates

3.1 Stakeholder engagement

Stage of Plan Preparation	Purpose of Stakeholder Involvement	The Stakeholders to be Involved	Methods of Achieving Involvement	Who is Organising the Involvement
Stage 1: Business Requirements	To identify business requirements	Internal (stakeholders within the institution)	Brainstorming sessions.	User/SCM/Project Manager
Stage 2: Opportunity Analysis	To identify opportunities for strategic sourcing	Commodity experts, industry experts, internal & external	Risk profiling of each opportunity including development of a business case.	SCM/User/Project Manager
Stage 3: Market Analysis	To undertake the market and business landscape including available regulations	All. This may include external stakeholders as well	Use of analytical tools such as portfolio analysis, PESTLE, Supplier Preferencing matrix, Kraljic Matrix, Porter's Five Forces and SWOT.	SCM/User/Project Manager
Stage 4: Category Data	To consolidate data and interrogate data	All	Spend analysis, regulatory data, market data and supplier data (supplier segmentation data)	SCM/User/Project Manager
Stage 5: Implementation and evaluation	To decide on the implementation plan	All	Decide on the rules of engagement and the kick-off date	SCM/User/Project Manager

Table 1: Stakeholder Engagement

3.2 Stakeholder Mapping Matrix

Stakeholder	Classification		The stakeholder responsibility	Interest		Influence	
	Internal	External		High	Low	High	Low
End-user	✓		The end-user is the line functionary who initiates the procurement process by setting the requirements for the goods or services to be procured.	✓		✓	
Technical expert	✓		This is a subject-matter expert who is responsible for compiling technical specifications. Technical experts, who are officials, may be members of the BSC. Their role is usually to provide insight and technical advice on the commodity to be procured.		✓	✓	
Legal experts	✓		The final decisions of the various bid committees may have legal consequences for the institution. The legality of the SCM process must be safeguarded all the time.	✓		✓	
SCM units and the Head of SCM	✓		A fully-fledged SCM unit must be established in the Office of the CFO to implement and maintain the SCM system. Provide both compliance-related advice and supply market-related advice. Custodian of the strategic procurement framework.	✓		✓	
Chief Financial Officer (CFO)	✓		SCM is an integral part of financial management, and the	✓		✓	

Stakeholder	Classification		The stakeholder responsibility	Interest		Influence	
	Internal	External		High	Low	High	Low
			SCM unit must be established in terms of regulation governing supply chain management. The CFO must establish appropriate organisational structures and appoint fully skilled and professional SCM staff.				
Accounting officers (AO) / authorities (AA)	✓		AO/AA have the responsibility to maintain an appropriate procurement and supply system in line with sect. 217(1), and are fully responsible, and should be held accountable, for any expenditure relating to SCM within their line of responsibility.	✓		✓	
Auditor-General		✓	To ensure that there is no SCM system abuse and there is compliance with the regulations, Acts and policies governing SCM.		✓	✓	
National Treasury		✓	The NT promotes and enforces transparency and effective management concerning revenue, expenditure etc.	✓		✓	
The OCPO of the National Treasury		✓	Formulates and advises on policy, administer national legislation, and ensures that policies and legislation are implemented in an appropriate, consistent, and systematic manner.	✓		✓	

Stakeholder	Classification		The stakeholder responsibility	Interest		Influence	
	Internal	External		High	Low	High	Low
			Audits the performance of AO/AA concerning Adherence to SCM regulations, treasury instructions, guidelines, policies, norms, and standards; efficiency of procurement etc.				
Provincial Treasuries		✓	Provincial Treasuries normally have a similar organisational structure as the National Treasury.	✓		✓	
Suppliers		✓	Clear specifications	✓			✓
The public and communities		✓	Service delivery	✓		✓	

Table 2: Stakeholder Mapping