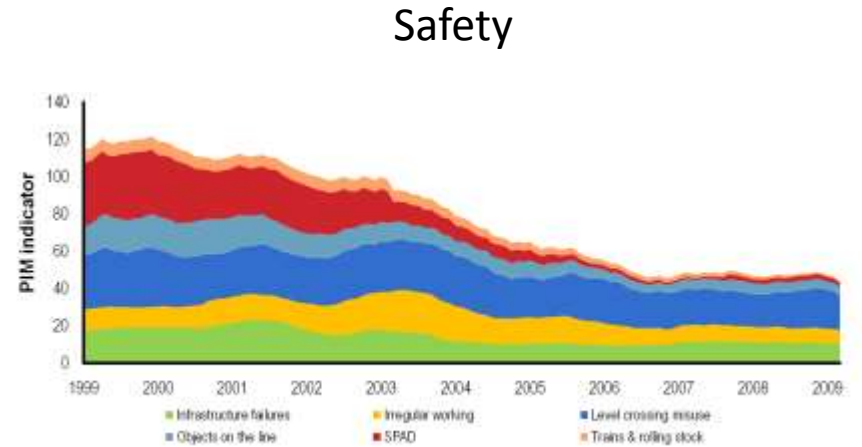
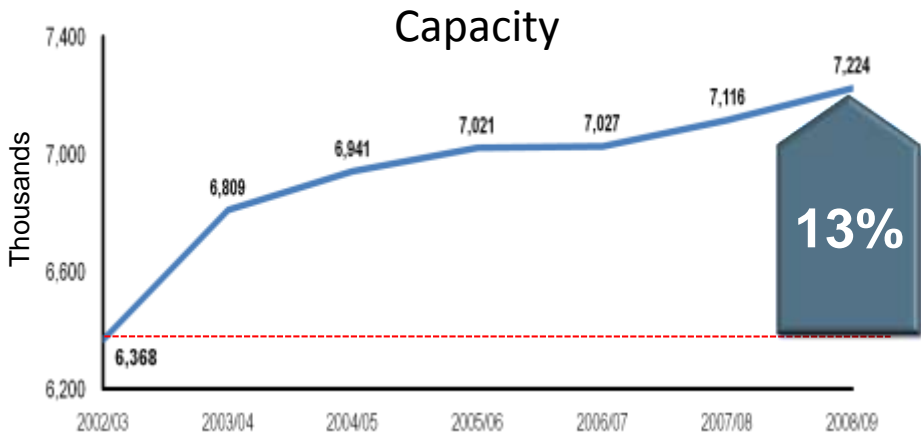


