



Streamlined Purchasing at May Gurney

Streamlining office supply purchasing with an electronic procurement catalogue benefits both May Gurney and its supplier UKOS Plc.



THE CHALLENGES

When May Gurney made the decision to streamline its stationery purchasing process using the existing COINS Electronic Trading Community (COINS-etc) solution, it provided a significant business opportunity for UKOS Plc, a large commercial stationery and business supplier carrying over 30,000 product lines.

Back in 2009, UKOS had a single trading agreement with May Gurney's head office and launched a pilot project with them to trial an electronic catalogue (eCatalogue) of products in order to rationalise May Gurney's procurement processes. No stranger to eCommerce, UKOS currently carries out 55% of its business via its online web portal; the remainder is catalogue based.

May Gurney is a support services company with its head office in Norwich and a further 230 sites nationwide. "We wanted to ensure that the eTrading supply system was properly embedded into the organisation before rolling it out to our UK sites, and also ensure that the desktop delivery was successful," says Beckie Earl, Procurement Assistant at May Gurney.

Such a supply chain system is very dependent on the infrastructure of the supplier and the support of May Gurney's IT provider. The procurement process is controlled through COINS etc, which enables buyers and suppliers to trade electronically whilst providing seamless integration of commercial transactions into the back office systems of both parties.

BUSINESS BENEFITS

- Automation of procurement process
- Efficiency savings equivalent to £110,000
- Improved price and stock control mechanisms
- Rationalisation of supplier base: approximately 85% of all May Gurney's stationery purchase lines now go through the UKOS eCatalogue
- Reduction of unrestrained buying from multiple suppliers
- Automatic cost allocation with clear audit trail
- Single procurement system across all sites
- National spend means better buying power for May Gurney



“Last year we sent 5,500 invoices electronically to May Gurney... equates to an efficiency saving of £110,000”

Peter Gowing

IT Director - UKOS

THE SOLUTION

Prior to the eCatalogue, May Gurney could order any one of 30,000 stationery products. Beekie Earl said, “Before the process could begin, we first needed to rationalise the number of stationery products. This was achieved using historical data to determine the most popular products ordered.” The product range was initially streamlined to 4,500 items but is now down to 1,300 and is reviewed on a quarterly basis by Beekie and her team.

A UKOS eCatalogue of the 1,300 products with pre-negotiated prices was produced using an electronic cataloguing software solution. COINS then took the product data from UKOS in a structured format to populate its eTrading hub.

When an order to UKOS is initiated, the COINS Procurement module recognises UKOS as an eCatalogue supplier and opens an order using the web-based UKOS eCatalogue. This provides the May Gurney user with a familiar online buying experience, with product searches, images, and a check out basket.

Templates with the details of May Gurney’s contracted list of products make the ordering process quick and simple. Users can also create templates to store their favourite items and simplify future purchases.

Once the order is created at check out, the system writes the order lines back into COINS, thus creating an accurate order with all the information needed by UKOS to process it. An electronic purchase order is sent to UKOS and put directly into their Oasis ERP solution, automatically creating the sales order to drive their delivery process.

When the order is fulfilled, UKOS raises an invoice electronically that is processed through COINS-etc, which translates it into the format required by May Gurney. From check out to invoice receipt, the procedure is untouched by human hands.

The success of the trial has resulted in a nationwide roll-out to regional offices and project sites. During 2011, over 19,000 purchase order lines were transacted electronically between the COINS-etc-hub and the UKOS data exchange in 2011, without any paper documents or the rekeying of any data.

Peter Gowing, IT Director for UKOS Plc, says, “Last year we sent 5,500 invoices electronically to May Gurney. With each invoice costing around £20 to process manually¹, this equates to an efficiency saving of £110,000. If you take into account the savings on printing, postage, queries and remittance advices, then the figure becomes much larger.”

BUSINESS BENEFITS REALISED

- Reduction of process costs from their businesses
- Improved price and stock control mechanisms through the adoption of internet ordering
- Automatic cost allocation with a clear audit trail of all transactions
- Automation of the procurement process
- Rationalisation of supplier base: approximately 85% of all May Gurney’s stationery purchase lines now go through the UKOS eCatalogue
- Vast reduction in unrestrained buying from multiple suppliers
- A single procurement system across all sites
- Administrative staff switched from manual invoice processing to value-adding tasks
- National spend means better buying power for May Gurney.

CONCLUSION

COINS-etc provides the company with the opportunity to achieve significant bottom-line savings, whilst improving internal processes and service levels in its office supply purchasing.

¹ According to the Institute of Chartered Institute of Purchasing & Supply (CIPS), which provides various figures relating to invoice processing costs dependent on industry type.

South Office
Unit 7-8 Enterprise Way
Maxted Close, Hemel Hempstead HP2 7YJ

t: 01442 288300
e: sales@ukosplc.com

North Office
Haig Road, Parkgate Industrial Estate
Knutsford WA16 8DX

t: 01565 650231
e: north.sales@ukosplc.com

