

FURTHER AND HIGHER EDUCATION NEWSLETTER

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AT THE HEART OF
PUBLIC SERVICES



In this issue:

- A Handbook for Audit Committee Members in Further and Higher Education
- The Development of International Accounting Standards
- The Good Governance Standard for Public Services
- Why Directors of Finance Should be Taking an Active Interest in Their Procurement Function

INTRODUCTION

Welcome to the twelfth newsletter for finance practitioners and CIPFA members working in the further and higher education sectors. The Panel comprises directors of finance from a range of further and higher institutions together with representation from the funding councils, audit firms and the National Audit Office. This newsletter has been prepared by CIPFA's Further and Higher Education Panel. The Panel's members are:

Graham Try (Chairman)	<i>Richmond upon Thames College</i>
Kerry Ace	<i>CIPFA</i>
Dorothy Carson	<i>SFEFC/SHEFC</i>
Peter Cooper	<i>University of Dundee</i>
Peter Curran	<i>Royal Welsh College of Music and Drama</i>
Kirsten Gillingham	<i>University of Brighton</i>
Richard Harris	<i>Higher Education Funding Council for England</i>
Julian Gravatt	<i>Association of Colleges</i>
Colin Hubbard	<i>University of Bolton</i>
Jo James	<i>National Audit Office</i>
Ian Looker	<i>Pricewaterhouse- Coopers</i>
Stephanie Mason	<i>Baker Tilly</i>
Ben McLeish	<i>Edinburgh's</i>

Telford College

Ian Noutch *Barking College*

Mike Rowley *KPMG*

Allan Spencer *University of
Sussex*

Nicholas
Williams *HEFCW*

John Woodall *University of Essex.*

Secretariat support is provided by Suzanne Dowse of CIPFA.

The Further and Higher Education Panel's purpose is to develop, promote and maintain best practice standards and guidance and produce and disseminate relevant advice for finance practitioners in the further and higher education sectors.

The Panel currently has a vacancy for a director of finance from a further education college in England. If you are interested in joining or would like to find out a bit more about what membership would entail, please contact Kerry Ace (kerry.ace@cipfa.org). Please note that directors of finance who are not CIPFA members are welcome to join the Panel. We look forward to hearing from you.

CIPFA PUBLICATIONS

As part of its work programme, the Further and Higher Education Panel develops guidance on financial management and policy issues relating to further and higher education. The Panel's most recent publications are:

A Handbook for Audit Committee Members in Further and Higher Education – fully revised second edition

Audit committees are responsible for forming an opinion and reporting on the internal control and financial reporting arrangements within an institution. As such, they play an important part in the corporate government process. The requirement for institutions to establish an audit committee is set out in the funding councils' audit codes of practice and is reinforced in the financial memorandum between further and higher education institutions and their respective funding councils.

CIPFA published the first edition of a Handbook for Audit Committee Members in Further and Higher Education in 1996 and this updated publication provides a practical source of guidance and advice for audit committee members in further and higher education and for other interested parties. It describes audit committee members' roles and responsibilities; the role of internal and external audit; and the responsibility of management to review critically its control environment.

This edition, published in April 2005, includes new sections on corporate governance and risk management. It includes a good practice checklist in the appendices, which will help audit committee members to assess the effectiveness of their own committee. It will also form a useful basis for any future actions.

This guide is now available priced £25.00. Discounts are available for multiple purchases.

Further Education Finance (fully revised edition)

CIPFA published the first edition of Further Education Finance in 1995 and this publication is a major update of the previous guide, which reflects the significant change in further education finance since that time, particularly with the formation of the Learning and Skills Council (LSC) in April 2001. It provides a thorough briefing on the financial structures and funding systems which underpin the further education sector and the regulatory framework in which institutions must operate.

Further Education Finance will be as useful for new finance staff joining the sector and a useful reference guide for those already working in the sector. It will also be of value to college governors, particularly those serving on finance committees and to those outside the sector who deal with, or have an interest in, further education.

This guide is available priced £79.50 for the first copy and £40 each for the second and subsequent copies.

