



Australian Government  
Department of Education, Employment  
and Workplace Relations



Higher Ed Services  
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THE UNIVERSITY OF  
NEWCASTLE  
AUSTRALIA



AUSTRALIAN UNIVERSITY  
PROCUREMENT NETWORK



Purchasing  
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# Purchasing Index

## National Higher Education Finance and Procurement Conference 2008

[www.pricetrak.com](http://www.pricetrak.com)

## ANHEPBP Overview

### To date

- 13 participants in procurement function benchmarking
- 29 participants in 8 categories

### Next 12 months

- 4 more categories in planning
- 1 more phase of procurement function benchmarking in planning

## Outcomes

- Established a baseline for the sector and the individual participant
- Demonstrated benchmarking and procurement/category measurement
- Improved collaboration
- Improved category/national market intelligence
- Identified improvement opportunities

## Key findings

- Wide variance in supplier, category and contract management
  - Similarity in process but variation in influencers e.g. policy, technology, etc
  - Wide variation in price performance
- = Opportunities for the sector and individual universities**



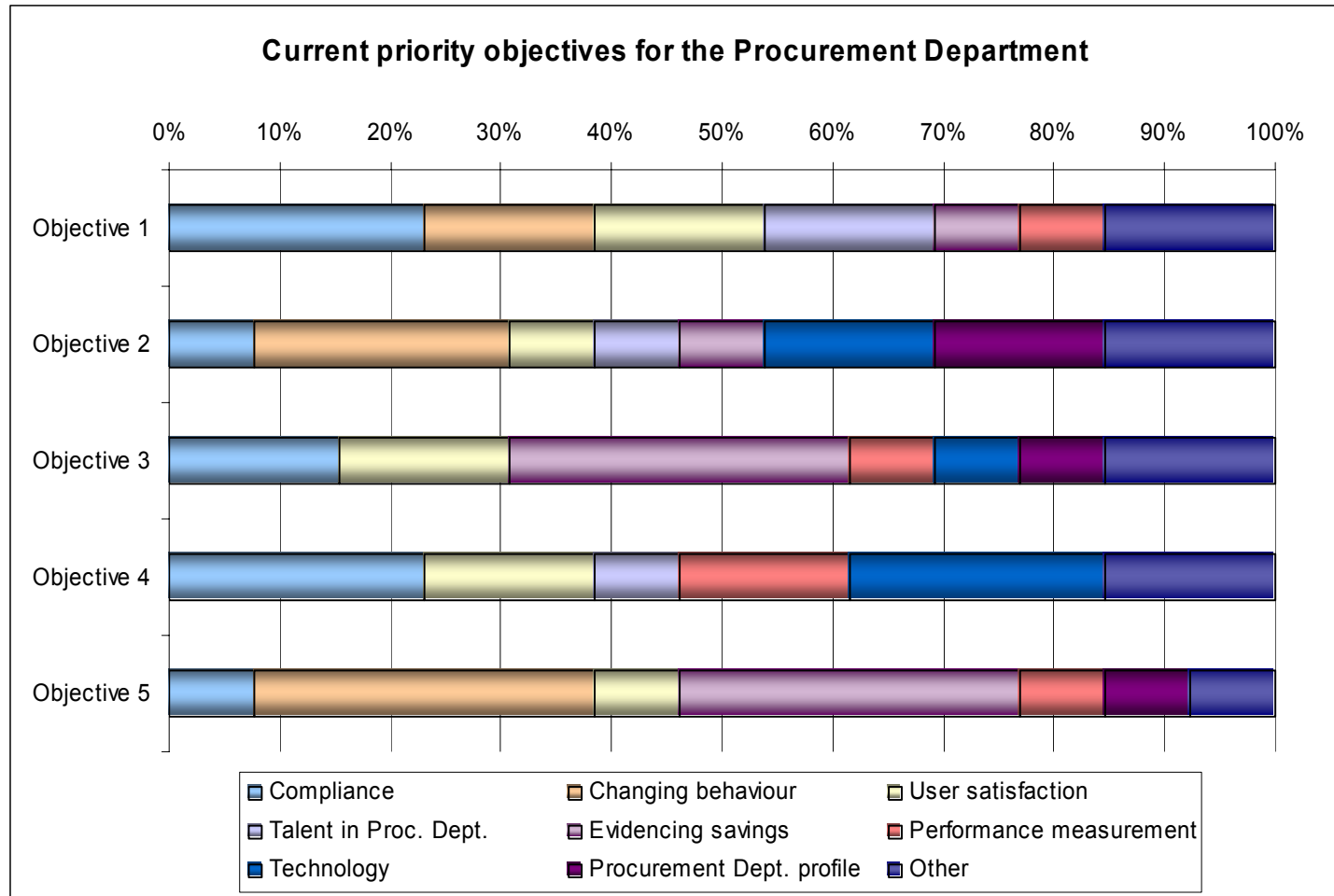
## Key findings

- Contract terms, vendor management vary
- Price performance indicated a market range of between -14% and +18% for category benchmarking
- Procurement function benchmarking identified a range in performance against value for money indicators score of between 20% and 68%

