



INSPIRING
FINANCIAL
LEADERSHIP

The role of procurement and its relationship with finance

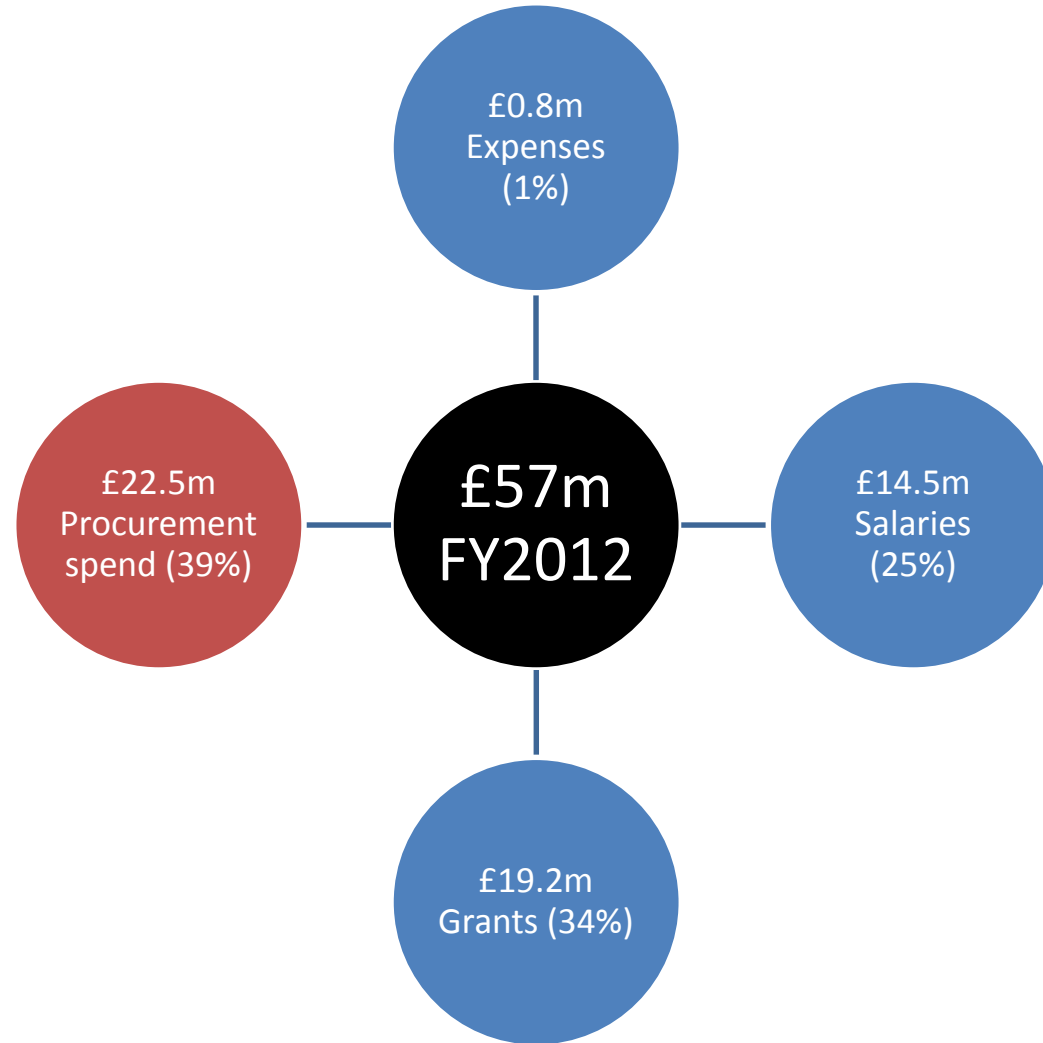
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What we're going to cover

1. Why bother setting up a managed procurement function?
2. What we have done to date (and what have we learnt)?
3. The benefits
4. Plans for the future
5. Question

1. Why bother with procurement?



1. Why bother with procurement?

Contracting – no central record of contracts, contracts being raised late and inefficiently, lack of awareness re expiry of contracts

Value for money - no evidence that procurement rules being complied with, no procurement expertise

