



Procurement Transformation Q&A

Questions answered by Helen Wain, Group Head of Procurement, University of Cambridge and Mike Smith, Procurement Manager, Aberystwyth University

<p>Q. What triggered the need for change and what senior management/stakeholder buy-in was needed to support the review and implementation?</p>
<p>Question for Helen: What would you say was the more influential reason for Cambridge to support the need for such a large Transformation? Would it be commercially driven for more savings, making buy easier or better control and value for money?</p>
<p>Helen: The driver was very much around Service Users and the Service Model, how Procurement could think like their stakeholders, stakeholder needs, why they needed it and when they needed it rather than overwhelming them with a procurement process, policy and procedure! All this really helps with stakeholder buy-in. It isn't about one-size-fits-all. Really need to understand what is in it for the service user.</p>
<p>Mike: We had a sustainability improvement programme which came about in response to student numbers, looking at resources. Our Finance Director (FD) came at it on the lines of, if you had a blank canvas what would you like it to look like? This required taking a step back to really think about this and how I might want to change things at Aberystwyth. Key drivers were the business processes, systems and people review along with increasing financial pressures.</p>
<p>Q. What was the first successful action taken, and by whom to who, to get the ball rolling on beginning transformation?</p>
<p>Mike: The 'trigger' was an invitation to feed into a consultation process on Aberystwyth University's Sustainable Improvement Programme and persuading my FD that a dialogue would be merited with Procurement Shared Service (PSS).</p>
<p>Helen: I identified key issues and secured influential support which in turn led to funding/business case and an ever-increasing call for action.</p>
<p>Q. In a large, complex organisation, how did you set about listening to stakeholders and feeding back progress?</p>
<p>Helen: Engagement, engagement, engagement. I went out and talked to anyone senior who would give me time, then built networks which took on a life of their own. Supplemented by engaging with established user groups across the University and subject matter experts such as our excellent sustainability team.</p>
<p>Mike: We engaged with stakeholders throughout our work on the programme, from early engagement and information sharing on a PSS findings report to our FD, right through to where we are today involving ongoing discussions around opportunity assessments and benefits realisation.</p>
<p>Q. If you were starting your journey now in 2021, what would you do differently, given what you know now?</p>

Mike: Don't try and balance your day job with a project that your management team are serious about! I'd have a line of demarcation and a methodology for escalating issues relating to the business-as-usual areas so I could 100% focus on the transformation project.

Helen: You need thinking time, not just yourself as an individual, but your organisation. The pandemic actually helped in this process as it really gave us time to stop and think, as otherwise we'd have been in danger of moving from that discovery phase straight onto delivery and I think this would have caused us pain.

Q. Did you use a consultancy to help identify the need to change and develop the change programme?

Helen: Not to help identify the need, but certainly for both our discovery and delivery activities

Mike: As mentioned earlier, we were invited to feed into a consultation process on Aberystwyth University's Sustainable Improvement Programme. This invited the business-as-usual team to feed into the process, which led in part to engaging PSS. The resulting change programme was guided by PSS but developed by the Procurement Team.

Q. Are spin out organisations part of the transformation?

Mike: Colleagues in our innovation campus (AIEC Ltd) have been kept apprised and will be invited to participate, where applicable, in our new category management teams.

Helen: Cambridge University Group will be included in our transformation plans which in part is why we expect this to take 3 – 5yrs to deliver in full.

Q. Sustainability nowadays is the most discussed matter, how do you integrate sustainability inside the procurement functions and procedures?

Helen: I'm not sure you do integrate sustainability into procurement, the first rule of sustainability is providing accessible alternatives to buying brand new every time.

Mike: Sustainability is one 'cornerstone' of our Procurement Strategy which underpins our change journey. We are currently in our design phase including process review (to develop and test new ways of working) and sustainability considerations will be a key part of that. Our sustainability lead is involved and kept informed.

Q. How does Indirect Spend management fit in this approach for Procurement Transformation?

Helen: Our transformation includes all spend – direct and indirect, we're not differentiating between either.

Mike: Our work with certain key stakeholders (e.g. Estates) includes consideration as part of our opportunity assessments of indirect spend including consultancy fees and the like. The entire portfolio of university wide spend has been categorised and prioritised working with key stakeholders, to establish 'spend in scope'. From this point, a risk/value proportion approach will be developed to understand how best to manage each area from a category management perspective, typically excluding capital related indirect spend areas in the first wave.

Q. What new KPI's are to be aligned with benchmarking when assessing an opportunity now?

Mike: These are currently being identified and discussed with key stakeholders as part of the design phase of our project.

Q. Did you have to increase the size of your procurement team?

Helen: We didn't have to increase the size of the team at Cambridge but if we wanted to embark on a programme of actually listening to our stakeholders, and then respond effectively, you do need to make sure you have the resources to do that. Cambridge took the initial approach of agreeing the numbers coming into the function but with a clear option of having the scope to increase numbers further down the line, if more were needed, once we start to see the reality of how this change is moving forward.

Q. Do you have a decent Contracts Register that makes it easy (for a non-procurement stakeholder) to see when contracts are expiring, so you can get that precious and rare "early engagement" with stakeholders and budget owners?

Helen: Our programme looks at how we can better use current processes, practices and tools as well as where these need to be supplemented or in some instances replaced. Contracts registers (yes, we have many) are one of a number of tools we use for 'early engagement' with stakeholders and budget holders.

Mike: We've developed a procurement 'pipeline' to map and identify future activities to aid procurement planning. The pipeline includes capturing data that might reasonably populate a contracts register. This is a new development for some of our key stakeholders and will undoubtedly take time to bed in, but our early engagement has identified 'departmental' contract registers which we've now got access to for the first time and will inform the 'pipeline' going forward.

Q. What does your dream/model supplier look like?

Mike: I think we need to better understand our supply base and the wider market via our forthcoming category management teams. I've an open mind and it could be that some of our current suppliers fit the description in the question. The honest answer is, as of yet, we don't know for sure but are hopeful the category teams' planning process and strategy development will identify what qualities such a supplier might need to possess to meet our specific needs.

Helen: We're looking for partnership and collaboration with a range of suppliers from local SMEs through to established global players with equal and fair opportunities for all.

Q. How did COVID impact your planning?

Helen: It provided unexpected time to think and develop our programme, as well as secure governance and support at a time when transformation was less of a need for our institution.

Mike: The PSS planning processes and systems are robust and are responsive to change. We nevertheless needed to ensure a clear pathway for project issue escalation and the support from PSS has been invaluable in securing that. It is fair to say CV-19 has refocussed our initial thinking, nevertheless, stakeholders are on board and keep us regularly updated on market sensitivities.