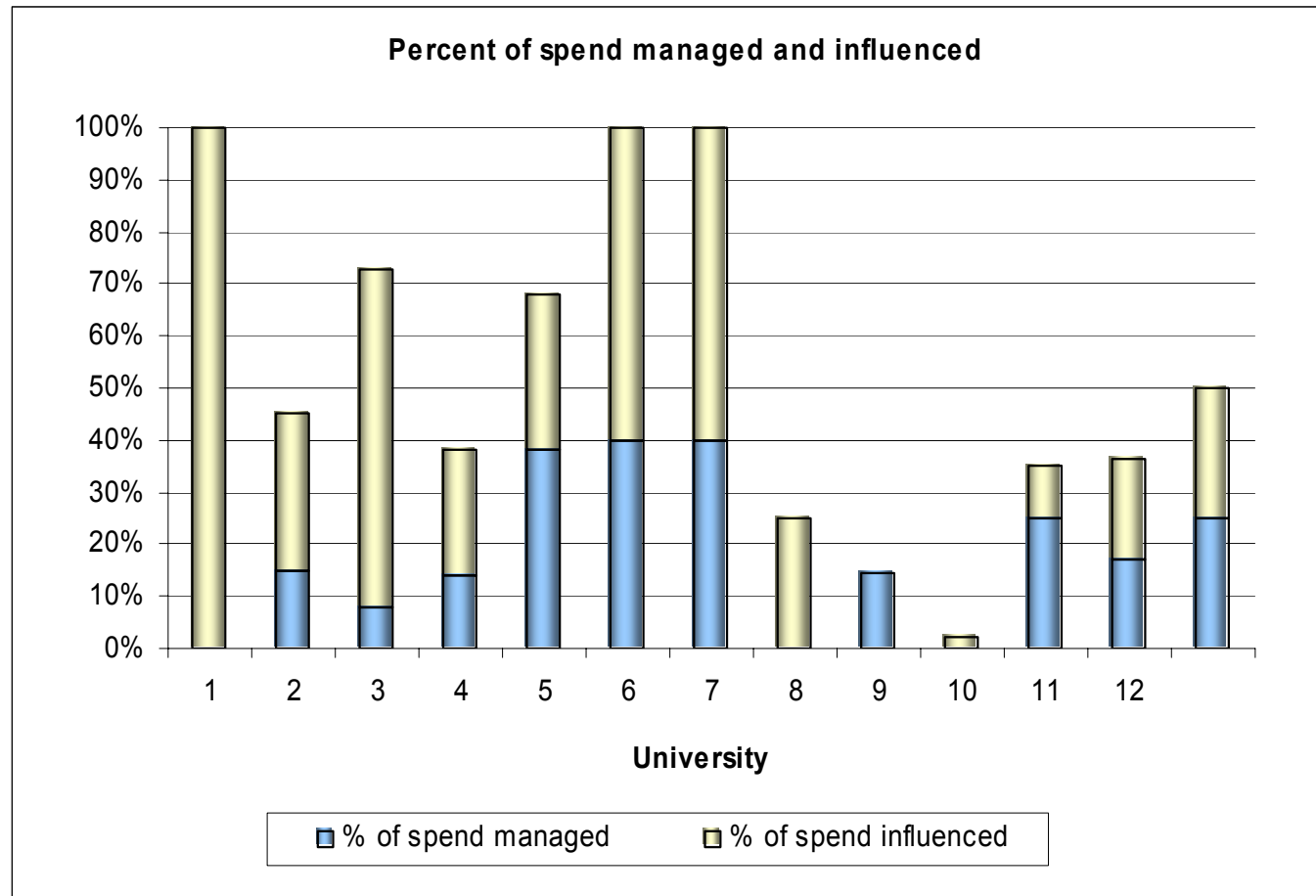
## Key findings – performance

| Sub-project                    | Spend amount (\$) | Savings opportunities identified against ave. (%) | Savings opportunities identified against ave. (\$) | Market position                           | HE market position range            |
|--------------------------------|-------------------|---|--|---|-------------------------------------|
| Office supplies                | \$2,546,000       | 7.4%  | \$188,279  | 4.8% below ave.                           | 11.6% below ave. - 17.6% above ave. |
| Temporary Agency Staff         | \$6,174,000       | 2.0%  | \$112,237  | 0.5% below ave.                           | 13.9% below ave. - 14.6% above ave. |
| Laboratory Supplies            | \$1,119,667       | 2.8%  | \$30,962   | 1.1% below ave.                           | 6.85% below ave. – 9.53% above ave. |
| Travel                         | \$6,409,774       | See fee tables                                    | See fee tables                                     | Ranked 18 <sup>th</sup> on scorecard      | 21 Uni's participated               |
| Procurement function – Phase 1 | nr                | nr  | nr   | Ranked 7 <sup>th</sup> on VFM* indicators | 13 Uni's participated               |
| MFD's                          | \$2,049,709       | 0.04%   | \$91,811   | 3.45 cents/copy                           | 1.4-7 cents/copy                    |
| Transaction Banking            | \$183,735         | 2.9%  | \$3,066  | Lowest fees                               | 3-37% saving opportunities range    |
| Telecoms                       | \$2,492,828       | 13.7%   | \$343,482  | 5.2% below average                        | 51% below ave-39% above ave.        |
| PC's & laptops                 | In progress       |   |  |   |                                     |

