

## Customer Case Study -



**OGCbuying.solutions is an Executive Agency of the Office of Government Commerce in HM Treasury. It delivers value for money savings to the UK public sector through a dedicated procurement service. eProcurement Solutions provides web-based tools enabling UK public procurement professionals and suppliers to buy and sell online.**

*“Sarah Cotgreave motivated and directed her team over an 18 month period to develop and implement the eProcurement Solutions programme on behalf of OGCbuying.solutions. The tools are now used by more than one hundred public sector organisations and provide efficiencies to significant numbers of buyers and suppliers engaged in regulated procurement activities, an outstanding achievement of management and business change.” Jane Moorhouse, Director of Managed Services, OGCbuying.solutions (August 2006)*

**Cost:** £3 million – customer’s total project pilot, setup and promotion costs

**Timescale:** 2004 – 2006

**Assignment:** Leading a team of 14 to manage a programme to introduce electronic tools used for modernisation and transformational change in UK public sector procurement. Activities included contract negotiation, testing, trade mark registration, PR, marketing, promotion at conferences and service level management.

**Status:** The eProcurement Solutions toolkit has 7 modules: eAuctions, eTendering, eEvaluation, eCollaboration, eContract Management, Government Purchasing Card and the Zanzibar Marketplace. Since launch in June 2005, these tools have been implemented by >100 UK public sector organisations and >10,000 suppliers covering >15% of UK public sector expenditure. Sarah Cotgreave of Novos Limited remains on the Board of the Zanzibar Managed Service.

**Awards:** The eSourcing module is listed in the November 2006 “National Audit Office Study of Successful IT-enabled Programmes and Projects” and won the 2007 Government Computing Award for Innovation in Shared Services.

### Key components of success of the programme

- Senior team members had successfully implemented similar systems and understood the pitfalls of change management within other organisations.
- The project drew on potential users to specify and test features to meet their needs.
- The technology chosen was successfully demonstrated at reference sites.
- The software was security accredited by the project and hosted on the web by Service Providers, so users required little or no “client” technology investment.
- The programme provided change management tools for organisations adopting eProcurement Solutions to support their own transformation programmes.

## **Aim**

- The UK Office of Government Commerce (OGC) and OGCbuying.solutions objective was to increase procurement efficiency by encouraging take up of the tools to reduce process costs and secure better value for money procurement outcomes using the transactional data captured within the systems.
- In 2001, OGC commenced consultation with special interest groups to specify requirements. This informed proof of concept testing undertaken in the Midlands. Lessons learnt were incorporated into public procurement projects to acquire appropriate “best of breed” web based tools undertaken between 2003 and 2004.
- Responsibility for contract negotiation, award, implementation and management was then transferred to OGCbuying.solutions. Sarah Cotgreave was appointed in November 2004 to lead these activities due to her experience of managing complex multi-site implementations of similar trading systems.

## **Winning the support of users**

- To realise benefits, it was essential to gain commitment during development. Some potential public sector users contributed to project costs and influenced the design.

## **Designing a well defined solution**

- The project team consulted international standards bodies to ensure interoperability with other customer finance and eProcurement systems, e.g. leading ERP systems.
- The tools were designed for rapid deployment through a hosted managed service model. The appointed service providers supply setup, configuration, hosting, maintenance, security, disaster recovery and ongoing upgrades of the software for all users through a single hosted instance. Users require little or no internal IT investment or implementation effort, and access the service on-demand through a web browser. Adaptors and cXML “punch out” facilities provided allow users to interface with their front or back office financial and logistics systems.
- An important consideration for potential customers was that eProcurement Solutions was sufficiently flexible to allow them to use each module individually or in any combination, without duplicating tools they already owned.
- Each Managed Service module provides help desks to support buyers and suppliers.

## **Building capability**

- Procurement professionals from user organisations sat on the project board, which gave the delivery team access to considerable public sector procurement expertise. The project was subject to the OGC Gateway project review process at all stages.
- The licence agreement made provision for customers to receive scope and readiness assessments, set-up and training services from the Service Provider as part of the licence fee, plus the ability to order additional professional services.
- OGCbuying.solutions developed a change management toolkit to enable customers to successfully implement eProcurement Solutions and access to consultants to carry out scope and readiness assessments of organisations capability and capacity.

## **Realising the benefits: research undertaken by OGCbuying.solutions**

- eTendering reduced manual tender cycle times by up to 25-28 per cent.
- eAuctions provided 7.75% additional savings over traditional tender methods.
- eProcurement Solutions deliver other benefits, including:
  - transactional savings on the purchase to pay process
  - sustainability improvements from elimination of paper, print and distribution;
  - compliance with EU Procurement Directives, and best practice;
  - visible and easily accessible audit trails;
  - facilitation of online collaboration between buying organisations; and
  - making government opportunities accessible to all types of suppliers.