

Southern Universities Purchasing Consortium

Strategic Plan 2015 to 2018

1. Introduction

1.1 Background

SUPC aims to make a step change to its current operations so that it can provide outstanding service to its members, many of whom are working towards achieving a superior level of procurement maturity as defined in the Procurement Maturity Assessment (PMA) programme. This plan will give SUPC the capability to introduce more advanced category management operations that are based on reliable and robust data, enhance stakeholder engagement, as well as undertake more robust supplier management and benchmarking. It will also strengthen our sustainability practices and provide additional support and guidance for members. These proposed changes are in line with the aims of Purchasing England Ltd (PEL), which all English regional purchasing consortia are supporting.

The plan also supports development of the Procurement Shared Service to deliver shared procurement resource to smaller institutions that do not have their own dedicated procurement resource, and continue to provide procurement consultancy support, support in managing procurements and undertaking PMAs.

The SUPC Board have considered feedback from members about SUPC's objectives and have also consulted with SUPC's Council. This strategic plan reflects the outcome of that feedback.

1.2 SUPC Mission Statement

SUPC 's mission is to deliver value to its members through better procurement.

1.3 Vision

By 2017/18 SUPC will have built upon its position as the primary higher education procurement partner for its members. It will achieve this through:

- Providing high quality collaborative agreements that deliver excellent value.
- Providing professional procurement support, advice and guidance for its members.
- Taking a significant role in driving the national higher education procurement agenda.

In December 2014, a consultation meeting was held with SUPC Council to focus on how SUPC might meet these three objectives. Two main development priorities emerged: to improve member engagement and to ensure that the agreements SUPC puts in place are of high quality.

