



Meeting needs and business drivers – Government wide single point solution

Elcom 's ability to deliver a state wide single point solution for Government can be illustrated in real terms through one of the world's most successful eProcurement projects . With over 120,000 user's processing a total annual spend of over £15 billion. The program covers the whole of Government including cities, schools, health services and government agencies.

Increasing performance using PECOS

Much of the success of the Government program came from the political will to raise the profile of procurement within the public sector and see it as a way of delivering cashable as well as process savings that benefit both the public purse and the suppliers to the sector. Indeed independent auditors identified savings of £800 million with the first 7 years of the program.

Delivery of increased transparency and accountability on spend

Apply discipline and process to different procurement sources and methods

Track, trace and report on transactions and the nature of these transactions

Define and enforce requisitioning, purchase order, receipt and invoice processes

Provide visibility and management of purchasing cards

Delivery of improvements to customer service

Improved customer service for professional procurement staff through:

- Effective support for sourcing and contracts
- Tools for analysis
- Management of approval processes, and providing flexibility around these to enforce and tailor these to meet different needs of each customer and organisation

Improved customer service for requisitioners through:

- Decentralised requisitioning – order from anywhere at any time
- Easy to use
- 3 clicks to buy an item
- Catalogue information at finger tips
- Automation and utilisation of defaults to assist the requisitioner and streamline their purchasing process. Over 98% of requisitioners surveyed that utilise the system said they would never go back to the old ways.

Improved relationships with suppliers through:

Reduced paperwork and the alleviation of the need to enter the same data in multiple systems

Reduced administration costs

Improved awareness of potential new business, and improved ability to compete for this business

Delivery of Improvement to cycle times

In more extreme cases the Government were able to reduce the time taken to raise, approve, order and receive goods from months to a day. Typical savings in time were around 40%,

Payment time also shortened for the Government suppliers, in 94% of cases payment cycle times decreased by 30 days to 10 days. This quicker payment of suppliers helped create a very attractive proposition for their involvement in the program.

Reduction in maverick spending

- Provide visibility of contracts
- Enforce contract conditions
- Analyse and follow up spend outside of these contracts
- Demonstrate how this maverick spend carried cost consequences
- Provide reports and documents to support any disciplinary action required

Reduction in operating costs through shared service

Improvements to procurement processes have reduced procurement operating costs by approximately 40%.

Utilisation of Emerging Technology whilst leveraging existing investments

The Government had 67 different finance systems, with little or no integration between departments

Their accounting requirements for finance were not the same as for procurement and this caused constant conflicts in management of spend and visibility of this spend.

Their purchasing was much more centralised as they were not able to push the existing systems out to enough people due to licencing and accessibility issues

They had several home grown systems and localised processes that were hard to track, manage and maintain. Whilst the government still leverages their investment in Oracle and other financial systems the use of PECOS has provided a platform for effective procurement that is able to work with these disparate systems – exchanging pertinent information between purchasing and finance and providing visibility of overall spend across these systems and associated organisations.