

Welsh Housing Association Paving the Way for eProcurement



Grŵp Gwalia - the first Welsh Public Sector organisation to go live with xchangewales eTrading

Executive Summary

Welsh Housing Association, Grŵp Gwalia was the first Welsh Public Sector organisation to go live with the Welsh Assembly Government's sponsored eTrading solution: xchangewales. xchangewales is a ground breaking programme that allows all public sector organisations in Wales to source, tender, evaluate, order and pay for goods and services at a click of a button. The electronic tools and web based services help to improve efficiency, increase productivity and lower the cost of doing business.

The Challenge: Equality & Compliance

Four years ago, Grŵp Gwalia carried out an analysis of their financial management systems. Their Procurement and Business Management department were given the remit to identify an eProcurement package and to implement the solution into the organisation. The initial driver stemmed from the inherent problem of operating such a geographically widespread organisation with diverse business units. This led to an inequality between the business units in the service that was offered by the central Procurement team through

a lengthy paper requisition and authorisation process. Furthermore, the items that the business units received would often differ from requisition to requisition as there was no visibility as to what would be finally procured.

On producing the business case, it was clear that xchangewales and ProcServe would offer Grŵp Gwalia the solution to combat these challenges through an online catalogue system which would ensure a smoother procurement cycle, product visibility to users and compliance to the Group's financial regulations. The business case for eProcurement also centred on:

- Improved management information, including more accurate budgetary information.
- Securing more spending power through collaboration.
- Compliance to internal business rules surrounding procurement.
- Easing the bottlenecks and delays within the procurement cycle - start thinking about procurement as strategic to the success of the organisation instead of a back office function.



About Grŵp Gwalia

Grŵp Gwalia Cyf, established in 1973, is a leading provider of social housing in south and mid Wales, managing over 5,500 high quality, affordable homes and meeting the needs of a broad and diverse range of people in the community. Gwalia comprises five Registered Social Landlords. Grŵp Gwalia Cyf is committed to the building and maintenance of high quality social housing at affordable rents in sustainable communities. For more information, please visit www.gwalia.com.

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“The process has been fantastic. 35% of all our transactions are now going through the xchangewales eTrading System with 75% of these receiving an electronic invoice in return. This is quite simply an amazing achievement and we are well on the road to successful end-to-end eProcurement.”

Tracey Healey
Director of Procurement & Business Management

“Even taking a couple of steps out of the P2P process can yield significant savings in terms of time and cost. And of course, we all must now be thinking more of the impact on the environment when we print off reams of heavy documentation – previously if Gwalia stacked all their paper output on top of each other, the pile would be as high as the Eiffel Tower, translating to 324 metres high!”

Tracey Healey
Director of Procurement & Business Management

The Solution: xchangewales eTrading

The xchangewales eTrading solution was chosen as the best option for a number of reasons:

- Economies of Scale - Grŵp Gwalia would be able to take advantage of the buying power of the Welsh Public Sector as a whole.
- Reassurance - the technology behind the xchangewales solution was proven and used throughout the UK.
- New opportunities - joining the xchangewales programme would open up opportunities to collaborate on large scale procurement projects which would drive efficiencies for Grŵp Gwalia.

The project began in February 2008 with a scope and readiness assessment. The assessment areas of concern were discussed with the team and a change management programme was outlined to enable the organisation to prepare for the roll-out of the eTrading solution.

Results: Improved Procurement Process

Andrew Davies, Minister for Finance and Public Service Delivery, recently congratulated Grŵp Gwalia on volunteering to be one of the early adopters of the new programme: “Implementing any form of change into a business can be challenging”, he said. “Grŵp Gwalia have been great advocates of the programme from the start. Their commitment and regular feedback has been invaluable in paving the way for further Public Sector organisations to start implementing

eProcurement. They have really been ahead of the game in pioneering the way for xchangewales.”

Grŵp Gwalia was the pathfinder organisation for this programme. Previously using a primarily paper-based procurement system with a high degree of uncontrolled spend, and an average 8 days to process an order, xchangewales eTrading was an ideal solution for Grŵp Gwalia. Benefits achieved have been:

- Visibility and control across the whole organisation;
- Alignment of invoice and purchase order. Finance staff have reduced process timing by 71%;
- Better value for money;
- Front line workers focused on front line work. 42% reduction in time spent sourcing and ordering goods and services;
- Process efficiencies. A 9 step P2P process has reduced by 73% to 4 steps;
- Supplier benefits. Speedier payments supporting increased cash flow and a reduced use of paper contributing to green efforts. In terms of sustainability, 6809 POs and 4111 invoices going through the system translates to 355kgs of CO2 and over 54,000 sheets of paper - or 6 trees.

xchangewales eTrading is now embedded as standard business practice within Grŵp Gwalia.

About xchangewales

xchangewales is an award winning programme that allows all public sector organisations in Wales to source, tender, evaluate, order and pay for goods and services at a click of a button. The electronic tools and web-based services help to improve efficiency, increase productivity and lower the cost of doing business. xchangewales eTrading and xchangewales eTrading for Schools are based on the Zanzibar Managed Service, and delivered by ProcServe. For more information, please visit www.xchangewales.co.uk.

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