Other Publications

Higher Education Finance (Fully Revised Second Edition) (2002) £79.50

An Introductory Guide to Risk Management in Further and Higher Education (1999) £39.50

Mergers and Collaboration – A Guide for Further and Higher Education Institutions (2000) £49.50

A Model Set of Financial Regulations for Further and Higher Education Institutions (2003). Available as a book (£35.00) and on CD-ROM (£64.63)

A Resource Quantification Model:

Case Study from the Further and Higher Education Sector (2000) £19.50

The Use of Service Level Agreements in the Further and Higher Education Sector (1998) £39.50

{Code of Practice for Treasury
{Management in the Public Services
{(2001) £97.50

{Treasury Management in the Public
{Services: Guidance Notes for Higher
{and Further Education Institutions
{(2002) Free

Guidance for Smaller Public Service Organisations on the Application of the CIPFA Code of Practice for Treasury Management in Public Services (2004) £49.50

For further details, please see CIPFA's website at www.cipfa.org.uk/shop

FORTHCOMING PUBLICATIONS

Partnerships and Alliances

The Further and Higher Education Panel is currently developing guidance on partnerships and alliances. This guide will be published later in 2005.

Resource Allocation Models in Further and Higher Education: Proposal for a new Compendium

In 1997 CIPFA's Further and Higher Education Panel published 'Resource Allocation Models in Further and Higher Education: A Compendium'. The compendium described a selection of existing resource allocation models from across the further and higher education sectors. It contains a section which develops key themes and provides guidance and advice to be considered along side the examples. The compendium illustrates that universities and colleges have adopted

a wide variety of approaches to resource allocation and provided an excellent opportunity for practitioners to learn from each others experiences.

The Further and Higher Education Panel is now compiling a new compendium. If your institution has developed an interesting and innovative model and you would like to share it with other practitioners, please contact Kerry Ace (kerry.ace@cipfa.org).

RESPONSES TO CONSULTATION DOCUMENTS

In 2004 CIPFA responded to the following consultation documents which will be of interest to further and higher education institutions.

- Proposed changes to Audit Requirements for 2004/05 (LSC)
- Comments on the Merger of the Further and Higher Education Funding Councils and Tertiary Education (Funding etc) (Scotland) Bill
- Draft Charities Bill.

These responses can be found on CIPFA's website at www.cipfa.org.uk/pt/Responses.cfm together with a full list of responses made by the Institute.

DEVELOPMENTS IN INTERNATIONAL ACCOUNTING STANDARDS

For accounting periods beginning on or after 1 January 2005, European union (EU) listed companies must prepare their group financial statements using International Financial Reporting Standards (IFRS)¹ as adopted by the

¹ IFRS are issued by the International Accounting Standards Board established in 2001 as a successor to the International Accounting Standards Committee (IASC)

EU. For single entity financial statements and for unlisted companies member states have the option to extend this requirement on a permissive or mandatory basis. The UK government has announced that it will allow such entities to choose to adopt IFRS with some exceptions (notably charitable entities). It makes little sense for the UK to have two sets of accounting standards in use in the medium term and the UK Accounting Standards Board (ASB) has publicly stated that it aims to have UK GAAP converge with IFRS.

Convergence will be achieved by a gradual replacement of existing UK Standards with those based on IFRS. There are two important areas where UK approaches have no international equivalent – smaller entities and Statements of Recommended Practice (SORPs). The ASB intends to continue to support the development of the SORPs and they will need to continue to be updated to reflect changes in UK GAAP, including changes introduced as a result of the convergence process.

