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A BRIEF HISTORY OF CONTRACT MANAGEMENT



Contract management remains an essential discipline in procurement that underpins business transactions across the entirety of industry. Typically, as we know, it involves the creation, execution, and analysis of contracts to ensure that both parties meet their obligations. In today's modern world, we associate it with sophisticated software systems and corporate lawyers, but the practice of contract management dates much further than we might imagine, potentially thousands of years, evolving alongside trade, law, and commerce. Understanding its history helps to shed light on its importance in efficient current practice in the modern context.

The Birth of Contractual Agreements

The origins of contract management can be traced back to ancient civilisations, and the earliest known contracts date to around 3000 BCE in Mesopotamia, particularly in the Sumerian city states. Such contracts were inscribed on clay tablets in cuneiform script and focused

largely on trade and land transactions. For example, one of the oldest known contracts is the *Code of Ur-Nammu*, a set of laws that included provisions on contracts relating to property, labour, and marriage.

In ancient Egypt, contracts were similarly foundational to commerce. Agreements were often formalised through written documents or verbal oaths. The Egyptians utilised papyrus scrolls to record agreements, while in Ancient Greece and Rome, contracts evolved into more complex written forms, including the famous *stipulatio* contract, which involved an oral question-and-answer format and was used for a variety of transactions.

Formalisation and Legalisation

As civilisations advanced, so too did the complexity and formality of contracts. During the Middle Ages, the rise of feudal systems and trade guilds saw written contracts become more important. The legal traditions that developed in Europe, particularly under Roman law and the Catholic Church helped pave the way for modern contract law.

In England, the Common Law system began to formalise contractual agreements in the 12th and 13th centuries, which included basic contract principles such as offer, acceptance, and consideration. These legal doctrines helped establish the role of the contract as a binding agreement, providing a foundation for contract management that would evolve in later centuries.

Expanding Commerce

The Renaissance (14th-17th centuries) saw the growth of international trade, which brought with it the need for more sophisticated contract management. The rise of banking, exploration, and the expansion of empires necessitated clearer terms in contracts, particularly in maritime law and trade agreements. By the 16th century, contract law became a more recognised element of the legal systems across Europe. This period also saw the development of specialised contracts for international trade, such as *bills of lading* and *letters of credit*.

These contracts allowed for the secure exchange of goods and payment, setting the stage for modern day procurement and logistics contracts. In Italy, for example, the Medici family pioneered the use of letters of credit, facilitating safe trade and payment across Europe and beyond.

Professionalisation of Contract Management

The Industrial Revolution (18th-19th centuries) was a key turning point in the history of contract management. As industrialisation spread, so did the need for more formalised and detailed contracts. The increasing complexity of large-scale manufacturing, construction, and infrastructure projects meant that businesses required sophisticated management of contracts to handle everything from raw materials procurement to labour relations. During this time, contract law began to standardise across Western Europe and the United States, with the U.S. establishing the Uniform Commercial Code (UCC) in the early 20th century, which further codified contract law, particularly around commercial transactions. It was also during this period that the concept of contract management began to emerge as a formal field within businesses, with professionals beginning to take on dedicated roles overseeing the entire contract lifecycle, from negotiation to compliance.

Technological Advancements and Globalisation

The 20th century brought significant advancements to contract management. The growth of global markets and complex international trade required organisations to adopt more standardised processes for contract creation and management.

“ The increasing complexity of large-scale manufacturing, construction, and infrastructure projects meant that businesses required sophisticated management of contracts to handle everything from raw materials procurement to labour relations. ”

The development of modern contract law and the rise of multinational corporations increased the importance of contract management professionals in overseeing large and often intricate contractual arrangements.

The latter half of the 20th century saw the rise of computers and early contract management software, which allowed companies to digitise their agreements and store them more efficiently. This made it easier to track key dates, renewals, and obligations, improving the overall efficiency of contract management. The implementation of software also enabled businesses to use standard templates, which improved consistency and reduced errors in contracts.

Digital Revolution and Automation

In the 21st century, contract management has entered a new era. The digital revolution has transformed the way businesses

manage their contracts. Today, contract management software tools have become integral to the process, offering automation, and cloud-based solutions that streamline the entire contract lifecycle.

Organisations are now focusing on the integration of contract management systems with other enterprise resource planning (ERP) software to streamline procurement, sales, and legal functions.

