

# Maximizing Your Funds

## 5 Best Practices to Turn Procurement into a Pillar of Financial Stability

July 2, 2024 | Boston, MA



# Why BuyQ?

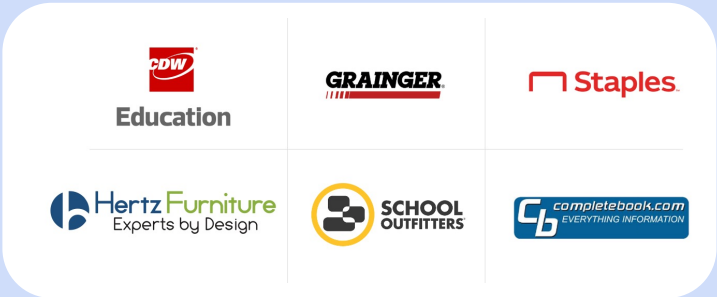
Exclusively supports over **4,200+ charter** and private schools

Delivers **millions** in annual savings by leveraging collective buying power

Provides tailored consulting to **optimize procurement** processes

ALWAYS takes a holistic approach to **operational excellence**

**Contract Solutions**



**Consulting Solutions**

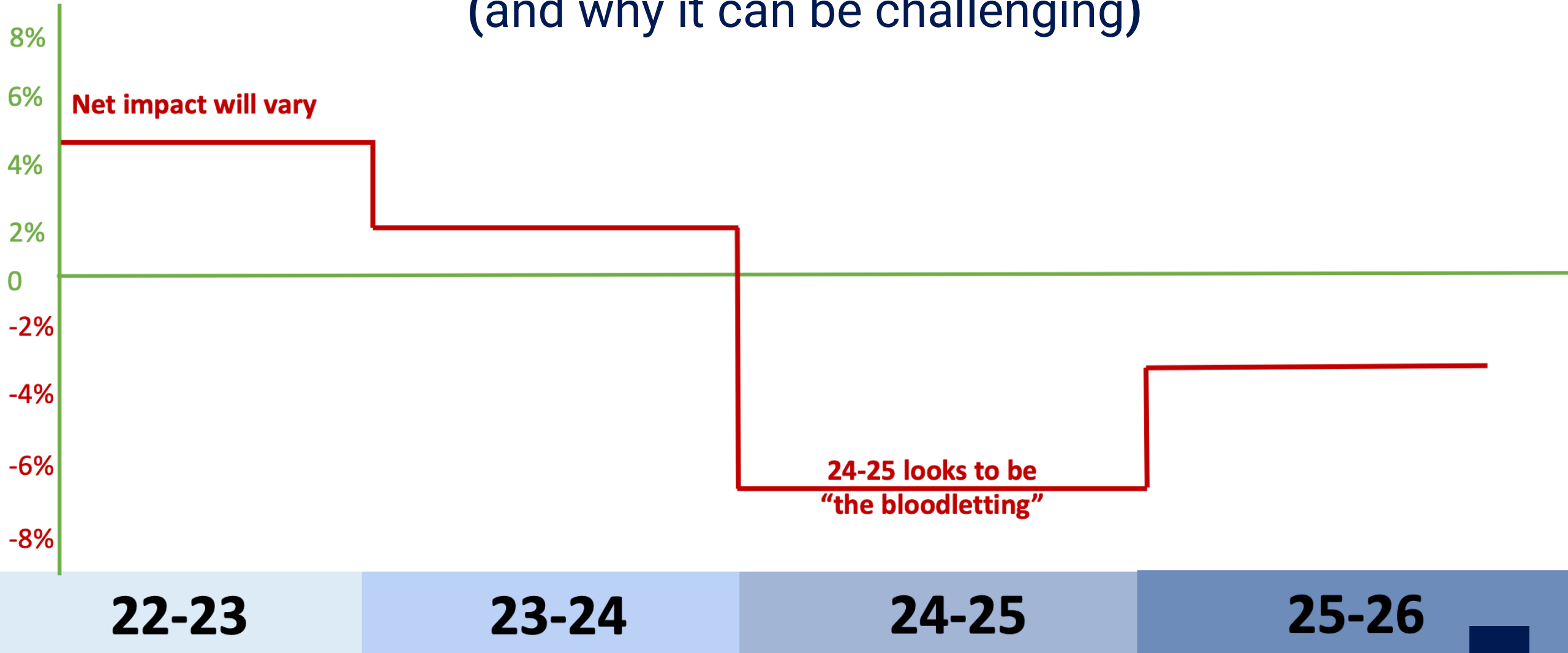


## Because every dollar counts



# Why procurement matters? (and why it can be challenging)

Net effect on typical budget trends



# The Pillars of Procurement Excellence



## STRATEGIC SOURCING AND COST MANAGEMENT

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Ensuring the organization leverages their buying power to secure the best value and maintain cost efficiency through a coordinated strategic approach



## POLICIES, COMPLIANCE, RISK MANAGEMENT

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Safeguard against operational risks while ensuring adherence to ethical and policy standards



## TECHNOLOGY AND DATA ANALYTICS

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Drive real-time insights and streamlined processes to empower decision making and operational efficiency



## STAKEHOLDER ENGAGEMENT AND COMMUNICATION

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Facilitate effective communication on aligned internal goals to ensure initiatives receive robust support and are successfully implemented throughout the organization