Controls e.g. segregation of duties, conflicts of interest

2. What have we done?

Step 1

Recruited Head of Procurement



2. What have we done?

Implemented a procurement system

- Tender process – 5 months
- Contract – 3 months
- Design and configuration – 6 months
- UAT and training – 3 months
- Go Live - Jan 2013

2. What have we done?

Implementing a procurement system - Top Tips

Tender process:

- What do you want?
- Involve key users
- Ensure key functionalities work
- References
- Agree T&Cs

2. What have we done?

Implementing a procurement system - Top Tips

Design and configuration:

- Project manager
- Scrutinise customisations
- Be prepared to change existing processes
- Review who the users will be

2. What have we done?

Implementing a procurement system - Top Tips

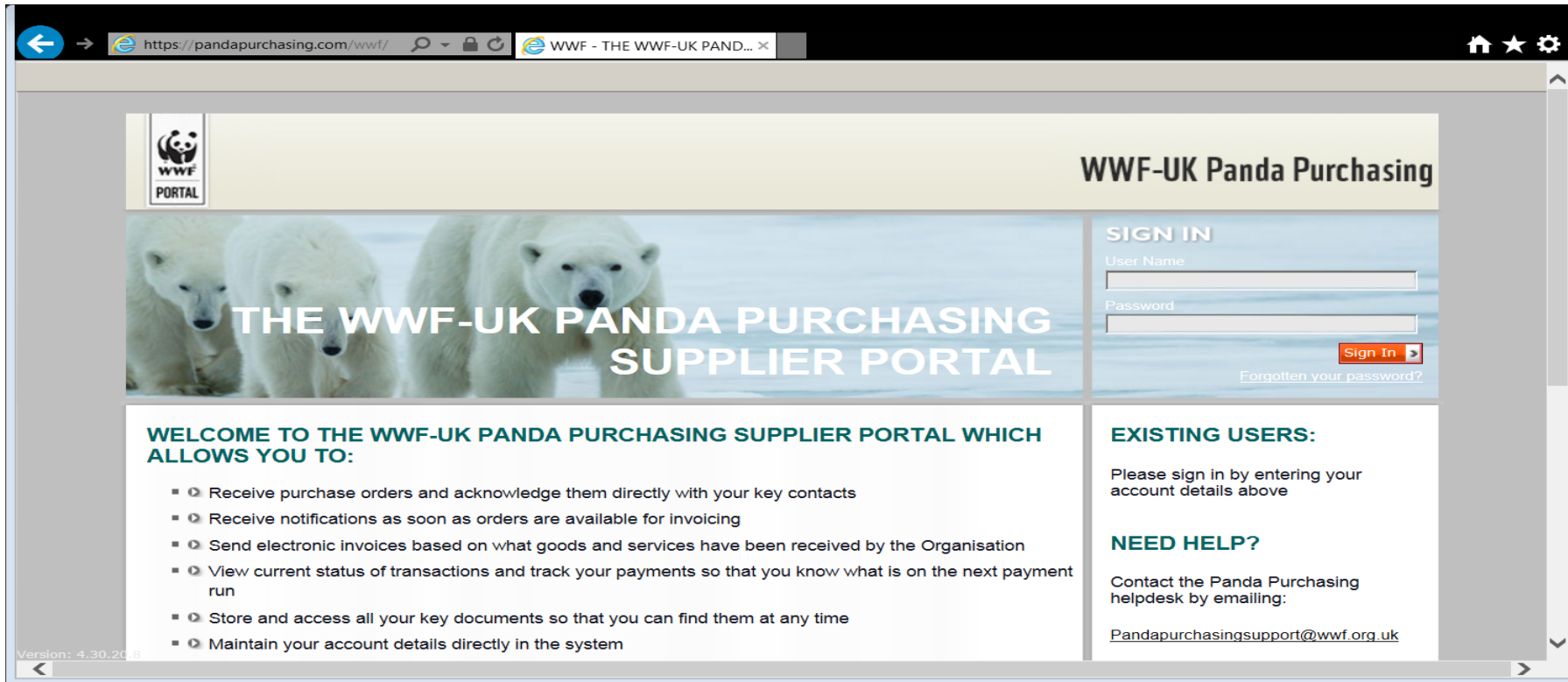
UAT and training:

- Think outside the box
- Engage users in the process
- Communicate, communicate, communicate

