

SHG BUSINESS DEVELOPMENT STRATEGY

2022 - 2025

“An entrepreneurial, values-focused approach to business growth”.

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1.0 INTRODUCTION

SHG has ambitious growth plans that places the development and transformation of services at the centre of its priorities and individual Business Plans. This Strategy sets out a framework within which SHG can deliver these growth ambitions over the next three years.

1.1 The aims of this Business Development Strategy are to:

- Establish a strategic framework that facilitates and enables SHG's growth ambitions – building on individual business area Strategies and Business Plans, ensuring success, whilst considering the whole group strategic goals and mission.
- Consolidate the work to date on Business Development processes – building on the externally audited Business Development bid or no bid decision making, submission development, sign-off and follow up processes.
- Clarify roles and responsibilities with regards to Business Development – ensuring organisational buy-in and input from all areas of the Group.
- Guide the identification of new business areas and ensure business units are resourced appropriately and tender ready through timely transformation, marketing and delivery innovation input.
- Ensure Business Development has the right resources at the right time – maintaining a strategic oversight of core Business Development capacity and the input required from subject matter experts within services.

2.0 CONTEXT

- 2.1 Business Development is central to the mission of 'One Team, Transforming Lives'. Business Development and wider growth activities belongs to everyone, from frontline colleagues to Board members. Business Development is more than increasing income, it's about change, innovation, social impact and, ultimately, better customer outcomes.
- 2.2 The Group has set a strategic ambition to continually grow and transform services, to bring in more money to support core services to customers. To date it has invested in a newly formed Assistant Director of Business Growth and Transformation to drive forward this ambition. Within this business area is a dedicated Business Development Manager and Transformation Team that oversee major change and transformation projects within the Group.
- 2.3 Whilst individual service areas have their own dedicated Business Plans, to date there has been no overarching Business Development Strategy for the Group, which sets out a clear framework for new business tendering, assessing bids, identifying potential new markets, and clarifying roles and responsibilities across the Group. This Strategy will bring all of these areas together, to ensure Business Development is carried out consistently, and with greatest impact, across the Group ensuring successful delivery of Business Plans.

- 2.4 SHG's reputational and service delivery excellence is, and will remain, the organisational priority. Whilst growth is a key part of SHG's future ambitions, this will not be at the expense of that excellence, rather it will serve to enhance it further, adding value to the organisational impact, not diluting it.

External influences

- 2.5 As a consequence of Brexit, the Government released a Green Paper in December 2020 entitled 'Transforming Public Procurement'. Although this primarily focusses on the UK/EU trade arrangements it will also impact on procurement at a local and regional level, giving significantly greater discretion to authorities on procurement processes. Whilst this does not change SHG's Business Development strategic goals, it will inform them. Changes will push to the fore commissioner's emphasis on localism, social impact and added value.
- 2.6 There is a move in public sector procurement towards larger more consolidated service delivery contracts, driven by the need to create economies of scale through commissioning. Whilst this has increased the scale of opportunities, it has also served to create fewer opportunities and therefore a more competitive marketplace. This can be seen across all sectors from Health and Social Care to Construction and is unlikely to change in approach as Local and Health Authorities begin to explore City Region pooled budgets.
- 2.7 The 'Levelling Up' agenda brought to the fore after the 2019 elections reignited the recognition of the UK as one of the most regionally unbalanced and unequal nations in the Organisation for Economic Co-operation and Development (OECD). Alongside priorities set out in the 2021 Budget, this has led to increased funding to Local Authorities and national grant funding opportunities to support the most deprived communities. This additional investment in the people and places of the North West could lead to increased opportunities for service delivery for Stockport Homes Group.
- 2.8 The establishment of the Greater Manchester Integrated Care System will lead to the alignment of strategic Health and Social Care priorities, pooled budgets and shared governance across Greater Manchester. SHG will have the opportunity to contribute to and benefit from these changes at a variety of levels from neighbourhoods with the Primary Care Networks, localities with Locality Boards and potentially at a regional level with the Integrated Partnership Board (ICP). There is a willingness within the ICP to shift to a system approach by changing how health services work with the wider public and voluntary sectors, opening up further opportunities for commissioning and joint working.
- 2.9 SHG will continue to explore opportunities to contribute to these system wide approaches, locally through relationships with Stockport Council, exploring where partnership working can add real value, and regionally with the Greater Manchester Combined Authority around their current priorities and commissioning ambitions on themes such as skills, employability and the environment.