# Sub-Categories...



Reliable, Real-Time Reporting



Budgeting & Procurement Alignment



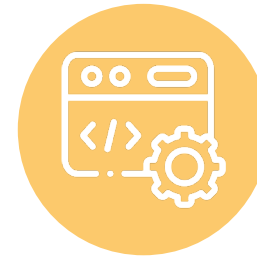
Professional Development & Training



Process Alignment & Systems Integration



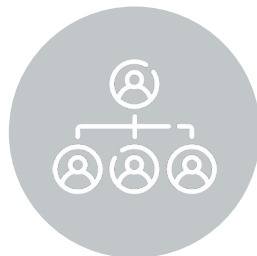
Data Analysis & Benchmarking



Technology Investments & Automation



Strategic Vendor Management & Contracts

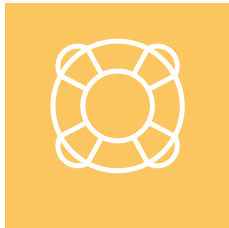


Staffing Model



Continuous Improvement

# 5 Best Practices to Begin “Strategic Procurement”



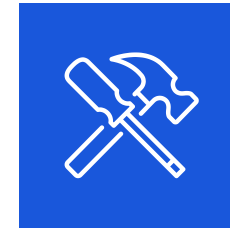
## 1. Revisit Your Policy Regularly

What does it say and is it followed?



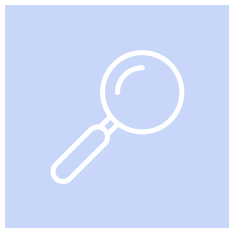
## 2. Find & Listen to the Data

Get the full picture & don't operate on assumptions.



## 3. Build Accountable Supplier Relationships

Frienemies OR strategic business partners?



## 4. Standardize & Consolidate

Where can you drive efficiencies within your buying patterns?



## 5. Track Performance & Iterate

Understanding TCO and have basic procurement KPIs.



# #1 Revisit your purchasing policy

1. Comply with rules and regulations
2. Minimize fraud and corruption (or appearance of) by demonstrating open, fair and transparent methods
3. Reduce **total cost** of goods and services – including indirect spend such as staff time
4. Provide guidance on vendor and product selection criteria (how to weight elements of total cost)
5. Create institutional processes and knowledge: who, what, when, how, etc.

## Can you relate?

"Releases Purchasing Policy"...

Your Staff...





