



HOW SUPPLIERS ARE RESPONDING TO THE G-CLOUD 13 EXTENSION



Advice Cloud

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We surveyed Suppliers listed on G-Cloud 13 to understand the market's view on the 12-month extension announced by CCS on 20th June.

This extends the Lots 1-3 and Lot 4 end dates from 8th November 2023 (1-year framework) to 8th November 2024 (2-year framework).

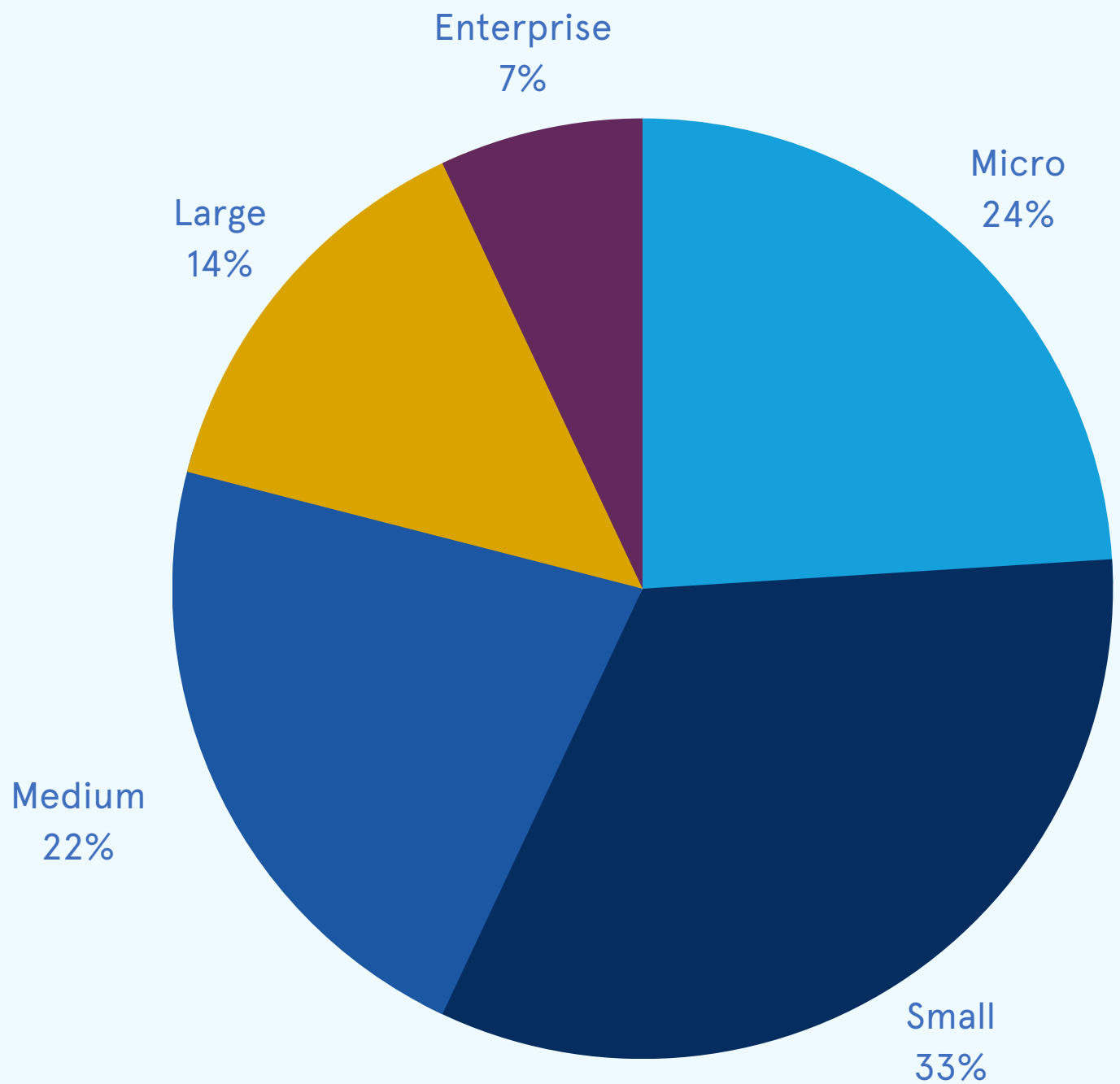
For as long as G-Cloud 13 is Live, Suppliers cannot add new solutions; or materially change existing solutions, which includes increasing pricing, adding new features and amending T&Cs.