In many cases the requirements of International Accounting Standards (IAS)² /IFRS do not differ greatly from their UK counterparts and in several instances standards were developed at broadly the same time, for example IAS 37, Provisions, Contingent Liabilities and Contingent Assets and its UK counterpart FRS 12. However the influence of the US, may mean that the flexibility which currently exists in the UK to select the most appropriate accounting treatment in the circumstances, may diminish. For example FRS 6: Acquisitions and Mergers sets out the circumstances in which the two methods of accounting

for a business combination (acquisition accounting and merger accounting) are to be used. The objective of the FRS is to ensure that merger accounting is used only for those business combinations that are not, in substance, the acquisition of one entity by another but the formation of a new reporting entity as a substantially equal partnership where no party is dominant. To this end, the FRS sets out five criteria, of which the first three are relevant to further and higher education institutions, that must be met before merger accounting is to be used. When merger accounting is used, the issue of goodwill does not arise because the assets and liabilities of the merging entities are combined at their book values, neither party being deemed to 'acquire' the other. IFRS 3, by contrast, follows the US in prohibiting merger accounting even when the conditions for a merger appear to be satisfied. IFRS 3 itself will, however, be amended in the medium term and until then, FRS 6 will remain in force for entities which are not required to or have not chosen to adopt existing IFRS.

Another area of potential difference relates to the treatment of capital grants. SSAP 4: Accounting for Government Grants is relevant to all further and higher education institutions. It requires that revenue-based grants are passed through the income and expenditure account when the conditions relating to the grant are satisfied. Capital grants should be recognised as income over the life of the asset to which they relate. The International Accounting Standards Board (IASB) will be issuing an exposure draft which will propose that grants should be recognised in the profit-and-loss account when they are received whether they are capital or revenue. This would mean that further and higher education institutions would experience greater peaks and troughs in

² International Accounting Standards (IAS) were issued by the IASC

their income and expenditure accounts.

There are also instances where international accounting and UK GAAP has already converged. FRS 17: Retirement Benefits has been accepted internationally. FRS17 will be implemented from 1 January 2005 and will apply to further and higher education institutions in full for the financial year 2005/2006. FRS 21: Events After the Balance Sheet Date adopts the principles contained in IAS10. FRS21 replaces SSAP 17 and the main difference is to remove the requirement to make provision in the financial statements for dividends proposed after the balance sheet date but to continue to require disclosures in the notes to the financial statements. This will also apply to gift aid and further and higher education institutions will need to plan gift aid payments carefully.

Financial instruments is a huge area with significant capacity to provoke debate. Much of the content of IAS32, Financial Instruments : Presentation and Disclosure and IAS 39, Financial Instruments : Recognition and Measurement (and their new UK counterparts FRS 25, Financial Instruments : Disclosure and Presentation and FRS 26, Financial Instruments : Measurement) relates to complex instruments, many of them derivatives, which are unlikely to be common in the public services. However, the scope of these standards is wide. In particular, FRS 25 is wider in scope than FRS 13 which it replaces. The new standards cover simple instruments such as cash and receivables as well as more complex instruments. Additionally, the extent of disclosures and the potential volatility in performance statements resulting from a more widespread use of fair value are likely to pose challenges for

the public services.

It is clearly worth finance professionals in further and higher education institutions keeping an eye on developments in relation to international accounting standards and raising any concerns they may have when consultation processes take place. Some actions they need to be taking now include:

- preparing for FRS 17 implementation
- looking at whether any data collection systems will be needed in respect of the proposals associated with financial instruments
- planning gift aid payments carefully
- monitoring and responding accordingly to
 - developments in accounting for grants
 - the merger accounting debate.

STANDARD ISSUES, BY SIR ALAN LANGLANDS

Governors must provide cost-effective and efficient public services while answering to taxpayers and government. Sir Alan Langlands, Principal and Vice-Chancellor at the University of Dundee and former Chief Executive of the NHS in England, explains how a new code was devised to guide them.

By 2005/06, public expenditure in the UK will exceed £500bn – big business by any standard. How this money is spent and the quality of services it provides are critically important to us all as users of services and as taxpayers. We need governance of our public services to be of a high standard – if we get that right, a series of virtuous effects follow.

Good governance leads to good management; good performance; good

stewardship of resources; good public engagement; and, ultimately, good outcomes. But if we fail to deliver good governance, the domino effect is altogether different. One of the most damaging casualties is likely to be trust and confidence in public bodies.