2. What have we done?

Step 2

System Go Live Jan 2013



The screenshot shows a web browser window displaying the WWF-UK Panda Purchasing Supplier Portal. The browser's address bar shows the URL <https://pandapurchasing.com/wwf/>. The page features a header with the WWF logo and the text "WWF-UK Panda Purchasing". Below the header is a large banner image of polar bears with the text "THE WWF-UK PANDA PURCHASING SUPPLIER PORTAL". To the right of the banner is a "SIGN IN" section with input fields for "User Name" and "Password", a "Sign In" button, and a link for "Forgotten your password?". Below the banner, the main content area is divided into two columns. The left column contains a "WELCOME TO THE WWF-UK PANDA PURCHASING SUPPLIER PORTAL WHICH ALLOWS YOU TO:" section followed by a list of features. The right column contains an "EXISTING USERS:" section with instructions to sign in and a "NEED HELP?" section with contact information for the Panda Purchasing helpdesk.

WWF-UK Panda Purchasing

THE WWF-UK PANDA PURCHASING SUPPLIER PORTAL

SIGN IN

User Name

Password

[Sign In](#)

[Forgotten your password?](#)

WELCOME TO THE WWF-UK PANDA PURCHASING SUPPLIER PORTAL WHICH ALLOWS YOU TO:

- Receive purchase orders and acknowledge them directly with your key contacts
- Receive notifications as soon as orders are available for invoicing
- Send electronic invoices based on what goods and services have been received by the Organisation
- View current status of transactions and track your payments so that you know what is on the next payment run
- Store and access all your key documents so that you can find them at any time
- Maintain your account details directly in the system

EXISTING USERS:

Please sign in by entering your account details above

NEED HELP?

Contact the Panda Purchasing helpdesk by emailing:
Pandapurchasingsupport@wwf.org.uk

Version: 4.30.2013

2. What have we done?

Step 2

Post Go Live issues included:

- Browser compatibility
- Supplier pages
- User perception

2. What have we done?

Step 3

Recruited Procurement Manager (Sept 2014)



2. What have we done?

Step 4

Implement KPI and Savings reporting (Mar 2015)

	FY17 Total		FY16 Total		FY15 Total	
	£'000	%	£'000	%	£'000	%
Competitive spend (ie. subject to tender, quotes or market assessment)	6,262	53.2%	10,787	46.1%	9,242	37.2%
Purchase orders <£5,000 - competition not required per existing procurement rules	1,080	9.2%	2,358	10.1%	1,711	6.9%
Sole source spend	562	4.8%	1,806	7.7%	1,413	5.7%
	7,904	67.1%	14,951	63.9%	12,366	49.8%
Not subject to competitive process but satisfactorily benchmarked	2,089	17.7%	3,059	13.1%	2,632	10.6%
Non-competitive spend	1,780	15.1%	5,375	23.0%	9,840	39.6%
	11,773	100.0%	23,385	100.0%	24,838	100.00%

2. What have we done?

Step 5

New approach to procurement planning (Sept 2016)



2. What have we done?

Step 6

New training module (procurement and finance) for staff
(Jan 2017)

50 : 50

8 £1 MILLION
7 £500,000
6 £125,000
5 £32,000
4 £16,000
3 £4000
2 £1000
1 £500

What is the best time to contact WWF UK Procurement

A: When the contract has finished B: After Identifying a preferred supplier

C: When the requirement is being defined D: During Tender Evaluation

3. The benefits

- Secured procurement influence on more than £100m spend
- Delivered savings of £2.5m (gross), >£1.7m (net)
- Reduced red rated spend from 40% to 15%
- 100% POs with contracts (majority – standard T&Cs)
- 80% e-invoicing
- Improved contract management

4. Plans for the future

- Reduce our red rated spend to less than 10%
- Improve supplier sourcing and market intelligence
- Further improve negotiating and contract management skills
- Increase the amount of collaborative spend

5. Question

- Are you happy with quality of procurement systems, controls and staff? Eg:
 - Do you know the level of compliance with the procurement policy?
 - Is there a genuine segregation of duties?
 - Are the contractual terms recorded/readily available?
 - Do staff have the requisite training in procurement?
 - Are the procurement and finance functions joined up?



Thanks for listening!

Q&A?

Do Get in Touch...

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