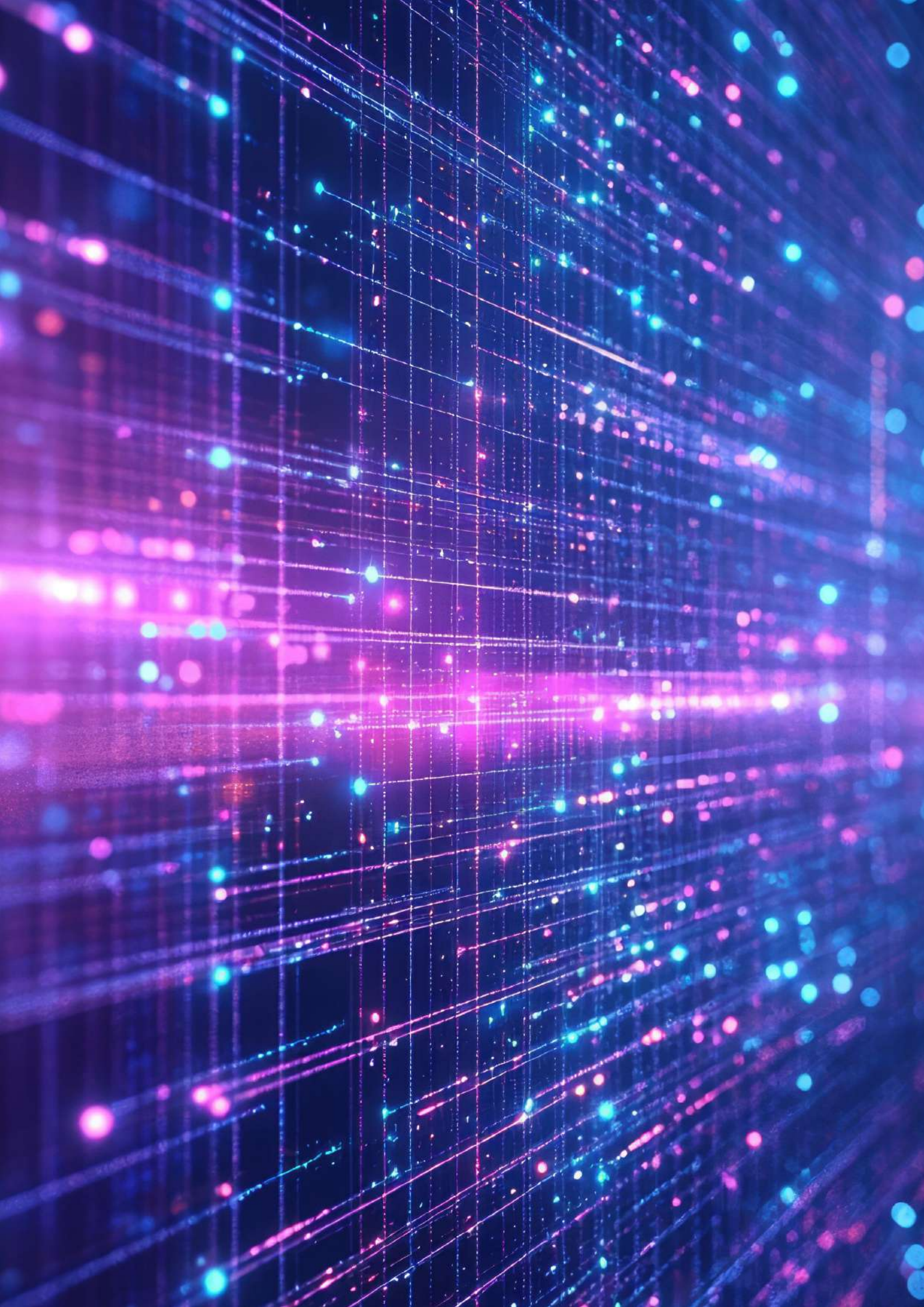
The Future of Contract Management

As contract management continues to evolve, we can expect further advancements driven by automation and AI. The future may bring even more streamlined processes for drafting, negotiating, and managing contracts, as well as increased integration with other aspects of business operations. Legal professionals will continue to adapt to these innovations, but the core principles of contract law and the need for clear, enforceable agreements will remain central.