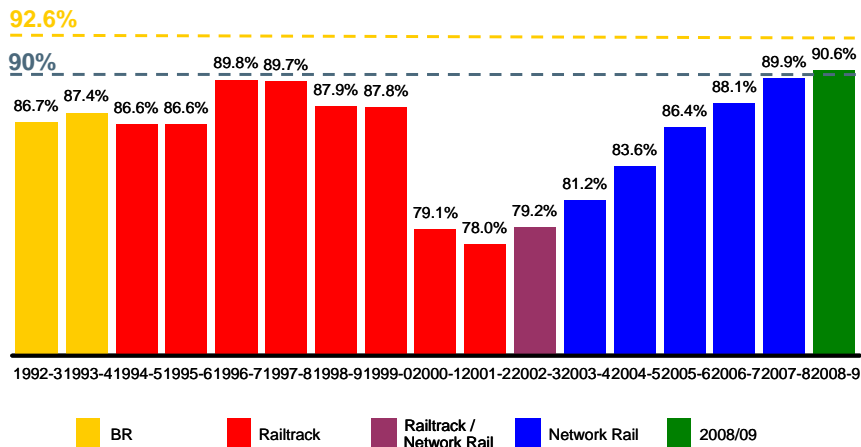
# Supply Chain Engagement Strategy

Ian Sexton – Director, Contracts & Procurement

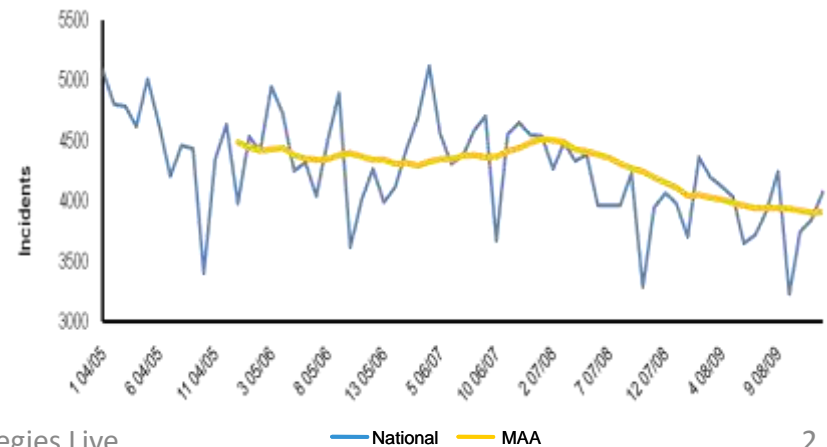
# We run a timetable



### Punctuality



### Reliability



# <2014 challenge is significant

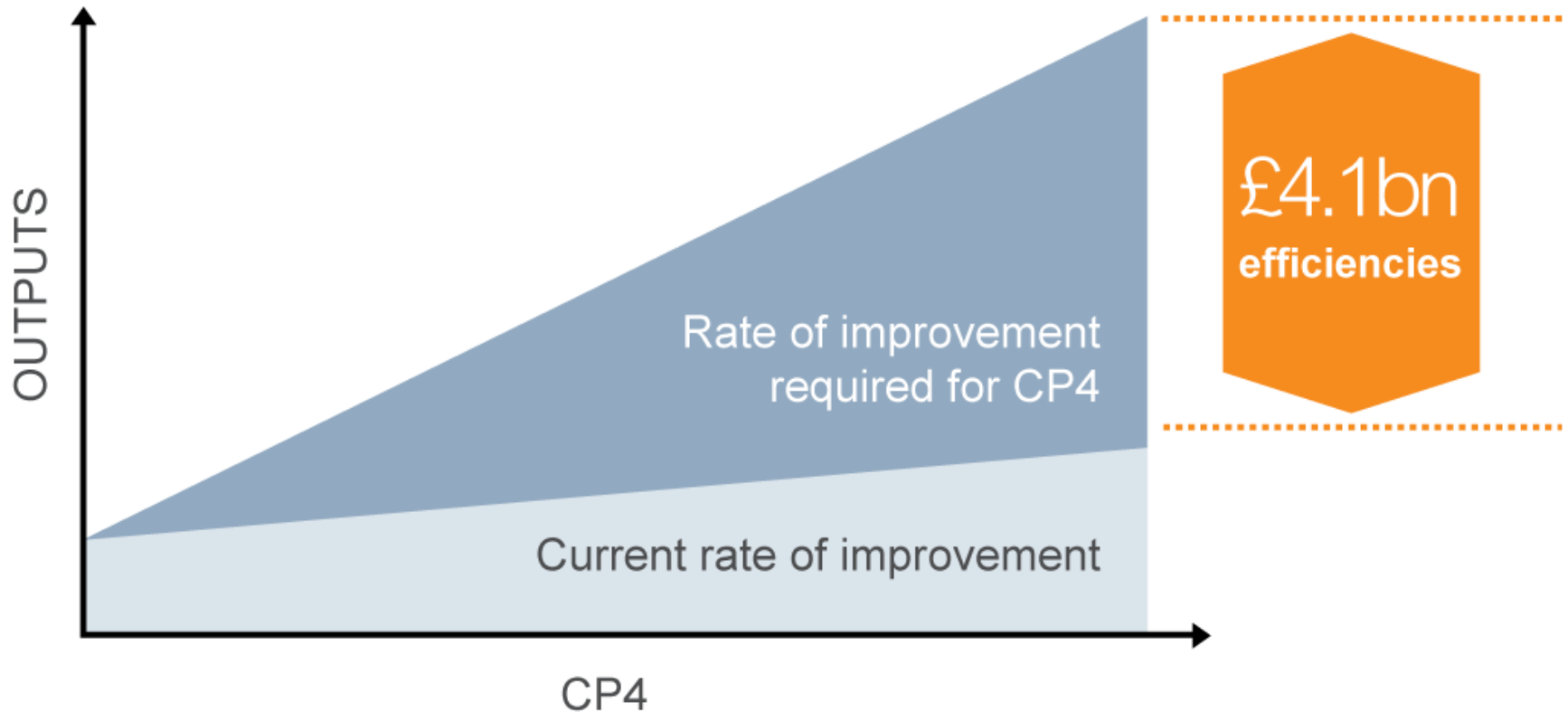
## CP4 OUTPUTS what we need to deliver

**FUNDING**  
SECURED

WE NEED TO MAKE  
**EFFICIENCIES**  
IN ORDER TO ACHIEVE  
SAVINGS OF **21%** ON TOP  
OF THE 27% MADE  
SINCE 2003.

<b>SAFETY</b> The reduction in safety risk	▼	Reduce by 3%
<b>PERFORMANCE</b> PPM	▲	Increase to 92.6%
Service cancellations / significant delays	▼	Reduce by 15-23%
Delay minutes (passengers)	▼	Reduce by 23%
(freight)	▼	Reduce by 25%
<b>CAPABILITY</b> Line speed, gauge	➤	Maintain at April '09 levels
<b>CAPACITY</b> e.g. Thameslink, Reading projects		Deliver as defined by delivery plan
<b>STATION CONDITION</b>	➤	Maintain for each category
<b>AVAILABILITY</b> Keeping the railway open when people want to use it	▲	Increase by 37%
(passengers)		
(freight)	➤	No decrease
<b>ASSET STEWARDSHIP</b> Achieving our required outputs in a sustainable way		
<b>CUSTOMER SATISFACTION</b> How we will measure our success		