The governors of our public service organisations face a difficult task. They are responsible for governance – the leadership, direction and control of the organisations they serve – and for ensuring that they address the purpose and objectives of these organisations and that they work in the public interest. They have to deliver positive outcomes for the people who use the services, as well as providing good value for the taxpayers who fund these services. They have to balance the public interest with their accountability to government and an increasingly complex regulatory environment, and motivate frontline staff by ensuring that good executive leadership is in place. Governors shoulder a heavy responsibility in relation to health, education, housing, criminal justice and other aspects of public service.

Over the past 12 months, these issues have been at the forefront of the discussions of an independent commission established by CIPFA and the Office for Public Management, supported by the Joseph Rowntree Foundation.

It was my privilege to chair the Commission on Good Governance in Public Services as it grappled with the challenge of distilling the key principles of good governance that should apply to all publicly funded organisations and partnerships.

The first stage was to consult a wide range of stakeholders. This involved face-to-face discussions around the UK

and inviting written contributions from all public service organisations. The consultation phase focused on the potential value of a common code of principles for the governance of all public services and sought views on what the content of such a code should be.

Following the consultation, the commission produced a draft standard, which was subject to a second phase of consultation in autumn 2004. This included meetings with service users and citizens, to explore the standard's potential from their point of view. The standard was then amended to reflect these views. The committee has tried to develop an overarching framework for good governance comparable to the Combined Code that encourages good governance practice in the private sector. The result of our deliberations is the Good Governance Standard for Public Services.

Both consultations generated a lot of interest. More than 100 organisations and interested individuals gave their views in writing and many more attended our consultation and launch events. We also received many positive messages from across the public services, from organisations such as the National Audit Office to small parish councils.

Sir John Bourn, comptroller and auditor general at the NAO, commented: 'I support the new Good governance standard for public services, which will make an important contribution to improving governance in public service organisations. I welcome in particular the emphasis on accountability to the public and transparency in decision-making, two issues that lie at the heart of the National Audit Office's own work.'

More than 450,000 people contribute as governors to a wide range of public service organisations and partnerships. There is clear evidence that many of them have difficulties in fulfilling these responsibilities. To help them, there is an urgent and ongoing need for clarity about the purpose of governance and the role of the governor; to expand the supply of governors; to improve induction programmes; and to encourage good relationships between governors and the executive teams who are accountable to them.

The map of public service organisations is complex and becoming more so – new forms of organisation including partnership working are being set up and organisations are making a real effort to engage with, help and improve their communities.

Public sector services are also being commissioned from non public sector organisations with public money. In this world of plurality, governing bodies have to respond to the needs and wishes of their service users and the public – there is increasing demand for them to understand these needs, to improve service quality and to show value for money.

The standard will provide guidance across this complex and diverse world of services. In particular, it will help public service organisations working in partnership to share a common approach to good governance, which has currency with both private and voluntary sector partners. It will guide everyone concerned with the governance of public services not only to understand and apply common principles, but also to assess the strengths and weaknesses of current practice and improve it.

The standard builds on the Nolan

principles for the conduct of individuals in public life, by setting out six core principles of good governance for public service organisations. It discusses each principle in detail and identifies the steps that organisations must take and the issues they must address to apply and meet the standard. This includes many examples of good governance practice gathered during extensive consultations with all aspects of the public services.

The commission has also developed a set of questions to help governors and governing bodies to assess how well they are living up to the standard and to identify the areas in which future improvement energies should be channelled. Importantly, the standard also considers good governance from outside public sector organisations as well as from within. It suggests a range of questions that members of the public should be able to pose in relation to well governed public service organisations.

The commission is calling on governing bodies to report publicly on the extent to which they live up to the standard and their plans for making any improvement. The questions provided with the standard are challenging ones that will enable governing bodies to take a critical look at their own effectiveness and at their openness and accountability to the public. If governing bodies find that they can give complete answers to the key questions and show what they are doing to improve performance – for example, on accountability, on having information about service users' satisfaction or about making sure they have all the skills they need – then this can make a real difference to the people who use public services.

