Case Study:
Crown Commercial Service

The requirement: Our remit is to provide procurement savings for the whole of the UK public sector by managing centralised contracts that provide value for money through aggregation and demand management. In alignment with this we also aim to deliver centralised procurement tools and strategies and set the stage for a long-term procurement transformation.

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This is set against a complex central government procurement landscape:

• 17 central government departments (including the Ministry of Defence, HMRC, Ministry of Justice, Department of Transport and the Department of Work and Pensions) and their many related arm's length bodies and executive agencies.

• More than 80 source systems with 15 million transactions.

• £98 billion procurement expenditure over 3 years, with more than 220,000 suppliers.

• Poor inherited data quality: existing spend analysis exercises, home-grown classification systems and raw data.

Our challenge was therefore complex - enable the identification of centralised procurement opportunities to help deliver billions of pounds in savings by rolling out a new spend analysis programme to create uniform procurement analysis processes across government.

"Now a process is established with central government we will continue our work with BravoSolution to roll out this methodology and technology across the wider public sector including NHS, education and local government to offer spend analysis, identification of savings opportunities and other advisory services."

David Shields
Managing Director
Government Procurement Service

The solution
We partnered with BravoSolution to undertake and establish the type of durable procurement analytics strategy needed to address real, lasting change. This was the first programme ever launched to understand pan-government procurement spending at such a detailed level in the UK.

The project was divided into two phases, each with challenging metrics for success:

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BravoSolution

• Phase one: establish a baseline across central government to understand existing levels of data maturity and create the first view of collective spend.

• Phase two: transform the spend analysis process into a strategic capability by creating one common and streamlined method for monthly purchasing updates down to the invoice and PO line level.

Phase one: creating a snapshot of government spend

Central government faced a problem common to many public sector procurement teams: data was only provided and analysed at a relatively basic level. Many departments lacked visibility into the granular details of their spend and could only report at a macro-category level or by supplier. It was recognised that any strategic programme would have to focus on data standards and purchasing system processes, otherwise the deeper levels of analysis and therefore savings would be missed in the mid to long term.

BravoSolution collected data from 78 organisations and analysed more than £47 billion of spend.

"Transformation projects are never easy. But by working closely with each organisation to understand their unique challenges and apprehensions, BravoSolution and GPS established trusted relationships that eased fears and laid the foundation for long-term adoption and repeated savings" explained David Shields, Managing Director, Government Procurement Service.

Phase two: delivering lasting results

By the end of June 2012 BravoSolution had completed the collection of all 2010/11 and 2011/12 year-to-date spend data across central government, including an annual return from several arm's length bodies, and launched a monthly data refresh process.

The data analysis process was complex. Prior to this initiative,

each organisation had varying familiarities and experiences with spend analysis. Some had best practice procure to pay processes; some already used other spend analysis vendors; and others had no form of classification processes in place. The scope and quality of the data also varied throughout the millions of transactions.

"Centralising and streamlining our spend analysis process was not an easy hurdle to overcome. Data was often poor quality, of different levels of granularity and in large volumes; but we have accomplished our main goal of establishing monthly spend updates from each organisation. This will allow us to continually improve the spend analysis process and ultimately increase our ability to have the insight required to drive procurement activity that maximises value for money" commented Fiona Carpenter, eEnablement Controller at GPS.

The second phase of the project continues today as procurement teams across central government work with BravoSolution to manage continuous improvement of the data and the spend analysis process to support the transformation of public sector procurement. More than 140 department based users have been trained and are using the new system, with more being added each month.

The results

• £426m of price savings identified across central government.

• Unprecedented visibility into government spending on goods and services.

• Procurement teams can now map target spend to what suppliers have actually delivered, stopping savings leakage.

• The ability to understand spend at both macro and micro levels across government.

• Accurate and repeatable processes to identify spend with SMEs.