The rise of blockchain technology also has the potential to revolutionise contract management. Blockchain-based smart contracts, which execute themselves when conditions are met, are being explored for their ability to provide transparent, secure, and automated contract enforcement.

The history of contract management reflects humanity's growing complexity in business and trade. From its ancient origins to the digital solutions of today, but regardless of the continued evolution and technological advances that push the discipline to expand and become ever efficient, the fundamental importance of effective contract management will remain a cornerstone of modern business practices.





THE HUMAN FACTOR

NAVIGATING THE
CHALLENGES OF
AI ADOPTION IN
PROCUREMENT



By Joe Gibson FCIPS
Director
Digital Innovation
4C Associates

The recent conversations around AI adoption in procurement increasingly focus on its potential to completely revolutionise the function. In many cases this may end up being absolutely true, but the greatest challenge facing procurement teams isn't going to be purely technological - it's also cultural.

Integrating AI into the organisational technology stack may seem like the priority, but it's the human element of procurement where the real impact lies. AI adoption requires more than a simple plug-and-play approach. The true success of any AI initiative depends on the readiness of the functional culture to adapt, innovate, and learn from new approaches that AI systems will inevitably give rise to.

Integrating AI into Procurement Culture

The success of any AI implementation is, at its core, determined by the willingness of people to embrace it. Procurement teams need to actively foster a culture of innovation, where new approaches are encouraged, even if they don't yield immediate results.

A real-world example of this challenge was seen in a large UK infrastructure organisation, which attempted to deploy AI-enabled contract lifecycle management software. The system was designed to read, profile, determine patterns, assess risk, flag commercial variances, and store complex subcontract agreements across its supply chain. The expected outcomes included greater visibility, enhanced resilience, reduced risk, and improved margins.

However, despite the clear potential of the technology, the implementation was derailed by resistance from the legal function. Fears of job displacement ultimately overpowered the potential benefits, leading to the initiative's failure. This case illustrates how crucial it is to address cultural concerns alongside technical ones.

Without the buy-in from cross-functional teams and a shared vision of how AI can complement human expertise, such innovations are unlikely to succeed. Therefore, the real challenge in AI adoption lies not just in the technology, but in creating an organisational culture that is ready to innovate and adapt.

The Importance of a Well-Defined Use Case

A well-defined use case is crucial for AI adoption in procurement. Without a clear understanding of how AI will specifically benefit the function, organisations risk implementing technology that fails to deliver meaningful value. The most successful AI projects are those grounded in real-world challenges, with teams collaborating to ensure AI is solving the right problems.



“ Integrating AI into the organisational technology stack may seem like the priority, but it's the human element of procurement where the real impact lies. ”

A FTSE250 Oil and Gas company experienced this first-hand when they deployed optical character recognition (OCR) software—an earlier form of machine learning—across their accounts payable function as part of an efficiency initiative. Unfortunately, the project failed due to a lack of clearly defined requirements.

A standard template wasn't utilised, pre-processing wasn't properly implemented, and the company took a 'big-bang' approach across multiple countries and languages without enhanced training for the remaining staff. Instead of increasing efficiency, the project led to an increase in accounts payable staff to manage exceptions, as well as a supply chain payment backlog that lasted eight weeks.

This example underscores the importance of not only defining the use case, but also ensuring proper planning, training, and execution are in place before deployment. AI should solve specific, well-understood problems to truly add



value, and collaboration across teams is key to ensuring it's implemented correctly.

Nevertheless, it isn't just about data quality but also, availability. In a spend analytics (for cost optimisation use case), the completeness of the data is fundamental, as without the key metadata, the AI-driven insights will be incomplete – meaning the data will struggle to be structured and then offered up for a decision to be executed.

The Data Paradox: Addressing immature data

A significant hurdle in AI adoption is the misconception that AI will instantly solve all procurement challenges. In reality, many procurement functions first grapple with poor-quality data that is unstructured, unclear, and poorly governed. Ironically, AI has the potential to enrich and manage such data, but only if organisations first acknowledge the limitations of their current datasets.

“ A significant hurdle in AI adoption is the misconception that AI will instantly solve all procurement challenges. ”

Addressing these data issues requires a strategic approach. Standardising master data fields, limiting the number of staff who can modify supplier data, and harmonising the intake process are essential first steps. For organisations at the early stages of their journey, introducing a

manual gatekeeper to oversee data governance is crucial. As organisations mature, they can automate these governance processes by integrating validation through APIs.

