



merlin standard

# THE MERLIN STANDARD 2018





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# INTRODUCTION

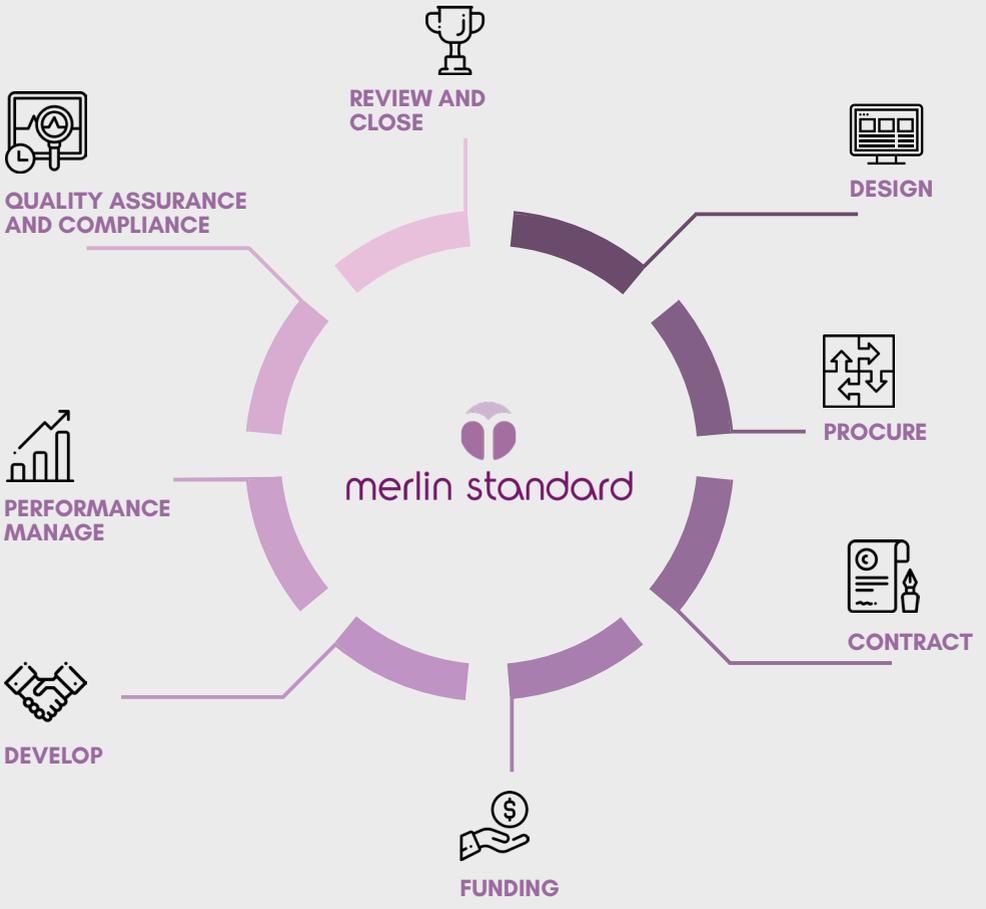
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The Merlin Standard for delivering excellence in supply chain management is built upon 8 interlinked Principles, underpinned by 36 evidence-based Criteria. It is these Criteria against which Organisations coming forward for accreditation against the Standard are assessed.

Each Organisation that uses the Merlin Standard as either a developmental framework, or as a Standard they wish to achieve, is unique. Their culture, in addition to their view on paperwork, processes, communications and relationship building, will all be unique to them. Therefore, how they approach supply chain management is not prescriptive – one size will not fit all.

During an assessment, Organisations have the opportunity to share with their Assessment Team how they believe they meet each Criterion within the Standard both in writing through a Self-Assessment Statement, and verbally through discussions with key members of staff. This is then substantiated through discussions with staff from past, present and potential Supply Chain Partners.

This document should be read in conjunction with 'The Merlin Standard – A Guide for Organisations Managing a Supply Chain'.