**HERE'S WHO
TOOK PART
IN THE
SURVEY...**

01

Company size



79% SMEs:

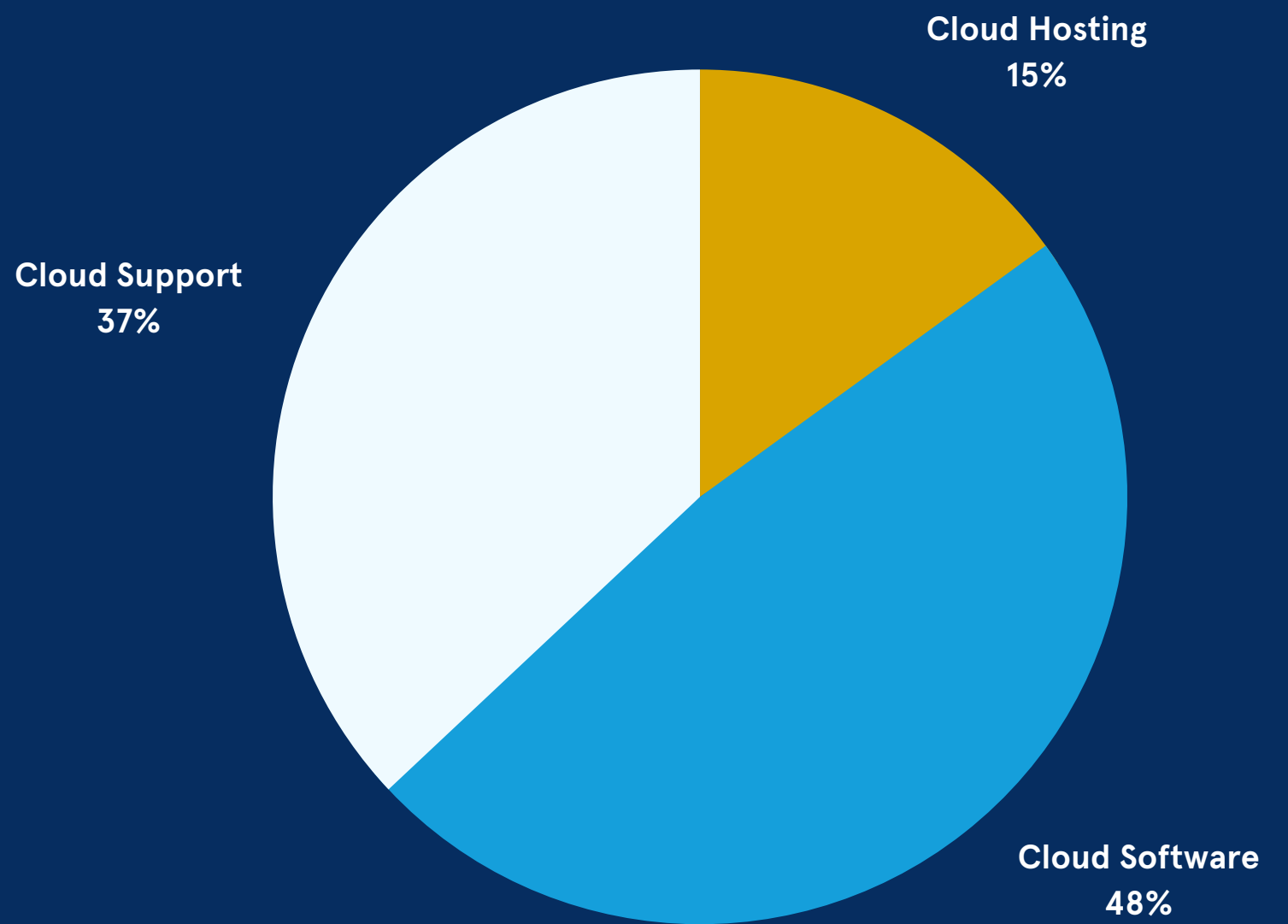
- 24% Micro
- 33% Small
- 22% Medium

21% Large:

- 14% Large
- 7% Enterprise

02

Supplier Lot Structure

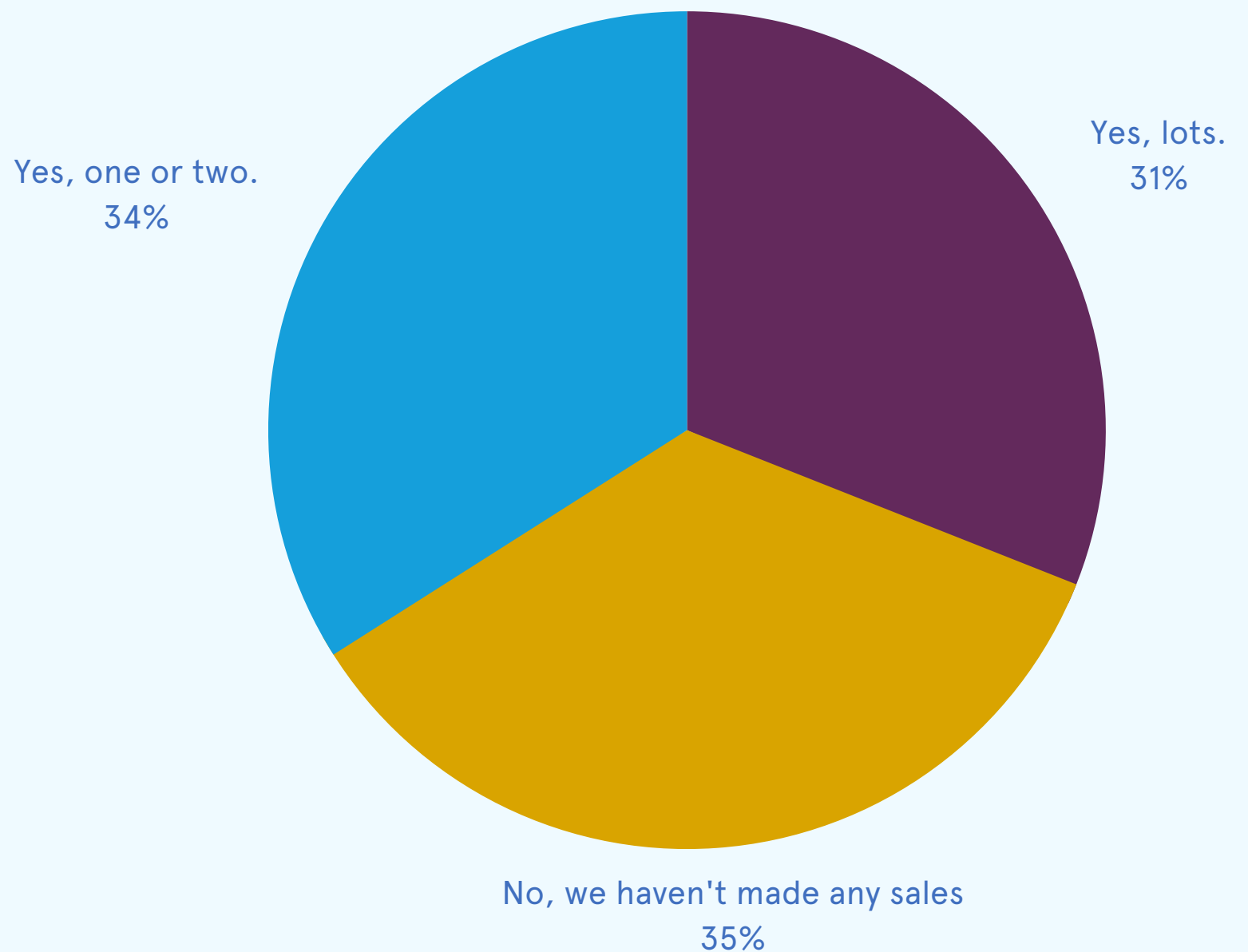


15% Lot 1 Cloud Hosting
48% Lot 2 Cloud Software
37% Lot 3 Cloud Support

03

G-Cloud Sales Success

Respondents were asked 'Have you made any sales through any iteration of G-Cloud?'



31% Lots of business

34% Some business

35% No business

55% Micro/SME have made sales

**HERE'S
WHAT WE
FOUND...**

01

Impact of the Extension

69% are
negatively
affected