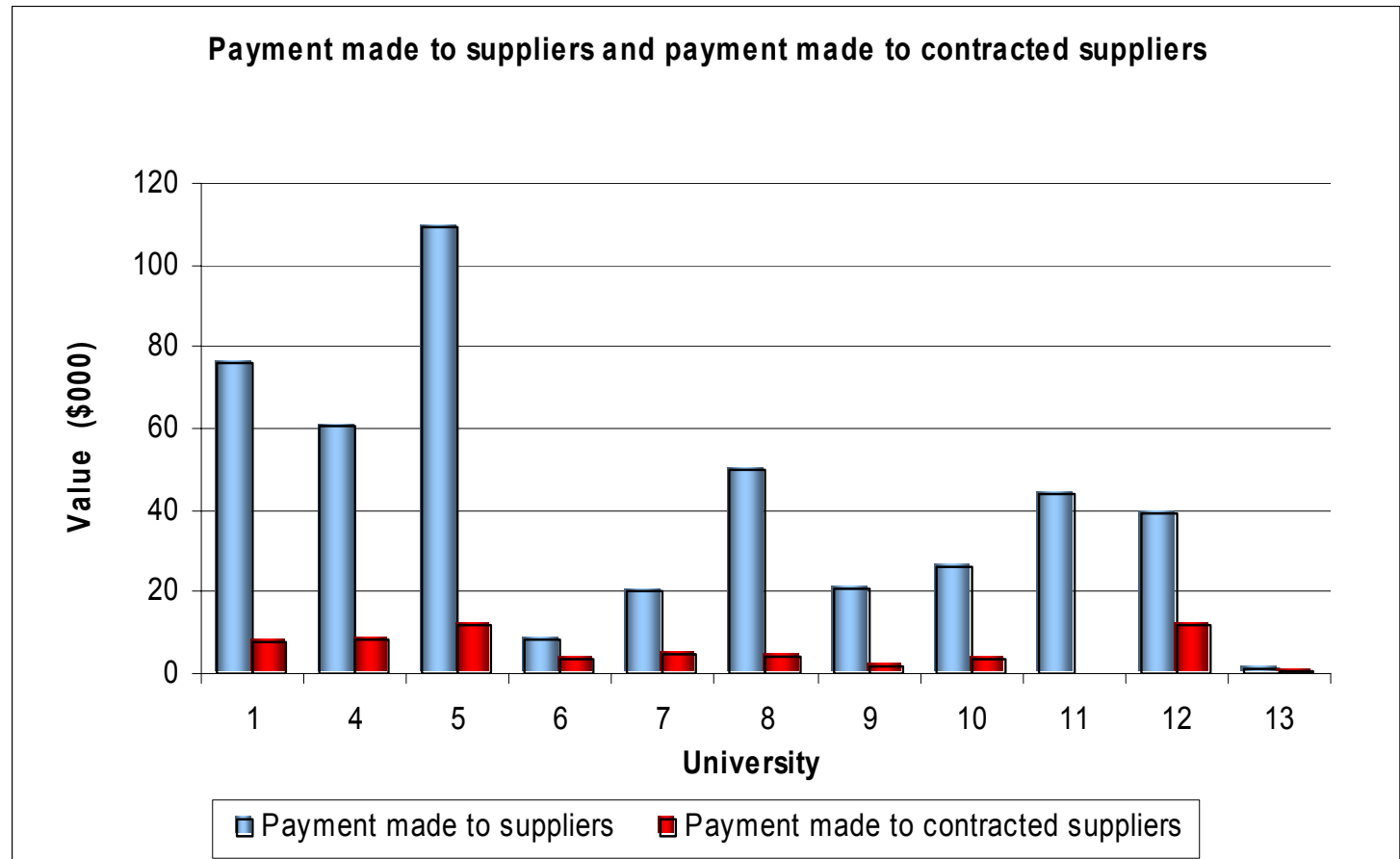
# Key findings-policy



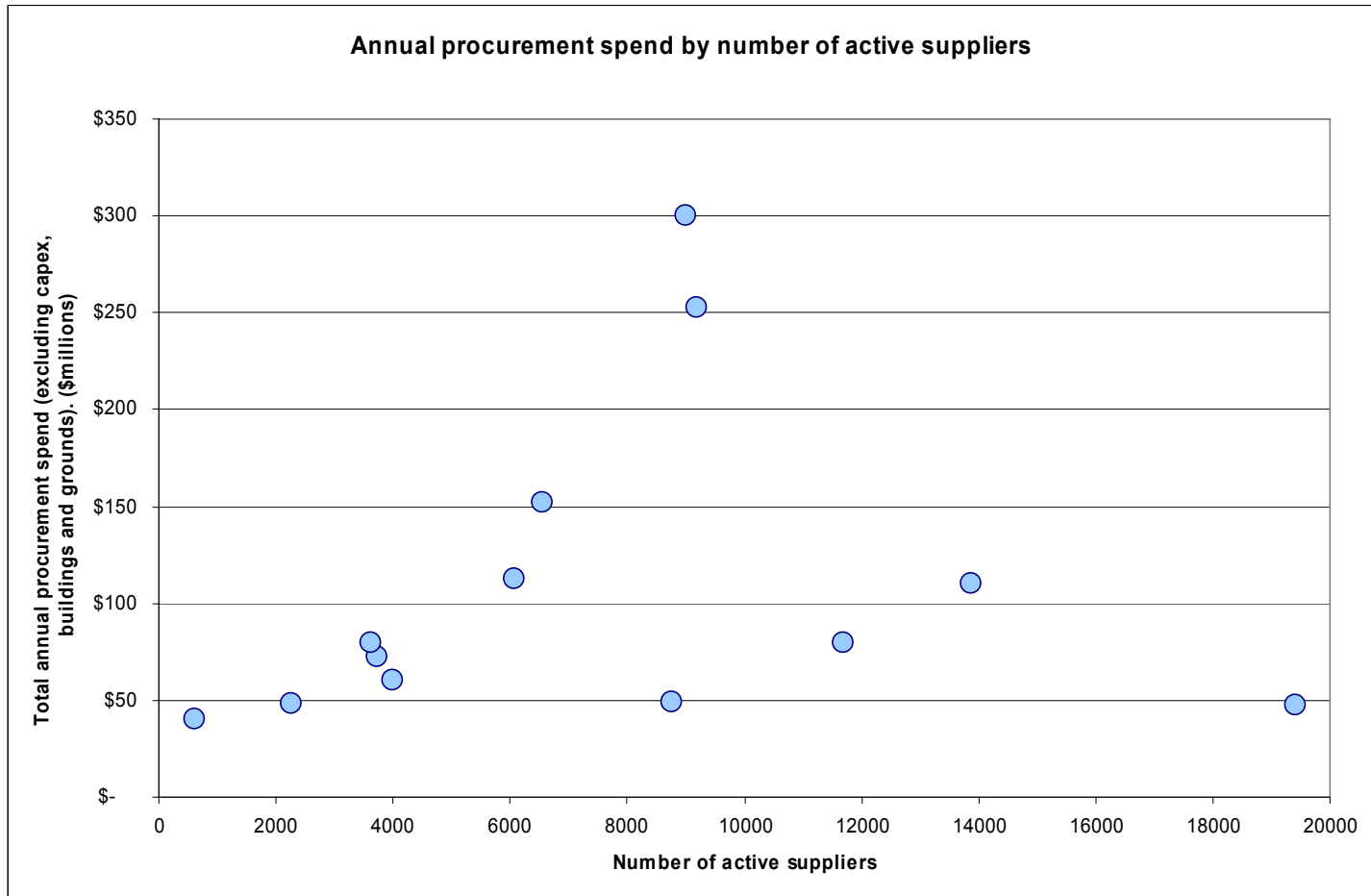
# Key findings- procurement influence



## Key findings-process

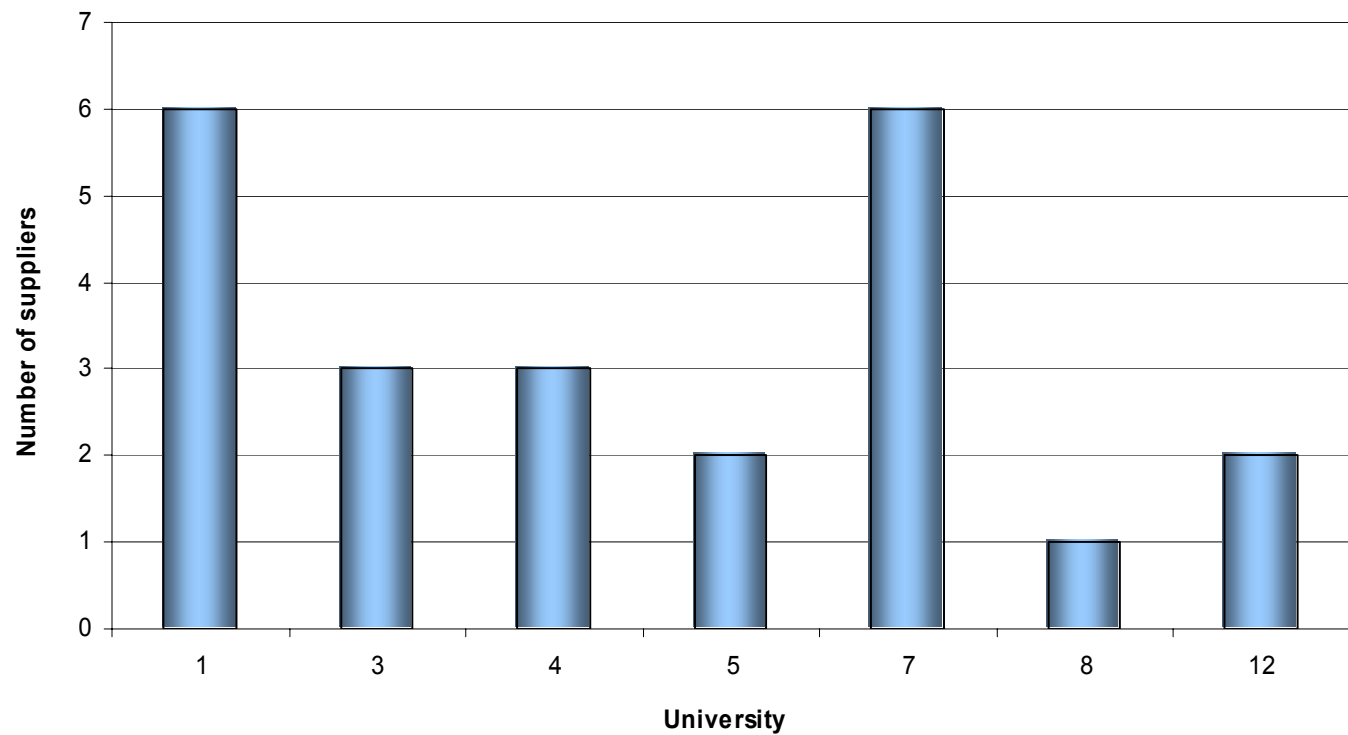


# Key findings-process



## Key findings-IT

Electronic Data Interface (EDI) with suppliers



## Opportunities - participants

- Workshop results and continue to network
- Review category performance and devise strategy for category management
- Utilise data templates and report findings for go to market projects, contract review and supplier reporting



## Opportunities - participants

- Close the gap on current individual position and leading practices
  - Procurement influence within the organisation
  - Policies and processes supporting procurement
  - Use of technology to support procurement functions
  - Procurement “capability” and close the gap on current performance/practices



## Opportunities - participants

- Realise “first pass” ANHEPBP savings identified in processes, category management and price performance
- Measure (benchmark) and set new base line. Today’s best quartile, tomorrow’s baseline
- Validate savings achieved against own previous position and market position
- Use ANHEPBP national results to build business cases for continuous improvements

## Next step

- Develop ANHEPBP as useful source of continuous market intelligence, performance benchmarking and procurement leading practices
- Broaden market scope to include participants from international HE sector and other public and private sector participants
- Identify opportunities for world class performance in HE sector