



**Case Study:
VEN Group**

KEY ASPECTS:

- Innovation benefiting both customer and supplier
- Collaborative working
- Sustainable financial benefits
- Risk efficiencies

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VEN Group:

Groundbreaking approach sees SMEs collaborating to compete for business

An innovative approach to business in the Yorkshire and Humber Region is affording SMEs access to public and private sector large-scale contracts – contracts that would otherwise be beyond their reach.

The challenge: promoting opportunity

Large-scale contracts can represent golden opportunities for SMEs – but only if they can first access invitations to tender and then respond to them following exacting, and often exhaustive, procedures. For small companies in particular, this can be a difficult and potentially expensive process.

The solution: working together

Yorkshire Forward’s response to the problem was a pilot project to help SMEs work together to increase market opportunities through collaboration. The response from SMEs and large procurement customers was so positive that in April 2006 the VEN project became a separate group of companies – the first wholly-owned business established by a Regional Development Agency.

Case Study: VEN Group

The action: matching organisations with opportunities

“We work closely with our member companies, offering them a wide range of services to support them in collaboration,” says Wendy Ashton, Head of Membership Development. “By identifying and mapping the core competencies of member organisations we can match their collective capabilities with business opportunities from multiple sectors. The beauty of the VEN model is that buyers can engage with numerous suppliers through a single legal entity and just one point of contact. It is actually a simple approach, but one that is still rare, globally.”

In response to an opportunity, a group of members is brought together to form a Virtual Factory, a legal entity which will continue to exist for the duration of the contract if the bid is successful. The Virtual Factory uses VEN’s IT system, cost management, legal and governance frameworks and processes to work together on a collaborative bid. The bid price, though competitive, achieves sustainable profits for members.

“A very important element for SMEs is risk management,” explains Wendy. “We take our members through cost setting and risk profiling, and we provide training in activity-based costing. Traditionally, SMEs are not strong in this discipline, and this has held many back from responding to competitive tenders.”

Other benefits for members include a networking forum to create and share new ideas and an online profile to promote their services to other members and potential customers. They can even use VEN Group’s IT platform as their own company intranet.

“There are many new and exciting areas in development,” says Wendy. “For example, we are currently working with the White Rose Health Innovation Partnership and Medlink to see if our model can be used to join up the health services required for obese patients in the region.”

The result: improved response to contracts

VEN Group enables its members to offer more competitive, sophisticated and flexible responses to contracts, thereby winning more than they could alone. Since inception, in sectors as varied as aerospace, marine, healthcare, advanced engineering and manufacturing and the digital, creative and media industries, the organisation has facilitated opportunities valued at around £5m.

For procurers, VEN Group’s work means greater access to the diverse range of goods, services and specialist skills that comes from working with a variety of companies, but at lower cost and risk. It also affords them the value for money and enhanced service levels that come from dealing with just one contract and supplier. ■