

# PROCUREMENT & SOURCING

## Context

- University purchasing staff have limited focus on broad commodity management, spend analysis, and strategic sourcing functions due to their primarily transactional role in the purchasing process.
- Lawrence campus has already invested in many of the tools necessary to support best in class performance: PeopleSoft, SciQuest, ImageNow, and Spend Compass.
- While plans are in place to enhance KUPPS functionality, additional opportunities exist to improve KUPPS utilization and efficiencies for procurement and payables operations.
- KUMC stakeholders have expressed the desire to implement an e-procurement system; however, funding the initial deployment, integration with PeopleSoft, and supporting long-term operations are key concerns.

## Goals

- Realization of the benefit of developing a joint or highly collaborative strategic sourcing program across KU and KUMC.
- Develop commodity specialists with advanced product knowledge to provide proactive and value-added customer service, and to more actively manage supplier relationships and performance.
- Standardized procurement processes driving University spend to KUPPS, thus ensuring contract pricing and providing visibility to all purchasing activities (detailed product and service requests, online approvals, supporting documents and supplier performance).
- Complete/Fix KUPPS and streamline the approval and settlement process to address the low utilization and efficiencies of procure to pay technologies.

## Challenges

- Significant sourcing implementation value could be lost without effective supplier management and internal compliance monitoring activities such as periodic supplier performance review, core list and standard models refresh, preferred supplier utilization compliance, etc.
- Implementation of KU standard computer models needs to be a joint effort between IT and Purchasing in order to be successful; the joint effort will provide campus users appropriately configured machines that meet their technology needs and at market competitive prices.
- High end of the opportunities range can only be achieved through demand management activities such as increased computer standard models utilization, core list item purchases, etc., as well as effective KU and KUMC collaboration on strategic sourcing efforts.
- The implementation best in class procurement will have a dramatic impact on the way in which decentralized departments carry out their purchasing and settlement activities. Staff may feel frustrated by the change, with departments perceiving that they will lose control over their ability to purchase independently without oversight from central purchasing.
- There will be pushback across campus to implement KUPPS with the minimal amount of change possible; however, unless the business process is standardized, efficiencies will not be realized.
- Many users do not perceive value from KUPPS or procurement transformation.

## Opportunities

- The Lawrence campus has invested in many of the tools necessary to support best in class performance: PeopleSoft, SciQuest, ImageNow and Spend Compass.
- The initial deployment of the KU Procure to Pay System (KUPPS) did not deliver the full functionality available within the system. While plans are in place to enhance functionality, additional opportunities exist to improve KUPPS utilization and efficiencies for procurement and payables operations.
- KUMC stakeholders have expressed the desire to implement an e-procurement system; however, funding the initial deployment, integration with PeopleSoft and supporting long term operations are key concerns.
- Purchasing staff from both campuses have limited focus on broad commodity management, spend analysis, and strategic sourcing functions due to their largely transactional role in the purchasing process.