The commission recognised from the

outset that the governance landscape of the public services is not a greenfield site. On the contrary, there are many sector-specific codes and guidance including, for example, the CIPFA/Society of Local Government Chief Executives framework, Corporate governance in local government: A keystone for community governance, with which many in local government will be familiar.

The standard is not intended to supplant the detailed codes that exist for specific types of public service organisations but the commission hopes that bodies with responsibility for issuing these codes will use it as a framework for reviewing and refreshing their guidance. Over time, we hope that this will also lead to a consistent view of what constitutes good governance and ever better practice.

The standard can be downloaded from CIPFA's website at www.cipfa.org.uk/ or the project's website at www.opm.co.uk/ICGGPS/index.htm. Hard copies can be purchased from the CIPFA shop at www.cipfa.org.uk/shop/

This article was first published in Public Finance on 28 January 2005.

I JUST DON'T BUY IT

Steve Butcher FCCA, Head of Procurement at the Higher Education Funding Council for England (HEFCE), discusses why finance directors should be taking an active interest in their procurement function.

Procurement is often the responsibility of finance directors but frequently gets less attention than it merits. The

procurement department is seen as the department which keeps organisations legally compliant and out of the courts and is also wheeled out to come up with some instant answers when auditors ask awkward questions about value for money, but not much else. But the climate is changing and not before time.

The Efficiency Review has established an agenda for change within procurement. In education the Department for Education and Skills (DfES) has been set a target of £4.3bn of efficiencies for the year 2007/08 and procurement is expected to deliver 35% of these savings. This is challenging, but there are opportunities which have not, as yet, been widely taken up which could make delivery of Efficiency Review targets far easier than you may think.

We have also gone past the days when the HEFCE asked for savings to be made and then took them away from the institution which had put all the effort into delivering them. This delivery of value for money should be recognised. The Efficiency Review has accepted this argument and has classed 50% of all savings as recyclable. Higher education is in a better position, where all efficiencies have been classed as recyclable.

Along with other areas of government we in HEFCE also have a push to reduce the accountability burden in the sector. Higher education institutions will experience less direct intervention from the Funding Council provided that we have sufficient assurance that they govern and manage themselves responsibly. The demonstration of effective management will require evidence that there is engagement with the Efficiency Review agenda. But demonstration of engagement with the

Efficiency Review will require submitting data, sometimes at quite a detailed level. This appears to be Catch 22. But better run institutions will find it far easier to provide this information precisely because they are better run.

So, attention on procurement will not only deliver savings which can possibly be retained and deployed elsewhere but will also give assurance that your organisation can have the reins of regulation loosed. Let us consider some of the opportunities which are available to allow you to procure more effectively.

Procurement is fast becoming the new risk management in that it is the hot topic of the day. And like risk management change will only come about if the entire organisation is committed to it. You cannot expect the poor old procurement staff to deliver all of this on their own. It has to be systemic. So, to embed systemic procurement there has to be commitment from the very top. The chief executive and senior managers have to recognise that they have to lead and give direction and this leadership is not only voiced in a procurement policy and strategy but is also demonstrated in the decisions which are taken and their resultant actions. Once actions have been instigated they must be monitored and reported as well as reviewed. Crucial to achieving this embedding is recognition that effective procurement is one way – along with others – to secure increased value to an organisation; and value that can be reinvested. It is part of the solution.

When you look at how much time is spent in an organisation in processing a purchase the result is staggering. Not only do we have the standard procurement areas of specification, advertising, tendering, contracting and

post tender review, but there are also the procedural activities of requisitioning, ordering, clearance and payment of invoices and budgetary control. You can add to this list the time spent by staff looking through catalogues and talking to suppliers, getting demonstrations and going to trade shows. The list seems almost endless. A recent study by IBM suggests that the process costs for every invoice amount to £35 to £80. A wide range, but even if you take the lower figure and multiply it by the number of invoices your organisation processes the figure is very high.