## Tactical Tip

Refresh your purchasing policy to align with desired outcomes (work backwards from end state) and add it to your next staff training block.

Focus on empowering staff through the policy by removing ambiguity and approval bottlenecks. **This is an iterative process.**



## #2 Listen to Your Data Story

Without lifting the rock and looking underneath, it's impossible to see the creepy-crawlees...

- Someone should be responsible for spend data (start here!)
- If you don't have a system for tracking/visualizing purchasing data, focus on key categories or suppliers
- Get to product level data to start to uncover opportunities – collaborate with budget owners



## Can you relate?

We know what our data is telling us about our purchasing strategy.

### The data...

Budgeted	Actual	Remaining
\$1,544,573	\$1,449,698	\$94,875
\$149,168	\$161,119	-\$11,951
\$6,591	\$10,202	-\$3,611

## **Tactical Tip**

On a \_\_\_\_\_ basis (quarterly/bi-annual) have your top 5 suppliers send you a breakdown of your spend analyzed for purchasing patterns. Review the data live for additional insights in your next check-in meeting.

\*They will do this work for you, but not without you requesting it.

## #3 Develop Collaborative & Accountable Supplier Relationships

To maximize your supplier relationships, you must understand the incentives.

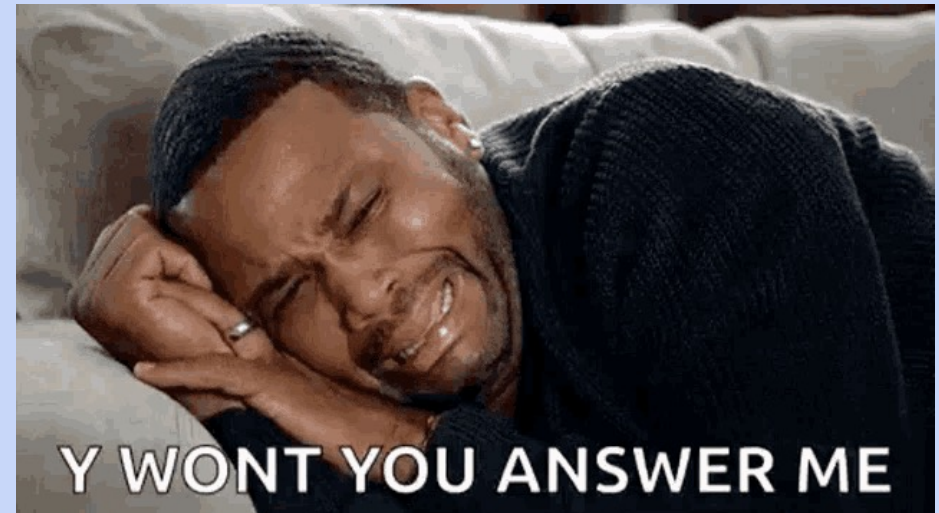
- Their goal: Retain and grow your business
- Your goal: Source quality goods and services at an affordable price

Without setting clear expectations and shared goals, you might be working against one another instead of in lock-step.

## Can you relate?

**School:** “We work very closely with our key suppliers”

**Supplier Account Manager:** Sends email #12



## **Tactical Tip**

3 Questions that will change your supplier relationships:

- What are the most important metrics for success if we could only track 3 things? **Why?**
- What is your pricing model based on? **Why?**
- What does excellence look like & who (other charter school) is a good example? **Why?**

## #4 Standardize & Consolidate to Drive Value

Standardizing provides consistency and sets expectations for both staff and students.

Consolidating saves your finance team time, energy, and effort when it comes to invoicing, reconciliation, etc.

**Bonus:** If you standardize to a GPO contract, you also remove the additional administrative burden of running so many RFPs in-house.



## Can you relate?

We standardize our buying and to get the best prices based on the volume our school/s needs.

“So, where did you buy your paper from last year?”



## **Tactical Tip**

Utilizing your spend reports (per tip #2), review categories with spend for the same products/services from multiple suppliers. Once identified, take the total volume to your preferred provider and ask them to competitively quote for consolidation.