- 2.10 Commissioners and funders are seeking to gain maximum value for money, not just through the reduction in overall commissioning spend but also through the added value partnership bids and Joint Ventures can provide. It is often a commissioning preference that large, consolidated contracts, are delivered by multiple partners mitigating single provider delivery risks and bringing a broader range of social and added value to the contract outcomes. Having well established and effective partnerships available to draw upon, prior to tender publication, can greatly increase SHG's competitiveness, success rates and reputation as a provider.

3 STRATEGIC OBJECTIVES & OUTCOMES

- 3.1 The themes that this Strategy will focus on are:

- Clarifying roles and responsibilities.
- Maximising market identification and targeting.
- Contract readiness and positioning.
- Clear and consistent decision making.
- Measuring success
- Future proofing Business Development.

3.2 OBJECTIVE ONE: CLARIFYING ROLES AND RESPONSIBILITIES

- 3.2.1 The introduction of this strategy is a key step in SHG embedding a Growth Mindset (a culture in which change, and development is embraced) across the organisation. It will be an integral part of creating a culture of Growth in which everyone has a role to play; be it from lead generation, stakeholder management, intelligence gathering or working towards tender ready, competitive services.
- 3.2.2 A robust Business Development process will be central to ensuring ongoing clarity on who is responsible for challenge and critique, checks and balances, governance and sign off, without overburdening teams and retaining our ability to respond to opportunities quickly. These are all integral elements in existing Business Plans achieving the planned growth.
- 3.2.3 This Strategy will continue to establish the Business Development team as the expert in triaging incoming opportunities and providing quality assurance and consistency of outgoing responses within a clear and consistent framework of roles and responsibilities.
- 3.2.4 This strategy promotes and requires a collective responsibility for Growth with the sharing of resources and skills to ensure success. The need to utilise specialist skills within teams is vital to this objective; creating ownership and buy-in from operational colleagues and management, ensuring high levels of quality, accuracy and success.

- 3.2.5 In establishing the Growth Mindset this Strategy will develop and harness a culture of growth that is not just about increased turnover but also places an emphasis on influencing procurement policy and content development with commissioners and finding the right partners at the right time. Social impact and sustainability are an integral part of the culture at SHG, and these are equally as important when planning and assessing growth opportunities. This Strategy will place 'Values Conversations' at the heart of opportunity and partnership assessment.

Outcomes

This objective will ensure reduced duplication of effort and a clear apportionment of responsibilities within the Business Development process. Improved quality assurance and a shared, consistent approach to new business will improve SHG's position in the marketplace and ultimately the quality of responses.

3.3 OBJECTIVE TWO: MAXIMISE MARKET IDENTIFICATION AND TARGETING

- 3.3.1 Aligning to the existing Business Plans from across the Group ensures that the Business Development team is focussing on the right markets and opportunities at the right time, whilst also influencing and guiding future Business Planning. This Strategy supports the business to target resources for the greatest impact, strategically identifying and assessing opportunities, ensuring improved conversion rates.
- 3.3.2 Planning and preparation are key to increased success rates. Contract intelligence will be gathered (including provider details, contract values and expiry dates) and used to create a rolling 3-year Business Development Pipeline of opportunities, for each of the subsidiary business units. This approach, led by this Strategy, will allow service areas to work with Business Development in advance of contract release to ensure tender readiness and mitigate any pinch points in corporate resource capacity.
- 3.3.3 This Strategy will support opportunities for change and transformation within service delivery and supports the business to prepare for current and future ambitions and opportunities. This approach requires a close working partnership with other teams such as Digital Transformation, Business Transformation and Marketing and Communications. The outcome of this continuous service development will be a cutting edge and highly competitive delivery offer.
- 3.3.4 Having a Growth Mindset does not mean gaining income at all costs, there is a need to ensure that any opportunity is the right opportunity for the individual business area and collectively for SHG. Some new business may not be for additional income at all, but rather for market presence, reputation and positioning, particularly for example, where new service delivery meets Council

objectives. All these factors will be considered in the bid scoring and consideration. SHG has an ambitious but considered approach, meaning incremental geographic growth over time to become a regional service provider of choice for commissioners allowing space and time for the embedding of growth and successful delivery.

Outcomes

This objective will ensure Business Development resources (dedicated and within services) are targeted to the right opportunities at the right time, supporting Business Plan success across the Group. Business Development Pipelines will allow market intelligence led transformation and preparation, before opportunities are released, increasing submission quality and therefore success rates.