In the past these sorts of costs were unavoidable, but now we have a choice. There are different ways of achieving the same result, many of which produce a reduction in process costs. And none of this has to be end-to-end. You can pick any point in the purchasing and procurement system and very similar levels of efficiency are achieved. Most studies suggest that 50-60% efficiencies are achievable. A very good study was one completed by Woking Borough Council (www.woking.gov.uk/wbc/ieg/procurement2.pdf) where a comparative study of a traditional tender was made with an e-tender for the same commodity. The e-tender route won on all counts. And none of this takes into account the better value for money achieved through the contract in addition to the process costs savings.

There are many arguments put forward as to why organisations cannot modernise their processes. Amongst them is the fact that the finance system will not integrate with whatever set of processes are put in place. But if the efficiencies are that good then change your finance system to allow this progress to be made, and even if this is seen as undoable there are many

elements of the purchasing and procurement systems which, although they would benefit from integration with other systems, still deliver efficiencies standing alone.

The emphasis on procurement and efficiency does not mean that there should be an increase in procurement staff. Implicit in the acceptance of systemic procurement is the fact that all staff have a role to play in the organisation's procurement activity. In order to do this effectively staff must feel that they have the appropriate level of skills and training to deliver what is expected from them. But investment in training is only a worthwhile investment if there is good return. For procurement there is empirical evidence that staff with an appropriate level of training deliver more effective, efficient and economic procurement for an organisation. In higher education we are currently gathering this information more scientifically in order to contribute to the Efficiency Review. Thames Valley University are so convinced by the evidence that they are training their senior managers in elements of procurement so that they operate more effectively.

Part of the Efficiency Review agenda is to ensure that as much as possible that is purchased has passed through the hands of someone with procurement training and expertise. For most regularly purchased goods and services this will mean that an appropriate contract has been tendered and that it is being used. The area of spend over which procurement has had an involvement is called 'influenceable spend' and the element of the influenceable spend which is used outside of agreed purchasing routes is called 'maverick spend'. An estimate by an e-marketplace provider in higher

education is that influenceable spend runs at 50% and that within that, maverick spend is 10%.

Bringing purchasing within the ambit of the procurement function delivers its own efficiencies and I will go on to suggest some ways this can happen, but in higher education and I suspect in other sectors there is a big target to aim at which currently sits outside. In higher education a large proportion of the non-influenceable spend passes through institutional buildings and estates departments. The argument that heads of estates use is that much of this spend should be considered to be influenced by procurement because estates offices have staff with appropriate procurement skills and experience. From my position I suspect that this argument would not be acceptable to the Office of Government Commerce (OGC), which is responsible for the Efficiency Review, if it were presented in this fashion. We need to engage with buildings professionals better to understand how they perceive what their function is and to suggest that there are ways that others with a professional remit in procurement can provide benefits. These benefits are potentially very large.

One of the areas in which higher education has been in advance of many sectors is that of collaboration. There are six regional purchasing consortia across the UK and the Southern Universities Purchasing Consortium, for example, has been in existence since 1974. These bodies act on behalf of their members to establish contracts for common items in use in the sector. Within the framework of the regional consortia there are also other consortia which deal with specific commodity areas such as energy and catering supplies. For other sectors there is an

opportunity to emulate what has happened in higher education. In higher education itself there is a challenge to make these arrangements even better, consolidating similar regional contracts into a single national contract, for example. We also need to identify new areas where a collaborative approach would be beneficial resulting in the dual benefit of driving towards the best deal because of the volumes available but also releasing the time of procurement officers in higher education institutions to deal with areas which require concentrated attention. There is also an initiative within the Efficiency Review to broaden the scope of any public sector contracts to enable organisations to choose a better deal than it may be able to negotiate itself. The DfES has opened up its printing contracts in this way.

In a similar fashion to collaborative procurement, co-ordinated procurement can also reap rewards. Co-ordinated procurement ensures that similar items which are purchased irregularly but are also being purchased by other organisations at the same time are procured most effectively. Sometimes these timings occur because of initiatives which are happening. For example, compliance with the Disabilities Discrimination Act has meant that there has been a surge of procurement of hearing loops and audio visual equipment throughout higher education and beyond. These items are not individually expensive, but brought together economies could be achieved. In higher education, starting with research equipment, we are working towards collecting records of equipment due to be purchased in a database, to allow the co-ordination of these requirements which will produce subsequent efficiencies.




