Thought Leadership

Electronic Trading Networks: Fuel to Drive the Cost-Saving Juggernaut

In these lean times, all organisations are looking at how to improve profitability. However, increasing the top-line is proving hard work: sales growth is static, marketing budgets are slashed, so bottom-line savings are moving more into focus. This has been all too obvious with the recent public sector efficiency drive, where Government departments have been challenged to find savings of £6.2bn, with minimal impact to front line services.

So how do we do this? Well, procurement is often the 'go-to' department when it comes to saving money,
but it isn't as easy as marching suppliers into a room and demanding greater discount levels. As every professional buyer knows, attempts to reduce costs too savagely can lead to a loss of quality or service from key suppliers and can result in contractual conflicts which prevent further discounts beyond a pre-agreed level.

So, how can procurement departments contribute to cost savings without damaging valuable relationships with their key suppliers?

Continue Reading the Electronic Trading Networks White Paper

Smarter Procurement for a Smarter World

In the current global financial situation it has become paramount for savings and efficiencies to be realised across the board within organisations. The Procurement function remains a unique role within a business with its activities still being seen as a cost rather than having the potential to make and save money. In fact, the Procurement function offers organisations a tantalising and quick mechanism for both realising budget efficiencies and actually making money for their company. The Procurement function must take control of 100% of the spend within an organisation and deliver cost savings to justify its existence and ultimately become a strategic part of the business.

This is now even more achievable by Chief Procurement Officers and Heads of Procurement through the development and availability of Enterprise Procurement Cloud Services. These quick, low cost services offer faster implementations through the use of cloud computing. Leveraging benefit from existing networks also means that smarter, more intuitive buying can be realised across the organisation.

ProcServe has released a White Paper which looks in more detail at these technologies and the

services readily available to enable organisations to make immediate savings. This paper also looks at what Procurement can do to be seen as a strategic initiative rather than a cost to organisations.

Continue Reading the Smarter Procurement White Paper

Shared Services & The Public Sector Challenge

The announcement and publication of 'Putting the Frontline First: Smarter Government' has created a stir on a number of fronts. Firstly, the Prime Minister in his announcement in December 2009 clearly intended to leave no one in any doubt of the role that public sector efficiency has in directly contributing to the UK's economic recovery. Following on from the publication of the results of the Operational Efficiency Review earlier in the year it makes it very clear that the economy drive is only just getting underway, speaking as it does of a further £12billion savings annually on t op of the £35billion already committed to by 2011.

This piece looks at the benefits of Shared Services and the progress being made on delivering back office efficiency through more deployment of shared services. 'Smarter Government' identifies the Department of Work and Pensions as a leader in shared services. There's also an interview with David Thorpe, Director of
Shared Services for DWP.

Continue Reading the Shared Services White Paper

Collaborative Procurement - Why It Matters

The Operational Efficiency Programme identified savings of £6.1 billion that can be achieved by 2 013-14 through collaborative procurement.

- How can Government bodies work together to make these savings?
- Should organisations only collaborate with others in their 'family' or sector or should they seek to collaborate with the wider Public Sector?
- What are the key things that make proper collaboration happen?

This piece talks about what Government needs to do next if it is to collaborate successfully. Procurement has to demonstrate that it is able to influence 100% of its organisation's spend. If it can't then there is little chance of procurement being seen as relevant in the future or of it being able to drive value from over £200bn worth of third party spend.

Continue Reading the Collaborative Procurement White Paper

Procurement Outsourcing

Companies are taking a cautious approach to outsourcing their procurement functions. As a consequence of the downturn in the financial climate it comes as no surprise that there has been much talk about Procurement Outsourcing, commonly recognised as part of Business Process Outsourcing (BPO).

For many organisations the idea of BPO is something that they may have had on the back burner but not pushed ahead with, given a) the plethora of other initiatives that they are diverted by; b) it wouldn't seem to be the best time to consider new strategic directions or investments and c) what would BPO do that's different from other investments in technology and Shared Services?

Back in April 2004, the Aberdeen Group described how a sample of 750 supply-chain executives showed that 43% outsource certain procurement processes or spend categories, with larger, more experienced enterprises showing a greater propensity for outsource. Another 15% said they planned to outsource procurement functions in the following three years.

According to the report average benefits included an 18% reduction in prices paid for goods and services and a 25% decrease in
procurement administration and automation costs.

Continue Reading the Procurement Outsourcing White Paper

Supply Chain Improvements

With a growing and aging population, we are reaching a stage where the provision of healthcare and associated services is becoming increasingly costly. A key component of these costs relate to the supply chain.

However unlike the great leaps that have been made over the years in medicine and medical treatments, supply chain processes and behaviours have barely evolved since the middle of the 19th century.

The ProcServe approach offers a way to bring it into the 21st century, supplying the product closest to point where consumed/dispensed at lowest cost and minimum time.

Continue Reading the Supply Chain Improvements White Paper

Overcoming the Barriers to Health Information Exchange

Total spending on US health care is estimated to be $2.1 trillion in 2006 and expected to reach $4.1 trillion by 2016 based on an average annual growth rate of 6.9%. Its share of GDP is currently 16% but will increase to 19.6% as it is expected to grow faster than GDP. Spending on professional services represents 31% of total health care spending, exceeding hospital care as the largest component since 2004. There is significant debate about how to respond to growing national health expenditures. Many believe radical changes will not be feasible and that incremental changes will be the norm.

Expansion of the healthcare information technology (HIT) infrastructure and its ability to generate previously unavailable data is expected to provide new inputs to interventions that can maintain or lower costs while improving or maintaining patient outcomes. David Brailer, former National Coordinator for Health Information Technology in the US Department of Health and Human Services, recently described Health IT as: "one of the prime forces of innovation and disruption."A

recent Rand study estimated annual savings of $80-240 billion from health IT.

Continue Reading the Health Information Exchange White Paper