

## Heathrow: Partnering with Value

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Thank you for your interest in providing goods, works, or services here at Heathrow. We understand that operating at an airport is an investment for any company and one I believe is worth it as an exciting city of services opens to you. Performing to the standards required at an operational airport prepares business to operate anywhere and there are few places as inspiring to work as Heathrow.

Procurement at Heathrow has reassessed its role in supporting strategic change by better defining value, service proposition, and envisaged results to create a future-ready airport.

Traditional procurement centres around cost, time and quality as key differentiators that rightly remain however, the emergence of new priorities has driven an evolution of this model. Improved knowledge of health, safety, and wellbeing (HS&W), not only as a moral duty but a very real impact on those traditional characteristics, has driven its role in procurement as a must have. This started with safety statistics and is now moving to a safety and wellbeing culture alongside preventative health support.

A modern scorecard places an equally heightened importance on HS&W as it does on any of those traditional aspects. Safety in its early introduction was seen as a nice to have that might help a business win work if cost, time, and quality are all closely matched – now it is a pre-requisite for a supplier to perform works, services or provide goods at any responsible client organisation.

As we reassess our strategy, we must answer the challenges of responsible sourcing in the modern age while leading as a procurement function in the market and stakeholder communities. It is my assertion that some of those evolving elements which currently drive differentiation are no longer ‘scored criteria’ but prerequisites required to be able to respond to an opportunity.

Partners must hold an ambition and motivation around sustainability within their own central aims regardless of affiliation to the airport. They must manage cyber and security threats by seeking compliance alongside constant threat detection and mitigation. This is essential given the risk portfolio associated with our national infrastructure such as Heathrow.

Clients truly focused on responsible sourcing must create standardisation across these elements to move them from differentiators to prerequisites. It is not in any party’s interest for basic critical attributes to be a competition when they should instead be a standard commitment continuously improved for wider societal benefit. Betterment from standard – progress and innovation will then be the marker which differentiates and displays quality.

As part of our service, we need to build out from a risk-based approach. We must focus where impacts would be greatest felt and then tailor our expectations as we move through our supplier segments and risk profiles. In sustainability for example we must focus on our biggest emissions risks to shift our posture and performance. Making this proportionate for other areas of supply delivers an inclusive and diverse supply chain that grows in capability.

As a business we must have a clear definition of value specific to Heathrow. This then blends into all our procurement activity from sourcing to supplier relationship management. Ultimately performance throughout a supplier's lifecycle for these aspects will inform whether we compete in the market or negotiate with current performing suppliers as opportunities arise.

Our value definition starts with our customers at its centre and moves out through our six beacons touching on those key aspects across our business that make Heathrow operate and perform. That value definition and line of sight creates a common language and expectations for current and future suppliers to tether to when seeking to be successful at Heathrow.

A final and most critical piece of the procurement mix is collaboration. Picking the best supplier via competition to perform works or services is far from a guarantee of success regardless of the robust nature of a market exercise. The true difference is finding the supplier who is willing to work with us as one team, solve problems, and prioritise the relationship above short-term goals. Sourcing a collaborative spirit requires a behavioural analysis built into our value definition as a deliberate statement of intent.

This strategy will deliver change, it will select suppliers who qualify as having a safety culture and reporting framework, are compliant and cooperative to our cyber and other key policies, hold an ambition and drive to be sustainable and are able and willing to collaborate with Heathrow as entry criteria. Once these aspects have been established the opportunity to present a proposal for cost, time, and quality alongside higher order differentiators for those qualifying aspects will be opened.

We will create mutual value with partners and suppliers. We will provide opportunity for suppliers to build brand. Our value definition will deliver clarity on key social and environmental factors to enable growth. Heathrow wants to operate with suppliers who share these attributes and build strength through the relationships this fosters.

As a procurement team we present our qualifying value criteria and value definition to drive business results, supply chain capability and a collaborative ethos that enables growth at Heathrow.

For our formal value definition please [click here](#).

Signed

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