

E-solution delivers procurement and also promotes collaboration

When Ross Carter, CEO of BOPLASS Ltd, wanted to improve purchasing savings and efficiencies across his local councils, he went to tender for an eProcurement solution that would not only help each council with its purchasing requirements but could also facilitate collaboration across the councils.

After a rigorous process they selected Unimarket's SaaS (software-as-a-service) eMarketplace and eProcurement solutions.

"BOPLASS had identified that there was an opportunity to improve purchasing processes within the councils," says Carter.

"Some of the existing systems did not provide the necessary levels of control or accountability and were often labour-intensive. The lack of transactional visibility across the councils also presented difficulties with identifying joint procurement opportunities for the benefit of the BOPLASS group. "After an analysis of the various supplier solutions available at the time, the Unimarket eProcurement system was chosen

because it met all of the crucial requirements of the councils, while also providing an opportunity to be utilised as a collaborative tool for supplier management across the group.

"The increased visibility of common suppliers and spend will provide BOPLASS and the councils with a simplified means of identifying opportunities for leveraging incremental savings. The system also offers significant savings in transaction costs and the management of invoice reconciliations and accounts payable, while its mobility solution will provide better receipting of goods."

BOPLASS Ltd is a company owned by the Bay of Plenty Regional Council, Tauranga City Council and the Rotorua, Taupo, Western Bay of Plenty, Kawerau, Opoitiki, Gisborne and Whakatane district councils. and has been established to promote shared services between local authorities in the Bay of Plenty/Gisborne Regions and elsewhere.

BOPLASS aims to provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or

increased value through innovation. It looks to achieve this primarily through joint procurement and shared services.

Seven of the nine councils have joined the Unimarket eProcurement initiative and the other two are expected to join at a later time. The solution is to be rolled out across the councils over the next several months.

The solution will provide the councils' buying staff with an easy-to-use web-based tool to make purchases electronically across a common set of suppliers, based on negotiated group purchasing contracts, as well as across each council's own particular local suppliers as appropriate. In addition, the solution will facilitate the councils jointly tendering for products and services using Unimarket's collaborative RFX functionality.

Unimarket is a multi-tenant, single-instance SaaS solution so all of its customers and suppliers are in the one marketplace (hence Uni-market). This means that new customers can easily get access to all the existing suppliers already integrated to the marketplace, which currently stands at more than 200

and is growing rapidly as new customers add their own preferred or local suppliers. Suppliers maintain approved product catalogues hosted in Unimarket, or are fully integrated into their own eCommerce systems.

Unimarket NZ chief executive, Peter Kane, says the software-as-a-service delivery model allows Unimarket to use an 'Amazon-style' interface to bring an intuitive and easy to use consumer application look and feel to a business tool with expected controls and managed segmentation of information.

"We wanted to bring what we were seeing in the consumer world into the business world with the disciplines you need in business in terms of delegated approval and work flow and the ability to integrate into ERP finance systems. On the supply side, to be able to receive electronic catalogues, integrate with websites, and feed electronic sales orders into supply chain systems."

BOPLASS expects that the Unimarket system will not only achieve purchasing savings but improve efficiency and reduce manual effort and paperwork.

Ross Carter says the seven councils implementing Unimarket eProcurement consider the solution will provide them with an efficient and reliable electronic purchasing process, while also increasing their visibility of transactions.

"Ease of use was an important criteria and Unimarket have been able to provide this through a web portal that is intuitive and familiar looking for new users."

Benefits...

BOPLASS's decision to employ the Unimarket solution follows a decision by Hamilton City Council three years ago.

The council is the territorial local authority responsible for servicing New Zealand's fourth-largest city, with a population of around 131,000 people.

With an annual budget of \$256 million for the 2008/09 financial year, the



council is a significant economic entity within the wider Waikato region, and a major procurer of goods and services.

The city has been processing about 50,000 paper-based invoices a year and turned to Unimarket to streamline its purchasing processes and reduce its paper trail.

"This means a huge benefit in terms of reduced paperwork and process simplification, not only for us but also for our suppliers", says Scott Copeland, Hamilton City Council procurement manager.

"One of the key benefits we saw from Unimarket was the end-to-end process

improvement from requisition to pay.

"Our organisation is very decentralised and although we have a number of procurement arrangements in place, it's hard to get and maintain compliance with them and get key staff understanding what is covered by the arrangements. Unimarket addresses that issue."

Mr Copeland says the council has reduced the number of paper invoices it processes by at least 20 per cent.

"When an order is approved it automatically goes through Unimarket and is emailed through to the vendor or directly into their ERP system. This means a huge benefit in terms of reduced paperwork and process simplification – not only for us but also for our suppliers."

Unimarket's growing user community is also beginning to realise the potential economic benefits of being involved in a geographically-based cluster of purchasing

organisations.

"For those of us using it, Unimarket enables a low cost of entry into e-procurement. In the Waikato we're already starting to get a cluster of Unimarket's customer base," says Mr Copeland.

"If we've got the same system we've got a real opportunity to collaborate on and leverage our purchasing power with suppliers in the medium term. Suppliers can start viewing us as one customer through Unimarket and there's an opportunity to better leverage volume discount for all of us by providing our suppliers economies of scale."