# The need for change



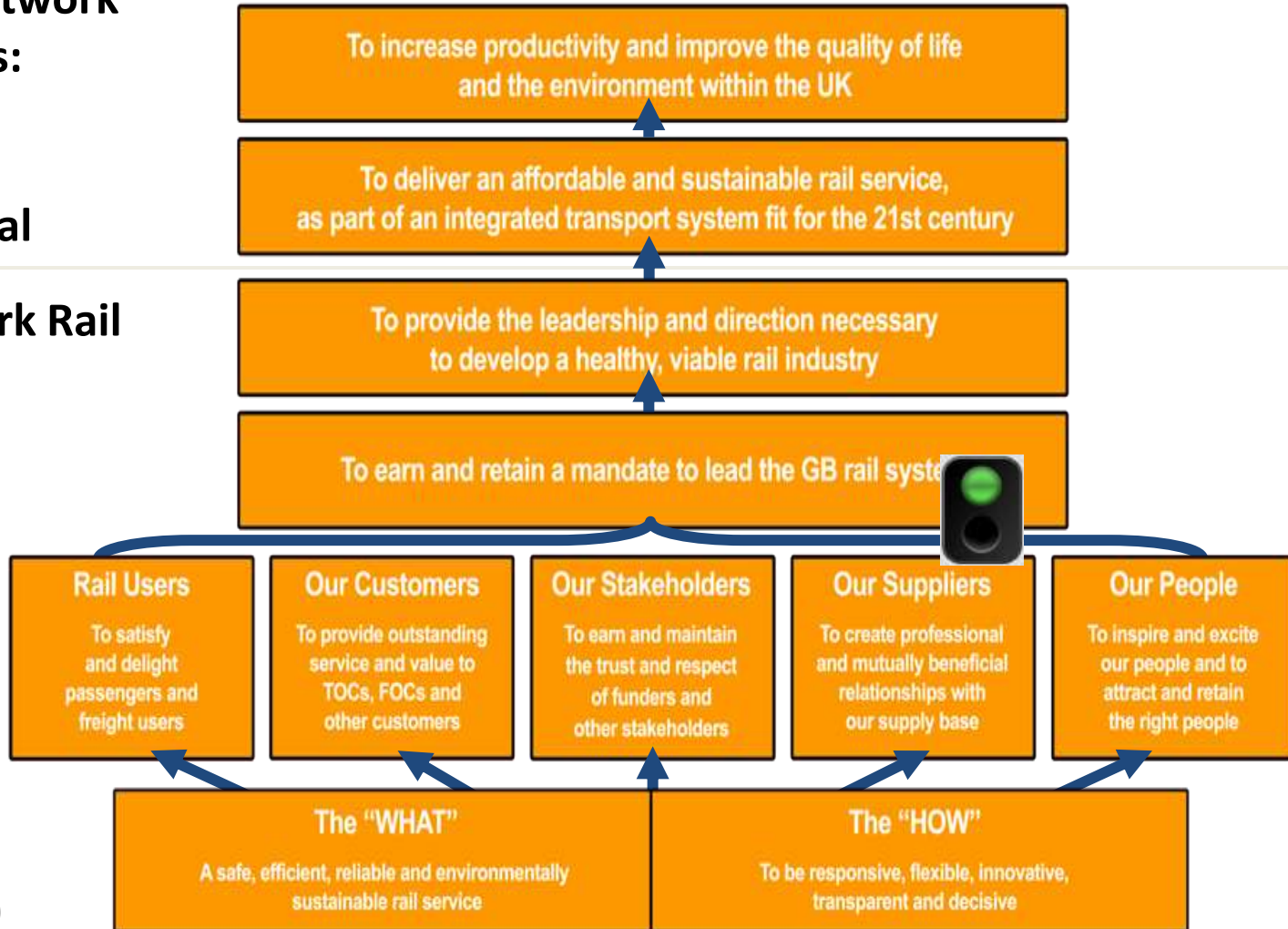
Safer. Better. Faster. Smarter

# Turning the Supplier Signal Green

## Our Network of Aims:

## National

## Network Rail



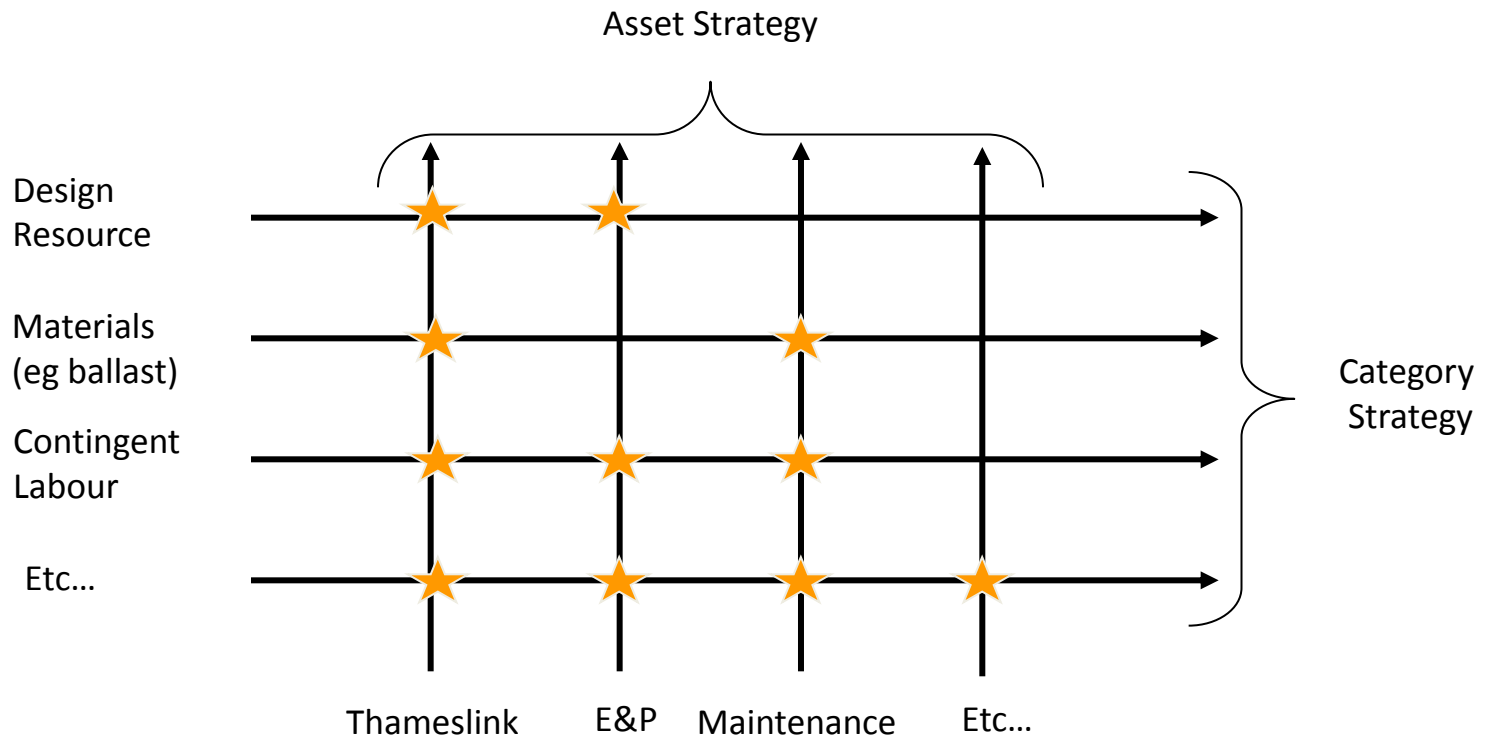
# The Challenge



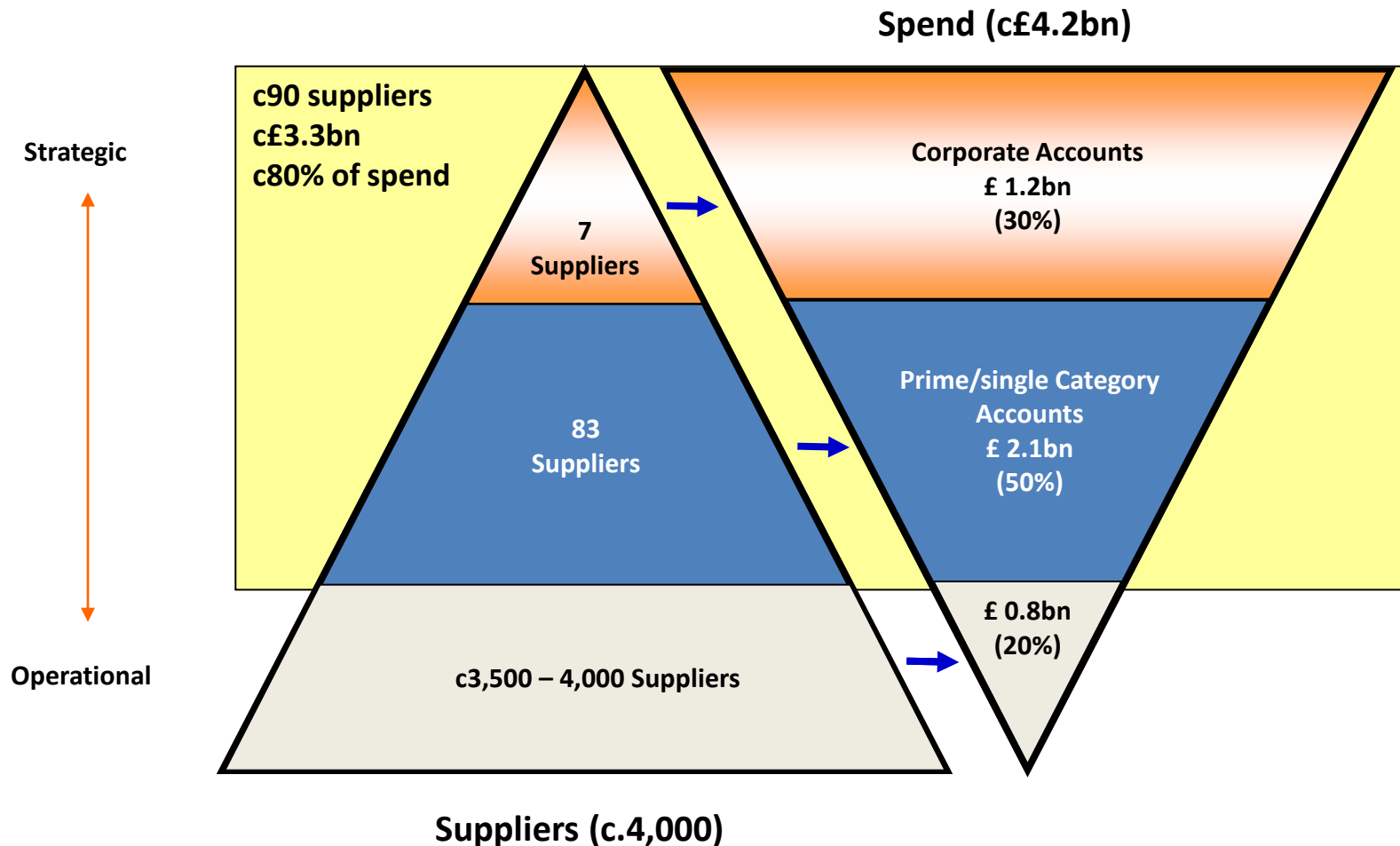
# Categories of spend

Capital Projects	Directs	Indirects
Signalling	Rail & Ancillaries	Information Management
Electrification & Power	Sleepers & Bearers	Telecoms
General Civils	Ballast	Legal
Station Renovation	Switches and Crossings & Ancillaries	Corporate Facilities
Station Renewals/ Enhancements	Haulage: Road & Rail	HR & Training
Track	Rail Fleet	Staff Equipment, Office Supplies & Travel
	On Track Machines	Utilities
	Railway Spares	Road Fleet
	R & D and Innovation	Communications & Media
	Contingent Labour: Direct	Corporate Professional Services
	Infrastructure Support Services (On & Off Track)	Recruitment Services: Permanent and Agency
	Plant & Tools	Professional Services - Direct

