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The Merlin Standard FND1 Pilot Assessments What Have We Learned?



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Background to the Pilot

Pilot Overview



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- There remain challenges as to whether an assessment based standard is the best vehicle for stewardship and good behaviour
- Self assessment and draft assessment results confirm positive results can be achieved for providers at all levels
- Web portal and mediation & arbitration service will further support effective prime contractor led supply chains



Headline Findings



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- Initial results have produced a normal distribution of excellent, compliant and unsatisfactory outcomes
- Behaviours at prime and non-prime level have already changed for the better as a result of the Merlin process
- Improved behavioural norms will help to support shorter procurement timescales





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The FND Phase 1 Assessments

The Role of Carley Consult



- Awarded 2 year Merlin pilot contract by DWP in 2009,
- Role to design standard and assessment model in collaboration with DWP and Advisory Group
- To conduct a national series of pilot assessments to test and refine the criteria and model
- To design and develop the Merlin web portal



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The Purpose of Pilot Assessment

- Purely aimed to inform the design and progression of the Merlin standard model at this stage
- That said, a clear benefit for participating primes to take stock of current supply chain arrangements
- There are no penalties or rewards at this pilot stage, results will not influence DWP commissioning
- Reports will not be published for pilot assessments, they will only be shared with each individual prime
- A summary report of the pilot assessments is available on the DWP website

The Scale of Assessment



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- 7 week assessment window – March to May
- 13 FND1 providers assessed
- A team of 9 different assessment staff
- Over 1000 assessment hours delivered
- Over 70 prime provider staff interviewed
- Feedback from over 100 subcontractors
- 7 assessments observed by DWP



Key Lessons – Assessment Design



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- Overall scale of assessment was about right
- Almost without exception, primes felt that the SAR provided a positive experience
- Preference of more on site assessment rather than submission of hard copy evidence in advance
- Telephone and face to face interviews with supply chain partners yielded the most useful information
- Assessments need to be scalable to the number of contracts and supply chain complexity of each prime
- Lead time of preparation for assessment and write up of assessment reports needs more consideration



Key Lessons – The Standard



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- Still some duplication between different Merlin criteria (e.g. “Supporting People” and “Value for Money”) which has now been removed
- Some criteria, such as “Supply Chain Review” were harder to evidence at this point in delivery
- Need for a guidance glossary to ensure common understanding of Merlin terminology
- More guidance needed in terms of how to effectively present and submit evidence against the criteria.

Overall Average By Principle

A horizontal bar chart with four bars. The top bar is purple and labeled 'Supply Chain Design'. The second bar is green and labeled 'Commitment'. The third bar is red and labeled 'Conduct'. The bottom bar is blue and labeled 'Review'. The bars are set against a white background with vertical grid lines.

Principle	Overall Average
Supply Chain Design	~85%
Commitment	~65%
Conduct	~80%
Review	~65%

Supply Chain Design

Commitment

Conduct

Review

Key Lessons – The Results



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- Good behaviour clearly exists, but equally plenty of scope for further supply chain improvement
- Considerable variety in terms of the different supply chain solutions of different prime providers
- Fairness concerns of supply chain partners less than expected – balanced by examples of favourable treatment, including payment terms
- Safeguarding, supply chain review, and market share allocation are general improvement areas.



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Next Steps in the Pilot Process

Next Steps



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- Time and cost of the Merlin process must deliver benefits in conjunction with other DWP interfaces with providers
- Behavioural norms and best practice should provide added value to supply chain management for all parties
- Web portal facility should be a valuable resource for providers at every level, reducing the procurement cost burden



Assisting Next Steps



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- Next steps and ultimate success of Merlin will rely on continued influence and contribution from providers at every level
- There is a Merlin space on the DWP website where the standard and supporting information is posted and updated



And finally.....



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- If you want to know more, please do not hesitate to contact us
- If you have thoughts or suggestions about the Merlin pilot, you can contact the Merlin team at merlin@dwp.gsi.gov.uk

