

WHITE PAPER

Best practices for using data to ensure a resilient public sector supply chain



Introduction

OVERVIEW

Government procurement and compliance teams are under pressure to deal with an increasing variety and pace of change in the supply chain. Onboarding suppliers to meet targets such as small to medium size enterprises, and third-party risk exposure is challenging. This is further impacted by rapidly scaling complexity, along with complicated and diverse regulations, where it is essential for government departments to proactively monitor their supplier relationships.

There are an assortment of risk incidents, including those reported in global and regional markets, both in government and private databases, and corporate information that is required to ensure supplier relationships are sound. This is of course essential to help drive informed decisions and full visibility throughout all third-party relationship lifecycles.

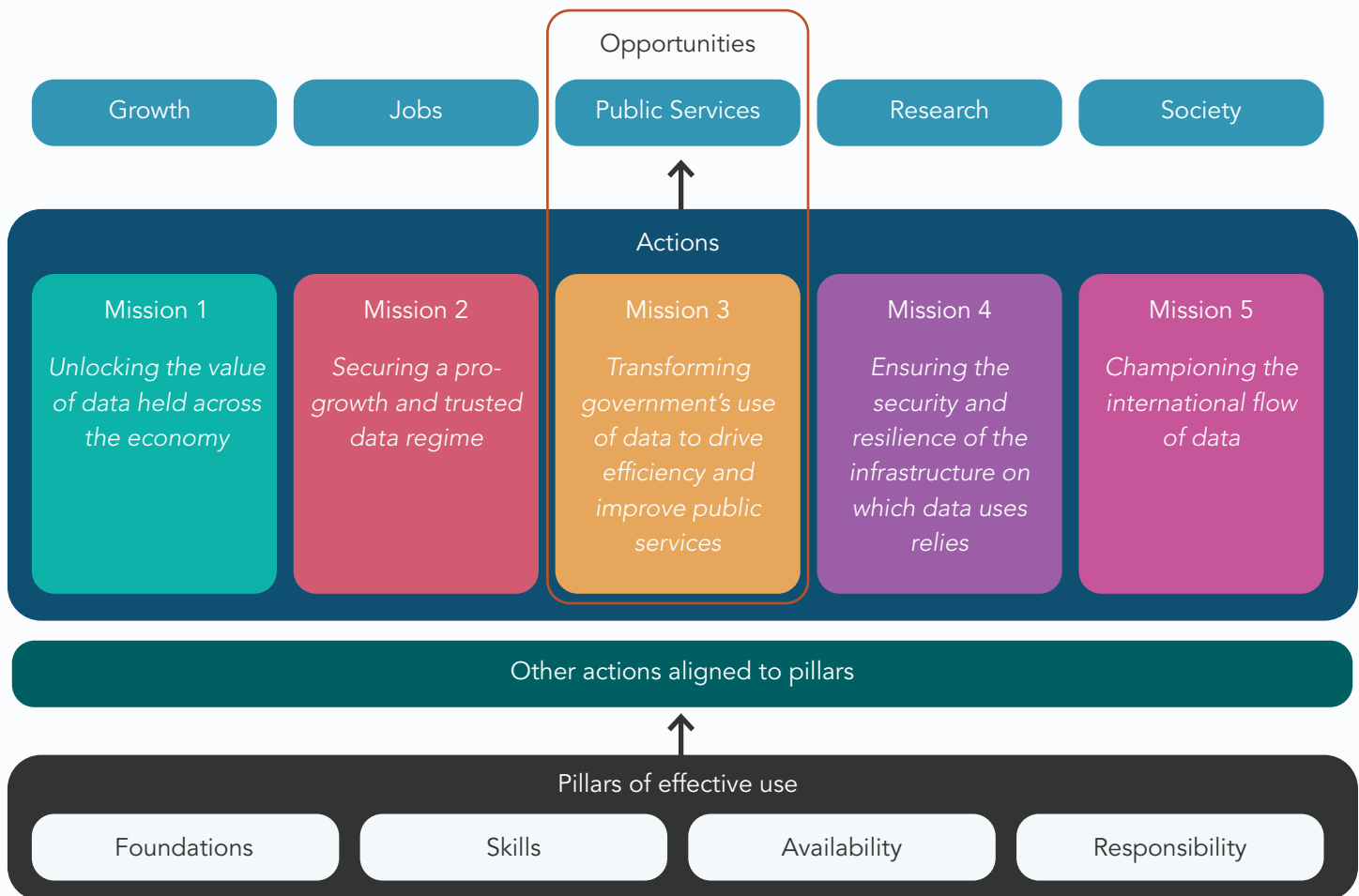
This is just one area within Government that can be improved as part of the National Data Strategy, (NDS), which was published on the 19th May 2021. Over 2801 companies contributed to the consultation across the many use cases where data is consumed and made actionable across the UK Government departments.