We are still in the early stages of AI adoption in procurement, and expectations must be managed

accordingly. Rather than expecting AI to provide perfect solutions from day one, procurement teams should focus on improving data quality in tandem with AI implementation.

This ensures that AI solutions have a solid foundation to build on and deliver real value.

Start Small and Stay Agile

Starting small with manageable pilot projects allows teams to demonstrate quick wins, building confidence and momentum for larger-scale AI adoption. By learning from past digitalisation efforts, procurement teams can avoid previous pitfalls and chart a more successful course for AI.

Agility also enables organisations to iterate rapidly, refining their AI strategy as they go.

For example, a procurement team might initially deploy AI to optimise supplier selection based on cost and delivery speed. However, as market conditions evolve—such as in today's complex geopolitical landscape—they can quickly adapt the algorithm to prioritise new factors like supplier diversity or sustainability. This ensures that AI remains aligned with broader business goals while being flexible and adaptable to the procurement function's changing needs.

By staying agile, organisations can ensure that AI not only solves immediate problems but continues to evolve in a sustainable way that meets long-term objectives.

“ Starting small with manageable pilot projects allows teams to demonstrate quick wins, building confidence and momentum for larger-scale. ”

Keeping People at the Centre of AI Transformation

While AI can and will significantly enhance procurement processes in the future, human intelligence and collaboration will always be the determining factor in its success.

AI should be seen as a tool that complements human expertise, rather than replacing it. The procurement stakeholder must remain at the heart of every AI initiative, using the technology to enhance decision-making, not to dictate it.

Striking the balance between AI and human intelligence ensures that

procurement teams can leverage the full potential of AI while still applying the critical thinking and judgement vital to the function that only human beings can provide.

Fundamentally, the future of procurement lies in how effectively AI is integrated into its culture.

Procurement leaders must lead this transformation by placing people at the centre, promoting collaboration, and encouraging agile experimentation. The inevitable adoption of AI is going to be a journey, and its success depends as much, if not more, on people and culture as it does on technology. The procurement function that can embrace this balance will be best positioned to thrive in an AI-driven future.



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- optimisation
- remediation.

Whether you need support in making strategic decisions, streamlining and improving your payroll operation, system review and implementation assistance or expertise to fix a specific issue, Consult can support you. Each of our projects are entirely bespoke, so you can be assured the project will be of incredible value to your organisation.

Consultancy process

Each consultancy project follows a fourstep process, which the consultant will take you through. Although each engagement varies in nature, the structure of each project remains the same, as follows.

Discovery

During the discovery phase, the consultant conducts a requirement gathering workshop and provides you with the opportunity to share greater detail regarding what it is you're looking for from the consultancy work.

“ Consult provides payroll, reward, benefits and human resources advice, which is completely independent of all relevant software and service suppliers. ”

The purpose of this phase is to define what success looks like for you and to gather all the information necessary to get there.

Analysis

This is where the consultant reviews your processes, people / structure and governance / compliance. The consultant analyses the current situation and digests the information needed to produce the desired outcome of the project.

Solution shaping

This is where the consultant defines what the solution is, using the analysis they have conducted, outlining how and why this would benefit your organisation.

Delivery strategy

The consultant provides recommendations and produces an action plan following their analysis and proposed solution. The delivery strategy can result in the consultant offering guidance and actionable solutions for your organisation to digest and implement yourselves, or through providing implementation and training support themselves. Either offering comes with a detailed report covering the discovery, analysis and solution shaping the consultant has worked on throughout the project.

