



Hertfordshire County Council

In March 2012, following a detailed system evaluation, Hertfordshire County Council switched their procurement spend analysis to the ProSpend system by Atamis. They cited four key factors in choosing Atamis:

- 1) the ability to drill down to a greater level of detail,
- 2) the ability to tailor supplier categories through mapping rules to achieve greater accuracy and control over spend classification,
- 3) more sophisticated integration with contract data for compliance reporting, and
- 4) a considerable cost saving.

In December 2011, Hertfordshire County Council (HCC) engaged in a review of their spend analysis provision to identify the service provider offering the best capability and value, having used the Spikes Cavell Observatory for the previous four years. The HCC Procurement Team was aiming to retain the ability to produce reports for previous years and keen to ensure an efficient process for data extraction and analysis.

Atamis was invited to demonstrate the approach to spend data classification and the KPI management reporting capabilities of the ProSpend system.

ProSpend classifies spend data at line-item level, so to a higher degree of accuracy than the single category supplier structure of the Observatory and other solutions. Details of expenditure items such as product descriptions, cost centre and purchase approver can be accessed through drill-down navigation.

ProSpend also allows procurement users to enhance and refine the spend classification using rules that are based on text found in the invoice and GL codes. ProSpend supports multiple taxonomies so an organisation can obtain a national standard view of its data as well as its own refined classification.

HCC Head of Procurement, Peter Maguire, was particularly interested in the way suppliers were matched with contracts and how compliance monitoring and tracking operated.

The monitoring of spend placed under contracts is a key feature within ProSpend. Contract register solutions and capabilities vary widely between different buying organisations, and ProSpend supports multiple configurations.

The team were highly impressed by the ease of use and extended functionality and agreed to provide a sample extract of data for an evaluation system to support a final decision.

Atamis worked from a spend data extract which was straight forward for HCC to produce. The evaluation system was made available quickly with minimal input or disruption to HCC and within a few days they were able to use ProSpend to analyse their own spend and produce reports.

Following their evaluation period, the HCC Procurement Team confirmed the decision to take up services from Atamis. Spend data for 2011-12 has now been processed and loaded into ProSpend, along with spend for 2008/09/10.

In a comparison with previous years spend classification, it was found at least 10% of expenditure had been insufficiently classified to a single ProClass category where a split across multiple categories was required.

Hertfordshire County Council Procurement

Hertfordshire County Council (HCC) spends over £750 million each year on bought in goods, services and works. HCC Procurement Strategy is steered by the Council's Procurement Board, its members and a Strategic Procurement Group. HCC has adopted a category management structure and has setup a contracting best practice group with a contract manager network as part of its operational delivery of the strategy.

Head of Procurement, Peter Maguire, is responsible for maintaining, monitoring and developing the strategy. Procurement effectiveness is monitored against an action plan with a range of targets and objectives for each year of the strategy. Targets are set in the context of an over-riding need to achieve annual cashable efficiency savings.

HCC reports against its major contracts on a quarterly basis with contract managers reporting on a monthly basis for contracts greater than £1m per annum.

HCC is a member of the Central Buying Consortium.

www.hertsdirect.org/business/howbusiness/

More than 2,000 contracts were loaded and matched to suppliers, showing a proportion of total spend under contract over 80%. Already with one of the highest levels of contract compliance for local authorities in the country, HCC still seek to improve on this figure and will use ProSpend to identify areas where compliance and further savings could be increased.

Procurement Business Analyst and primary end-user for ProSpend, Kirsten Brown said, *“There are some great features in ProSpend. I really like the ability to be able to analyse spend by cost centre and to drill down from any report to invoice line item level. Previously I had to jump out to our finance system to get this level of detail which was very time consuming. The ability to tailor supplier categories and exclude based on rules such as cost centre and GL code is brilliant.”*

Head of Procurement, Peter Maguire, said, *“The Atamis pricing has enabled us to achieve a better product as we've been able to include quarterly updates and the contract piece that we did not have whilst still achieving a considerable cost saving”*