

# Small and Medium-sized Enterprises Strategy

Our approach for CP7 (2024-2029)

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# Our Control Period 6 SME Action Plan

We first published an SME Action Plan in 2019 with a commitment to achieve the government target of 33% of our annual expenditure to be spent via SMEs by 2022. Network Rail met this target, spending 33.11% of its expenditure directly and indirectly (approximately 50:50) with SMEs in 2023-24. This strategy focuses our efforts to continue achieving this target each year throughout Control Period 7.

## The action plan focused on six key areas:

- engagement
- pre-procurement
- procurement
- contract management
- innovation
- supplier management

## We delivered many changes to support SMEs working with us. The changes we made included:

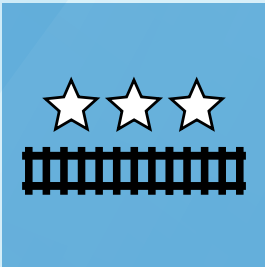
- alterations to financial guarantees and insurances
- a reduction in the use of nil value frameworks
- providing Network Rail standards for free
- ensuring prompt payment
- publishing more meaningful sourcing pipelines

**In this document, we cover how we will progress our 2019 action plan throughout Control Period 7, building upon the improvements that have already been made.**

# Our Approach In Control Period 7

The commercial model for Control Period 7 will see Network Rail working closer with strategic partners, so our strategy for Control Period 7 has evolved to ensure procurement opportunities are inclusive and accessible to SMEs, whether direct with us or indirect throughout our supply chain.

## Overarching Principles



### Improving SME supply chain experience

We want to enhance the integration and participation of SMEs within our supply chain. For Control Period 7, this means creating a seamless experience for SMEs, enabling them to work efficiently and effectively within the larger network of strategic partners.



### Empowering SME growth

With our Control Period 7 plan, we're making it easier for SMEs to find opportunities with us and our supply chain, which helps them grow and in turn, makes a big impact on the economy.




### Fostering competitive strength

We understand that SMEs are pivotal in driving innovation and competition within our industry. Our Control Period 7 strategy supports this competitive strength by ensuring that SMEs not only have access to procurement opportunities but are also given the opportunity to compete on a level playing field.

# Our Focus Areas



Transparency  
in supply chain  
opportunities

The icon depicts a computer monitor with a megaphone on the screen, a smartphone, and a document, symbolizing communication and transparency.

Increasing the  
use of SMEs in  
the supply chain

The icon shows a stack of documents with a gear on the top document, representing business processes and SMEs.

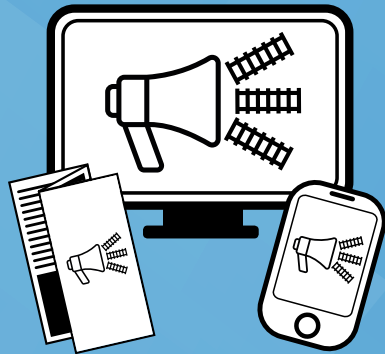
Streamlining  
procurement  
access

The icon shows an open book with a staircase leading up to it, symbolizing access and streamlining.

Refreshing  
resources for SME  
engagement

The icon shows a laptop computer, representing digital resources and engagement.

# Transparency In Supply Chain Opportunities



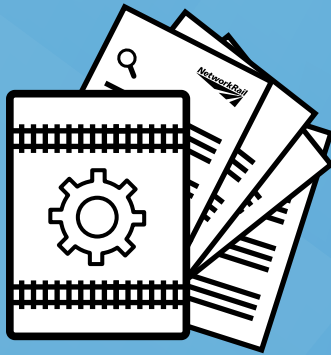
## Challenge Statement

SMEs lack clear information on supply chain opportunities

## What we're planning...

- **Collaborate with supply chain partners** to ensure all opportunities are visible and easily accessible.
- **Develop a supplier diversity policy with clear, measurable targets** for SME inclusion.
- **Increase of supply chain networking events**, both in-person and virtual, to connect SMEs with larger supply chain players.
- **Publish case studies of where SMEs have been part of delivering on behalf of Network Rail** and promoting these case studies widely through various channels to inform other SMEs.

# Increasing The Use Of SMEs In The Supply Chain



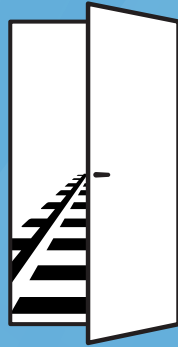
## Challenge Statement

Underutilisation of contract mechanisms that could benefit SMEs

### What we're planning...

- **Develop processes and metrics** that promote direct suppliers working with SMEs.
- **Regularly assess whether contract mechanisms are being used to their full effect**, and address any barriers preventing SMEs from working within the supply chain effectively.
- **Enhance monitoring and reporting of SME use in the supply chain**, by establishing a reporting framework and using digital tools for real-time monitoring.

# Streamlining Procurement Access



## Challenge Statement

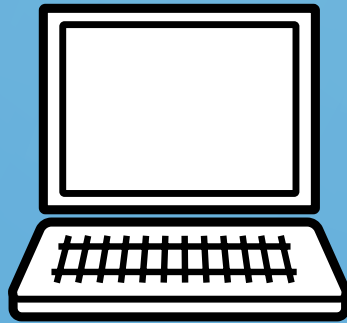
Complex and unclear barriers to entry in the procurement process for SMEs

## What we're planning...

- **Review our procurement process to simplify approach for SMEs**, streamlining documentation and procedures where possible.
- **Host procurement process workshops for SMEs**, covering key procurement topics, featuring interactive sessions and expert insights.
- **Develop a guidebook on navigating our procurement process**, with clear instructions, visual aids, and real-life examples.
- **Assure Network Rail and direct supplier payment processes and timelines** to promote support to SME's cashflow.



# Refreshing Resources For SME Engagement



## Challenge Statement

Outdated and insufficient online resources for SME engagement

## What we're planning...

- **Redesign the Network Rail SME webpage to improve user experience**, with clear call-to-actions and a feedback mechanism for continuous improvement.
- **Develop interactive online training modules for SMEs**, on critical topics and host on a user-friendly platform.
- **Provide clarity on the approach to intellectual property rights** to offer better guidance for SMEs aiming to innovate.
- **Enhance our communication to keep SMEs better informed**, highlighting procurement opportunities and tips.

## Summary

SMEs play a crucial role in our supplier base, accounting for 75 percent of the overall representation. This significant presence highlights their essential contribution and emphasises their importance as the backbone of our railway.

Continued collaboration with SMEs brings a range of advantages, including innovation, cost-effectiveness, local economic growth, competition, diversity, regional knowledge, and technology adoption, all of which are fundamental in achieving our Control Period 7 goals.

For questions about this strategy, please email:

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For regional SME queries, you can find relevant contact details on our [information for SMEs webpage](#)

