



**Joint Executive Committee / Joint Scrutiny Committee – Initiative Update**

<b>Meeting</b>	Strata Joint Scrutiny Committee (JSC) Strata Joint Executive Committee (JEC)
<b>Date</b>	13 <sup>th</sup> January 2020 (JSC) 27 <sup>th</sup> January 2020 (JEC)
<b>Subject</b>	<b>Strata Commercialisation Update</b>
<b>Update</b>	<p>During the last round of JEC and JSC meetings, Strata presented a paper on the potential for the commercialisation of a number of Strata services. As part of the paper, Strata requested that £50k from the expected 2019/2020 savings be used to fund the 'discovery' phase of the commercialisation initiative. It was agreed that Strata could undertake the Discovery phase and have access to the £50k funding to support the work. As a result, Strata have engaged a highly skilled business consultant (Dougal Scott) for a 20 day period at a cost of £17,500, to perform the Discovery work.</p> <p>The scope of the Discovery phase covers (but is not limited too) :</p> <ul style="list-style-type: none"> <li>• It will be practical, and actionable. It will aim to anticipate all the challenges and dilemmas you will face. As much as possible it will propose an approach; in some cases it will offer a couple of choices; as we get to more minor issues it will act more like a checklist - flagging issues which need to be addressed but not necessarily proposing a solution to everything.</li> <li>• It will tend towards low risk. It will be an approach which offers no risk to the existing service delivery to your shareholder customers. The favoured approach is limited initial commercial activity to prove the model and allows Strata to learn, and all being well to scale up further later on.</li> <li>• It will focus on the short term. Aims to bring the first customer live by April 2020, so it will largely focus on what needs to happen in the next 6 months. The plan would be split into Phase 1 (first customers live and established); and Phase 2 (further scale-up once the model is</li> </ul>

	<p>proven). The focus will be on Phase 1, but there may need to be some qualitative changes in the approach (for example, to corporate structure or how Strata organise teams) once Strata move beyond the prove-out stage.</p> <ul style="list-style-type: none"> <li>• Though it will aim as much as possible to tease out all the issues needing to be resolved, it will certainly look at these questions: <ul style="list-style-type: none"> <li>○ Which services are best candidates to commercialise - and what are the criteria that identify them?</li> <li>○ What should be the characteristics of your pioneer customers - and which are good candidates, out of the organisations already within your sights?</li> <li>○ What do you need to be in place in order to sell? For example: insurance, Ts&amp;Cs, operating assurances like ISO, invoicing and accounts receivable capability.</li> <li>○ What do you need to put in place in your operating model? For example: timesheets or means of measuring contract profitability, monitoring SLA performance, support provision, tracking and billing against any metered activity.</li> <li>○ How will you layer commercial activity onto your organisational model? For example: who takes responsibility for sales, in-life relationship management, and how do you orient your delivery teams along service/customer dimensions.</li> <li>○ What are the implications for your people? A large dependency here is whether you will need to TUPE people into Strata as part of your commercial activity.</li> <li>○ What are the implications for your corporate structure? For example, do you create a sister company for commercial activities and bill your resource to it, or does Strata remain a single entity which sells to both shareholder and non-shareholder customers.</li> </ul> </li> </ul> <p>It is anticipated that the Discovery phase will be completed at the end of February 2020, and a detailed report into the potential for the Commercialisation of Strata services will be circulated and presented back to the Strata Board, the Joint Scrutiny Committee and the Joint Executive Committee for discussion and agreement on next steps.</p>
<p><b>Related Documents</b></p>	<p>N/A</p>