

## Procurement Shared Services

### – Case Study: Roehampton and Surrey

- Requirement
- Proposal for shared service
- Issues and risks
- Nature of relationship
- Benefits:
  - to Roehampton
  - to Surrey
- Lessons learned and future of the shared service



## Requirement

- **No dedicated/professional procurement staff at Roehampton**
- **Roehampton had need to implement VFM strategy, including significant procurement elements**
- **Roehampton transactional purchasing largely devolved via SUPC frameworks – the need was for occasional/high level procurement support not daily/transactional support**
- **Surrey procurement team was going through restructuring with probability of losing a post – opportunity to re-deploy capacity to keep team together**



## Proposal for Shared Services Included

- **Understanding of mutual objectives**
- **Scope of service/service delivery model (procurement strategy & processes, major procurements)**
- **Cost of service (daily rate? firm price? incentives?)**
- **Staff to be provided (team approach? on-site?)**
- **Benefits to customer**
- **Issues/risks**
- **Dependencies/assumptions/exclusions/Ts & Cs**



## Issues and Risks Considered

- **Legal (inc Teckel considerations)**
- **VAT**
- **Service Levels/KPIs**
- **Reporting arrangements**
- **Domestic (accommodation/parking, site visit, H&S briefing, IT access)**
- **Internal “political” issues**
- **Conflict in work priorities (and interests?)**
- **Loss of staff/commitment**
- **Failure to perform**



## Nature of Relationship

- **On-site (one day a week BUT flexible) plus remote support**
- **Annual commitment with min/max resource levels**
- **Contractual (customer/supplier), with hourly rate BUT...**
- **...treated as Roehampton staff rather than consultants**
- **Joint procurements, joint development of processes**
- **Major projects**
- **Training and knowledge transfer**
- **Strategic advice and input**
- **NOT transactional**



## Benefits to Roehampton

- **Access to experienced procurement professionals and support network (systems, contracts, processes, etc)**
- **Short learning curve, quick impact**
- **Credibility e.g. for corporate governance/audit purposes**
- **Cost : cheaper than employing senior procurement staff**
- **Wider benefits of co-operative procurement with Surrey (aggregation of spend, shared best practice, joint development of processes)**



## Benefits to Surrey

- **Good use of spare capacity BUT it might need to be created at some point in future (this will require commitment from Roehampton)**
- **Good development opportunity for staff**
- **Good for Surrey's reputation externally**
- **Good for procurement's reputation internally (profile of procurement has been raised within Surrey)**
- **Income has helped finance procurement operations**
- **Shared best practice, joint initiatives, joint development of processes, aggregation of spend**





## Lessons Learned and Future of Shared Service

- **Both HEIs need to have aligned objectives and top level support for the shared service**
- **Both HEIs need to be committed**
- **Both HEIs need to be flexible to overcome potential conflicts of resources/interests**
- **Long term options need to be considered which may differ from original service (including expansion, employment and in-sourcing options)**

