

Cross-Party Group on Women in Enterprise: Procurement

Wednesday 16th November 2022

Held via Zoom

Minute

Present:

Carolyn Currie, WES; Bronwen Thomas, WES; Sophie Rooney, WES; Lynne Cadenhead, WES; Evelyn Mcdonald, Scottish Edge; Ruth McElroy, FSB; Ann Johnson, Blaze Manufacturing Solutions; Kathleen Riach, University of Glasgow; Jackie Brierton, Growbiz; Pauline Macdonald, Marine Ferguson; Mairi Macdonald, Royal Bank of Scotland; Julie Hall, ABS

MSPs:

Collette Stevenson MSP, Gillian Martin MSP, Paul Mclennan MSP,

Invited guests:

Non-MSP group members:

Apologies:

Christina Scott, Rachel Cook, Julie, Grieve, Jane Grant, Kerry Hammond, Jackie Baillie MSP, Katy Clark MSP, Mandy Bailey, Michelle Thomson MSP

Proceedings:

Welcome and introductions, Convenor Gillian Martin MSP

Gillian Martin passed to Secretary, Sophie Rooney, to convene AGM portion of meeting

- 1st item election of a Convenor – Carolyn Currie proposed Gillian Martin MSP, Bronwen Thomas seconded
- 2nd item election of Vice Convenor – Gillian Martin MSP proposed Michelle Thomson MSP, Ann Johnson seconded (Acceptance confirmed by Michelle Thomson following the meeting)

- 3rd item election of a secretary – Bronwen Thomas proposed Sophie Rooney, Carolyn Currie seconded
- 4th item election of Treasurer – Sophie Rooney proposed Carolyn Currie, Lynne Cadenhead seconded

Secretary passed to Carolyn Currie to address global entrepreneurship week and women's Wednesday

Carolyn Currie passed to Gillian Martin to introduce presentations

Gillian introduced all speakers Ann Johnson from Blaze Manufacturing Solutions, Pauline Macdonald from Ferguson Marine and Ruth McElroy from FSB

Gillian passes to Ann Johnson:

- The way blaze win's work is usually through reputation
- Very male dominated world – isn't aware of another female in it globally
- Started to try bid for local authority contracts and the most time they've been given notice of a contract is 3 days
- Blaze worked on the New Edinburgh Hospital – generally Blaze come in when a big player has made a mistake or they can't do it anymore, they fixed the issue but then realised they couldn't bid for any work as they give out 15-year contracts which doesn't allow for any innovation – Ann has raised this issue in Holyrood
- Hardly any work in oil and gas currently – operators have publicly declared they are not going to use the SME community and instead give work to tier ones. This means the SME community is dying as there is no work or feed down for them. The reason operators use the method of tier ones is so they only have to manage one vendor instead of multiple. Understandably this is a supply chain strategy however if companies don't support the SME community which there are a lot of women in, there is less competition in the supply chain.
- Ann has an invitation to present at data centres however as the event is in London, the networking part of the event will be done in the pub, it's very male dominated so much so Ann is not going to the event and is sending someone else in her place because she is not comfortable networking in a bar/pub with lots of men
- Still a real issue of 'old boys network' in Aberdeen – friends giving their friends contracts, tends to be PE companies owned by men that give work to companies that they also own so it freezes the market
- Being a woman in Ann's industry you do stand out

Gillian responds to Ann by remembering when she went freelance and experienced when she was bidding for a large comms project, she didn't get that contract because she didn't have 'flashy premises' and resonates with the pub culture as she remembers being host to men coming up to do various safety videos for the chemical companies she was working for and them expecting her to take them to pubs and strip bars.

Gillian passes to Pauline Macdonald:

- Pauline's background in procurement and supply chain
- Pauline has been in Canada for the last 6 and half years
- She was on the board of directors for WBE Canada helping women owned business specifically – the CEO of the company was working with govt to mandate that a certain percentage of all public sector bids went to women owned businesses - In Canada 5% of every single public sector contract has to go to indigenous suppliers and so she was fighting for the same for women owned businesses
- WBE helped certify suppliers so they could use the WBE Canada logo so that when the public sector went out to tender, they could ask if they were certified – if a company is certified they know all the due diligence has been done on suppliers, it was definitely women led, certificates were valid 2 years however they can be taken off them at any time if they are in breach, WBE also ran courses to help with bidding
- Old boys club easier to control and govern in public sector but very hard to do so in private sector – a lot of who you know rather than what you know
- As a women owned business you have to go above and beyond to show your worth
- To have a register of how many SMEs suppliers in Scotland would be helpful to get people signed up and show public sector these women owned businesses have gone through due diligence and they are certified it would minimize risk for them so more chance of winning business
- WBE magazine – shows all the good work that has been done

Gillian responds to Pauline commending opening the door to talent that wouldn't get through the door by committing to making sure they are diverse

Gillian passes to Ruth McElroy:

- Small businesses contribute about 68bn to the Scottish economy
- Public sector procurement statistics very patchy – scarce data of equality statistics when it comes to examining the experiences of women in procurement
- Local authority spend show despite making up about 93% of entire business community, micro businesses only get less than 5% of procurement spend by value but largest companies get more than half – long way to go as big disproportionality here
- A major policy directive of the current Scottish Government is Community Wealth Building – a commitment to growing and maintaining the wealth of local places
- FSB have assessed for every pound that is spent with a small business roughly 67p of that goes straight back into the local community – whereas spending it at a large multinational only 40p of that goes into the community – real and tangible benefit to local areas in increasing procurement spend of local businesses