# Asset & Category Strategy

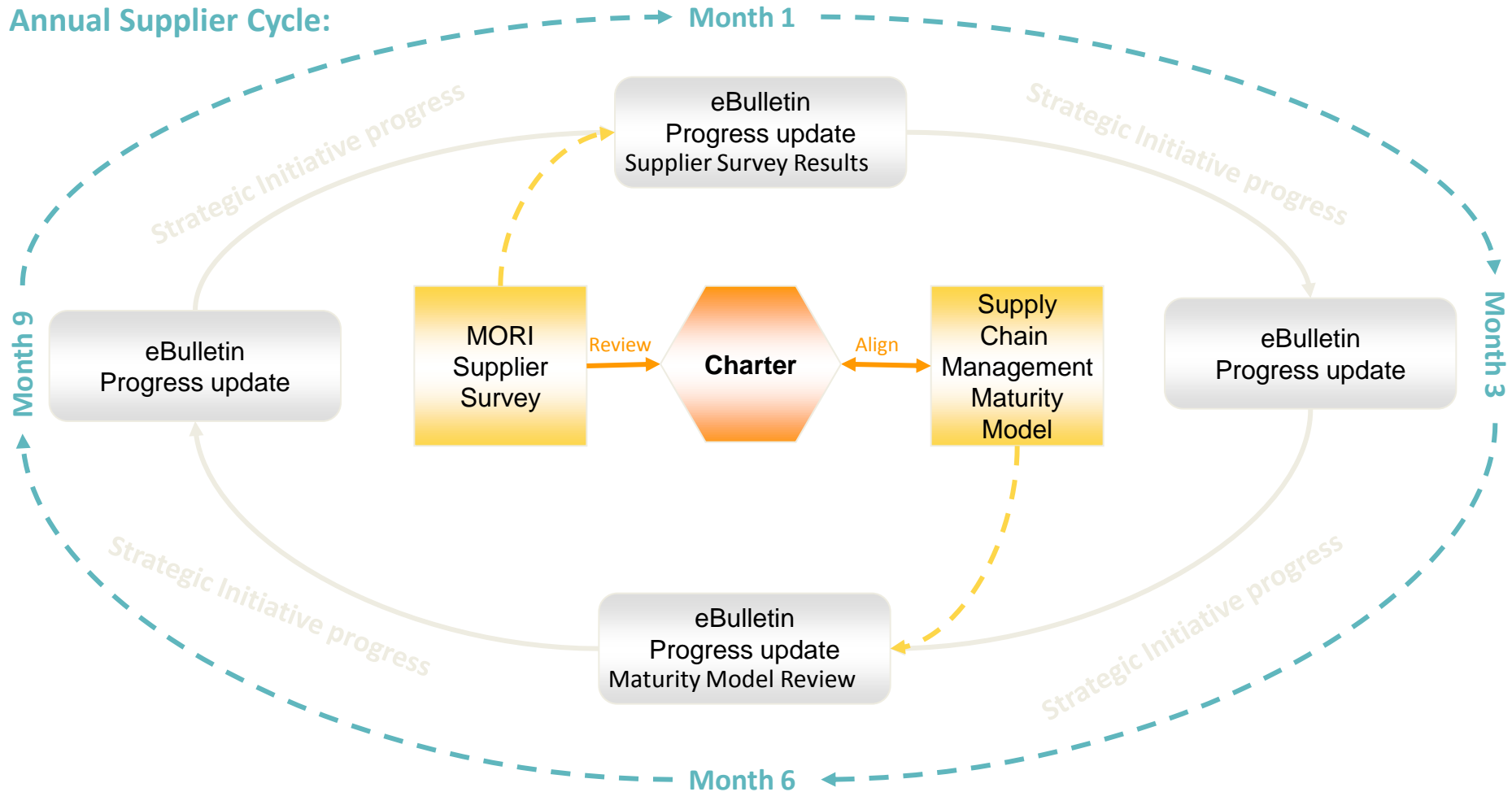


# Supplier Account Management (SAM)



# Supplier Engagement Strategy

Annual Supplier Cycle:



# Supply Chain Charter

In order to provide a safe, reliable,  
efficient and sustainable railway  
fit for the 21st century, our ambition is to establish a