3.4 OBJECTIVE THREE: CONTRACT READINESS AND POSITIONING

- 3.4.1 Being intelligence led is vital to ensuring SHG is in a strong position to retaining and winning new business. The approach set out in this Strategy requires working within the individual business areas to conduct gap analysis on identified markets, test those markets and develop the opportunities to resource pilot projects, which in turn will generate an evidence base for further contracted work.
- 3.4.2 The building of the Business Development Pipelines will incorporate upcoming commissioning in the short, medium and long term and will drive action planning, future Business Planning and service transformation. Regular meetings will take place to ensure business growth plans for all areas of the business are communicated and resources have been identified and planned for.
- 3.4.3 SHG will influence the commissioning of services, wherever possible, within agreed target areas by contributing to local strategic discussions, market engagement events and infrastructure networking activities. SHG will be in the right place at the right time, contributing to the commissioning development process, being ahead of the commissioning curve, rather than reacting to it.
- 3.4.4 The positioning of a service offer within a competitive market requires a strong inter-dependency with the Marketing and Communications Strategy. Jointly, these teams will create and embed a consistent service message externally as well as internally, creating a tendering and marketing descriptive pitch and tone of voice that is clear, persuasive and impactful.
- 3.4.5 The action plan that accompanies this Strategy will support existing services to be leading edge. The Business Development team will work within services and with the Business Transformation team to enhance our customer offer by utilising internal data sources whilst ensuring costs are accurate.

- 3.4.6 Strong, pragmatic and mutually beneficial partnership arrangements are an essential part of being contract ready, particularly when entering markets new to SHG. It allows a sharing of risk and expertise and is often an expectation of funders and commissioners. SHG will be pro-active in developing partnerships with organisations that add value to our offer and who share our values and aims. A greater number of effective partnerships that are 'pre-explored' will be a key outcome of this strategy.

Outcomes

This objective will ensure, through pipeline development, that SHG are contract ready in advance of opportunity release allowing time for service review and transformation. Partnership development can often be light touch and last minute, the objective will mitigate this by facilitating more time for effective partnership and outward facing work, improving success rates and embedding SHG's reputation as a key player in local and regional infrastructure.

3.5 OBJECTIVE FOUR: CLEAR & CONSISTENT DECISION MAKING

- 3.5.1 Having a clear and auditable process to support decision making is vital in making sure resources are utilised most effectively. This process begins at initial opportunity identification stage and remains active through to contract implementation. All bid or no bid decision making is assigned as per the scheme of delegation and the appropriate Director. This Strategy will embed this decision-making process, a key outcome of which is ongoing quality assurance.
- 3.5.2 The Business Development team will engage the right people in the process from across the Group, in a timely manner ensuring expert input where it is needed. This consultative process includes engaging with People & OD, IT, Finance, Marketing, Governance and key operational colleagues. This consultative approach will ensure adherence to our 'no surprises' approach to new business.
- 3.5.3 The sign off process for bid approval is clearly established, and supported by this Strategy, and is linked to the scheme of delegation. Each required approval is established and communicated at the outset of the bidding process ensuring that time is afforded for meaningful review, approval and governance. The individual project plans will outline these timescales, with the Business Development team ensuring compliance, without unnecessarily adding an administrative burden on service areas.

Outcomes

This objective will ensure all the internal stakeholders for an opportunity are involved in Growth opportunities, at the right point in the process, giving

meaningful time for review and comment. This removes any potential burden on corporate functions and ensures we enter into opportunities fully appraised of any risks associated with it.

