

Procurement Maturity Assessments: Case Study from University for the Creative Arts

Summary

The SUPC Procurement Shared Service worked with the University for the Creative Arts (UCA) over a period of three years. During this time, the Shared Service conducted two Procurement Maturity Assessments and provided approximately 50 days of additional support. This case study summarises recommendations set out in the maturity studies together with details of additional work to support the implementation of these recommendations.

Critical Factors Supporting Success

- Results-driven senior management team and Head of Procurement
- Top-down support and recognition of Procurement as a strategic function within the institution
- Funding to support acceleration of cost-saving Procurement initiatives
- Embedded Procurement strategy, processes and procedures, which are closely monitored and audited on a regular basis
- Electronic P2P systems and processes providing control and visibility of spend and access to detailed historic spend
- Enthusiasm and energy for success

Key Outputs and Benefit

- Detailed spend analysis
- Potential savings identified in excess of £1m
- Joint delivery of savings in excess of £840k
- Increased use of collaborative agreements
 - Increased compliance with policies and procedures
 - Consolidation of spend through Hard FM and Soft FM services
- Better management of low value spend
 - Development of a process to build a network of trained, devolved buyers



Case Study Detail

The University for the Creative Arts was an early adopter of the Procurement Maturity Assessment programme, undertaking the initial study in 2010. The initial report set out a number of findings and key recommendations that were reviewed and agreed with the institution's Head of Procurement and Director of Finance. The report found that, in order to further develop the maturity of UCA's procurement, there were three key areas on which the University should focus: collaborative procurement, category management and policy and procedure compliance.

A primary recommendation was to undertake a detailed spend analysis and review of current and potential new contracts. This analysis and review identified opportunities to maximise the level of spend influenced by Procurement, both through increased uptake of collaborative agreements, and the development and implementation of new and innovative approaches to category management.

To accelerate the delivery of these recommendations, the institution engaged the services of SUPC Procurement Shared Service to work alongside the Head of Procurement. This work included:

- A detailed spend analysis of three years' data that identified potential savings in excess of £1m across several categories of spend, including IT, Estates, Educational Materials, Energy and Travel
- Using the spend analysis to further investigate and identify opportunities to increase use of collaborative agreements, negotiate specific contracts, reduce administration and reduce supplier numbers thereby identifying substantial cashable and non-cashable savings.
- Project management support for the implementation of a combined Facilities Management (FM) services contract, bringing together three separate contracts under the umbrella of one supplier and delivering cashable savings in excess of £700k over the three year contract life.
- Preparation of a Business Case for the switch to a flexible electricity contract with anticipated savings of £140k over three years.

Follow-up Procurement Maturity Assessment

In March 2012, SUPC Shared Service carried out a follow-up Procurement Maturity Assessment. The Institution had improved significantly since the initial assessment, moving from a 'Tactical' level of procurement maturity up to the point of entering into the 'Planned' level. The following actions taken by UCA led to the University's significant advancement on the maturity scale: awarding a combined FM contract for both 'hard' and 'soft' FM services, improving P2P control and compliance, increasing use of collaborative agreements, and providing regular training of P2P users.

However, the study found that in order to further develop the maturity of UCA's Procurement, and subsequently deliver greater sustainable savings, the institution should focus its attention on developing Procurement resources and skills, accelerating the expansion of P2P into eMarketplace and eInvoicing and formalising a standard approach to category management.

Again, the senior management team gave its support to the recommendations set out in the report and a budget was made available for additional SUPC Shared Service implementation support.



The table below describes the activities undertaken, together with the outcomes and anticipated benefits:

Activity	Outcome	Anticipated Benefits
Assisting Head of Procurement in preparing a business case for changing current method of buying energy	Business case approved by senior management. Implementation – Spring 2013	Estimated cashable saving of £140k over three years
Low value spend analysis and recommendations	Opportunities to channel £3.5m spend (18k transactions under £500) through Purchasing Card or eInvoicing. Head of Procurement currently in discussion with card provider.	Significant potential non-cashable efficiency savings.
Development of a standard category management process	New guidelines and process document written.	Reduced supplier base.
		Volume savings.
		Improved quality, reliability and supplier performance. Standardisation of specification. Developed market intelligence, etc.
Data analysis and categorisation of 2011/12 spend	Report provided, highlighting potential savings/consolidation opportunities.	Increased savings, reduction in supply base, increased use of collaborative agreements, improved quality, reliability and supplier performance
	Detailed study and recommendations in Print, Catering, Art Supplies and Photography categories.	

Information about SUPC Procurement Shared Service



The SUPC Procurement Shared Service was established in 2010 with start up funding from Higher Education Funding Council for England. On behalf of English National Procurement it runs the Procurement Maturity Assessment programme for English Higher Education Institutions. The Procurement Shared Service has a number of procurement experts with wide ranging experience that can provide additional procurement expertise.

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