

The Road to Improved Procurement Maturity: A Challenging but Rewarding Journey

Improved procurement maturity is synonymous with the delivery of more efficient and effective procurement, which includes both time and financial savings. While superior procurement maturity can be a long-term goal for many institutions, a more practical, but equally impactful goal is any upward movement along the spectrum from developing, to tactical, to planned procurement. Often institutions can focus their time and energy on areas of procurement that will deliver the most bang for their investment buck, achieving significant improvements. For the Universities of Birmingham and Cumbria, the transition from tactical to planned procurement helped them deliver greater savings, improved eProcurement and better service to their internal customers.



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- Jonathan Jones, Assistant Director of Finance
(Procurement and Insurance), University of Birmingham

The University of Birmingham undertook its first Procurement Maturity Assessment (PMA) in 2012/13 and through the assessment, identified several key areas for focus that would help them improve the service and savings they delivered. Jonathan Jones, Assistant Director of Finance (Procurement and Insurance) at Birmingham said a focus on governance

and strategic positioning had the greatest impact on the shift from tactical to planned. “After our first assessment, the institution established a strategic board composed of key corporate service and academic directors. This board helped build working relationships and buy-in for procurement activities. It also helped us communicate the work we were doing and how procurement really could deliver savings and efficiencies to departments across the institution.” says Jones.

Jones notes improving corporate social responsibility and implementing standardised systems and processes also took a great deal of time and resource; this was a challenge and required a great deal of tenacity to ensure that improvement activity was seen through to fruition. The payoff, however, was significant: the transition from tactical to planned procurement brought considerable benefits including improved eProcurement and the delivery of an extra £97,000 in savings in 2014/15. Overall, Birmingham improved its procurement maturity score by 18.9%



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between its first PMA in 2012/14 and its follow-up PMA in 2015/16. "Our PMA provided the impetus to start gathering and producing evidence of our activities and the impact they were having. The action plan we received allowed us to focus on key pieces of work and allocate resources accordingly." Says Jones.

Another institution that delivered tangible savings and efficiencies through improving its procurement maturity was the University of Cumbria. Cumbria undertook its first PMA in 2013/14 and Claire Gray, Head of Procurement at Cumbria, said the external report provided the validity needed to get internal buy-in for changes. "Having a specific action plan with identified goals helped us get buy-in across the organisation to make the necessary changes. The process of going through a PMA, having an identified action plan and delivering improvements, has increased procurement's credibility within the university."

For Cumbria, one of the areas that the PMA encouraged developing was the formalising and documenting of their category management activity. This required significant investment but allowed Cumbria to evidence the category management efforts and benefits, and submit this for their follow-up PMA.

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- Claire Gray, Head of Procurement, University of Cumbria

Previous to the PMA, there wasn't an established system for documenting or gathering data (other than spend data), so one of the biggest challenges for the procurement team was gathering procurement data across the institution. Gray says to others going through the process, "Improving procurement maturity is resource-intensive, but the recommended actions from the PMAs are incredibly useful. By building on the strengths already present in your institution, you can make great leaps in key areas." For Cumbria this great leap, measured during their follow-up PMA in 2014/15, was an annual procurement saving of 14.46% - an increase of 13.15% from their initial assessment.



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Generally, institutions who move from a tactical to planned approach deliver increased savings through their procurement activities as they move up the spectrum. Moving from tactical to planned procurement also means that the procurement function has greater influence at strategic levels within the institution. There is generally greater buy-in to procurement projects from senior managers making it easier for procurement to work with, and deliver real benefits to, departments within the institution.

To learn more about the Procurement Maturity Assessments visit www.supc.ac.uk.



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