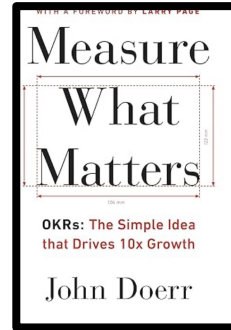
*\*Groups like BuyQ can also do this on your behalf leveraging contract prices.*

## #5 Measure Performance & Iterate

Measure what matters!!

Examples:

- ✓ Staff satisfaction
- ✓ Reasonable Cost
- ✓ Repair/Replacement Cycle



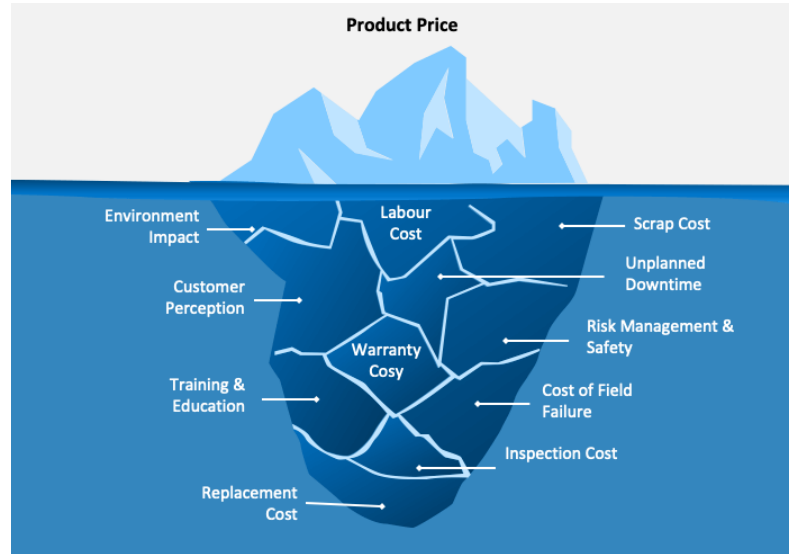
## Can you relate?

**Chief Operating Officer:** Let's develop some procurement benchmarks and KPIs and then you can present our progress on those during our monthly leadership meetings 1x month.

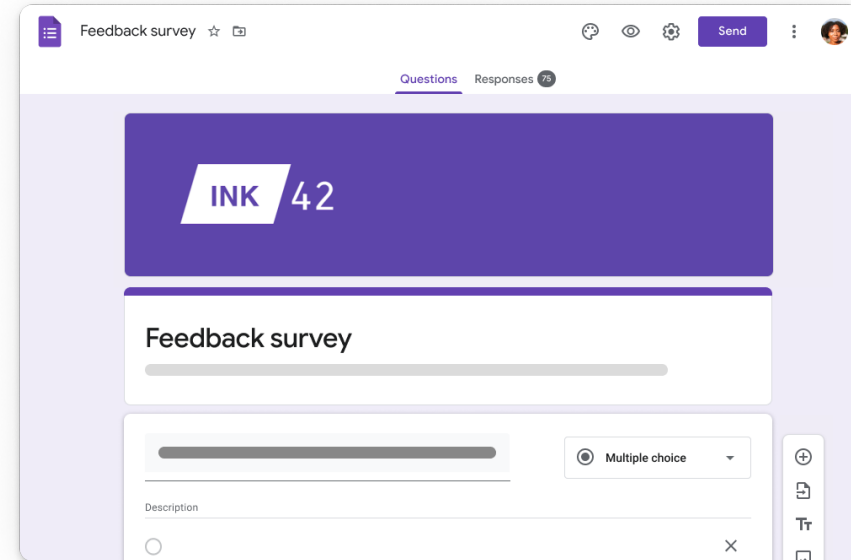
**Business Manager:** Ok, I'll add that to my list.



