

PRINCIPALITY BUILDING SOCIETY

The Group Procurement unit at Principality is responsible for the third party expenditure of three separate business divisions: the Principality Building Society, estate agents Peter Alan, and Nemo personal finance. Within group corporate strategy, Procurement has been assigned a set of measurable KPIs to ensure the delivery of savings targets, increase procurement influence over organisational spend and show continuous improvement in performance.

Through existing systems, Procurement had no way of calculating and tracking KPIs without considerable manual effort. Internal spending review required manipulation of very large Excel spreadsheets and running complex macros, which often took whole days to run for report generation. As a result, many performance measures were never monitored and reporting offered limited ability for internal stakeholders to see detailed spending. The three business divisions used different finance systems, and while there were some common suppliers, each operated separate charts of accounts and applied different coding conventions. Duplicate suppliers existed within each individual business division and across the group, requiring an extensive clean-up exercise on internal system data within any approach for improvement.

In September 2009, Principality chose the Atamis Procurement KPI Dashboard system along with Spend Analysis services to cleanse and classify their spend data and have been using it ever since. The Atamis system included Contract Management, Supplier Relationship Management and Supplier Performance modules to meet the required objectives and offered extended customisation capabilities for improving organisational performance.

The system allows online access, across the organisation, to comprehensive spend analysis with full drill-down capability and automatic refresh of spend data exported from the finance system. The Atamis system was configured to provide customised dashboards for users from each department with scheduled e-mail updates to key stakeholders. The Principality's Principal Buyer, said "Implementing Atamis was very straight-forward. We were provided with templates and instructions for data to be loaded, and within a week our system was up and running. We requested bespoke requirements to see the split between capital and operational expenditure on some dashboards with an overall 'Group' view and views by individual business divisions. These were both included, along with other customisations requested during system set up. It's also been extremely easy to use the system. Training was available, but we found the system very intuitive and didn't need it."

Philip Holmes, Head of Group Procurement & Facilities, said "The main benefit of the system is the time it saves by giving me an instant snap-shot of how my department is performing for the organisation. Atamis has transformed our visibility of corporate spend, allowing us to spot areas of rogue spending and take more control of the way commodities are purchased. It is an invaluable tool for understanding our supply base and identifying savings opportunities. We are now able to focus on areas where Procurement provides additional value and we are rolling the system out to department heads to improve procurement right across the organisation." The Principality has been using ProSpend continuously for over 5 years now. The procurement unit has migrated all contract documentation into ProSpend's document repository for safe-keeping and easy access. With increased pressure on supply-side risk management, further customisations have been applied to their system to record supplier risk categories (financial, information security, site access, etc.) and drive workflow to ensure appropriate risk management documentation is provided by key suppliers. In 2014 they also implemented a process to determine compliance with group procurement policy based on relationship review criteria.

Principality Group

The Principality is the UK's 7th largest building society with over £6bn in assets. In addition the Group has two further business subsidiaries, Nemo personal finance and Peter Alan estate agents.

Philip Holmes was Head of Group Procurement and Facilities at the Principality Building Society. He was formerly Head of eBusiness at Value Wales, the Welsh Assembly Government unit responsible for the national sourcing portal and spend analysis services for the Welsh Public Sector. He has also held senior procurement positions at Coleg Gwent and University Hospital of Wales.