



G-Cloud 14

Sourcing and Procurement Advisory for Cloud

Lot 3: Cloud Support Services

September 2024

- 1 BCG's Cloud services
- 2 What is our Sourcing and Procurement Advisory for Cloud service?
- 3 What is our approach?
- 4 Where have we delivered value elsewhere?
- 5 Why BCG?
- 6 How to contact us

1 BCG'S CLOUD SERVICES

We understand the challenges of moving to Cloud.

Cloud services are essential to every modern private and public sector organisation: they support public service delivery, enable collaboration and productivity, and allow organisations to adapt, scale and transform their operations orders of magnitude faster than traditional “on premise” infrastructure. These well-understood benefits mean that transition to the cloud is far from a new phenomenon, and most organisations now have experience of using software, platforms or infrastructure as a service. That said, public sector organisations can do much more to unlock the full value of the cloud. We typically see four main challenges holding back organisations from releasing this value:

Challenge

How we can help



Overcoming preconceptions

“The Public Cloud is insecure”...
“Traditional technology vendors are not innovative”... “Moving to the cloud always has a good business case”...

Our extensive experience in Cloud Transformation means we understand where constraints and opportunities truly are, and how to design projects to address them.



Analysing a highly complex start point

Aggregation of data across vendors/ systems is difficult, and analytics for each supplier are often unique. Not to mention that businesses often do not have a clear picture of their application landscape and estimating the potential of a cloud project is difficult.

We use our proprietary tools to diagnose readiness, including the use of our code-scanning SaaS CAST software to identify risks, costs and cloud readiness of the application estate.



Designing a future organisation

Cloud breaks new ground across an organisation; CapEx moving to OpEx, new technical, operational and vendor management processes, new security...

We have worked extensively with organisations to design business and IT functions that support cloud ways of working.













Planning a seamless transition

Often, end-state architecture and application migration plans are not defined.

Our experienced architects in DigitalBCG can support you in producing a realistic and ambitious target state that recognises the reality of needing to “keep the lights on” during transition.

We have a suite of best-in-class services designed to address these challenges.

Our work encompasses the full range of cloud advisory and support services, across the full lifecycle of a cloud project. Each service can operate as a standalone project, can be combined with other services, or be modified to meet your specific requirements.

 STRATEGY Diagnose (true) problem(s) Understand the opportunity and value Set the ambition and defined roadmap	 SOURCING Explore market Set up procurement for success Select partners	 TOM and ORG Set baseline Design TOM and Org Set the implementation plan and support delivery	 IMPLEMENTATION Design target state architecture Outline detailed implementation plan Support delivery	 E2E SERVICE TRx Baseline services Prototype and scale solutions Reform systems and capability
 CYBER Assess cyber culture, awareness, risk, maturity and resilience Set the ambition and define roadmap	 ANALYTICS Identify and prioritise use cases Deliver proof of concept Scale up highest value use cases on Cloud	 DE-RISKING Diagnose issues Plan resolution roadmap Provide ongoing QA support to high value projects	 COST REDUCTION Assess IT complexity and digital readiness Design and deliver cost reduction initiatives	 ERP TRx Business and IT design authority Benefits delivery PMO and programme governance

Service

Your situation

Illustrative outputs



Strategy for Cloud-based transformation

You are considering how to approach your cloud project, how to secure investment, what the benefits will be, how long the project will take, and what the high-level target state will look like.

- Technology baseline
- Business case
- Target state definition
- High level TOM
- Initial sourcing strategy
- Implementation plan



Sourcing and procurement advisory for Cloud

You are considering who within the market can provide your desired cloud services, how to approach them, and how to extract the best possible value from a procurement.






- Sourcing strategy
- Preparation of RfP
- Vendor evaluation & selection
- Contract terms & structure
- Contract negotiations



TOM & org design for Cloud

You are considering how your organisation will need to change to support a new cloud service or services.