3.6 OBJECTIVE FIVE: MEASURE SUCCESS

- 3.6.1 Success can be measured through a range of parameters including; improved customer experience/support, increased turnover and profits, more positive and long-lasting social impact, greater influence over local infrastructure and commissioning and more partnership/lead development. Whether Business Development is successful or not will be measured and recorded against those parameters. Key financial targets (aligned to Business Plans) are set out in the appended Business Development Strategy Action Plan and will be reported within the Resources Directorate Scorecard, quarterly reporting to the Wider Leadership Team and through the existing reporting indicators within the subsidiaries.
- 3.6.2 The Business Development process has within it a review procedure for all tendered opportunities, successful or not. This 'wash up' process will ensure continuous learning is a key facet of all Business Development work. Success will also be celebrated by working with Marketing and Communications to disseminate good news stories internally and externally.
- 3.6.3 Input from Operations and Finance colleagues for each growth opportunity is essential to ensuring SHG are not under financial strain as a result of a successful bid. Realising the margins set at the bidding stage will determine if the Business Development process is commercially accurate as it moves into the delivery phase. All successful bids are revisited with finance to determine if this has been the case or if there have been mitigating circumstances that effected the financial planning. Lessons from these assessments will enable SHG to improve its commercial offer and allow a realistic estimation of margin from the outset.
- 3.6.4 Geographic growth is also a key measure of success. Achieving the level of growth that the organisation wants and expects cannot take place in Stockport alone. Growth of the delivery footprint is essential, in an incremental and logical approach. This Strategy and the Business Development Pipelines it creates will set out this growth over time.
- 3.6.5 Business Development can only be successful within the context of wider organisational excellence. Growth relies on high quality core service delivery which in turn leads to having an excellence reputation as a provider. Success will see Business Development supporting the organisation to maintain that excellence within services rather than diluting it through opportunistic growth that may not add value to the excellent, established and externally recognised core services SHG delivers.

Outcomes

This objective will ensure that the Business Development process across the Group is transparent in the work it does and measurable in its impact. SHG will learn from successful and unsuccessful activity alike and will play a role in assessing whether an opportunity realises the impact agreed at tendering stage.

3.7 OBJECTIVE SIX: FUTURE PROOFING BUSINESS DEVELOPMENT

- 3.7.1 Growth aspirations and targets are a key feature in Business Plans and service development plans across the whole organisation. In order to facilitate this, it is essential that the Business Development function is resourced in the right way and at the right time (Business Development is characterised by peaks and troughs in demand throughout the year). The creation of the Business Development Pipelines, set out in this Strategy, and continual open communication between the Business Development team and operational colleagues we will be able to identify any areas or times that may require additional resources.
- 3.7.2 The Action Plan, this overarching Strategy and individual Business Plans and Strategies will inform future and ongoing requirements. As the organisation grows in reputation and breadth of services, so will the demand on the Business Development function. The increased number of growth opportunities will mean the need for a review of resources, such as; bid coordination and/or specialist ad-hoc bid writers. This could be in the form of utilising existing skills internally through short term skills development secondments to support Business Development or by engaging with the external tender support market.
- 3.7.3 Over the period covered by this strategy the Business Development team will continue to develop and strengthen internal relationships. Raising the profile and communication through the Huddle, utilising SharePoint effectively and by being an enabler of growth and a guardian of quality for SHG.

Outcomes

This objective will ensure we monitor the resources required within Business Development, responding to fluctuating demand and avoiding situations where Business Development capacity becomes the limiting factor in SHG's growth.

4 CONSULTATION

- 4.1 Consultation has taken place in the development of this Strategy with Senior Leadership Team, Wider Leadership Team and those operational colleagues that are involved in Business Development activities (through Directorate Management Seminars). An online consultation session was held with Board members followed up with its presentation at Foundations Board, Three Sixty Board and Audit and Risk Committee.

5 EQUALITY IMPACT ASSESSMENT (EIA)

5.1 An Equality Impact Assessment has been undertaken, which resulted in the following action.

- External relationships: To ensure, through effective due diligence, that the organisations SHG chooses to partner with on growth opportunities reflect SHG's own approach to equality and inclusion.

6 LINKS TO POLICIES

6.1 This strategy links to the following strategies, policies and plans:

- SHG Business Plan 2020 - 2023
- Marketing and Communications Strategy
- Internal Business Plans
- Foundations Stockport Fundraising Plan
- Digital Transformation Strategy
- VFM Strategy

7 ACTION PLAN

7.1 During the timeframe of this strategy there will be ongoing engagement with staff and potential partners with successful retention of existing services and additional Business Growth across SHG. The Business Development Team plays an essential role in managing both internal and external relationships, helping its companies develop new business and ensuring key messages are transmitted externally through opportunity submissions and networking events.

7.2 This Strategy is supported by Business Plans for each of the individual companies within SHG and individual key "commercial" services.

7.3 The Action Plan that supports this Strategy can be found at Appendix One.

8 OWNERSHIP, MONITORING & REVIEW

8.1 This Strategy and the associated action plan is the responsibility of the Assistant Director for Business Growth and Transformation with support from the Business Development Manager. There will be an annual review of the Action Plan.