- Barriers to procurement from a small business perspective
 - time: procurement applications are long and hard, public contract Scotland is not intuitive, benefit of money that could be made for a small contract doesn't outweigh the cost in time that it would take a small business
 - Bureaucracy: complexities of projects that run across areas/departments; nationwide suppliers
 - Payment: most existentially threatening, problems occur further down the supply chain where larger suppliers fail to pay subcontractors on time – risk reputational damage, big power imbalance so hard to chase
- Proposals
 - FSB estimate if local authorities were to increase their local procurement spend by 2% every year that would add £140 mil to economy within a handful of years
 - Introduction of statutory targets for local spending – gap is large at the moment but setting a target allows for benchmarking
 - Public buyers should be compelled to examine payment practices of larger providers at bid stage to ensure sub-contractors will be paid on time
 - Ensure legislation is joined up – Community Wealth Building cannot work against other policy directives, cost of living crisis meaning the imperative to spend less money and spend it in a more fair and equal way don't go hand in hand

Gillian thanks speakers and opens up the floor for questions:

- Collette Stevenson MSP – she was director of SDP involved in procurement in south Lanarkshire – bug bear of hers is SMEs not being able to get onto the frameworks in public procurement. Collette is trying to push at a govt level for supply chain visibility – a clause should be introduced in a tier one contractors framework agreement that says they have to have supply chain visibility to show who they are using so that info can be passed down to local authorities. SDP help SMEs to get tender fit – encouraged getting in touch
- Jackie Brierton - from growbiz, helping rural businesses diversify their income streams by looking at procurement but they have even more barriers than businesses near the central belt – lots of contracts they'd be able to deliver they are excluded from because of geography. Off the back of Pauline's point making sure a percentage of contracts go to women is hugely important way of helping women access procurement but something about the culture within corporates in the UK that make it difficult to progress that idea. WeConnect is the UK version of what is happening in Canada. PCS site is a nightmare – needs to be made much more user friendly and community wealth building is a huge opportunity but is being hi-jacked by local authorities – not enough inclusiveness to make that work for local supply chains.

Gillian says to Carolyn Currie community wealth building might be something worth getting the minister Tom Arthur involved in response to Jackie's point.

- Paul McLennan MSP – using MSPs to get connections with female entrepreneurs is really important. Element of looking how business gateways can help more women start up, figures are 20% men vs 8% women. Local authorities need to make the procurement process much more open. Identifying barriers and working with local MSPs to try and break these down. Identifying key sectors of growth in the economy is important eg renewable sector lots of opportunities for women to grow. Look at employee ownership programme is also key element in helping women.

Gillian highlights it's not enough to break barriers, but you need to set targets.

- Carolyn Currie – Agrees with PCS points, it isn't an intuitive system. Inherent within that system is structural inequality which is a challenge women have to face daily and any public contract system should address these inequalities, not enable them. Carrie reflects evidence of how the system isn't working - often contracts are procured on a 70/30 quality-price basis, on a 70/30 basis it is possible to undercut on the basis of price but if you have a procurement based on 80% quality and 20% price it is less possible over someone with poor quality to undercut solely based on price – how are we applying that quality criteria systematically? Obvious from Pauline's presentation the strategic gains made in US and Canada of having targets that holds to account progress. Carrie shared a recent experience from a business tendering in the public sector for a contract and when they turned up to present the first comment made to the leader of the business was “oh, you've brought the glam squad with you today” as it happened, she had turned up with a team of all women that day. When they were unsuccessful the feedback they were given was “you were the cheapest but we didn't think you could deliver it at that price, so it was given to another org” which was an org based outside of the UK. Example from WES – WES had helped set up a particular initiative pro bono, it was successful however WES was then advised through a contact, a tender had been put out to deliver the services that would embed this strategy. WES were not approached to tender. One of the organisations asked to tender approached WES to deliver a joint tender. A draft tender was completed, then at the last minute the other organisation decided they as an org would not take enough income out of it by collaborating with WES and pulled out the day before the bid closed. WES were then unable to submit a tender alone, as they had not been asked to tender”
- Lynne Cadenhead – From the point of view of an early-stage entrepreneur getting any early-stage income through procurement is a game changer and can be transformational especially if they are going out to raise equity funding further down the line. Need to look towards US and Canada and adopt their practices.

Feedback from our women entrepreneurs looking to scale in the US who are being told they need to become a women certified business.

- Pauline Macdonald – a percentage of spend set aside by orgs should help. Where to go can be an issue for procurement people, something like a database of accredited SME's would help in being able to find SMEs with the right skill sets. Struggles on both sides – procurement people struggle to find suppliers, SME's struggle to get the work
- Paul McLennan – raises point that the chartered institute of builders has a diversity programme
- Ruth McElroy – Issue of certification, procurement application for a small business. How can we organise information about companies in a way that you're not spending all your time filling out forms to self-certify that aren't going to get you anywhere – as a goal this is good but practically this can be very time consuming for small businesses so more thought needs to be put into this
- Carolyn Currie – US and Canada have the highest proportion per population of women owned businesses. They are on double the level of women start-ups than we do in the UK
- Jackie Brierton - highlights Scottish Enterprise not working with small companies – not working with business under 10 employees but how will they get to work with businesses over 10 if they don't work with smaller ones

Gillian remembers when she was in the economy committee that one of her colleagues made the point that they throw money at those who are already successful.

- Jackie Brierton – Scottish Enterprise cover the biggest rural area in Scotland but do nothing for the rural economy including helping them with procurement
- Evelyn Macdonald – met with Jane Martin from Scottish enterprise has said Scottish enterprise not wanting to work with businesses with under 10 employees wasn't the case, Evelyn responded she could provide emails to Jane of Scottish Enterprise employees telling people that and asked for any other evidence of the same thing to those on the call to be provided to her so she could feedback the evidence to Jane

Gillian thanks attendees and closes meeting.

Meeting closed at: 19:22