- Op model & org baseline
- TOM design
- Gap assessment
- Implementation plan

 Cloud implementation planning and support	<p>You are considering how to execute a cloud project, whether that be migration of existing apps, implementation of a new service, or improving the functionality of an existing service.</p>	<ul style="list-style-type: none"> • Business case • Architecture target state • Implementation plan • Execution support
 Cyber security	<p>You want to review the security of your cloud services and organisation, want to build your cyber capabilities or standards, or build a roadmap to improved cyber security.</p>	<ul style="list-style-type: none"> • Immersive cyber-attack simulation • Cyber culture, awareness, maturity & resilience assessment • Quantified cyber risk • Cyber improvement roadmap
 Analytics on the Cloud	<p>You are considering where advanced analytics or AI can be applied to drive value, want to build a proof of concept, and / or are considering how these use cases can be scaled using the cloud.</p>	<ul style="list-style-type: none"> • List of potential AI and advanced analytics use cases, with estimate of value • Proof of concept delivery • Architecture target state • Implementation plan • Execution support
 De-risking a Cloud project	<p>Your cloud project is failing and you want to design specific interventions to bring it back on track; you want to ensure that a new project is set up for success; or you want to supplement your teams' expertise with an independent expert advisory function to ensure a project stays on track.</p>	<ul style="list-style-type: none"> • Embedded BCG "activist PMO" in large projects • Embedded BCG QA function for medium projects • Light BCG QA function for medium projects with specific expertise needs • Project health check and remediation plans for small projects
 Cost reduction to support Cloud services	<p>You are looking to reduce costs in your IT organisation to support a transition to cloud services.</p>	<ul style="list-style-type: none"> • IT complexity and digital readiness assessment • Cost and risk driver report • Cost reduction initiative design and delivery



E2E Service Transformation

You would like to either build or improve a internal or customer service running on the cloud. You want to run a discovery on either the key requirements for that service or the key issues in an existing service, and rapidly design and build the new or transformed service.

- Service baseline
- End-to-end service redesign
- Rapid prototyping
- Scaled AI and Software solutions
- Reforms to systems and capabilities



ERP Transformation

You are embarking on, or delivering an ERP transformation, and want to improve control over benefits delivery, transparency over performance and programme decisions, and simplify and accelerate delivery.

- Business and IT design authority
- Simplified DDP architecture
- Readiness measures and resource demand visibility
- Substantiating value

2 WHAT IS OUR SOURCING AND PROCUREMENT ADVISORY FOR CLOUD SERVICE?

Your cloud transformation will likely involve third parties providing IaaS, PaaS, SaaS, and/or technology enablers. The vendor market for these services is complex and procurement processes are varied. Our Sourcing and procurement advisory for Cloud service will help you navigate this landscape, ultimately leading to higher value and lower cost partnerships.

An illustrative project would cover questions such as:

- Which vendors to engage based on technology and business requirements?
- How should services be most effectively bundled, considering management complexity and market attractiveness?
- What is the highest value procurement process for each bundle/ service?
- How to structure and run the most effective and competitive procurement?
- Are prices competitive? What commercial terms should be included?

We typically work in partnership with clients to produce four key deliverables. These can be adapted to suit your requirements:



Sourcing strategy

Assessment of provider landscape and latest cloud offerings from providers



Preparation of RfP Package

Structuring of requirements, conditions for tendering, evaluation criteria, and procurement design for both public and private cloud offerings



RfP execution, evaluation and down-selection

Vendor assessment and selection of initial shortlist, including market view/ data on vendors (where required and appropriate), facilitation of supplier dialogue/ negotiation, facilitation of evaluation sessions and final supplier selection



Contract structuring and Negotiations

Facilitation and representation in contract negotiations on volume to buy, price to pay and terms and conditions (where appropriate). Establishing client transition capabilities to face off to vendor transition and implementation team.

