

First UK Public Sector Authority to Deploy SAP® E-Sourcing



Bedfordshire
county council

THE COMPANY

Bedfordshire County Council is a three-star rated County Council which forms part of the East of England region in the UK. Their mission is to provide services throughout the County of Bedfordshire with an annual Procurement spend of £250M (2007/2008). Their scope covers Health & Social Care, Environment & Planning, Transport & Highways and Education & Learning to name just a few. They were the first public authority in the UK to implement and utilise SAP E-Sourcing as a way of maximising their purchasing potential. www.bedfordshire.gov.uk

THE OBJECTIVES

With Bedfordshire County's Procurement Group newly transformed under Rob Gregan in 2007, a solution was sought that would:

- Create an online sourcing base to streamline the SRM cycle.
- Allow quick implementation and rapid ROI.
- Establish an eSourcing environment that would be compatible for eventual integration with SAP® SRM.
- Provide ongoing support for both Buyers and Suppliers.
- Deliver both direct and indirect savings through eSourcing.
- Replace practice of paper-based tenders and retrospective Purchase Orders.

THE SOLUTION

On-Demand eSourcing and Services

- **SAP® E-Sourcing** - web-based solution that brings all sourcing activities online: Knowledge, Specification, RFQ/Tender, Negotiation/ Evaluation and Contracts. Generates maximum cost savings by automating processes and enabling OJEU sourcing practices.
- **Services** - Project management and training implementation to ensure rapid deployment and adoption of the solution. Opportunity Assessment was applied to help identify and assess key spend areas for the best sourcing approach. Supplier side support was provided to streamline the process and ensure quality events.

Services include: Implementation, full-time and part-time Project Management, Opportunity Assessment, Training, Contract Management Customisations, Reporting and Global Customer Support.

ON-DEMAND eSOURCING SERVICES

- Deployed in 5 weeks from Project Start to Go-Live.
- Savings from eSourcing events:
 - Water Coolers 51%
 - Highways Consultancy 25%
 - ESF Training Packages 3%
 - Schools Travel Consultancy 32%
 - IT Memory 43%
- Increased compliance to contract procedures.
- Automated solution streamlined and standardized the sourcing process.

SOLUTION HIGHLIGHTS

'Our rapid deployment of SAP® E-Sourcing with Hubwoo Services, was lead by a requirement to meet our contractual obligations to ensure the Authority's Accounts remained approved through the implementation of a centralized contract management and reporting solution. Our overall program costs are supported by an ROI focused program of professional procurement services with Hubwoo. This has ensured that Directorate Budget holders, from social care to highways and IT, embrace the eSourcing process, delivering cost savings through Best Value Procurement lead initiatives within just a few weeks of starting the project.'

Nadeem Ghani
eProcurement Manager
Bedfordshire Country Council

Company

- Public Sector Organisation.
- Provides public services throughout the county of Bedfordshire.
- Employees: 4,500.
- Total Expenditures: £350M (2007/2008).

Challenge

- Complete procurement group transformation bringing the procurement process online, improving performance and efficiency, and delivering greater organization and high cost savings.

Results

- Approximately 400 users.
- Total Spend Value to date: £85M.
- Reduction in Suppliers: from 25,000 to just 1,900.

KEY BENEFITS

Rapid Deployment

- Deployed in 5 weeks from Project Start to Go-Live.

Cost Savings

- Reduced administration costs – simplifying the order process, reducing paper flow and the cost of paper and postage.
- In the first 3 months of launching online events, Bedfordshire Council saved from 3% to 51% on sourcing event items.

Compliance

- Increased compliance to contract procedures.
- Process compliance reigned-in through technology automation.

Process Standardization

- Automated solution streamlined and standardized the sourcing process, providing a more uniform contract awarding process and enforcing disciplined best-practices across the Council.

Solution Advantages

- Reduced time scale for procurement cycle due to process automation.
- Accurate and full business case documentation.
- Improved financial and purchasing control with better visibility of expenditure with suppliers.

eSourcing Services Advantages

- Coached and managed sourcing events to streamline the processes, and provide support and training.
- System and functional support for both buyers and suppliers to ensure eSourcing project success.
- One partner for hosting, technology and services expertise with shared objectives and value propositions.
- Faster ROI with rapid deployment and adoption from services and support.
- Create momentum and skills for continued deployment success to reach objectives.

POWERED BY



THE RESULTS

After going to market, Hubwoo was selected based on their On-Demand technology and procurement skills and expertise with SAP applications. Bedfordshire County Council was assured that Hubwoo would deliver a solution tailor-made to fit their unique needs. The stability and consistency offered by Hubwoo's services encourages a unified company-wide approach to procurement.

With just 5 weeks from the Project Start to 'Go-Live', the need for quick implementation was met. The first e-Auction made a saving of 51% (£18K) on the guide price. The first usage of eTenders and Pre-qualification Questionnaires came 3 months later, with a contract value of £13M and over 120 bidders. The result was a complete online, streamlined process with no paper bids being placed. Going forward, Bedfordshire Council made a 25% saving by using eSourcing for Highways Consultancy, a 3% saving on ESF Training Packages, 32% on Schools Travel Consultancy and a saving of 43% on IT Memory.

THE FUTURE

Following the initial implementation by Hubwoo Services of the SAP® E-Sourcing and Contract Management solutions, providing a complete sourcing cycle of events, Bedfordshire Council is now looking to expand the solution for further cost savings. Plans are to integrate their SAP SRM with the eSourcing solution to meet their business objective and ensure that all tendering activity over £60K is captured through the system for maximum savings potential. By integrating these applications, Bedfordshire Council will be able to utilise the solutions to their greatest potential by streamlining processes, developing best practices, skills and expertise, and advancing the system for ease of use (e.g. libraries, templates, etc.).

About Us: Hubwoo enables purchasing organizations to concentrate on their strategic mission of supplier relationship management, automating their business transactions with an integrated suite of tools, processes and services delivered On-Demand/ Software as a Service (SaaS). With a global customer base that includes over 150 of the world's leading companies and over 20,000 suppliers online in 44 countries, Hubwoo manages the largest Business-to-Business e-Purchasing community in the world. Hubwoo operates internationally, and has a strategic partnership with SAP AG as a BPO partner with Powered by SAP® certification. Hubwoo is based in France with offices in Germany, Belgium, UK, Netherlands, USA, India and the Philippines.