

£225m savings

supported by perfecting procurement

The Prudential Group is a leading life and pensions provider with approximately seven million customers in the UK and 26 million customers worldwide. Prudential UK specialises in longevity, risk-management and multi-asset investment. Employees number over 5,000 including those from outsourcing partner Capita.

Highlights

- Cost-saving process supported through CIPS Certification
- Assurance gained that internal processes match those seen as industry best practice
- Increased ability to keep abreast of current thinking
- Third party risk reduced through strengthened processes.

Leading life and pensions provider gains recognition with CIPS Certification

In 2010, Prudential UK made a commitment to investors to make £75 million cost savings per year for the following three years.

The procurement and supply team continue to play a crucial role in achieving this objective by managing purchase costs and identifying potential savings.

CIPS Certification was chosen to support Prudential's procurement department in setting performance goals and measuring its successes.

Strategic sourcing is not about being a procurement specialist – it's about understanding Prudential's business objectives and delivering the best deal for internal customers.

“ **CIPS Certification provides recognition of Prudential's procurement processes by an external organisation identifying excellence in the field.** ”

**MATTHEW FREESTON,
PRUDENTIAL PROCUREMENT**

ABOUT PRUDENTIAL

Prudential was founded in 1848 in Hatton Garden, London, with the purpose of offering life assurance and loans to the middle classes. The business was responsible for several sector innovations including industrial and infantile insurance. Its success and growth continued throughout the 20th Century to the present day and it is now considered a significant international financial services group with operations in Asia, the US and the UK. Prudential plc is listed on the stock exchanges of London, Hong Kong, Singapore and New York.

Procurement in Prudential

Within Prudential UK, the procurement department is responsible for negotiating new contracts and supporting the management of existing supplier relationships. The team liaises with internal risk, legal and finance departments on a day-to-day basis in order to implement and monitor the controls and checks that are in place.

KEY FACTS

26 million customers worldwide

£351 billion assets under management

History spanning 160 years

26,000 global employees

Listed on four stock exchanges

SPECIALISMS

Retail financial services provision

Longevity, risk-management and multi-asset investment focus

Life and pensions specialists

Strengths in annuities and with-profits

Aligning internal processes with best practice

Why CIPS Certification?

Prudential recognised that CIPS Certification would provide assurances that their internal processes matched those seen externally as industry best practice. This would minimise their exposure to third party risk. In addition, Certification would ensure that their procurement processes were transparent and stood up to audit and scrutiny both internally and externally.

It was important for Prudential's procurement department to set performance goals and measure its successes. CIPS Certification helped them to achieve this and reassure internal stakeholders that goals were being met. External certification is a matter of pride for Prudential both within the procurement department and across the wider business. As such, the Certificate is displayed in the company reception.

Benefits of CIPS Certification

- **Recognition:** Achievement of CIPS Certification demonstrates sound organisational procurement policies, processes and procedures as verified and monitored by an independent body
- **Improvement:** The process of regular reviews within CIPS Certification identifies opportunities for continuous improvement
- **Value:** Achieving CIPS Certification helps procurement deliver value for money
- **Efficiency:** Opportunities for creating efficiencies and better ways of working are highlighted
- **Reputation:** Credibility within the marketplace, with suppliers, stakeholders and competitors is heightened
- **Morale:** CIPS Certification has a positive effect on staff and their morale. They know that they are working within and to a professional standard
- **Ethics:** CIPS Certification demonstrates a robust ethical position.

“CIPS Certification gives Prudential an enhanced ability to keep abreast of current thinking and protects against an introspective view of policies.”
MATTHEW FREESTON, PRUDENTIAL PROCUREMENT.

CONTACT US

Europe: +44 (0)1780 756777 • Australasia: +61 3 9629 6000
Africa: +27 12 345 6177 • MENA: +971 (0) 4311 6505 • Asia Pac: +65 6403 3940
Email: corporate.solutions@cips.org • www.cips.org/certification