CAPITA: Four Steps to Success

Most improved purchasing operation – step change

With a new procurement director on board and a four-stage approach to tackling spend, Capita’s team has achieved millions in savings, as well as raising its influence.

Capita is a business process outsourcing and professional services company. Capita’s central procurement team (Group Procurement), historically had limited influence on the company party expenditure as 90% of the spend was controlled and managed on a local level. The procurement team was responsible for company-wide “indirect contracts” but it needed better control of the amount being spent on services from third party suppliers.

The challenge was to re-organise and optimise all processes to gain financial control, engage across the businesses and across their supply chains. The strategic objectives identified were many but included, developing a new governance model, building a effective procurement organisation that supported the flexibility of the Group’s needs and delivering sustainable benefits for the Group via leverage and innovation. The deployment of best in class technology and intelligence and the provision of training for Capita staff in relation to Group contracts and procurement skills were also included in the high level objectives.

The team took a four-stage approach to tackling this transformation: mobilise, deploy, realise and improve.

The first stage included spend analytics, technology implementation and stakeholder engagement and identifying any quick wins. Deployment took the form of market analysis and a governance review. Supporting this they initiated a policy and process review which resulted in the optimisation of tools and processes. In this stage benefits were tracked and the tail spend was managed. The realisation stage...
concentrated on supplier relationship management and innovation and technology enhancement to improve processes. The final stage was one of refinement and improvement using stakeholder and supplier feedback, demand and compliance management, market creation and innovation. People development and career enhancement were also dealt with at this stage of the transformation process. A help desk was implemented to allow the Group procurement team to provide support to internal stakeholders and also to answer external supplier enquiries. This dedicated helpdesk team has enhanced end user satisfaction both within the Group Procurement Team and also the wider Capita community.

Capita has also implemented a responsible sourcing solution which enables internal and external stakeholder to track and monitor environmental factors, health and safety and bribery and corruption information.

This project has developed a procurement methodology that gives consistency of approach and a suite of tools to Capita on a centralised Share-Point site.

Many organisational benefits have now been realised through this renewal process and some of those benefits include:

- £20m + in savings realised
- Reduced risk across Capita by moving contracts to an online database
- Supplier relationship management improvement
- Roll out of P2P automation across the Group
- Implementing new governance model and procedures across the Capita Group

Andy Parker, chief operating officer, said: “Group procurement now brings new insights and intelligence from the external marketplace to our operating business. Group procurement is now viewed as strategic enablers and the business understands the value it brings as an integral component of how we deliver excellent customer value.”

http://www.supplymanagement.com/analysis/features/four-steps-to-success/