This white paper focuses primarily on the procurement use case, but as with any use of corporate data aligns too, to the mastering of data from a business to business capacity.

So, anywhere that data enables commerce and where government needs to verify businesses is relevant as well as the need to understand the shape of markets. (Of course, there are individuals associated with those businesses too and this is where things can get blurred), but the start point should be mastering data and applying a unique business identifier to provide a consolidated, consistent and accurate view of business entities.

The NDS was structured under five key missions, for the purpose of this paper though, we will look at Mission Three touching on the following areas where commercial entities such as Dun & Bradstreet can assist:

1. Business identity and verification – is the business I am looking to do business with a valid entity?
2. Entity resolution – if so, do I have the correct business at the right address?
3. Risk for both customer and supply chain purposes – how broad are the risks?
4. Compliance requirements and fraud identification – what type of compliance checks are needed when onboarding a supplier?
5. Environmental, social and governance (ESG) measures as to understanding risk with commercial entities



Source: Computer Weekly

The NDS clearly articulates the issues facing the UK Government, these can be summarised as:

- Departments operating in silos with data not being a key priority.
- The quality of data not being well understood and a culture of tolerating and working around poor-quality data.
- There is also a lack of standards and inconsistencies in the way data is recorded between departments, including identifying numerous methods of capturing and storing data on businesses.
- Each department having its own unique identifier e.g. for tax the Unique Tax Reference.

So, it is extremely challenging for the government to get a holistic view of businesses and associated data and this limits the ability for departments to benefit from new technologies and tools, with data preparation being resource intensive. This is compounded further as not all businesses need to register at Companies House. If every business was required to, irrespective of type and size, this could indeed be used as the UK unique business identifier.

The NDS is a good step forward, but government cannot do it all alone, even where there are many technical solutions, such as innovation through machine learning and AI, and businesses whose sole focus is data. With so much on offer the big question for government is how to engage the commercial sector and how to prioritise such a huge task?

Dun & Bradstreet like other commercial data providers offers a partial solution to some of these problems; in the ability to match to a trusted business reference dataset with a unique key and a quality process, not only for UK businesses but for worldwide business information, along with global scores and ratings. This also answers GDPR (General Data Protection Regulation) concerns, helping government with data accuracy obligations, especially in relation to unincorporated companies, where verification and data accuracy is more complex.

That unique key, assigned to every business, then immediately enables access to thousands of data points,

which then answer critical business questions. It also provides a foundation from which to bring together the many other reference points utilised across government, providing a simple solution, such as a look-up table, cross referencing UTR (Unique Tax Reference)/CRO (Company Registration Number)/Charity number, and so on.

The ONS's Government Data Quality Hub has published the Government Data Quality Framework, which provides the public sector with a more structured approach to improving the quality of its data, and this may well be the start point whereby policy will drive the change.



Case Study

Let's look at an actual UK Government case study to demonstrate where a unique key like the D&B D-U-N-S® Number that links to a master data reference database can improve the issues identified. This UK Government department needed a quick, reliable and scalable solution to allow suppliers to register on the UK Government department procurement portals.

However, registration was only one challenge, the verification that a business is who they say they are, and that the correct compliance checks and balances were carried out for a smooth process is another matter, and this is where Dun & Bradstreet was able to step-in.

The original service started in 2011 mainly to support the NHS procurement processes, through an application known as Sid4Health (but, has since grown to include Government wide procurement solutions). Sid4Health covered circa 80k suppliers and provided all organisations in the health sector with access to the D-U-N-S® Number, providing supplier identification that could be migrated into other applications for the purpose of procurement activities.

This identification was supplemented with additional data that provided basic supplier information, including the corporate family, location information, SME identifier and financial risk assessment.

The original service did not have the user interface it has today, but did allow for supplier registration, basic verification and compliance checks to be carried out, so that buyers had the ability to search for a service offering without additional due diligence from their end. This information was made available to anyone in the health sector.

As this was such a success and allowed consolidation and savings to the NHS, it was seen, as the perfect project to expand out for wider procurement needs across government for example, both contractor and contract supplier management activity. To achieve this an integration of multiple applications across the 'eEnablement' environment was required, to ensure common standards covering customer organisations across the public sector as well as their respective suppliers.



