

**Thompson  
Brand Partners**

**YPO.**  
PUBLIC VALUE  
CHAMPIONS.

**SECTOR**  
Public sector

**CLIENT**  
YPO

**DESIGN CONSULTANCY**  
Thompson Brand Partners

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# Executive summary

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## 1974

ESTABLISHED  
IN WAKEFIELD

People getting together to use their buying power to get better deals is not a new thing, the public sector has been doing it for years.

Set up in Wakefield in 1974, YPO is a buying organisation with the purpose of getting better deals for its members. Owned by 13 local authorities, YPO proved itself good at buying school exercise books at huge discounts during the first 30 years of its existence, becoming famous to school children as the name on the back of their school books.

However, ineffective management and intense competition led to dwindling profits and an unengaged workforce. The owners called for change and installed a new board in 2012, who had a vision for YPO to be the number one public sector buying organisation in the UK.

This is the story of how Thompson used design to kickstart YPO's turnaround, from failing organisation to force for good.

It's a story of how design thinking has helped to support a new brand for YPO, centred around new proposition 'Public Value Champions'. A brand that has injected confidence, engaged the team and enabled YPO to look more sophisticated and happy to take on the national competition.

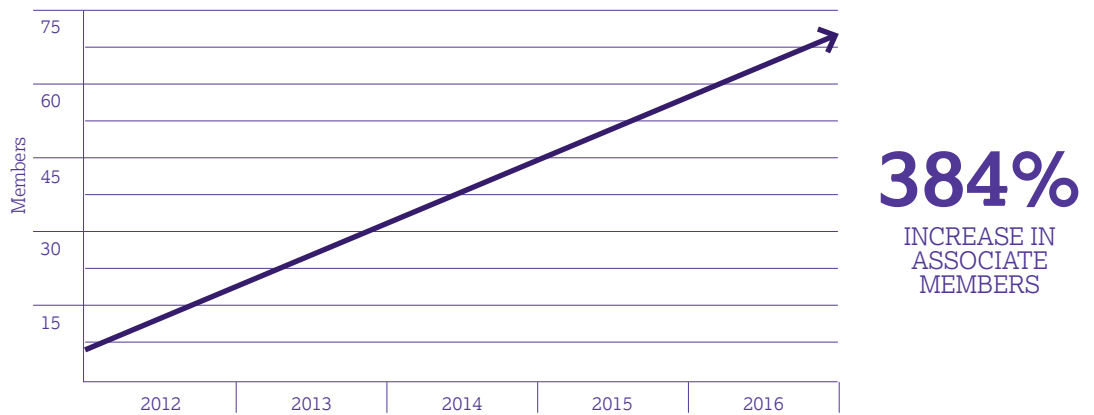
The agency promoted a change of name, before supporting a successful national expansion out of YPO's traditional heartland. In a time of unprecedented pressure on the public purse and contracting customer markets, YPO has bucked the trend and grown both its turnover and the amount it gives back to the public sector. To be the number one, YPO had to look like the best. This has been achieved with a modern identity and changing behaviours, leading to significant progress in customer service. Now the YPO team stands proudly behind their brand new flag, their ambition well within reach.

(296 words)



# Executive summary

**YPO developing new national partnerships – new associate members have been recruited throughout the UK from 13 in 2012 to 63 in 2016.**



YPO is developing new partnerships nationwide, looking to deliver even more value to the public sector.