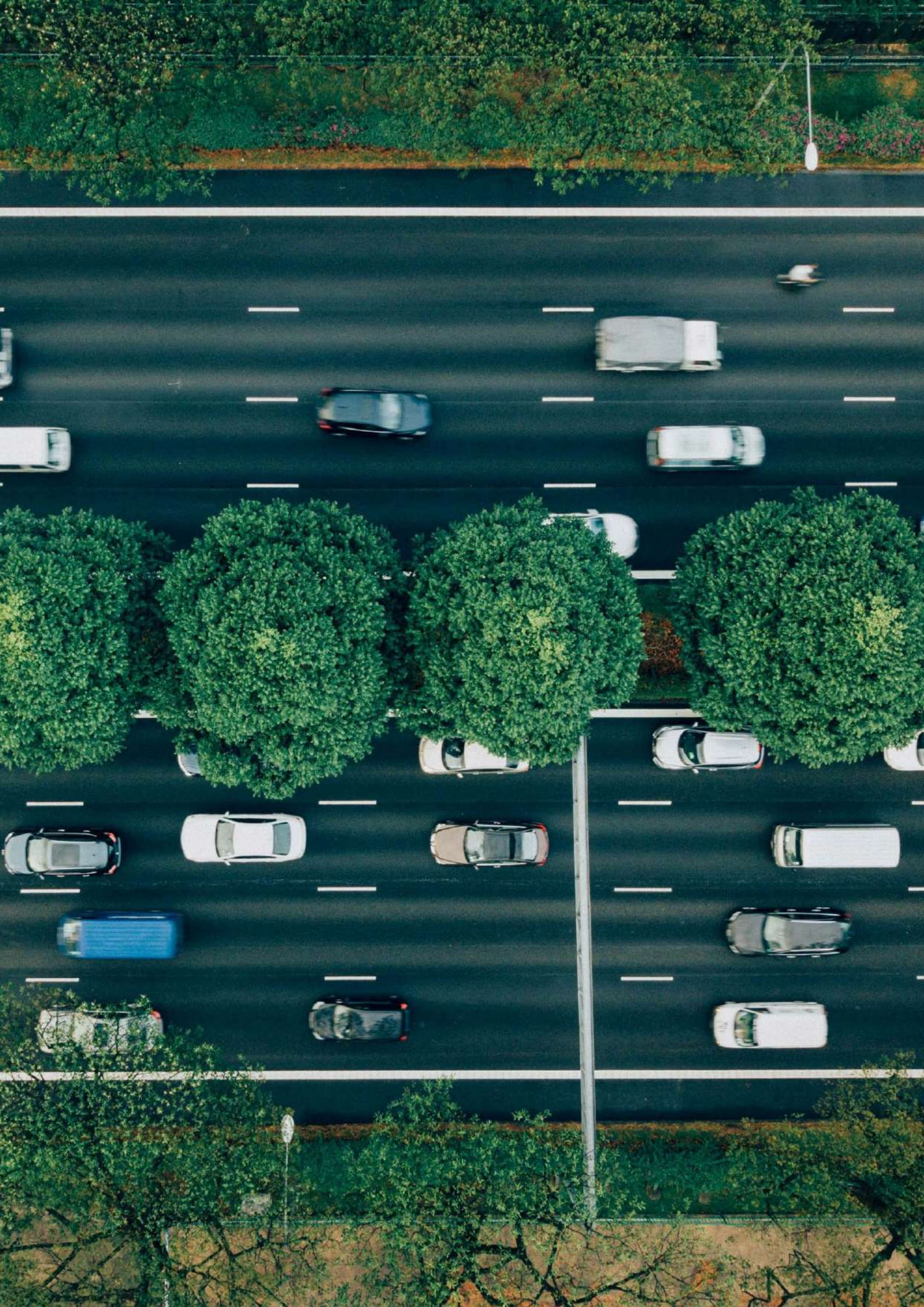
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The pay as you earn (PAYE) health check has been developed to support

payroll departments in reviewing their payroll operations and identifying risk areas. Following an extensive review of the payroll processing procedures, you receive a report outlining any risk areas identified, along with any recommendations. This is all broken down into legislative issues, contractual issues and areas of best practice.

Natasha Taylor is the consultancy relationship lead responsible for the development, growth and leadership of the consultancy department. With a background in change and transformation management, Natasha's expertise centres around implementing large scale process and systems change, focussing on minimising disruption in day-to-day operations, looking at identifying opportunities for improvement and best practice, helping organisations navigate change seamlessly. Natasha will take you through from initial enquiry right up to the end of your consultancy work, being the familiar face throughout the project. She's dedicated to the consistent delivery of client focussed results by handpicking the consultants and placing them with the clients based on their requirements.