3 WHAT IS OUR APPROACH?

Many cloud services are commodity products and can be purchased from frameworks (e.g. G Cloud) relatively quickly. However, more complex requirements requiring system integrators, multiple vendors, long transformation timelines, or complex business requirements often require more complex procurement processes. BCG can support you through this phase which can be as short as 4 weeks, and as long as 18 months.

Phase 1: Strategy

1-6 weeks



Sourcing strategy

Initial analysis and scoping of the provider landscape and their latest (standard) offerings. We use our proprietary marketplace data to analyse suitable vendors' size, growth and offering.

Phase 2: Preparation

Varies



Pre-procurement market engagement

In complex procurements, it is particularly important to engage the market early to jointly design business requirements, technical solutions and commercial terms that work for both parties. BCG call this approach "[Market Informed Design and Sourcing \(MIDAS\)](#)", and in this phase we would support you in conducting joint vendor/client user research, gather feedback from multiple vendors simultaneously, and (where appropriate), develop MVPs to refine requirements.



Preparation of RfP Package and procurement design

If the procurement process chosen requires it, we would then help you draft a request for proposal, and design the procurement process. This would be based on a series of interactive workshops to determine requirements, commercials and procurement details such as selection criteria.

Phase 3: Execution

Varies



Procurement execution, evaluation and down-selection

BCG then support you through the procurement process, whether that be to support you in vendor dialogues, prepare evaluation criteria, refine specifications and commercial terms, or run evaluation and down-selection sessions.



Contract structuring and Negotiations

Using BCG experts (and if the procurement process allows) we support you in negotiations with the top 2-3 vendors, and manage the contract or contracts through to signature, and into transition.

4 WHERE HAVE WE DELIVERED VALUE ELSEWHERE?

BCG have delivered over 50 projects in the last 3 years helping clients with cloud procurement and sourcing advisory programmes. An illustrative selection of projects is below:

Government Body

This client is a central governmental organisation that enables digital, data and technology transformation across all government departments. The client has a mandate to accelerate digital transformation and improve performance across the top services. We worked with the client to embed a performance framework, baseline top services, run direct interventions to deliver improvements for 6x services, and design reforms to systems.

Impact realised

- The work delivered or identified significant citizen impact, including over £3bn of efficiencies across several major government departments.

National Supermarket Chain

As part of a wide transformation initiative, the Client undertook an ERP modernisation journey and identified SAP S/4HANA as target solution and replacement of its current ECC solution. BCG advised on the sourcing strategy for System Integrator selection.

Impact realised

- Roadmap for ERP S/4 HANA system implementation defined
- Recommendation on best-suited System Integrators for each tender

European Energy Company

The client was one a leading energy provider facing various challenges within its IT and cloud infrastructure. The objective was to help the client to begin an overall transformation to deliver higher business more efficiently.

