

# Procurement Maturity Assessments: Case Study from the University of Hertfordshire

## Summary

The SUPC Procurement Shared Service has been working with University of Hertfordshire, over a period of 3 years. This work has included two Procurement Maturity Assessments, as well as some additional work on procurement change. The detail in this case study gives an overview of the impact of these studies and the organisational change programme for Procurement that has been implemented in tandem with the institution wide Agile Project. Procurement has moved from being a devolved function undertaken in faculties and departments to a centrally managed function with local embedded staff across the institution. Two client-facing Contract Managers lead the work on implementing category and contract strategies. (See organisation chart on page 4)

## Critical Success Factors

- Corporate wide support
- Internal consultation and buy-in
- Clear communication strategy
- Training for affected staff
- P2P IT implementation support
- External consultant support

## Key Outputs and Benefit

- Improved strategic positioning and profile of procurement across the institution
- Improved compliance on procurement policies and procedures
- Increased efficiency of the procurement process
- Availability of management information to inform strategic procurement
- Extended use of supplier performance management resulting in improved value driven from contracts.
  - Increased savings via supplier management and increased use of collaborative contracts



## Case Study Detail

**T**he commitment to undertaking a Procurement Maturity Assessment has led to a number of procurement issues being highlighted with the aim of improving the effectiveness and efficiency of procurement across the institution. A re-organisation of procurement has been implemented resulting in six client facing Purchasing Specialists as part of the Procurement Team taking responsibility for all purchasing transactions and two Contracts Managers responsible for strategic contract and category management. (Full organisation chart available on request)

**B**y adopting the recommendations of the review both operational procurement and contract management are now enhancing the strategic positioning of Procurement within the organisation. The increase in Procurement headcount was balanced by corresponding reductions elsewhere in the institution so ensuring that the reorganisation had no additional costs. The team has three fully and one part qualified procurement professional staff and one is completing a Masters in Procurement.

**S**ince implementation, compliance has improved - Department Heads have engaged with the team ensuring they meet their efficiency targets by using the expertise of Procurement. Stronger communication has allowed simplification of processes, reduced duplication and has stopped the fragmentation of supplies and services.

**B**etter use of new technology provides valuable management information for the Contracts Managers which enables them to take better decisions. Use of the intranet supports the communication of best practice and ensure that all originators are aware of the processes and available contracts.

**R**emoving operational procurement from the Contract Managers has led to a “Category-led Procurement organisation”. Expertise and effort are aligned to commodities, giving priority to spend areas which are critical to the business or with the highest potential for savings and efficiency improvement.



**K**PIs have been implemented on high value contracts to ensure each contract is managed with agreed quantifiable measurements. These define the success of each contract and ensure that suppliers are tasked with meeting the agreed specification. The Contract Managers manage these KPIs to ensure that the University obtains the efficiencies built into the contract thereby meeting our corporate VfM objectives.

**A**pplying category management principles, tenders for Statutory Maintenance and Soft Services have been undertaken by aggregating a number of related areas. Soft services includes cleaning, window cleaning, sanitary disposal and pest control.

Key benefits have been:-

- Robust management of contractors
- Continuous improvement
- Less administration
- Cost Savings

