

Creating a strategic procurement service – London South Bank University

Description

The procurement team of London South Bank University (LSBU) challenged themselves to transform and deliver a more strategic role for the university. This involved developing a new procurement strategy that set out the impact that a transformed service could have on aspects of the University's Corporate Plan.

The team restructured to provide a proactive category management service rather than a reactive, process-driven service. Resource was freed up by removing non value adding activities, and new guidance and automated processes were introduced. KPIs were also revised and aligned to the corporate strategy in order to reflect new service aims, the extent to which category strategies contribute to university-wide success and the results of newly introduced customer satisfaction surveys.

Dedicated Category Managers work university wide to develop strategies and deliver initiatives. They facilitate discussion, ensure technical and user knowledge is captured, and help other staff to consider whether or not value is being optimised.

All procurement staff have increased engagement with external stakeholders to ensure the University is represented positively and to shape the external market wherever possible.

Benefits obtained

- A clearer strategic direction for the University's spend. Value for money discussions have been embedded into projects at an earlier stage and there is a real focus on student-facing projects to achieve better contract performance and an enhanced student experience.
- New electronic forms, improved guidance and web pages have saved staff time and increased transparency. This has freed up academic time to focus on students, and facilitated a one-team approach across the University.
- Key stakeholders have been enabled to identify opportunities and assess whether or not contracts are fit for purpose. This has been encouraged by knowledge transfer and empowerment and by increased transparency of information.

- Cashable savings of £7m have been identified and project delays considerably reduced. Non-cashable efficiency savings have also contributed to financial outcomes, and the mandating of University-wide deals has increased.

Critical success factors

- An appetite for change by the procurement leadership and the ability to define procurement more broadly.
- A willingness by procurement staff to embrace new roles and to step outside previous comfort zones.
- Encouragement from the University's senior leadership to make the change and to back it through investment in training and new posts.
- A climate of increased emphasis on value for money and efficiency in the University generally, creating opportunities for Procurement to play a greater leadership role and to demonstrate its value.

How procurement added strategic value

The University's procurement profile has increased internally and externally, and a number of structural changes have ensured that it is now firmly established as a key player. This includes a new VfM working group comprising Pro-Deans from each faculty and Heads of Support Departments to capture a University-wide view of VfM at a senior level. The group is jointly chaired by the Head of Procurement and the Director of Student Services.

The Head of Procurement has also become a proactive member of the regional purchasing consortia Executive Committee, joined the HE Procurement Academy (HEPA) steering committee and represented education on a BSI committee to develop a standard for procurement fraud.

Procurement staff have expanded their support to work with departments on initiatives that are not purely procurement-related but which benefit the University overall – such as reviewing major bids and engaging early on outcome decisions such as business cases.

Category Managers have joined consortia-led category groups to feed back on framework requirements, share best practice and benchmark. This proactive role is seen as key to ensuring suitable frameworks and collaborative conversations are in place to meet the 30% Diamond report target for collaborative procurement on non-pay spend.

All procurement staff have been encouraged to focus on outcomes not processes, and to prioritise their input to areas which support recruitment, progression, student satisfaction and employability.

Commendation

“This transformational change project, led by the Procurement team themselves, has contributed significantly to the delivery of successful outcomes in line with the Corporate Plan – including improved student experience, value for money and financial performance.”

Richard Flatman, Executive Director of Finance

Source: [‘Procurement as a strategic asset in higher education’](#) report produced for the Efficiency Exchange by John Lakin, July 2013.