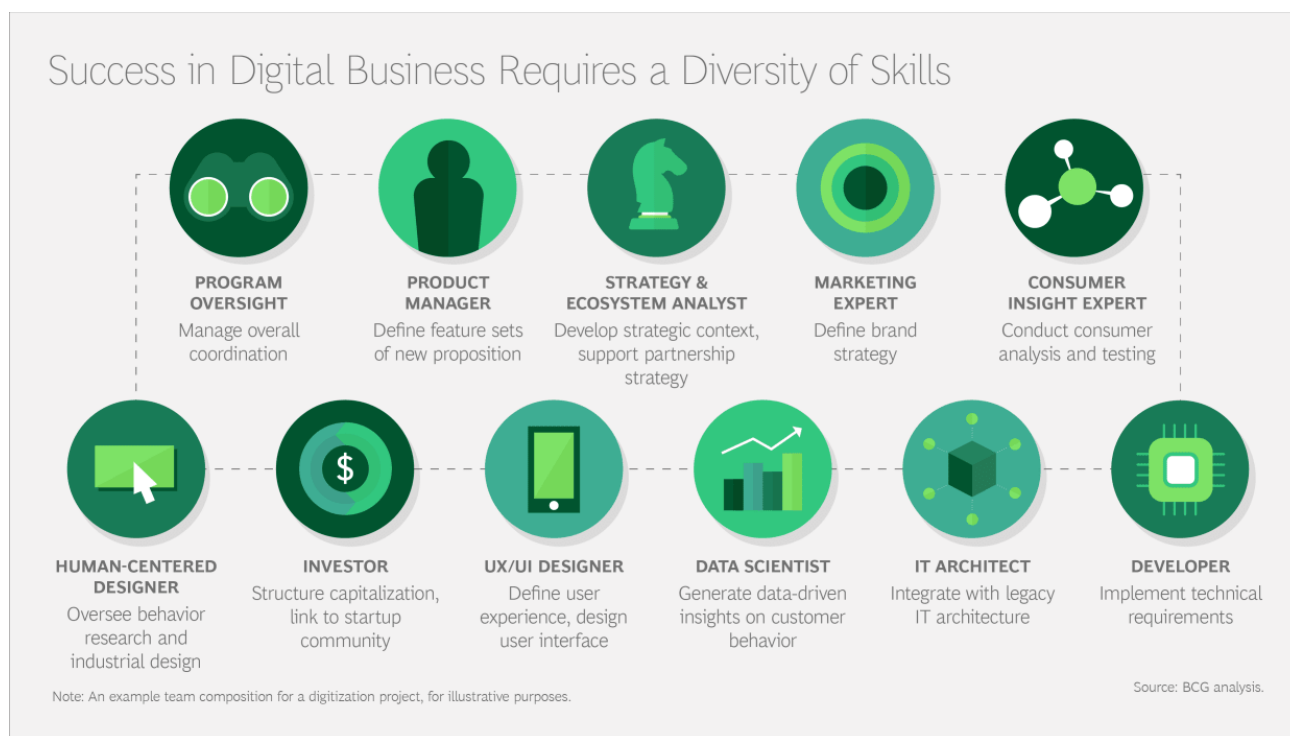
Impact realised

- Redefined sourcing guidelines with focus on the breadth and depth of value chain
- Assessment of sourcing efficiencies to be realised by applying and transforming as-is sourcing activities towards described target picture in sourcing guidelines

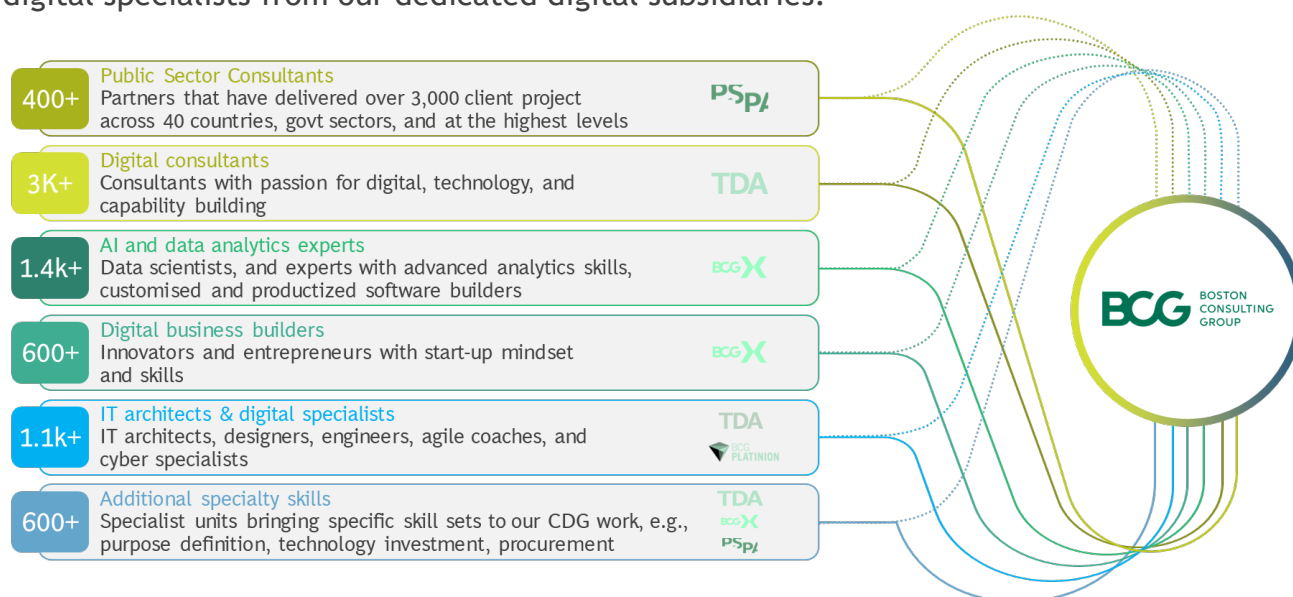
5 WHY BCG?