**51% need to
update pricing
due to inflation,
77% of whom
are SMEs.**

For them, the extension
means:

- Some contracts will become commercially unviable
- Some services will need to be removed from the framework

**49% need to
add new
services, 76%
of whom are
SMEs.**

For them, the extension is
seen as:

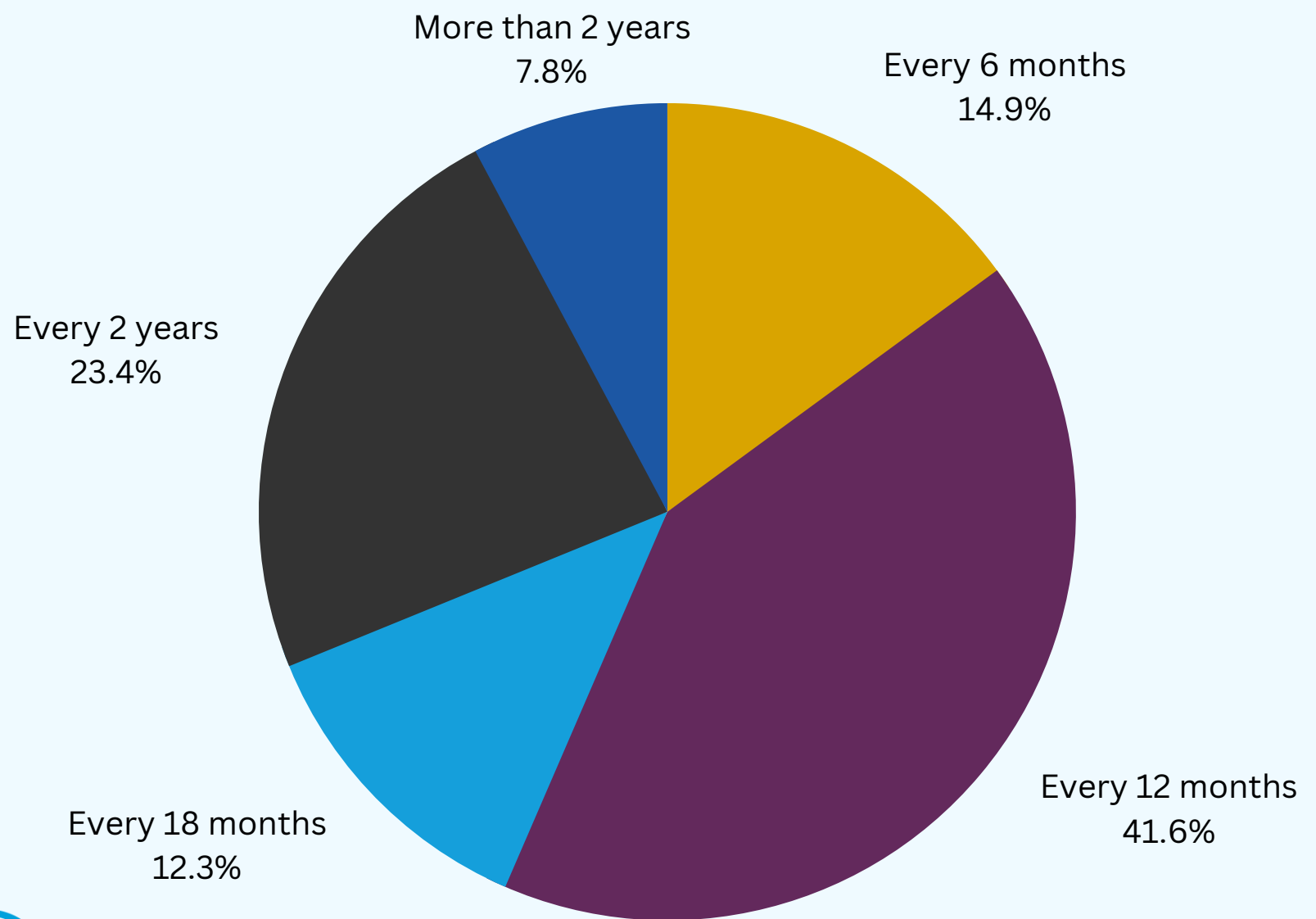
- Hampering innovation
- In conflict with Agile principles
- Preventing them from meeting customer needs

