

# Charitable efforts

Best purchasing initiative by a smaller organisation - NCH

**Purchasers at NCH created a centralised procurement function - no easy task in a devolved organisation. Anusha Bradley hears how they did it.**

Incorporating disparate spend into a single newly-created central procurement function was a huge challenge for children's charity NCH.

And the key to overcoming resistance from regional buyers was to engage them and suppliers in educational workshops, encouraging them to give feedback from the earliest stages. But that is what the charity did.

NCH, which helps vulnerable children and young people in the UK, has more than 500 projects and nine regional offices. It was spending £58 million across 12,000 suppliers as a consequence of its localised service delivery model and devolved management structure.

"Getting the deals was easy, but change management was the biggest challenge," said James Sinclair, corporate procurement manager. "The NCH places emphasis on local empowerment, so a directive from the centre goes against the flow."

But, faced with increasing competition for funding from other charities, the loss of services to the private sector and local authorities, senior executives and local buyers soon realised the benefits of a central procurement team striking money-saving deals to free up funds for front-line services.

Steve Hodges, director of children's services, whose projects are the key users of the procurement programme, says: "I had concerns at the outset of the project that the needs of those at the front-line of our service delivery might be ignored.

"However, the initiative was designed to gain a thorough understanding of the needs of the organisation at all levels and I am very pleased with the outcome. Procurement is now delivering better value, which allows us to deliver more to our beneficiaries."

A new group was created of senior managers who were well-positioned to influence change across all functions and regions. It was hoped local buyers, all of whom undertook procurement in addition to their main roles, would embrace the new arrangements. It gave them more time for their own jobs as well as saving money.

Sinclair visited a number of projects across the UK to meet staff, understand the challenges they faced day-to-day and how best to position the new procurement structure around their needs.

"We wanted to be able to see things from a local buyers' point of view. If we hadn't done that, we could have easily have made impractical recommendations and failed to engage the projects," he says.

Consolidating the procurement of mobile phones, stationery, print, utilities, agency staff and washroom services saved £1.4 million from the total reviewed expenditure of £12 million.

NCH's stationery bill was reduced by 24 per cent by selecting a corporate stationer, Lyreco. Sinclair and Lyreco held a series of regional workshops to inform local buyers of the new arrangement, including how to order electronically.

Sinclair says the saving he is most proud of is turning around agency staff recruitment. It reduced 170 suppliers to seven, saving £550,000.

The judges were impressed with procurement's influence in making a tough project succeed in difficult circumstances.

"This demonstrates the financial and non-financial benefits from putting centralised procurement in place. That this happened within a small charity also demonstrates best practice, with an improved approach to procurement providing significant opportunities to deliver even more to beneficiaries."

Sinclair adds: "We are a pretty small fish so we were delighted to be nominated. But to win this award is a real achievement and a milestone for us."