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THE JOURNEY TO FLEET DECARBONISATION A DATA DRIVEN APPROACH

By Owen Mabbott
Head of Solutions
Omlity

The growth of electric fleets in the UK is expected to accelerate significantly over the next decade, driven by legislation and market demand. Decarbonisation strategies are therefore a pivotal factor to ensure fleets smoothly transition to electric vehicles (EV's). Through leveraging existing driving data via sources such as telematics and accurately calculating equivalent energy requirements, decarbonisation plans can be formulated to derive suitable alternative vehicles along with required charging/grid infrastructure and cost/emission impacts. In this article we explore the key components of a decarbonisation plan to instil fleets with confidence on their journey to electrification.

Analysis of Existing Fleet

As a starting point, fleet decarbonisation plans should begin with identifying existing operational needs.

The scope of this baseline analysis should include, but is not limited to, journeys the vehicles are completing (distances, locations visited, routes etc.), operational days/times of the vehicle, depot/parking locations, fuel consumption and payload.

Subsequently, an operational timetable and profile can be built for each vehicle to provide a clear understanding of usage patterns and behaviour. In order to accurately support this analysis of the existing fleet, a data driven approach is integral. Telematics data should be leveraged to reliably and efficiently deliver results. ▶

“ Through providing a detailed understanding of the available energy within a vehicle during different times and points along a route, it enables a more accurate evaluation of optimum charging opportunities and range assurance. ”

Energy Calculations

Whilst some decarbonisation plans do range-based calculations by comparing existing vehicle mileage to that of similar EV's on the market, there are a number of variables to consider with EV's such as weather, vehicle payload and road topography which compromise the reliability of this approach. An improved alternative is to perform energy calculations for routes conducted by the existing fleet to ascertain the equivalent energy required. This approach uses physics-based modelling, identifying vehicle efficiencies specific to each trip within a given operation, ensuring topography, road speeds, weather and other route-specific information is included. Through providing a detailed understanding of the available energy within a vehicle during different times and points along a route, it enables a more accurate evaluation of optimum charging opportunities and range assurance.

Battery Sizing

Upon deriving route energy requirements, the next step in a decarbonisation plan should be identifying the appropriate battery size for alternative vehicles. The battery sizing process works through comparing the energy needed (as per the energy calculations) vs the operational schedule, taking into consideration factors such as, desired lifetime of vehicle, degradation, state

“ Upon deriving route energy requirements, the next step in a decarbonisation plan should be identifying the appropriate battery size for alternative vehicles. ”

of charge limits/recommendations and surplus energy. The battery sizing assessment confirms how many routes would be feasible against the batteries' capabilities in suitability matched vehicles, factoring in the previously identified considerations. Battery sizing should look at both existing and prospective specifications, given continuous advancements in the market.

Charging Requirements & Ratios

Once identifying the appropriate battery sizes, the next step of the decarbonisation plan is to determine the

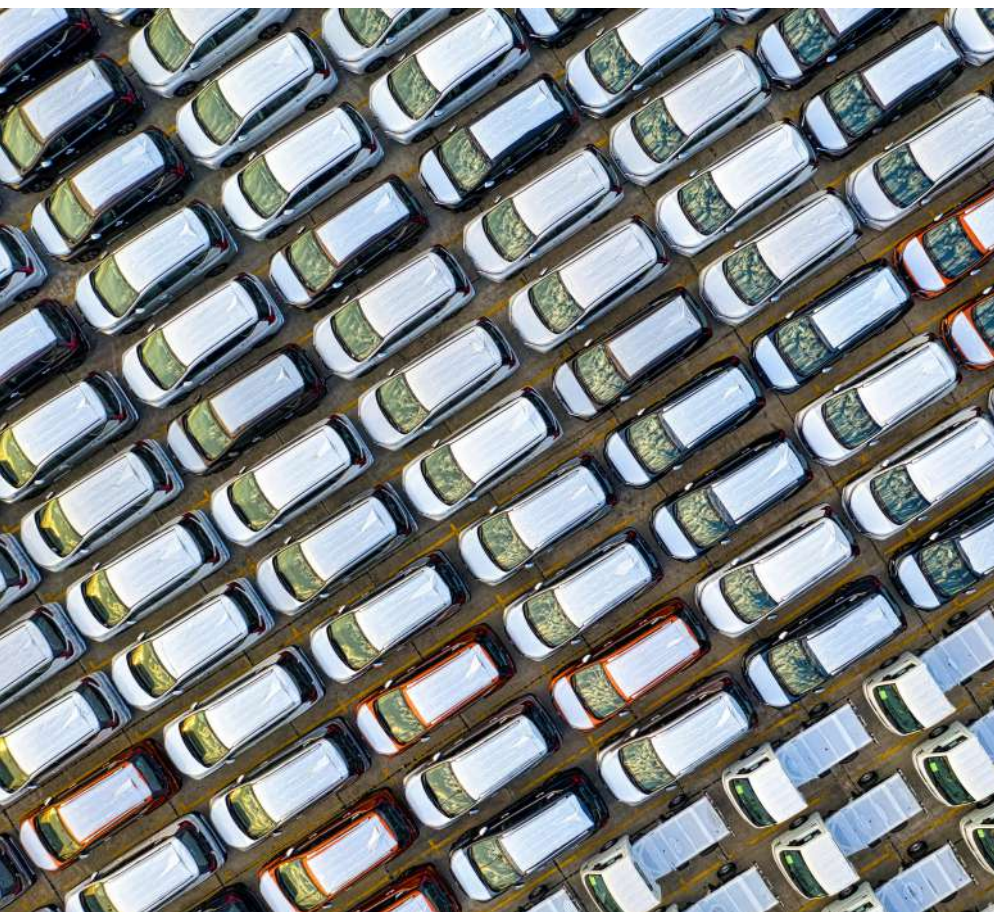
charging infrastructure needed and the corresponding ratios. Through experimenting with different charger power ratings available on the market, the optimal power can be identified to charge vehicles at their required locations (e.g. depot, home), taking into consideration the operational schedule and energy tariff costs. In many instances not every vehicle requires a charger to be purchased and not every existing vehicle needs to be replaced. This point is also applicable to fleets undertaking a phased approach with their decarbonisation journey. Therefore, ratio planning is vital to ensure unnecessary procurement is avoided.