# PRINCIPLE 1. DESIGN



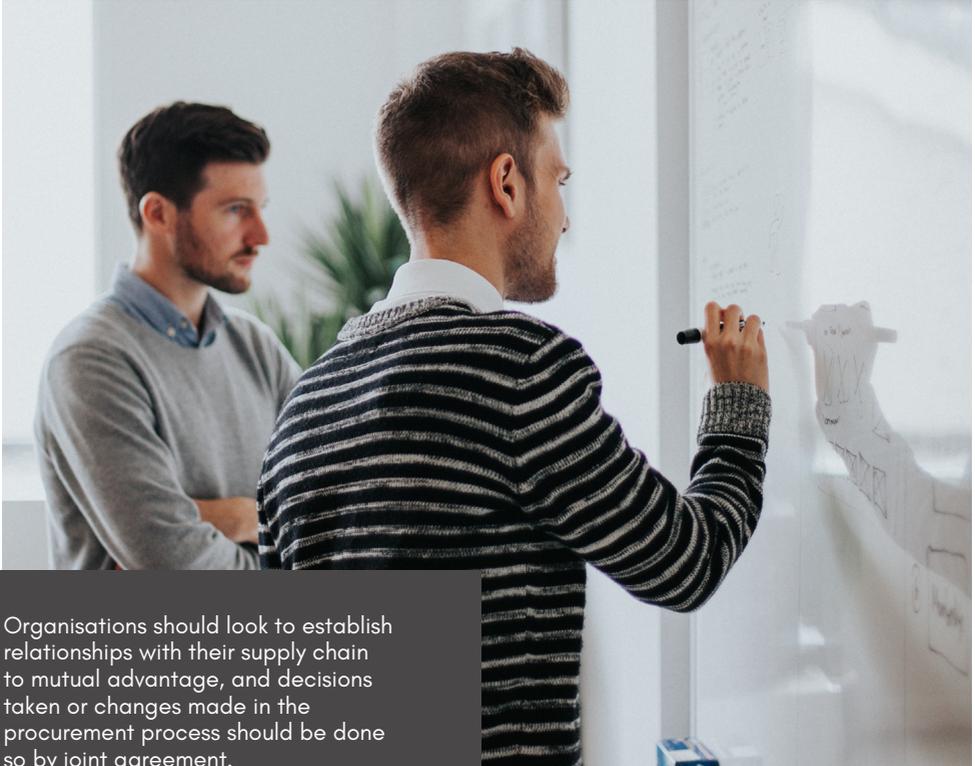
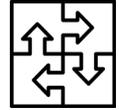
Successful supply chain design, including how Supply Chain Partners are chosen, is fundamental to achieving a healthy and high performing supply chain. Organisations should promote innovation in the supply chain and seek to constantly improve the design based on past experience.



## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 1.1 How it has considered using a range of organisations in its supply chains in terms of sector, size and legal status to help support the achievement of the commissioner's/procurer's objectives and contractual requirements.
- 1.2 That it has effective strategies in place to deliver comprehensive support services to stakeholders, customers and partners through the use of wider networks beyond the formal supply chain.
- 1.3 How its consultation with potential Supply Chain Partners informs the initial and ongoing design of the supply chain and its activities.
- 1.4 That the design of supply chains encourages Supply Chain Partners to operate collaboratively, with open participation and resource sharing across the network to deliver comprehensive services.
- 1.5 That the design of the supply chain involves mutual agreement upon a set of core principles and behaviours, including a commitment to equality and diversity, which are embedded in organisational practices.
- 1.6 That it reviews and evolves supply chain design to meet the changing needs of both customers and commissioners/procurers.

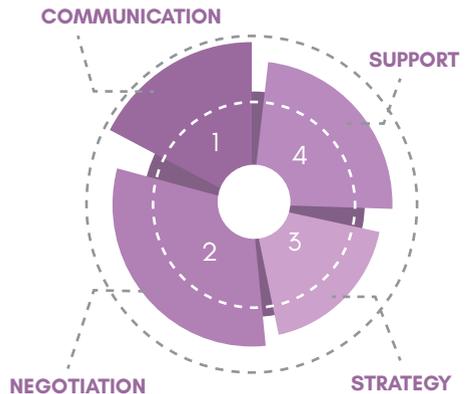
# PRINCIPLE 2. PROCURE



Organisations should look to establish relationships with their supply chain to mutual advantage, and decisions taken or changes made in the procurement process should be done so by joint agreement.

## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 2.1 That its procurement processes, including communications, the selection of Supply Chain Partners and completion of due diligence activities, are fair and transparent.
- 2.2 That it has clear and effective strategies in place to manage the TUPE process.
- 2.3 That it has a clear rationale in place to support a viable and transparent allocation of market share within supply chains.
- 2.4 That it has proactively negotiated volume, funding/finance and performance expectations with its Supply Chain Partners ahead of relationship commencement.



# PRINCIPLE 3. CONTRACT



Organisations should seek to implement high quality contractual documentation and deal with challenges in an appropriate manner.

## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 3.1 That it has devised, and where appropriate updated, contractual documentation which clearly defines the obligations of both the Organisation and its Supply Chain Partners, and that explanation is given for any changes in pre- and post-contract arrangements. A change control process, agreed between the Organisation and Supply Chain Partners, is enacted where and when required.
- 3.2 That it has clearly defined performance expectations which are understandable and reasonably achievable for all parties throughout the life of the contract.
- 3.3 That the Organisation is open to challenges brought through the relevant, publicised dispute resolution process, and outcomes are honoured.