**Average dividend to the public sector up 27.3%**



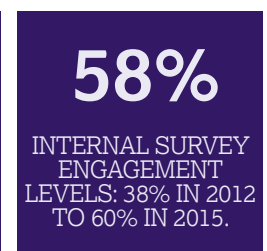
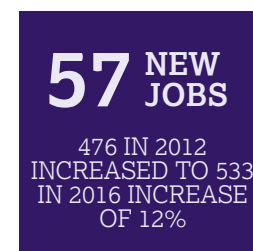
**Framework Turnover has increased since the rebrand.**



**Greater dividend to the public sector**



**Employee engagement**



**Increased productivity**



# Project overview

## Outline of project brief

In 2012, the new board of YPO embarked on a three-year business strategy. Its objective was to make YPO into the UK's number one public sector buying organisation, by focussing on the following 4 areas:

- Growth
- Customer service
- Competitiveness
- New products/innovation

To support the organisation in this strategy, a brief was issued to create a new brand identity for YPO. The objectives for the rebrand were:

1. **To raise the profile of YPO nationally, supporting UK-wide growth.**
2. **To engage with internal audiences to help improve customer service.**
3. **To help deliver growth and increase the level of dividend paid to the public sector.**

*Before the rebrand*



## Description

YPO was established as a Joint Committee of Local Authorities in 1974, with the primary purpose to act as a buying consortium for local government and educational establishments with a commercial trading model at its core.

Until 2004 the organisation made consistent profits and grew its supplies business turnover from **£13.9m** in **1974** to **£95.3m** in 2004.

From 2005 to 2011, however, profits were unpredictable and reduced to a low of £756,000 in 2007. This was a period of significant turmoil for YPO, characterised by unsuccessful change programmes, leading to a new Board of Directors being appointed in 2012.

# Project overview

13

PUBLICLY OWNED  
BY 13 LOCAL  
AUTHORITIES

With an annual framework turnover in 2011 in excess of £500m and 100% publicly owned by 13 local authorities, YPO was the largest formally constituted public sector buying organisation in the UK. It was a convenient single port of call for all products and services, offering a choice of over 27,000 items and approximately 100 legally compliant contract services promoted through a range of print catalogues and online.

## The organisation faced a series of major challenges, including:

- The end of localism in the UK, meaning all procurement organisations could trade throughout the UK, rather than just in their regions.
- The growth of private sector competitors offering next day delivery and low prices.
- An established, but un-engaged workforce of public servants.
- The impending launch of Amazon Business.
- Customer perception of YPO being old fashioned.
- Lack of knowledge of YPO outside its Yorkshire heartland.
- YPO was famous just for education, and mostly primary school supplies.
- Lack of knowledge of the services/framework side of the business.
- An organisation, heavily set in its ways.

Rebranding YPO provided the opportunity to project it as a UK-wide organisation and to portray it as a more modern buying organisation, despite its public ownership. YPO wanted to be seen as more competitive and more commercial.

## Overview of market

In 2012, YPO was one of five buying organisations in the UK:

**YPO** – Yorkshire Purchasing Organisation

**CBC** – Central Buying Consortium

**ESPO** – Eastern Shires Purchasing Organisation

**WMS** – West Mercia Supplies (later acquired by The Consortium)

**NEPO** – North East Procurement Organisation

Up to then, each organisation had traded only within its own region, but with the Localism Act 2011, each was permitted to trade nationally. All five were already upping their game to take market share. In addition, and larger than all five, was GPS (Government Procurement Service, now called Crown Commercial Service), an executive agency run by the Cabinet Office, focussing on central government departments.

Customers were also obviously able to buy from the private sector. The key competitors were Findel, The Consortium, Lyreco, Office Depot, Hope Education, Smiths News, Staples, Viking and Supplies Team. Online buying had only started to develop at this stage, but the development around the corner was traders like Amazon starting to offer B2B services to directly compete with YPO.

72%

EDUCATION  
BASED

YPO's supplies customer base in 2012 was 72% education based. Market conditions were challenging with the British Educational Supplies Association suggesting the education market had shrunk by 4.8% for 2010/11 with a further 3.6% contraction predicted for 2011/12. At the time, the board recognised there continued to be an issue with customer retention, with a number of former customers choosing not to buy from YPO in 2011.