Of the 31% who neither need to update pricing or add new services, 48% of them have currently made no sales, and a further 32% have contracted 'once or twice'.

02

Market view on refreshes

68% think 2 years is too infrequent



Majority (41.5%) prefer refreshes every 12 months

15% are for 6 months, to encourage rapid innovation and continuous improvement. Some even called for the ability to make changes monthly, or every few months.

12% are for 18 months, to balance the ability to update with the operational burden of re-applying.

36% of Large respondents and 29% of SMEs are happy with the refresh rate of every 2 years, although 16% and 61% of those respectively have made no sales.

Many of those calling for 2+ years caveated that with wanting the ability to make some changes to services, pricing and T&Cs at more regular intervals during the life of the framework



03

Other Findings



Several respondents were Suppliers who missed the G-Cloud 13 deadline, or are new to the public sector market, and will have to seek other routes to market

Several respondents felt the extension was “short notice” or “out of the blue” and 20% weren’t aware of it at all

Most respondents are concerned that an extension, considering today's level of inflation, is 'unrealistic' and will affect their ability to transact via the framework

Some acknowledge that they won't be able to meet their customers' evolving requirements for new services

Many referenced the disproportionate impact on SMEs and a seemingly conflicting stance from Government on supporting SMEs

Some called for more transparency around the decision to extend, as it is backtracking on previous CCS communications about intended timelines

IN

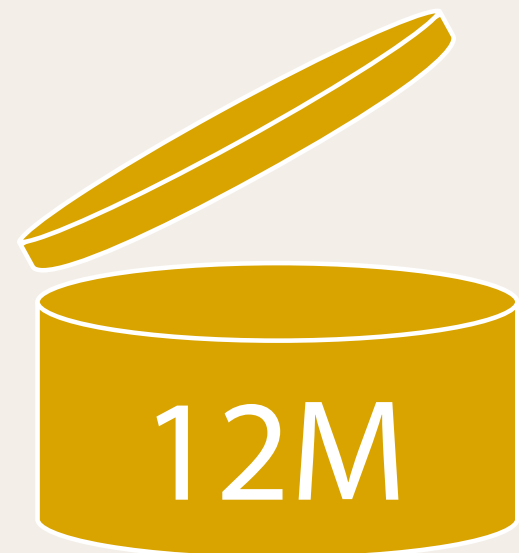
SUMMARY

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The majority of respondents felt that the extension would negatively affect their ability to transact with the public sector.

The majority of respondents also felt that each G-Cloud iteration should be 12 months or less before a refresh, or if longer, then relax the rules on making changes.

Much sentiment is around the relationship between Government and SMEs, and in particular the inflexibility of the current Framework Agreement to support SMEs in light of unprecedented inflation.



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