Energy Consumption

The next step of a decarbonisation plan is to analyse the energy consumption required, calculating daily usage and peak demands to charge the proposed vehicles at each of the locations. Experimenting with managed/unmanaged charging situations should also form part of the equation. Unlike unmanaged charging, managed charging provides a more dynamic system to maximise efficiency through balancing factors such as costs, energy demands and driver schedules. At locations where many vehicles reside, a managed charging scenario may reduce the number of chargers needed and subsequently result in cost efficiencies. There may also be energy tariffs in place which make charging at certain times more effective (e.g., off-peak rates), all of which should be factored into the decarbonisation plan in addition to other existing/planned infrastructure already supporting net zero initiatives.

Financial & Emission Analysis

With a completed analysis, proposed vehicle/infrastructure costs should be calculated along with energy tariff expenditure to determine the overall





capital and operational costs to be expected from future operations. These cost estimates should also incorporate known grants and funding along with total cost of ownership topics such as servicing, insurance etc. A comparison between the existing fleet expenditure vs the newly proposed fleet should be made to determine the return on investment. Financial analysis should reflect phased approaches e.g. scaling to EV's over a defined period of time to accurately demonstrate the economics of the business case. Beyond financial analysis, the potential CO2 reductions which can be achieved through the alternative fleet should also be calculated so companies can understand the impact on footprint through following the decarbonisation plan. Through the analysis performed of the existing fleet, comparisons can be made to understand the emission savings possible.

Delivery of Plan

Whilst traditionally decarbonisation plans have been delivered by consultants through reports, this can be deemed as a more static approach making it challenging to dynamically adapt to changes in the business and market (e.g. demands for more/less vehicles, newer vehicle models etc.). An updated approach is to provide decarbonisation plans via software so fleets can interact with the strategy and update input variables dynamically when needed. This therefore provides fleets with the flexibility on their journey to decarbonisation and also reduces the need for further costs e.g. additional consultancy.

A decarbonisation plan is a critical factor in supporting fleets on their electrification journey.

Through using a data driven approach in the assessment of the existing fleets operation, an effective baseline can be created to ensure alternative vehicles and charging infrastructure meet operational needs. Performing energy-based calculations over range-based calculations means a number of factors are considered from weather to road topography to ensure replacement electric vehicles will be fit for purpose.

A decarbonisation plan should provide a solid business case for the transition to electrification, therefore through factoring in financial and emission analysis the wider impact of procurement decisions can be assessed before they are made. With software capabilities now becoming more integral to decarbonisation plans, it presents the opportunity for fleets to dynamically change inputs and minimise costs.

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