# Project overview

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The Comprehensive Spending Review (CSR) in 2010 increased the pressure on Local Authorities to deliver reduced cost services, causing many Authorities to reduce their cost base by 25% or more. During 2011, YPO saw its catalogue sales from Local Authorities fall by 19% (0.1% 2010). The market therefore was looking for unprecedented levels of value for money and a significant reduction in discretionary spend within local authorities.

A good indication of the extremely difficult market conditions is the recent report of a huge loss for 2015/16 of £59.4m by key competitor Findel. CEO Phil Maudsley is putting a positive spin on their difficulties:

**“At Findel Education, we are addressing market share decline through a clear strategy based on value, service and digital.”**

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## Competitor logos



## Project launch date

Thompson was appointed by YPO in June 2012, with the rebrand launched in January 2013. The results included are for the years from 2013 to 2016.

## Size of design budget and production costs

The budget for the audit, brand strategy, identity, assets and guidelines was £38,560.

(824 words)



# Outline of design solution

**To begin with we conducted extensive stakeholder research with colleagues, key Customers, potential customers, local authorities and industry figures. A communications audit was completed along, along with reviews of key competitor brands.**

We found that YPO needed to focus less on education, and instead on raising the profile of other supplies and services, and to look more modern. Many IT systems were old fashioned, including a significant use of fax. The biggest learning was that YPO had an opportunity to raise its profile and inject more sophistication into its brand. In doing this, it could start to build a flag that its team could stand behind, tackling years of internal apathy.

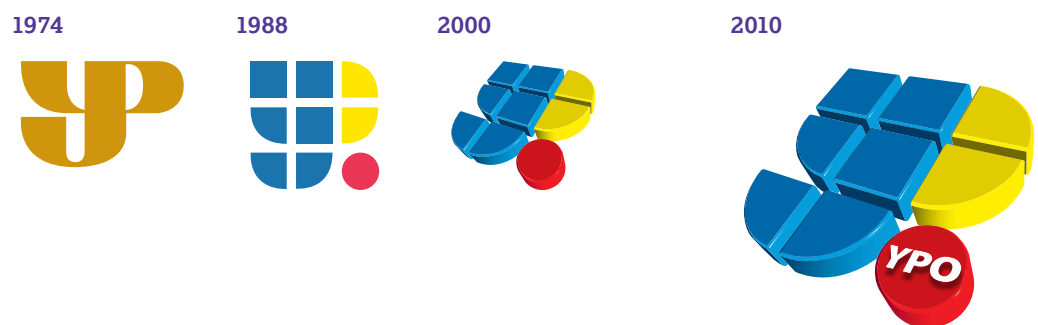
The new strategy had to be articulated into the brand platform, including a vision, mission, values and personality. At the heart of the brand we wrote an external proposition and brand essence of 'Public Value Champions'. Champions reflects the drive to be the best and is a strong reminder of the purpose: here to help the public sector and be number one.

Next came naming. Sitting in on colleague calls with customers we found that Yorkshire Purchasing Organisation, Yorkshire Purchasing and YPO were being used in the same conversation. Clarity was required.

To create a more modern, sophisticated, national brand, we recommended renaming as simply 'YPO'. Research with customers confirmed this would be accepted and understood. To give equal weight to the supplies and services sides of YPO, the board also accepted our recommendation of a monolithic structure, with divisions, products and services, rather than sub-brands.

We now knew what the brand was all about and had a name. The next step was to develop the identity.

## Old logos



## New logo



# Outline of the design solution

We started with consideration of how Champions behave. A minor refresh was not an option: the identity needed to be confident, proud, brave and lead by example. We needed to inject modernity and sophistication, and did this through a bespoke type solution for the logo. After extensive development, we landed on a unique mark that felt like a Champion.

This was supported by a new strapline: 'Better Value, Delivered.'. New tone of voice would make their purpose clear. Expressions were developed for corporate applications, own label packaging, and the supplies and services sides of YPO.