# Tactical Tips



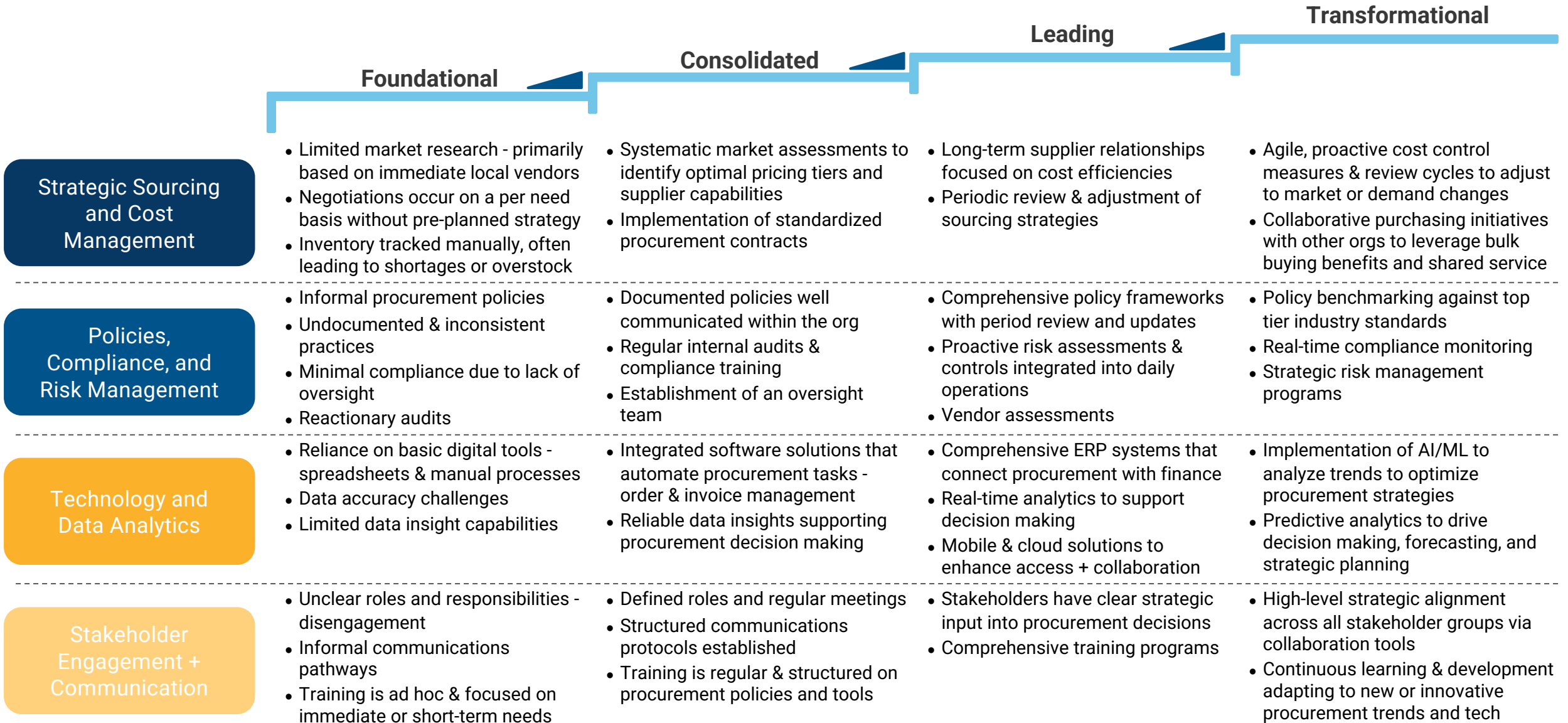
Break the mental model of price as the core driver for decisions and performance tracking. Get to know TCO (total cost of ownership) instead...



Use a simple staff survey to start to build performance data.



# Blueprint for Procurement Excellence



# Have questions?

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