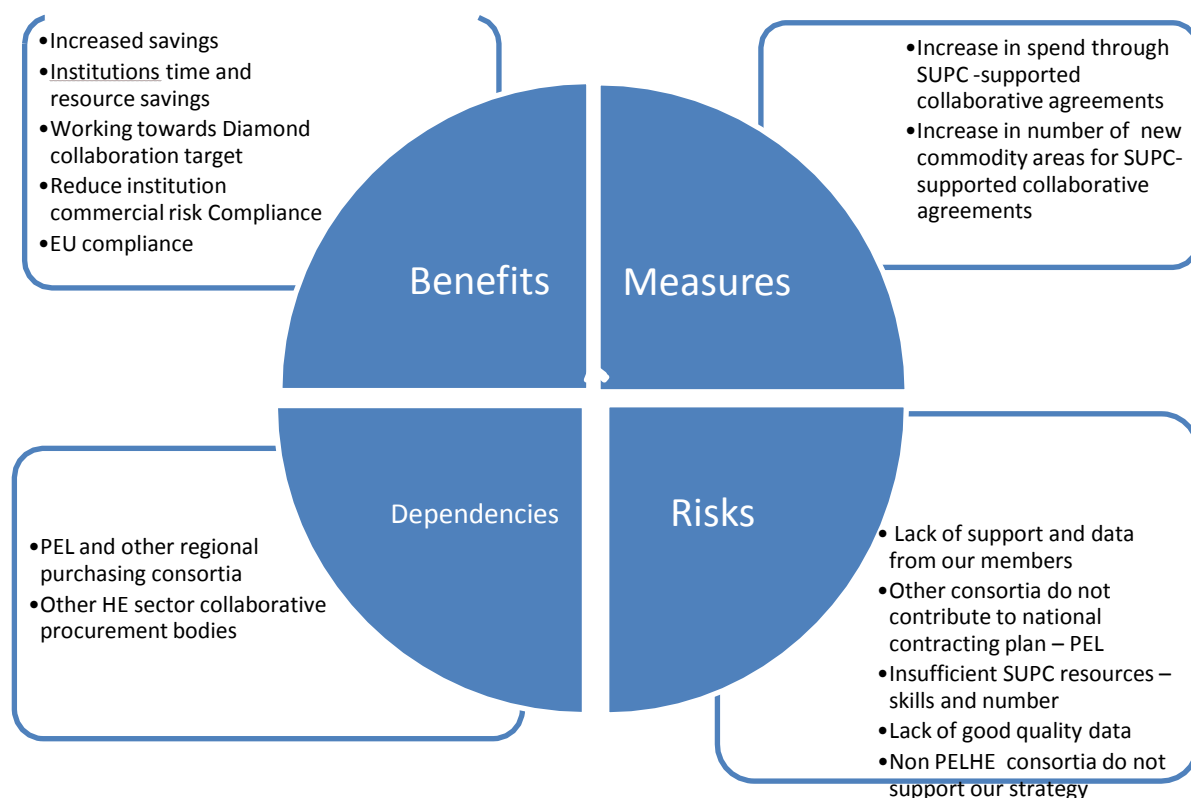
1.4 Plan Objectives and KPIs

Objectives:	KPI	Target	
		Year 1	Years 2,3,4
Provide high quality collaborative agreements that deliver excellent value	Increase number of agreements with member spend above £5m per annum	2	2 per annum [total 8 over 4 years]
	Increase in savings delivered (based on 5% average savings)	£1m per annum	£1m per annum
Provide professional support, advice and guidance for our higher education members	Number of new assignments per annum	5	To be reviewed
	Saving delivered from assignments	£50k per annum	To be reviewed
	Number of institutions using shared procurement resource	0	Two in year two and thereafter review
	Number of times members supported with agreement call-off and commitment	3 Target saving of £100k per annum	To be reviewed
Ensure that national HE collaborative procurement is in line with SUPC member interests	Member feedback from annual survey	Feedback demonstrates improved satisfaction- Benchmark to be established	To be reviewed

For each objective this plan outlines the potential benefits, success measures, dependencies, risks and implementation activities over a four-year period. There are a number of enablers, as well as additional resources, that are required to deliver our three objectives.

2. Objective 1 – Provide high quality agreements that deliver excellent value

Summary



In 2013/14 SUPC HE members spent around £347m through SUPC agreements which, based on member spend data, represents 12.3% of institutions' spend (data excludes expenditure on catering and utilities which are commodities covered by TUCO and TEC and also excludes estates capital expenditure which is excluded from the sector calculation of impactable procurement spend). The spend analysis indicated four categories, listed below, that each have over £100m not covered by an SUPC agreement; these represent areas of opportunity for SUPC.

Table A: Non-pay spend categories in excess of £100m, not covered by SUPC agreements

	£1m
R - Professional Fees and Bought-in Services	683
W - Estates, Buildings and Facilities Management Supplies and Services	413
L - Laboratory/Animal House Supplies and Services	453
K - Computer Supplies and Services	306
Total	1,553

If SUPC collaborative agreements were in place for these categories, then an additional £466m¹ would be covered by SUPC agreements. Conservatively, 5% savings could be achieved and this would represent £23.3m of savings.