But this initiative will only work if higher education institutions participate fully. Full engagement in this type of systemic procurement will not only bring value for money to universities and colleges but will also confirm that a reduced burden of accountability on the sector was a good decision. The partnership plays two ways.

Lastly, e-procurement has the potential to deliver huge efficiencies and in many ways is linked to process costs efficiencies covered earlier. E-procurement has many definitions but for this purpose I have given it as broad a definition as possible, covering e-tendering, e-auctions, e-marketplaces, procurement cards and procurement management systems. Just picking on one of these, e-marketplaces, these systems have the potential to manage the purchasing behaviour of staff but allowing them to make considered choices. E-marketplaces work well with framework agreements which have contracts with a number of suppliers for the same type of goods. It allows competition to take place in a controlled environment which reduces maverick spend, drives down costs and keeps process costs to a minimum.

In higher education there are a number of e-marketplace solutions available of which Science Warehouse and UNITY Marketplace are the major suppliers. Both systems operate differently. Science Warehouse hosts catalogues on behalf of suppliers whereas Unity Marketplace utilises catalogues maintained by suppliers on their own website. Both provide a streamlined and cost effective procurement process and control spend in a way that has not been available before.

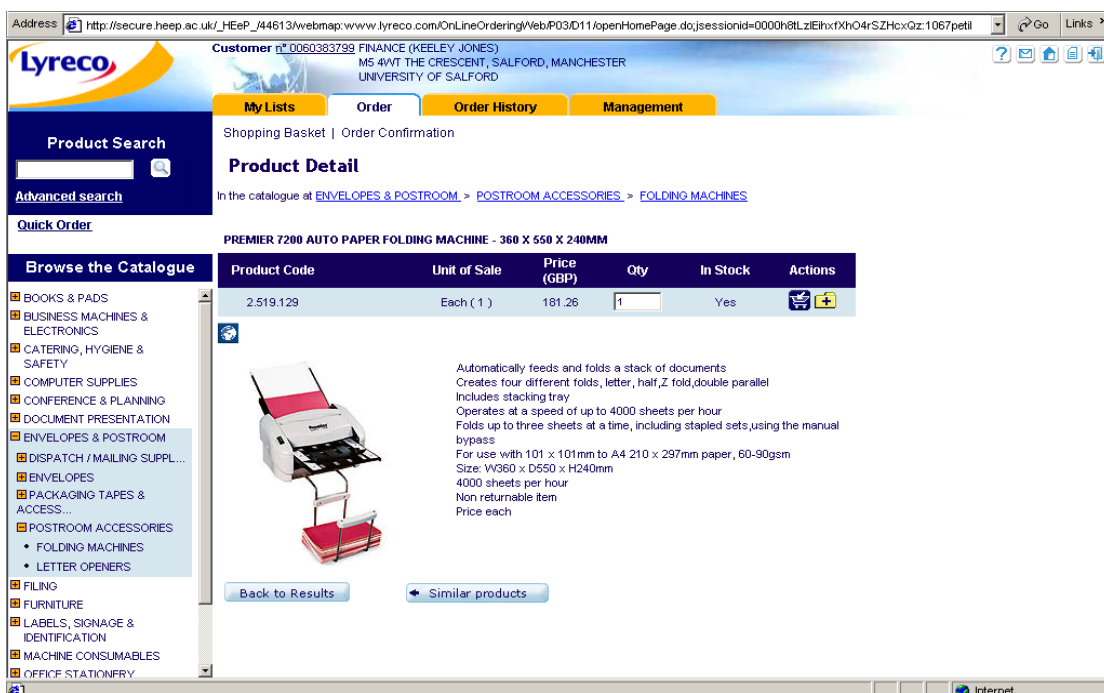
The Science Warehouse screenshot

shows an e-marketplace for paper supplies in operation.