# PRINCIPLE 4. FUNDING

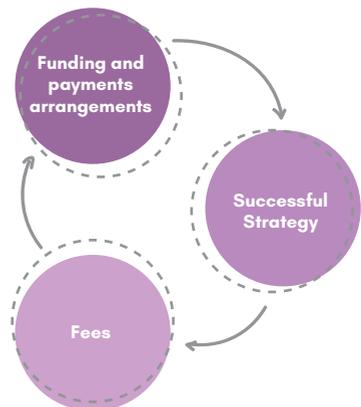


Organisations should implement effective strategies for managing funding and finance, and operate in a fair and transparent manner as appropriate.



## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 4.1 That its funding and payment arrangements are fair, proportionate and do not cause undue financial risk for Supply Chain Partners.  
That it has discussed, agreed and executed a successful strategy to manage the transfer of funds/finance within the network, resulting in the Supply Chain Partners receiving accurate and timely payments.
- 4.2
- 4.3 That it has explained, discussed and agreed fees (including management fees and other costs where appropriate) in a transparent manner.



# PRINCIPLE 5. DEVELOP



Organisations and Supply Chain Partners should work together to develop a successful working relationship, to better deliver the commissioner's/procurer's objectives.



## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 5.1 That it supports, develops and encourages its Supply Chain Partners to fulfil their contractual obligations from contract award throughout the life of the contract.
- 5.2 That it supports, develops and encourages its Supply Chain Partners to evolve, build capacity and develop comprehensive services to support them in remaining viable and sustainable organisations.
- 5.3 That it actively promotes and facilitates the development of staff within the supply chain.

# PRINCIPLE 6. PERFORMANCE MANAGE



Organisations have a responsibility to manage their supply chains with integrity, honesty and transparency, supported by effective processes.

## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 6.1 That it has clear communication channels to ensure that there is clarity in the business relationships underpinning the supply chain arrangements.
- 6.2 That it has created a culture across the supply chain in which communication is open, honest and without unreasonable constraint; and interactions between the Organisation's and Supply Chain Partners' staff remain positive and supportive throughout the life of the contract.
- 6.3 That it has clear, two-way channels in place for regular performance review, including recognising and supporting innovation, raising issues and discussing concerns.
- 6.4 That it has robust Management Information Systems which produce consistent, accurate and appropriate performance information that is shared across the supply chain.
- 6.5 How its established processes (including but not limited to collection of Management Information) measure, encourage and support performance improvement in Supply Chain Partners.
- 6.6 That it proactively identifies, shares and monitors cases of practice within the supply chain to improve performance and service delivery.
- 6.7 That it has an effective and inclusive process for generating an annual continuous improvement plan and action plan, including a robust review of performance and quality assurance.

# PRINCIPLE 7. QUALITY ASSURANCE AND COMPLIANCE



Organisations have a responsibility to manage their supply chains in compliance with legislative and regulatory requirements, and Supply Chain Partners should also play an active role in supporting Organisations to comply and excel.

## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 7.1 That it has effective policies and procedures in place to keep the supply chain updated with legislative and regulatory requirements, and policy and strategy information.
- 7.2 That it operates efficient and proportionate policies, processes and activities to monitor the quality of delivery and, where appropriate, the customer experience. The Organisation uses quality assurance findings to inform improvements to service delivery.
- 7.3 That it has effective methods of providing impartial, effective and timely Information, Advice and Guidance (IAG) throughout the supply chain.
- 7.4 That both the Organisation and Supply Chain Partners have strategies, policies and processes in place to maintain effective information security, health and safety, safeguarding, and environmental sustainability.
- 7.5 That the Organisation and its supply chain adhere to the principles of, or if meeting the relevant criteria, fully comply with the requirements of the Modern Slavery Act 2015.



# PRINCIPLE 8. REVIEW AND CLOSE



Excellent supply chains will deliver the best results for customers and have the most positive impact on the wider community. The end of the relationship between the Organisation and a Supply Chain Partner should be managed effectively to manage the impact on both the service delivered and all involved parties.



## THE ORGANISATION CAN DEMONSTRATE AND SUPPLY CHAIN PARTNERS CAN VALIDATE:

- 8.1 That it actively seeks feedback from all stakeholder groups, including through external auditing and assessment activities, and uses it to inform and improve practices throughout the life of the contractual relationship.
- 8.2 That it assesses how the activities of Supply Chain Partners have a measurable impact on the wider social objectives and/or policy intent of the commissioner/procurer.
- 8.3 That it assesses how the activities of the supply chain generate a positive impact on the intended customer groups, external stakeholders and the wider community in which the supply chain operates.
- 8.4 That it has effective processes in place to monitor and promote equality and diversity throughout the supply chain, and that data is collected, analysed and used to inform improvements throughout the life of the contractual relationship.
- 8.5 That it has prepared and agreed a process to handle the end of the relationship with the Supply Chain Partner, including timely communication and documentation sharing.

*Criteria will be assessed by a number of different methods, including but not limited to: self-assessment questionnaires, feedback from Supply Chain Partners, interviews with members of staff, demonstration of systems and processes, and providing written documentation. This list is not exhaustive.*

# CONTACTS

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