¹ Using the Diamond 30% target as the level achieved

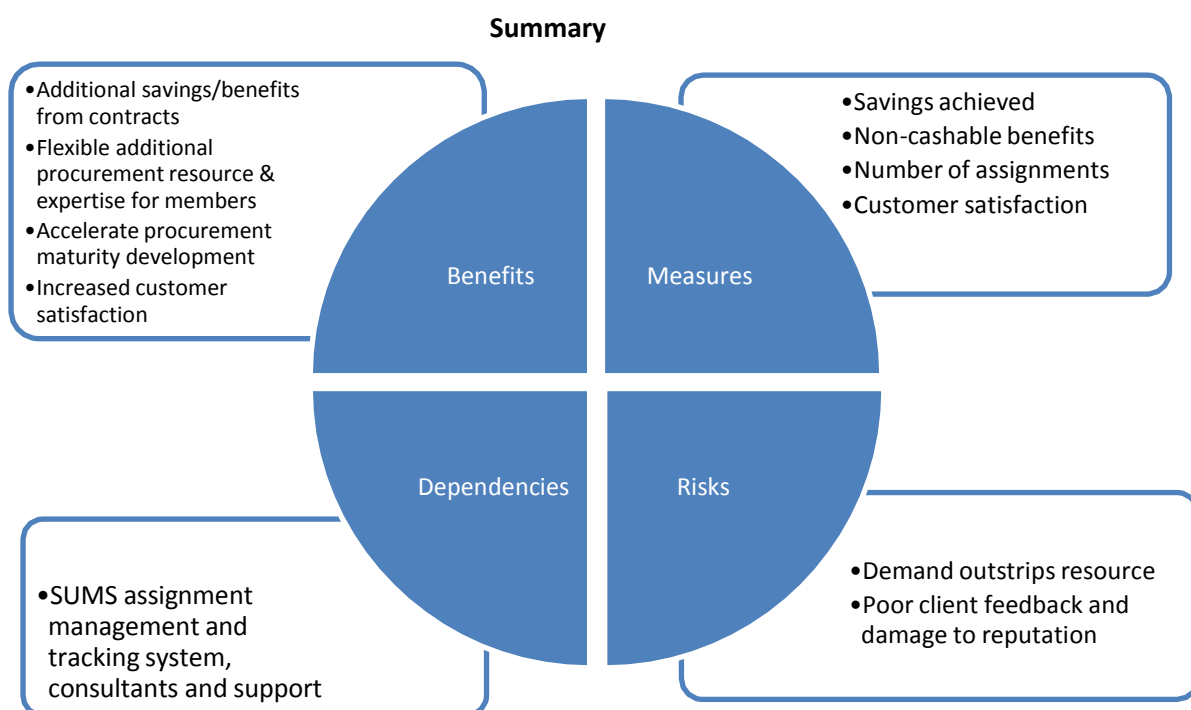
Implementation Plan

Year	Activity	Ongoing activities
Year 1	<ul style="list-style-type: none"> - Undertake spend analysis to identify potential new collaborative contract areas and spend. Consult with stakeholders & develop priority list of potential new contract areas with potential benefits taking future trends into consideration - Review uptake and value of current agreement portfolio and concentrate expert procurement resource on managing and supporting the high usage/high risk and high value agreements (referred to as “strategic”). Develop ‘light touch’ management and support for remainder of agreements. - Review speed of implementation of new agreements and resources required to deliver member requirements. - Work with members to identify why relevant SUPC contracts are not being used and follow up accordingly. Focus our main activities on areas that have high spend potential. - Evaluate, in consultation with members, the benefits of adopting and promoting complementary framework agreements let by other contracting bodies. 	<p>Active contract management to measure supplier performance, and improve agreement value offer</p> <p>Marketing and promotion of agreements to members</p> <p>Member engagement</p> <p>Category Management including use of well defined category and contracting strategies</p> <p>Annual visit with institution senior management teams</p>
Year 2	<ul style="list-style-type: none"> - Generate 5% savings by putting in place new initiatives. - Trial commitment for one contract to measure additional benefits. - Use spend analysis to analyse member line item data on contract items to benchmark prices on at least one strategic agreement. - Establish a benchmarking strategy for contracts identified as strategic. 	
Year 3	<ul style="list-style-type: none"> - Use spend analysis data to review and update contract pla . - Develop further new initiatives that will generate 5% savings. Benchmark prices on all strategic agreements. 	
Year 4	<ul style="list-style-type: none"> - As Year 3. - Review Strategic Plan. 	
Potential Indicative Benefits	Additional savings over 4 years - £4m (based on increasing contract usage by £20m per annum and 5% saving)	

Risk Profile

Risk	Likelihood	Impact	Mitigation	Overall risk after mitigation
Lack of support from our members	M	H	Greater member engagement and communication of our successes with members	M
Other consortia do not contribute to national contracting plan – PEL	M	M	SUPC to play active part in national contracting plan and resource accordingly	L
Inadequate SUPC resources – skills and number	H	H	Review resources, staff skills and funding model to ensure the business plan is properly resourced Close skill gap with training	L
Lack of good quality procurement data from members	H	M	Promote institution use of spend analysis so that institutions can provide required granular procurement data	M

Objective 2 – Provide professional procurement support, advice and guidance to HE members



The SUPC Procurement Shared Service (PSS) has successfully delivered a Procurement Maturity Assessment programme to most English Higher Education Institutions. It draws upon a pool of procurement experts who have a wide range of experience and have undertaken a variety of procurement assignments for institutions. This expertise is complemented by the general consultancy expertise of SUMS Consulting.