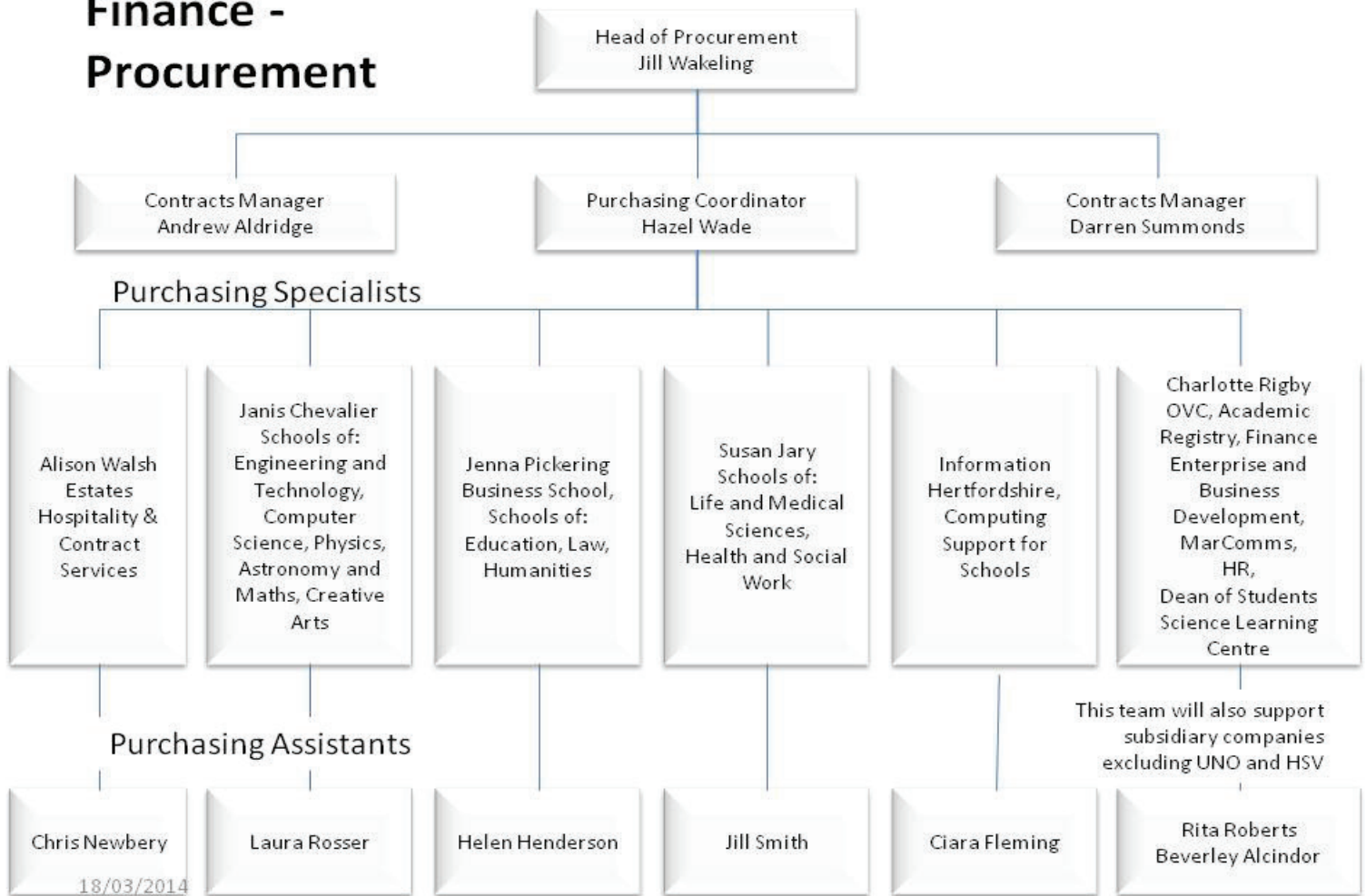
**S**hared Services are considered at the start of each project as it is recognised as being in the institution's benefit to increase the spend managed through collaborative agreements. To date the University of Hertfordshire has achieved 20% of non pay spend through collaborative agreements.



**C**reating a professional cross-university procurement organisation has enabled Hertfordshire to build a strategic and sustainable procurement department for the future. The risk to the University of policies and procedures not being followed is being minimised by embedding procurement locally, but retaining central management within Finance. Departmental-facing procurement staff are now co-located with the respective finance colleagues.

**T**hrough commitment to these changes the University believes it will achieve better value for money across its non-pay expenditure resulting in an increase in cashable and non-cashable savings with closer management of supply chain risks. They believe that the function is now setting the standard for the sector and is delivering the requirements identified in the Diamond Review.

# Finance - Procurement



## Information about SUPC Procurement Shared Service

The SUPC Procurement Shared Service was established in 2010 with start up funding from HEFCE. On behalf of ENP 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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