Solution

Once the architecture design was approved by the Procurement Executive Board, the team were able to use Dun & Bradstreet's D-U-N-S® Number as the unique identifier for customer organisations and suppliers; particularly due to the global coverage of the D-U-N-S®. This was pivotal to establishing the verification and compliance checks being enabled through the real-time use of data.

To facilitate the solution and create more insightful dashboards and reports a small number of integration points were created in terms of the 'eEnablement' environment:

- Contract details for the opportunity and to allow for the award of contract and its publication
- Catalogue of service details through two specific eMarketplaces
- Order details
- Invoice details
- Cleansed spend data for reporting purposes
- Contract data



All, of the above were required to facilitate the solution, but also for dashboards and reporting purposes.

The output was revolutionary, consider how many times a procurement team within each government department had to reach out for the same verification, compliance and due diligence checks. The duplicated resource effort was both costly and wasteful, making the benefits easy to articulate.

The second stage established a registration process that ensured all future suppliers were able to be identified through a D-U-N-S® Number. This involved maintaining a registration process that mandated all 'new' suppliers to register with Dun & Bradstreet for a D-U-N-S® Number before they access the Government Procurement Portal and other procurement applications such as eMarketplace or Contracts Finder.

On generating the D-U-N-S® Number this unique record was then supplemented by the data packet from Dun & Bradstreet as well as supplementary information from the supplier and the customer organisations.



Learning From Other Markets

Not dissimilar to the United Kingdom, in the United States every business that wishes to supply the US Federal Government with products or services, needs to have a D-U-N-S® Number. This has been in place for many years and is used to ensure the business is a valid entity, as well as allowing the Government department to utilise other Dun & Bradstreet data, such as risk scores.

Departments such as Food and Drug Administration (FDA), and Homeland Security (DHS), need to regulate businesses on a global scale, the former to ensure all imports out of the US are managed effectively, so, a D-U-N-S® Number is required to add the cargo onto the ship or plane, then the cargo can be tracked and checked that it is from a verified 'shipper'.

In terms of imports too, from March 2017 the FDA took a step towards ensuring the accuracy of its inventory of importers, ensuring they were responsible for meeting the requirements of the Foreign Supplier Verification Programs (FSVP) rule. The FDA issued guidance formally recognising the Data Universal Numbering System (D-U-N-S® Number) as an acceptable unique facility identifier (UFI) for FSVP.

Their stance was that it helped with the identification of importers to effectively implement, monitor compliance with, and enforce the FSVP requirements, which are designed to help ensure that imported foods meet U.S. safety standards. Full details can be seen on their website [here](#).

In October 2020 the Brazilian Government also adopted the D-U-N-S® Number, primarily for the Brazilian Ministry of Economy (SICAF) to access data and insights to facilitate timely evaluations of and awards to all contractors conducting business across the federal procurement process.

This way international companies can now bid on Government contracts without the need to set-up a local entity prior to being awarded the bid. The identification of all international companies will be accomplished using the D-U-N-S® Number as the unique identifier of businesses within the procurement process.

So, helping government identify and organise its suppliers from Brazil and abroad. This data-driven procurement process helps the Government to have more insights on its current and new suppliers and thus reduce fraud, improve supplier selection, and adhere to compliance requirements. It provides insight into suppliers' ownership structure, financial and operational capability of fulfilling the contract, among other vital information.

Acting as an enabler for Brazil in the global economy with efficiency gains, but also for Brazilian companies, allowing them to increase their exports to new markets too.



Wider Procurement Use Cases

In the introduction the following business use cases were identified:

1. Business identity and verification
2. Entity resolution
3. Risk for both customer and supply chain purposes
4. Compliance requirements
5. Environmental, social and governance measures as to understanding risk with commercial entities throughout the supply chain

Let's bring these to life; from a UK Government perspective using the Data Quality Framework. Taking number one, Business identity and verification. It can be seen from the UK Government department case study that for a supplier to register on their portal, the business had to be matched for verification purposes, but it also touched on point two, the entity resolution, this is critical in businesses where there are often the same or similar names. It is critical therefore, to identify a business correctly in order to link the appropriate data attributes to it, something that is called out as a potential data quality problem in the framework.

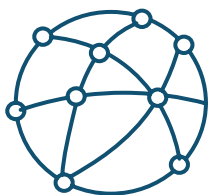
Other examples are:

- Inconsistent standards applied to the data, which can lead to problems when linking – whereas having a master reference dataset with a unique identifier can resolve the inconsistency problem

- Data accuracy decaying over time – having a master reference dataset with a unique identifier can help with data updates via an API for near real time or batch processes
- Data not being actively managed – as per the point above

However, the most valuable point is the first objective of Mission Three of the NDS, and that is Quality, availability and access: striving towards improved data quality that is consistent, having a clear understanding of what data is held and where, together with better data collection, and efficient data-sharing between organisations. All should be the norm, rather than the exception.