Implementation Plan

Year	Activity	Ongoing activities
Year 1	<ul style="list-style-type: none"> - Seek interest in collaborative competitions against framework agreements - If interest, run one further collaborative competition and publish results - Continue with PMA programme - Promote procurement consultancy assignments - Seek interest in shared procurement resource (primarily in smaller HEIs with no dedicated procurement resource) - Establish shared resource as appropriate 	Ongoing activities include: Marketing Member engagement Resource planning Training
Year 2	<ul style="list-style-type: none"> - Increase number of procurement consultancy assignments - Develop and extend shared resource - Review business resourcing model 	
Years 3 & 4	<ul style="list-style-type: none"> - <i>Revisit plan based on progress to date</i> 	

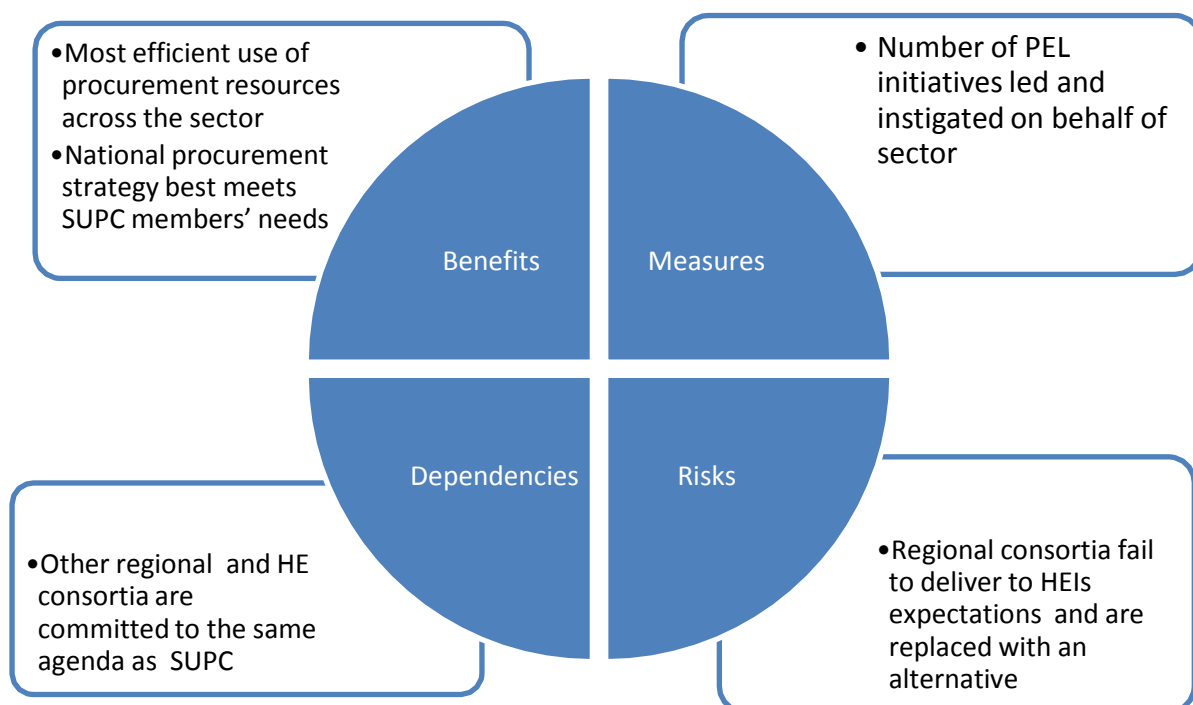
It is envisaged that all activities of the PSS, with the exception of supporting collaborative further competition, would be charged to recipients on a cost recovery basis.