The new branding was rolled throughout the business during early 2013, starting with new catalogues. Colleague engagement took place at various events, culminating in The Big Day in March 2013, YPO's first company event, attended by all 500 employees.

A recurring campaign theme has been used throughout the last four years to portray YPO colleagues as Champions. They are photographed in confident poses, on hand to offer expert advice and champion the needs of the public sector. Crucial in building internal confidence.

To encourage colleague engagement, each team was provided with ideas and equipment, including buzz (notice)boards to recognise performance, staff suggestion boxes and training.

The new YPO brand also enabled the development of sub-brands, e.g. YPO Supplies Limited, which trades with the private sector.

(498 words)

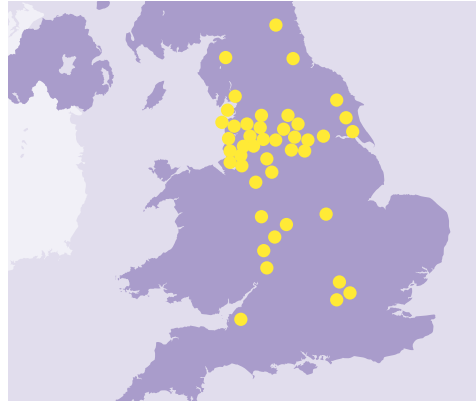




# Summary of results

Against the key objectives of the rebrand brief, the results over the last 4 years have been as follows:

## 1. To raise the profile of YPO nationally, supporting UK-wide growth.



YPO is developing new partnerships, looking to deliver even more value to the public sector. There has been an increase in associate members from 13 in 2012 to 63 in 2016, i.e. up **384%**.

**384%** INCREASE IN ASSOCIATE MEMBERS FROM 13 IN 2012 TO 63 IN 2016

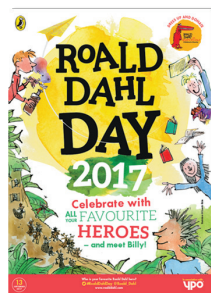
## YPO is now a national procurement expert, with new associates including:

- Birmingham City Council
- Coventry City Council
- London Borough of Brent
- London Borough of Hackney
- London Borough of Harrow
- London Borough of Hillingdon
- London Borough of Waltham Forest
- London Borough of Westminster
- Malvern Hills District Council
- Solihull Metropolitan Borough Council
- Staffordshire County Council
- Walsall Council

Seven London Boroughs supported by YPO awarded a **£50m** contract in Dec 2016 for food for school meals. This contract was placed under YPO's unique 'UK Food Deal' framework, delivering a **£2.5 million** (5%) saving over 4 years to the councils.

**£2.5 million**  
SAVINGS OVER 4 YEARS TO THE COUNCILS

## YPO selected by the Roald Dahl Literary Estate as their key national partner for Roald Dahl Day in 2015 and 2016.



YPO Supplies Limited was created in 2014, which allows YPO to provide products and services to the private sector for the first time.

# Summary of results



YPO was crowned 2015 Supplier of the Year in the over-£10m category at the annual British Educational Suppliers Association (BESA) Education Resources Awards for the second consecutive year, which celebrate the successes of suppliers and teaching professionals in the UK education sector.

Shortlisted at the Institute of Customer Service (ICS) Customer Satisfaction Awards, for customer commitment, HR employee engagement, and customer strategic leadership award categories amongst leading retailers including Marks and Spencer, Volkswagen and Carillion.