- Consistent data quality - having a persistent business identifier across government departments allows the data users to maintain their own view of a record if required, but also the ability to match to a central master reference dataset, this will give a 'consistent data quality'
- Better data collection – having a persistent business identifier provides access to thousands of trusted data attributes that can be utilised across government departments
- Efficient data sharing – as per the point above, data can be shared using the persistent key to get a single source of truth



Summary

The global supply chain challenges can be somewhat alleviated, through having 'mastered the core data' and then utilising a persistent key for businesses. This will provide cross fertilisation, referencing and business data utilisation across departments. The ability to link businesses and their many use cases providing for better data quality, coverage and shared use of assets, growing 'accessibility'. Deeper data around supply chains in terms of the types of products and services can then be overlaid onto the core reference data to understand provenance of products, how much of a product is in fact made in the UK versus other markets, for example.

Also, the ability to proactively monitor and flag up issues around supply chain disruption, as has been experienced to some degree with Brexit, e.g. the lack of HGV drivers and, on a larger scale due to COVID 19. A master reference dataset can also help inform another of the UK Government objectives; 'levelling-up' to view where business operations are across the UK and the types of diversity of industry in core locations.

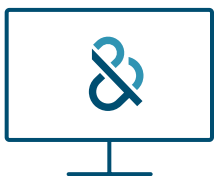
Other unique identifiers for business are available already within the UK Government departments, such as

Company Registration Number, but having a crosswalk to something like the D-U-N-S® Number provides a reliable, trusted key that is already used by many UK Government departments and is also embedded in the US Government and Brazil's data framework too, providing evidence of its efficacy, and to some degree providing the ability for cross border collaboration when reviewing risk and fraud, for example.

As a primary key it is also part of many 'Master Data Management' programmes, enabling a single source of truth, in the capture and storage of business information. It is used globally to access the Dun & Bradstreet credit file, firmographic data (company address, size, phone number), but is also invaluable when reviewing business hierarchies, (such as branches, headquarters and ultimate beneficial ownership), the associated data and scores also provide a rich resource for managing financial risk, fraud, and even environmental factors such as ESG.

The business data landscape is complex however, with the help of the NDS, the UK Government now has the opportunity, to embrace what the commercial world has to offer.





How can we help the Public Sector?

Government agencies around the world trust Dun & Bradstreet for data and analytical insights and use our end-to-end solutions to uncover truths, mitigate risk and make intelligent decisions. Dun & Bradstreet is differentiated by the scale, depth, diversity and accuracy of our constantly expanding business data.

Data and insights are delivered through the Dun & Bradstreet Data Cloud and the solutions it powers. The Data Cloud comprises hundreds of millions of business

records, curated from tens of thousands of sources, and tens of millions of web pages.

Anchored by the long-established Dun & Bradstreet D-U-N-S® Number – a 9-digit unique reference number – to provide our customers with the unique key to unlock the vast Dun & Bradstreet Data Cloud to uncover truth and meaning from data and drive informed decisions for our government agencies – ultimately benefitting the taxpayer.

Valuable Insights to Improve Supply Chain Resilience and Reduce Risk

A Single View of Each Supplier

The D-U-N-S® Number provides a single, 360 view of each supplier. It is a unique key that links to a master data reference database. A quick, reliable and scalable solution to identify third parties and to allow suppliers to register on the UK Government department procurement portals.

Uncover Significant Relationships Reveal relationships between companies and people within and across corporate family trees, including beneficial ownership and overseas connections, to evaluate legal, reputational, supply, and financial risks.

Consistently Monitor Information Ensure you have current information on a business, including key firmographic and beneficial ownership data, with the help of real-time alerts, predictive indicators, and other tools.

Confidently Validate Incoming Information

Authenticate information you receive on a specific business, beginning with fundamental firmographic data. Identify risks with watchlist and sanctions data and with analytics-derived predictive indicators of financial health.

Supply Chain Transparency Gain visibility and understanding into the level of risk a supplier may present, including financial, fraud, political, supply chain disruption, violations, modern slavery, country risk and other factors.

ESG Intelligence Assess and track your business partners' ESG performance and activities. Our comprehensive ESG Rankings help companies generate insights that help strengthen their ESG goals and streamline ESG assessment processes.

Scan the QR code to request your free trial of D&B Risk Analytics and start intelligently managing third-party risk.

To find out more about Dun & Bradstreet visit www.dnb.co.uk, or contact us via phone on 0800 001 234 or email publicsector@dnb.com



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