**world class supply chain**

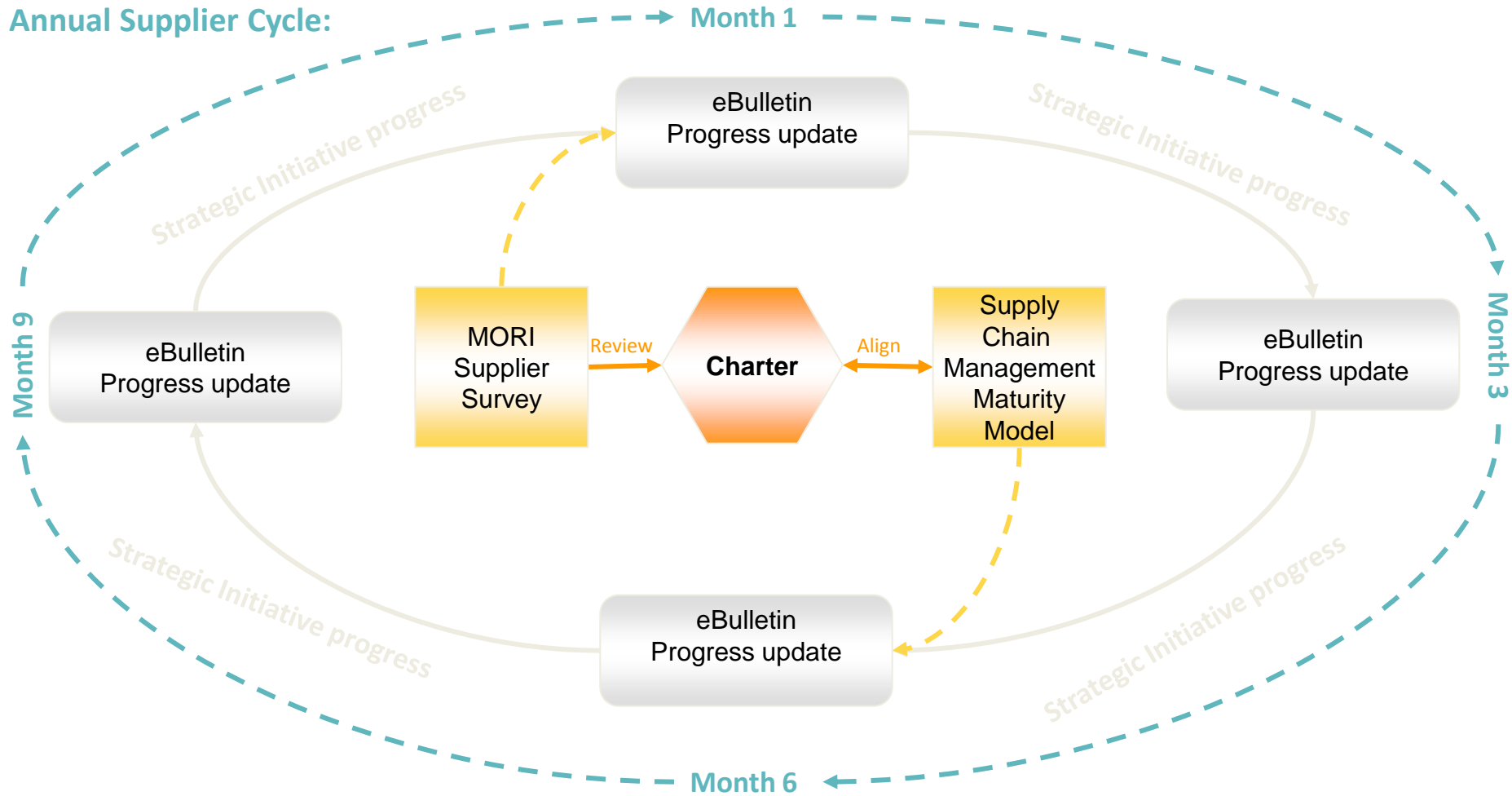
that builds long term

**mutually beneficial relationships**

and encourages joint strategic development – in a fair,  
transparent and consistent way

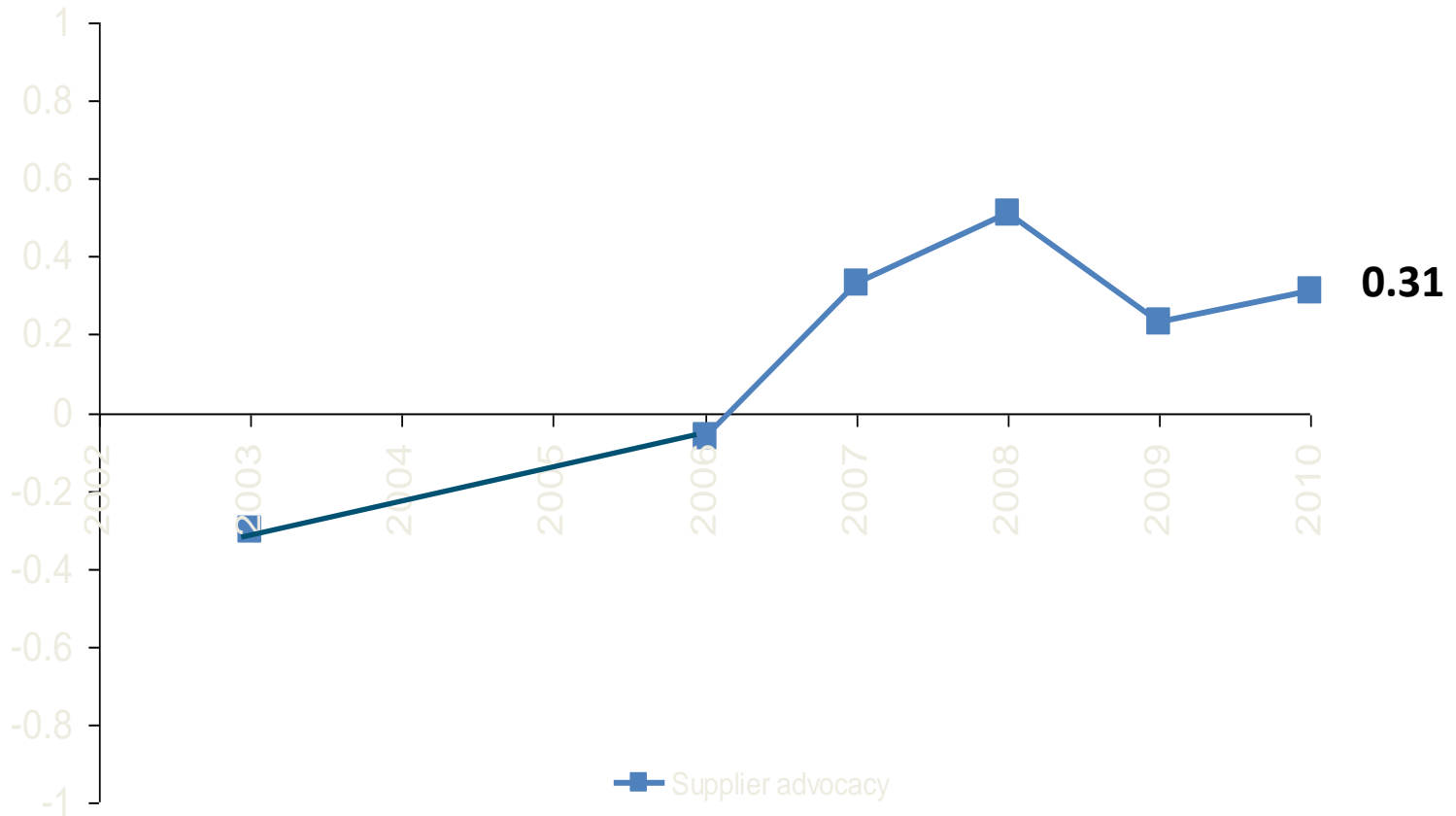
# Supplier Engagement Strategy

Annual Supplier Cycle:



# MORI Survey - Suppliers' attitudes to Network Rail

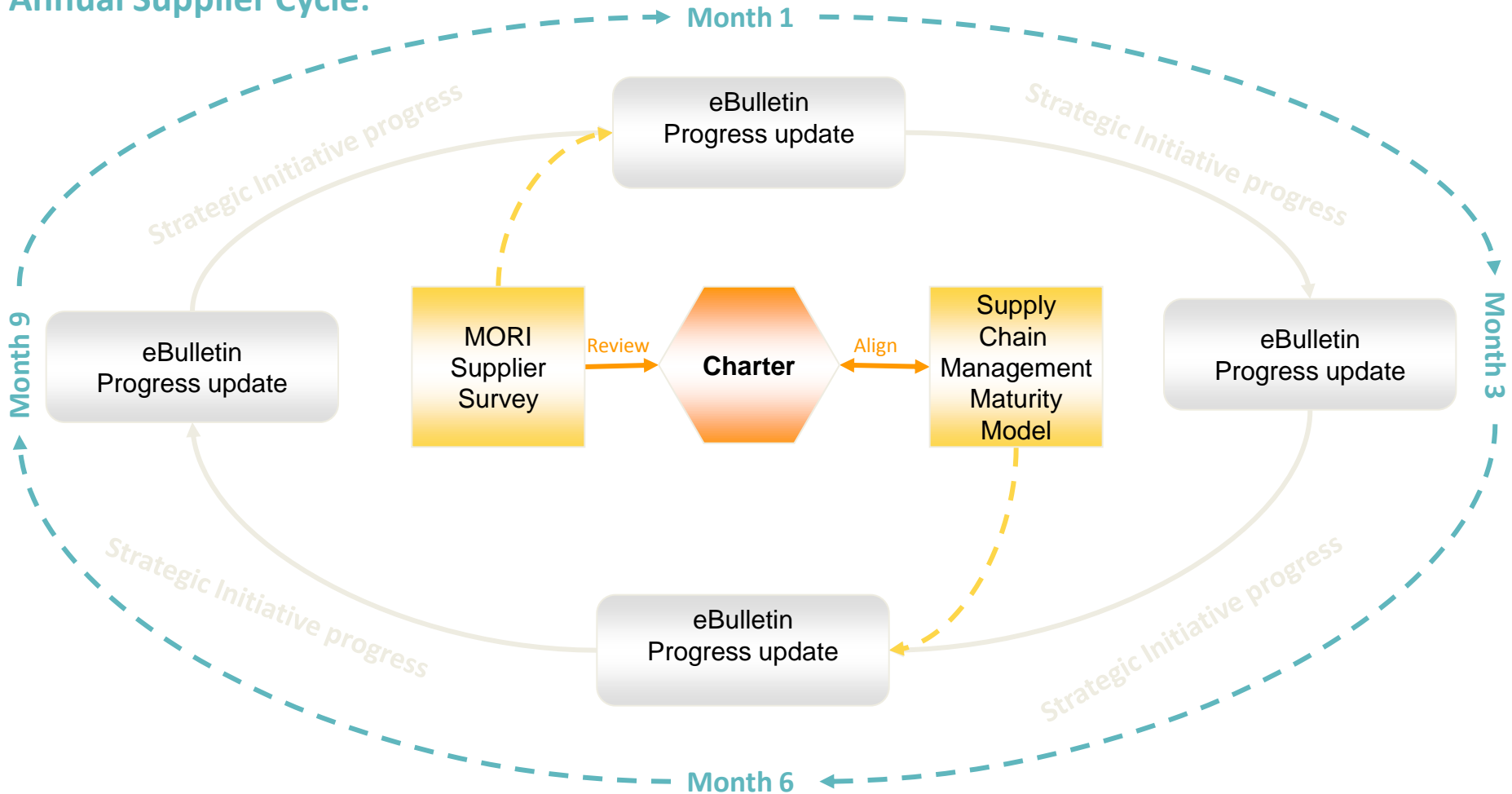
Measure: Advocacy Scale: 'I would speak highly of ... without being asked' to 'I would be critical of Network Rail without being asked'.



Mean score of all answers (from -2 to +2, where -2 = critical without being asked, and +2 = speak highly without being asked)  
June 2010  
Railway Strategies Live

# Supplier Engagement Strategy

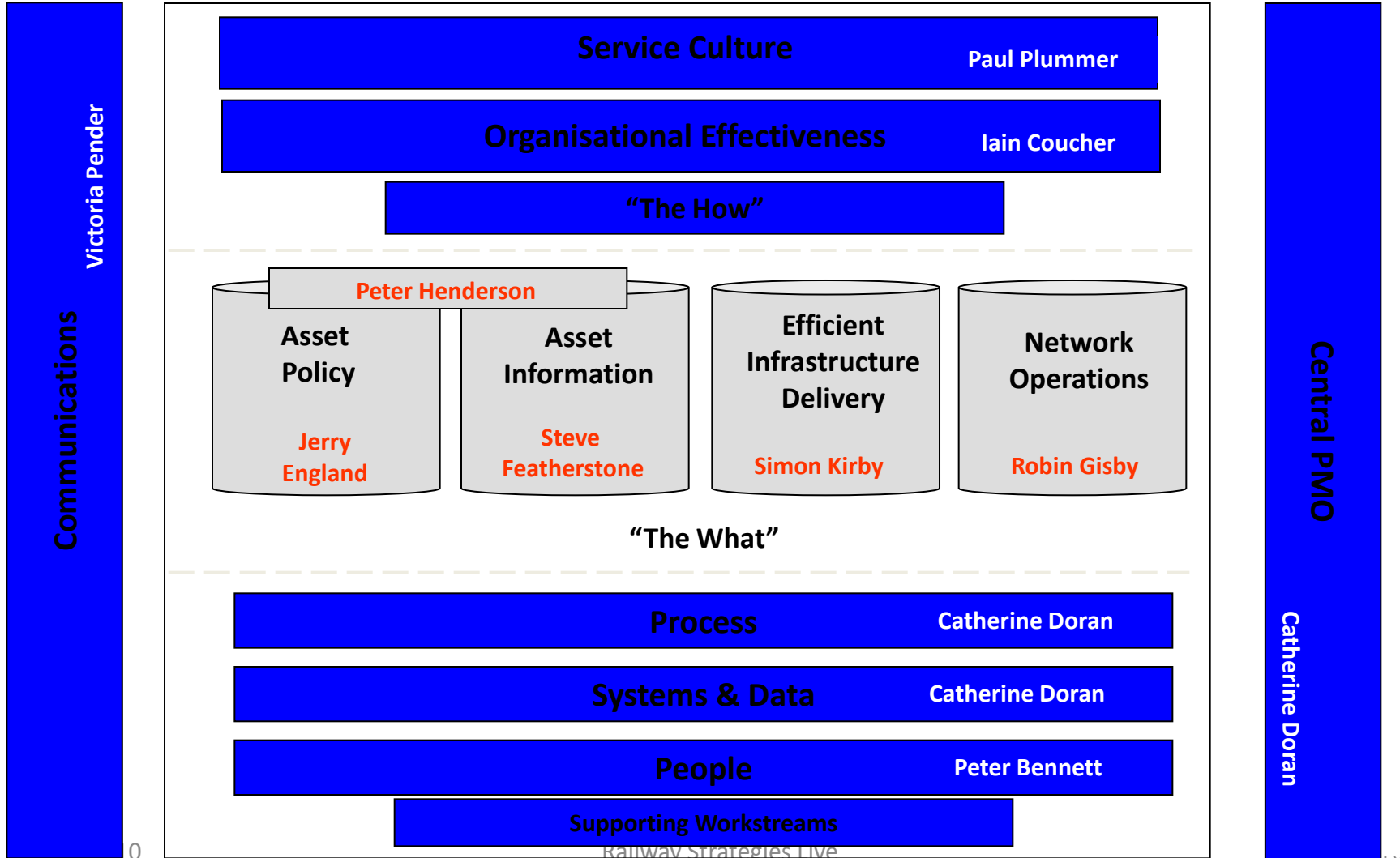
## Annual Supplier Cycle:



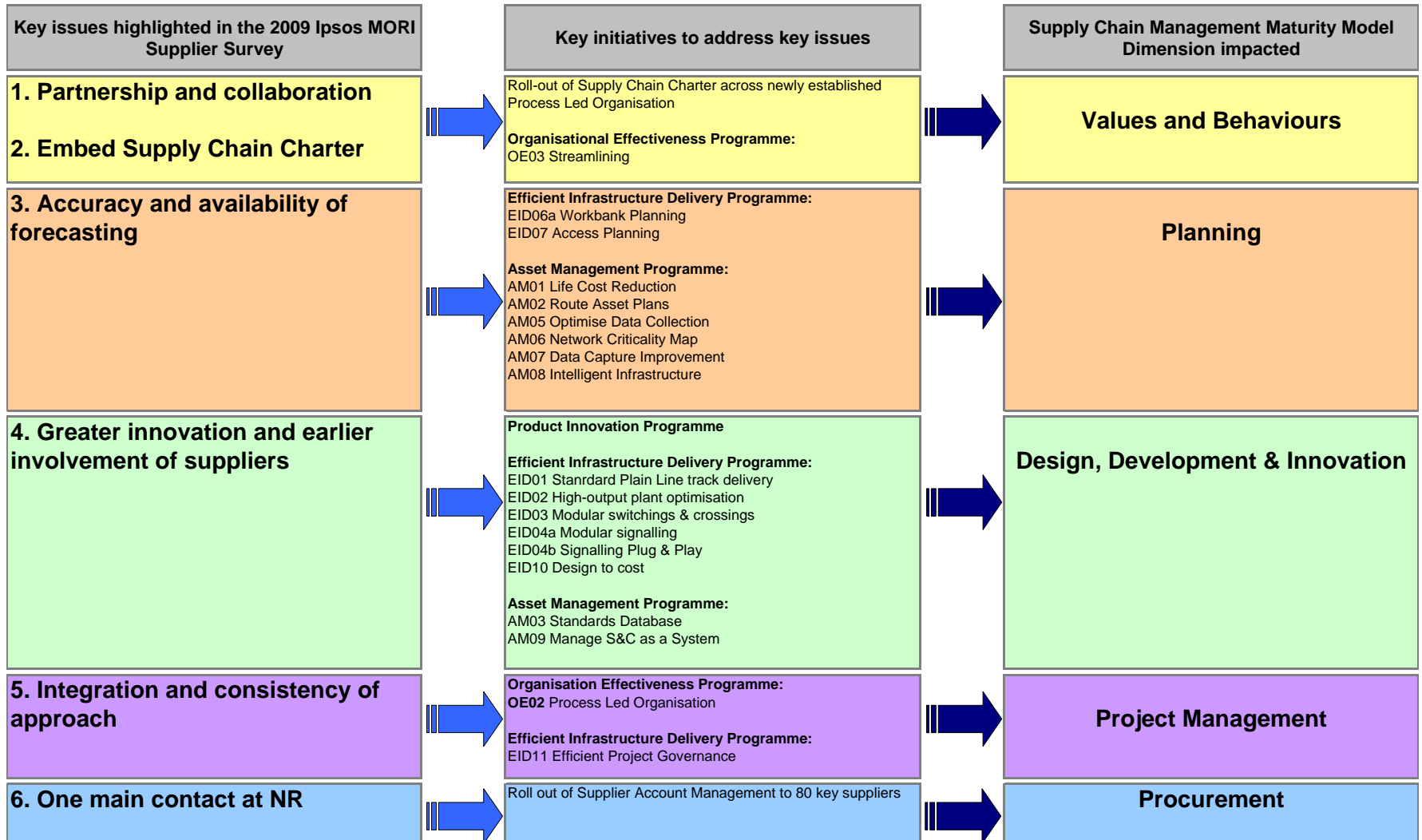
# Supply Chain Management Maturity Model

Dimension	Maturity levels				
CULTURE	<b>1</b>  Ad hoc	<b>2</b>  Defined	<b>3</b>  Linked	<b>4</b>  Integrated	<b>5</b>  Extended
PLANNING					
DESIGN					
PROJECT MANAGEMENT					
PROCUREMENT					

# Transformation Programme



# Transformation projects mapped to the Five Dimensions



# In summary