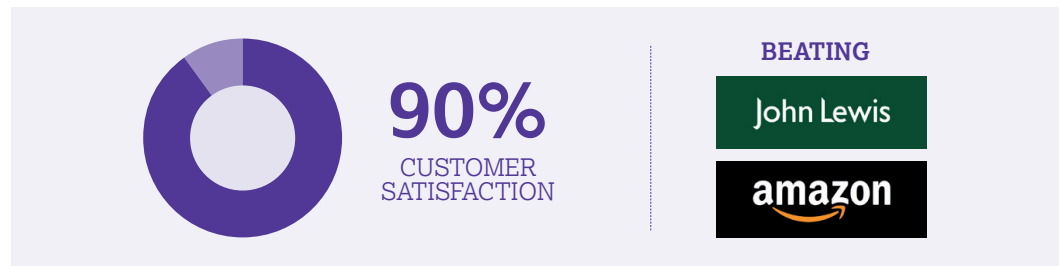
YPO MD Simon Hill confirmed that:

**“Since the launch of the new visual identity we’ve taken a simplified approach to all our customer communications. Almost all of our campaigns and promotional activities have focussed on promoting YPO as 100% publicly-owned, with all profits reinvested in the public sector or returned to customers themselves. In times of reducing budgets and where every penny counts, this is a unique differentiator amongst our competitors, and moreover, a great benefit to our customers in ensuring that they are getting the best value for money.”**

## 2. To engage with internal audiences to help improve customer service.

Staff engagement has played a key role in YPO’s turnaround. The YPO Values (we care; we are helpful; we are straight-talking; we don’t like waste) were launched as part of our rebrand in 2013, designed specifically to help staff align their own working practices with the mission and vision of the organisation.

In 2014, one year after the rebrand, the commitment to employee engagement increased productivity in the operations team and reduced the percentage of time lost through sickness by **50%**.



Achieved a ranking of **90%** in 2016 UK Customer Service Satisfaction Index. This was way above the UK average of **77%**, beating the customer service giants **John Lewis** and **Amazon**.



Achieved **71st in Sunday Times 100 Best Companies to Work For** (not-for-profit) 2015 **followed by 61st place in 2016**.



# Summary of results

In May 2016, YPO won a silver award at the UK Employee Experience Awards in the Delivering Customer Experience – Loving the Customer category.

Optional staff uniforms were introduced, acting as a catalyst for culture change, helping improve relations between office and warehouse staff. These have been a big hit.



## 3. To help deliver growth and increase the level of dividend paid to the public sector.

The rebrand and positioning has helped YPO to grow significantly in a very challenging market. In a time of unprecedented pressure and cuts on the public spending, YPO has bucked the trend and grown.

**“To outperform the market and still make profit while delivering dividend, is a great achievement and is well recognised by members” – Simon Hill, MD**

**Average dividend to the public sector up 27.3%**



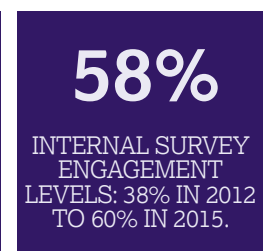
**Framework turnover has increased since the rebrand.**



**Value for the public sector**



**Created 57 new jobs in the public sector from 476 in 2012 to 533 in 2016, i.e. up 12%**





# Summary of results

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In addition to the dividend, YPO introduced a Share of Profits Loyalty Scheme, to redirect even more back into the public purse. Highlights of this have been: In 2015, £2m was given back to schools.

**£2,000,000**

GIVEN BACK TO SCHOOLS

In 2014, 20,000 public sector organisations including schools, local authorities and emergency services shared £2.1m. £5,206 was given to Cranbrook Education Campus in Exeter, which topped the list of most bought items by schools in 2015-16.

**£2,100,000**

20,000 ORGANISATIONS  
BENEFITED

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## Other influencing factors

During the period of the rebrand work and the 4 years since, YPO has continued to spend a similar amount on marketing. Budgets have increased in-line with turnover increases, but remained proportionately the same.

As far as we are aware, there are no significant influencing factors that impacted on the results quoted above.

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## Research resources

All results and evidence has been provided by the company.

“

**Our work with Thompson has transformed YPO from a local primary school supplies business into a leading national procurement partner.”**

Paul Smith, Executive Director