Risk Profile

Risk	Likelihood	Impact	Mitigation	Overall risk after mitigation
Resources not matched to demand	M	H	Maintain a wide network of procurement experts on a flexible basis Use SUMS consultants to support procurement experts Carefully select and accept assignments	L
Resource planning Inadequate	M	H	Good time management using SUMS assignment tracker Realistic planning and a good understanding of client requirements	L
Poor client feedback and damage to reputation	L	M	Closely manage client relationships and quickly identify any problem areas Client feedback survey and use to improve service	L

3. Objective 3 – Ensure that national HE collaborative procurement is in line with SUPC member interests

Summary



PEL is jointly owned by the four English regional purchasing consortia, and TEC and TUCO are also members. PEL's six strategic aims are to:

- Negotiate more collaborative supply agreements by extending the reach of collaborative procurement into all areas of spend.
- Move from contract management to category management as our principal methodology.
- Make their collaborative supply agreements easier to use.
- Explore and formalise further opportunities to collaborate with procurement organisations in the wider public sector.
- Establish a set of KPIs that they will use to report their progress to Procurement UK.
- Measure and report savings and other benefits from this programme.

PEL member consortia together with the Welsh and Scottish regional purchasing consortia, work very closely to co-ordinate and populate a UK HE sector contracting plan.

Implementation Plan

Year	Activity	Ongoing activities
Year 1	<ul style="list-style-type: none"> - Establish PEL Operational Plan. - Clearly publicise PEL strategy and benefits. - Engage with SUPC members to develop regional contracting priorities. - Ensure that SUPC members interests are reflected in the national contracting plan. 	<p>Maintain good relationships with sector partners and bodies.</p> <p>Support operational groups such as heads of consortia, joint contracting group.</p> <p>Adopt sector best practice procedures.</p> <p>Member engagement to understand their requirements.</p>
Year 2,3 & 4	<ul style="list-style-type: none"> - Maintain national profile and influence. 	

Risk	Likelihood	Impact	Mitigation	Overall risk after mitigation
PEL consortia fail to agree an operational plan	L	H	Lobbying with other PEL partners	M
PEL fails and new national procurement body established and SUPC migrate to this body	L	H	Encourage PEL consortia to work together. Improved data analysis to evidence benefits. Good PR on regional consortia benefits and successes	L

4. Member Engagement

The delivery of our implementation plan and the associated increased activity will improve member engagement. We currently engage with members in a variety of ways including member surveys, commodity groups, tender working groups, Council meetings, newsletters, PMAs, consultancy services, member visits, benefits statements and the website. We want to continue and develop these member engagement activities. Over the years SUPC has significantly grown and now has 59 fee-paying members, almost 1000 individual contacts and directly manages over 200 suppliers. We use a number of different systems to store information and have limited reporting capability and are often working on more than 'one version of the truth'. It is proposed to consolidate all our information feeds into a single CRM (Customer Relationship Management) system that will be accessible to all members of the SUPC team and provide quick, flexible and accurate information and reports for members and the SUPC team. This will also allow us to have a more meaningful dialogue with institutions. The plan below shows the actions that we will take to improve our member engagement.

Year	Activity	Ongoing activities
Year 1	<p>Survey members to find out their information and reporting requirements</p> <p>Hold a workshop with all SUPC staff to identify activities that engage with members and review how we could improve the " member engagement experience"</p> <p>Review and validate outputs from workshop with member representatives</p> <p>Review ICT strategy and align where possible with PEL ICT strategy</p> <p>Develop requirements specification for CRM system</p> <p>Develop a member engagement strategy</p>	<p>Stakeholder surveys and workshops as required</p> <p>Review communications strategy</p>
Year 2	<p>Source and commission a CRM system</p> <p>Develop an implementation plan for member engagement and 'do it'</p>	

5. Resources

5.1 Delivery of the Plan

In order to deliver this strategic plan, the Board has concluded that additional resource is required as follows:

- Establish one new category manager post and one new assistant category manager post. The new category manager post will allow SUPC to increase the speed of implementing new contracts. The new assistant category manager post will support members in using the agreements, manage some lower value tenders, and support national groups where SUPC does not lead.
- Change the job title of 'contract manager' to category manager.
- Concentrate SUPC's skilled category managers on strategic contracts.
- Establish a new procurement analyst post to provide good data and insights that inform procurement strategies and contracting plans.
- Engage an experienced procurement consultant to analyse spend data, identify new contracting opportunities, and engage stakeholders to develop a risk and benefit assessment for each contracting opportunity that has been identified.
- Where other appropriate agreements exist transfer responsibility for those agreements to the agreement holders..
- Develop and implement a CRM system to enhance member engagement and reporting capability.