Digital technologies are transforming every aspect of business—and no turnkey solution will equip you to keep pace. BCG engagements are designed to deliver immediate value, while also building the capabilities, processes, and mind-sets necessary to sustain your digital transformation.

Governments and public sector agencies that are succeeding in the digital world are those who embrace digital diversity: diverse perspectives, skills and capabilities.



BCG reflect this diversity, combining digital-savvy consultants with a full spectrum of digital specialists from our dedicated digital subsidiaries.

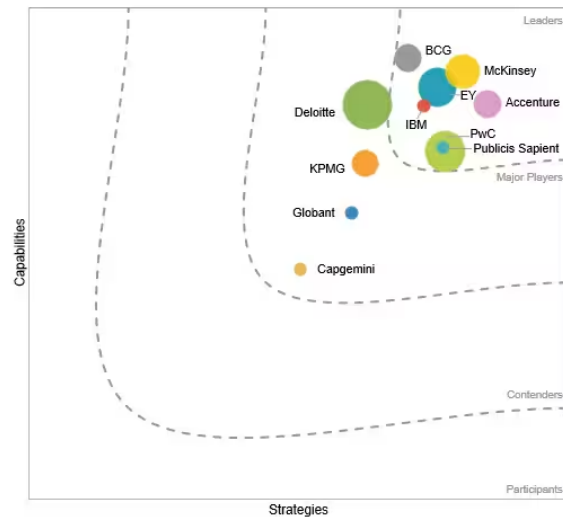


BCG has offices in more than 100 cities in over 50 countries and has more than 30,000 employees, 1,400 partners, and 22,000 alumni. BCG combine this strategic heritage with cutting-edge capabilities in data science, digital business building, and deep expertise in IT. We are externally recognised for our leadership and capabilities:

BCG ranked as **LEADERS** by
THE FORRESTER WAVE™: DIGITAL
TRANSFORMATION SERVICES, Q4 2023



BCG ranked as **LEADERS** by
IDC MARKETSCAPE: WORLDWIDE DIGITAL
STRATEGY CONSULTING SERVICES



We have delivered 200+ digital government cases in the past 5 years, spanning all sectors and regions of the world. We are a global thought leader, and in the past two years alone, have published >100 pieces of research and articles related to cloud and digital transformation topics, including:

- [Cloud Prices Surge with the Rise of GenAI | BCG](#)
- [The Four Trends Shaping the Cloud Industry | BCG](#)
- [The CEO's Guide to the Generative AI Revolution | BCG](#)
- [The Dawn of a New Era of Technology Function | BCG](#)

Finally, our team are supported by a vast ecosystem of partners and proprietary tools. Both ensure that we bring the very best to your cloud project and capitalise on our collective global experience.

6 HOW TO CONTACT US

Through executing a project with BCG, you are gaining access to the world leading strategy consultancy's resources, expertise and thought leaders. We always ensure we are bringing the "best of BCG" on our projects and teams, whether through inclusion of international experts in their field, delivery partners, or our extensive Senior Advisor network.

Contact us to find out how we can help you overcome your digital and cloud challenges.

For the quickest response, please direct queries to PublicSectorUK@bcg.com.

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