sciencewarehouse®				
Home	PRs	Workflows	Last Search	Log Out
				Search for: <input type="text"/>
Item Compare				
Category	Printer Paper	Printer Paper	Printer Paper	Printer Paper
Mfg Name	Xerox	Banner Business Supplies Limited	4CC	IQ
Description	Xerox Business A4 80gsm White	Banner A4 Value Copier Paper 80gsm White	4CC Copier Paper, A4, 130gsm, White	IQ Assorted Bright Copier Paper A4 80gsm
Pack Size	2500	2500	500	250
Price	<input type="text" value="8.70"/>	<input type="text" value="30.75"/>	<input type="text" value="21.99"/>	<input type="text" value="8.64"/>
Enter Qty	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
Pref Supp				
Supplier	City Paper	Banner Business Supplies Limited	Wallis Business Services Ltd	Office Depot
Cat #	3R91820	9150014	LG11019	532409
UOM	Pack	Box	Pack	Pack
Minimum Qty	1	1	1	1
Long Description	--	--	Premium Paper for all colour output. A smooth uncoated paper for superior results with even colour separation and natural colours.	--
Sheet Length	297mm	297mm	297mm	Not Specified
Colour	White	White	White	Assorted Bright
Weight	80gsm	80gsm	130gsm	80gsm
Model Compatibility	Not Specified	Copiers	Digital, laser/copier and inkjet printers	Laser Printers, Inkjet Printers ar Copiers
Sheet Width	210mm	210mm	210mm	Not Specified
Application Type	Everyday Use	Copier Paper	Reports, brochures, presentations, handouts, letters and archive quality documents.	General Purpose
				

Each type of printer paper shown is on contract with the organisation but the purchaser feels as if he is being provided with a choice. The reality is that he is being directed towards

suppliers we want him to do business with. The UNITY Marketplace screenshot shows access direct to a supplier contract approved for use by the buying organisation.



The screenshot shows the Lyreco website interface. At the top, there is a navigation bar with 'My Lists', 'Order', 'Order History', and 'Management' tabs. Below this is a 'Product Search' section with an input field and a search button. The main content area displays the 'Product Detail' for a 'PREMIER 7200 AUTO PAPER FOLDING MACHINE - 360 X 550 X 240MM'. The product code is 2.519.129, the unit of sale is 'Each (1)', the price is 181.26 GBP, and it is in stock. A detailed description of the machine's features is provided, including its automatic feeding and folding capabilities, speed, and paper compatibility. An image of the machine is shown on the left side of the product detail. The website footer includes the Lyreco logo and contact information.

The shopping basket is built on the supplier website which interfaces directly with the buying organisation's finance system. Control over maverick spend is exercised by making this purchasing route so easy it is used in preference to any other.

Suppliers are happy to participate in e-marketplaces because they know that their market share is likely to grow because of the controls it places on buyers.

In higher education the availability of choice of systems has led to apparent inertia from institutions in making a decision in case it turns out to be the wrong one. But the truth is that one of these solutions may on balance meet more of your requirements; but it may also be that you need both because of your particular circumstances and what the two systems offer in combination.

I have already discussed the level of process cost savings that these systems will deliver but they will also deliver savings within contract because they concentrate spend in the desired areas and eliminate maverick buying. If these factors were built into a business case for you to consider, the purchasing decision of an e-marketplace system would be a "no brainer". So ask your head of procurement to prepare one and start getting the benefits of e-procurement.

Procurement is going to rise up the agenda of finance directors in all sectors driven by the Efficiency Review but it is still under your control how your own organisation reacts to this initiative. The right decisions could put you in a firm position for many years to come.

FUTURE WORK

If you have any suggestions on topics the Further and Higher Education Panel could address in its guides and newsletters, please list them below. In addition, any comments on the seminar programme mentioned in the newsletter and suggestions for other sessions that could be included in future courses would be welcome.

Fax back Further and Higher Education Panel
Newsletter Number Twelve

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address -----

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Comments: