

Transformation through Innovative Business Practices

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A Reminder

- Financial pressures
- Transformation for future growth
 - Savings goal of \$45 million
- Strategies to counter challenges



Transformation Team # 4

Goal:

“to simplify and standardize business functions: reduce the cost of procuring goods and services; and curtailing spending without impacting services and quality”

Leadership:

Dan Durbin

Membership:

John Campbell (Provost/ OIT)

Cris DeBord (Talent & Culture)

Lisa Sharpe (Arts & Sciences EBO)

Tami Cira (Provost EBO)

Dave Beaver (Procurement & Payments)

Stephanie Taylor (Legal)

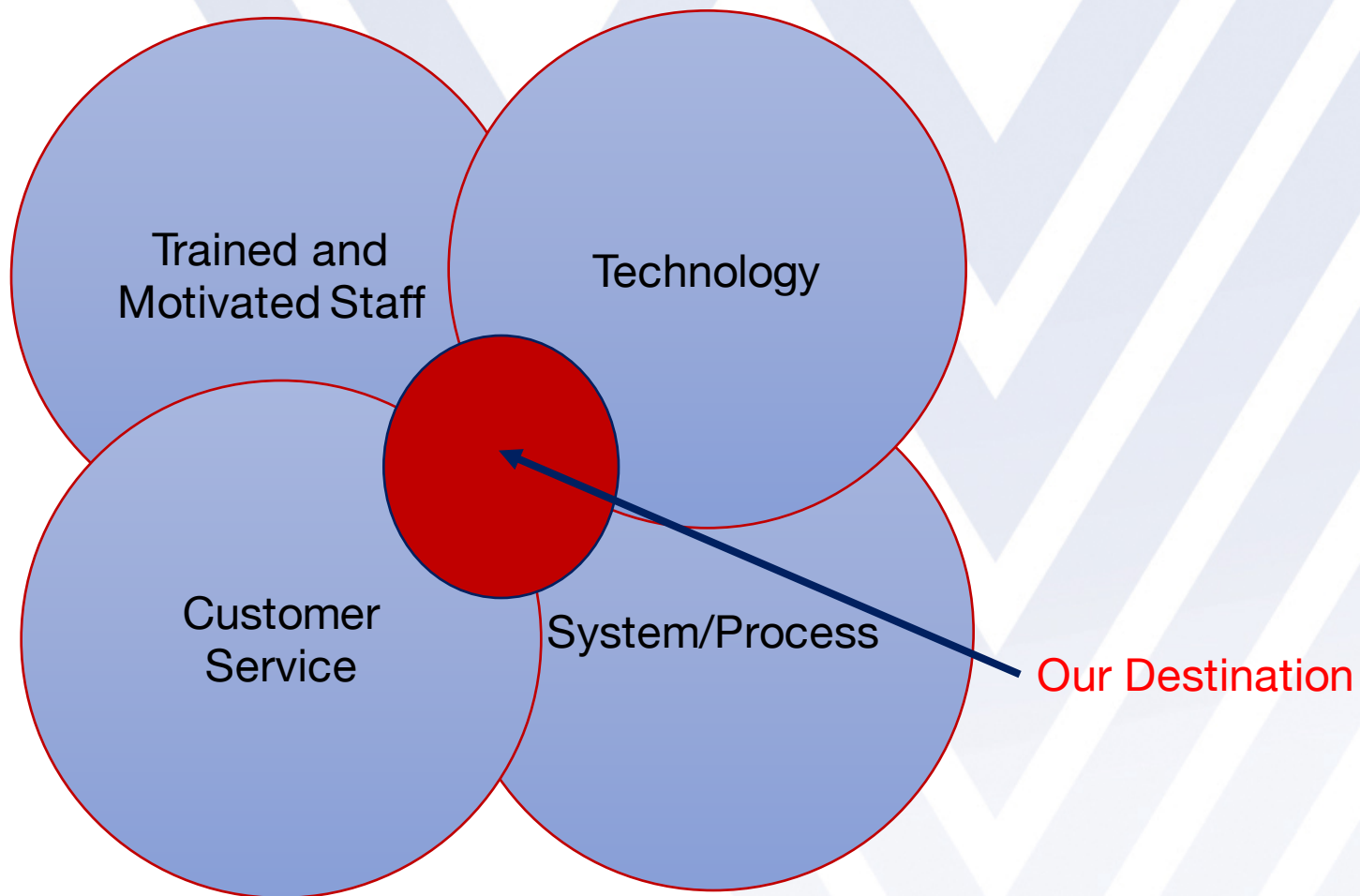


What is Team #4 Doing ?

- Solving for a more efficient and less costly ways to conduct business through the infusion of technology and standardized practices
- Determining:
 - “What” business is being conducted ?
 - “Who” is conducting business?
 - “How” is it being performed?



The Intersection of Transition



Examples of Current Team 4 Focus:

- Student service functions
- Business office function & structure
 - Buying & paying for things



Example #1: Student Services Transformation

Multiple offices & locations

- Multiple leadership structures
- Multiple service levels
- Various capabilities

3 Functions



Merged into

1 Function

Result: Mountaineer Hub Opened this Year



Example 2: Review of EBO Structure (currently underway)

Current State:

- 20 Different:
 - Business Offices
 - Locations
 - Capabilities
 - Processes
 - Service Levels
 - Depth & Capacities
 - Rule...Rules...Rules



Testing the Waters of Consolidation

Administrative EBOs are Being Consolidated

- Provost
- Finance/Administration
- Student Life
- Research
- Scheduled to begin operations in July 2016



Example #3: Buying and Paying for Items

Current State:

- Our \$400 million of spend is uncoordinated
- PCard dependent
- Inefficient & paper intensive
- Labor intensive; nearly 500 people involved
- WVUBuy is “clunky”

We need a better process and tool.....



Delivering Significant Savings to WVU based on 3 easy procurement concepts (Find, Get and Keep)

FIND SAVINGS

- Implemented a spend analytics tool that categorizes WVU spend into logical groupings (based on the external supply market)
- Identifies “high potential” savings categories ie, high spend and high vendor fragmentation
- Allows us to put together high-level opportunity assessments
- Initial list of categories have identified \$13M in savings across a spend base of \$85M



GET SAVINGS

- Launched “Wave 1” categories for RFP and/or re-negotiation projects
- Categories include Pouring Rights, Office Supplies, Lab Supplies, IT software and hardware, Executive Searches, Furniture, Food, Dental Supplies, Travel and Expense processing
- Recently Completed Office Supplies resulting in selection of new preferred vendor (Staples) which will save WVU \$500K per year
- Recently Completed Food Procurement resulting in selection of new preferred vendor (US Foods) which will save WVU \$1M per year
- \$1.5M is savings against \$12M in spend – (12.5% Savings)
- What can we do against a \$400M spend?



KEEP SAVINGS

- Drive spend to our preferred vendors
- Utilize “enabling technologies” to make this process easy and efficient
- WVU shopping experience should be simple, intuitive and paperless
- Mountaineer Marketplace – “Go Live This Summer”
- Next Up – Travel and Expense Automation



What is mountaineer marketplace?

MOUNTAINEER MARKETPLACE is WVU's new e-Procurement tool, which will be used to order supplies from our top vendors. It replaces WVU Buy.

This tool is a significant improvement because it:

- Fully integrates with MAP, allowing for accurate funding selection and reporting
- Uses approval workflow before an order is placed, ensuring purchases are authorized
- Allows email and mobile approvals
- Routes automatically to supervisor, EBO, PI, etc., based on funding selection and embedded rules
- Uses pre-negotiated vendor catalogs, ensuring best prices and compliance with state rules and laws
- Electronically submits orders to vendors and lets vendors submit electronic invoices, supporting our move toward paperless process



Why should we use mountaineer marketplace?

First, it's easy.

- The system works much like Amazon with “shopping cart” and “checkout” features.
- You can track your orders to see where they are in the approval process.
- EBOs get “real-time” information about purchases and commitments.

Second, it frees up time.

PCPS is in the process of sourcing new vendors and creating “preferred” vendor catalogs on the system, which means pricing and terms are already established. You just “grab and go.”

Third, it saves WVU money.

- \$5 million per year through negotiated contracts
- Cuts paper use by eliminating the use of internal forms and by automating the invoicing process
- Accurate up-front funding source selection during the approval process, rather than post-purchase paperwork for PCards



What can I buy through mountaineer marketplace?

Catalog items such as:

- Business cards and stationery
- Office supplies
- Break room supplies
- Janitorial supplies
- Lab supplies
- Computer hardware and software
- Maintenance, repair and operation supplies
- Audiovisual equipment and supplies



- Non-catalog items (replacing the requisition process in MAP and heavy reliance on PCards)

- All vendor invoices will be processed using e-forms, replacing the current process for

- Confirming Orders
- Essential Services
- Lease Payments
- Internal Transfers
- Cash Transfers

- All purchasing and invoice processing will ultimately be conducted through Mountaineer Marketplace.

- Exceptions will be limited to travel-related expenses and specific PCard-related transactions (emergency and small, one-time purchases)



DID YOU KNOW

PROCUREMENT CONTRACTING & PAYMENT SERVICES

processed more than 1 million pieces of paper to pay bills in 2015. On average, each purchase involves about 3 pieces of paper.

SO 20,000 direct-pay invoices = 60,000 SHEETS
16,000 invoices to pay purchase orders = 48,000 SHEETS
14,000 internal WVU transfers on paper forms = 42,000 SHEETS
250,000 PCard transactions = 750,000 SHEETS



On top of that, PCPS processes
7,000 purchase orders averaging
4 sheets each = 28,000

AND

15,000 travel/employee reimbursements,
Averaging 5 sheets each = 75,000

**THAT'S
1,003,000** PIECES OF PAPER A YEAR!

THAT'S THE EQUIVALENT OF ABOUT 12.5 TREES
* 1 PINE TREE YIELDS ABOUT 800 POUNDS OF PAPER



100 SHEETS = 1LB
10,030 POUNDS

ALTERNATIVE? MOUNTAINEER MARKETPLACE

The new eCommerce tool coming to **MyAccess** lets you fill a shopping cart, then automatically routes your purchases for the proper approvals. This eliminates both the need to use a PCard and time-consuming, paper-intensive back-end reconciliation of many routine or recurring purchases. Learn more at <http://procurement.wvu.edu/news/news>

THE RESULT?

WVU saves time and money!

We spend more than **\$400 MILLION** a year on goods and services from more than 15,000 suppliers. If we reduce costs **10%** by automating processes, it will save the University **\$40 MILLION**

Designed by Lisa Bridges 2016

Sources: Procurement Contracting & Payment Services <http://science.howstuffworks.com/>



Questions?

