

Only 3% of UK Organisations Have a Completely Automated Procurement Process

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Research by the National Computing Centre (NCC) in partnership with business management and information systems provider, COA Solutions (www.coasolutions.com), has revealed that just 3% of UK organisations have a totally automated procurement process. It also highlights that although only 25% of organisations have a green and sustainable procurement policy across their entire organisations, 69% believe that moving to electronic procurement would support their environmental strategies. The research was carried out with 110 public and private sector organisations across the UK.

The NCC research identifies that a mere 3% of UK organisations have a fully-automated procurement process in place. 18% have a highly automated procurement process (but cannot claim total automation) and significantly, 47% have little or no automation. The remaining organisations report a medium level of source-to-pay automation.

With respondents citing that the main benefits of introducing automated procurement (e-procurement) are reduced transaction costs, a streamlined procurement process and a reduction in maverick purchasing, it is surprising that so few organisations are taking advantage of these key benefits during a time of economic turmoil.

Mark Thompson, Managing Director of COA Solutions, says, "This research highlights that UK organisations are still not taking full advantage of automated procurement, which is surprising because during challenging economic times, cutting costs and streamlining procurement should be at the top of organisations' agendas. With just 3% of organisations having a fully-automated source-to-pay process in place, there remains tremendous opportunity for businesses across both the UK public and private sectors to drive down costs and improve efficiencies by implementing electronic procurement systems."

A surprising 72% of respondents are still manually processing documents, such as invoices and proof of deliveries, with 38% still manually approving purchase invoices (including physically signing copy invoices). Approximately 20% more public than private sector organisations report that they still manually process documents and authorise purchase invoices manually.

The main reason given by organisations for not having introduced or developed e-procurement is their failure to involve staff in all relevant areas. This is closely followed by a lack of skills and expertise in implementing e-procurement; lack of staff training in using e-procurement; little analysis of existing spend on goods and services; lack of understanding about e-procurement technologies and a lack of detailed supplier analysis. Interestingly, when looking at just the public sector organisations, one of the key reasons stated for there being no or limited e-procurement in place is poor change management procedures. This is viewed as having little impact by private sector organisations.

Just 25% of respondents state that they have established a green and sustainable procurement policy across their entire organisations. 34% have established one in part, 24% are planning to have one implemented and the remaining 17% haven't one in place or don't know. Encouragingly, 69% think that automating the procurement process could help organisations with their green strategies with just 11% not

thinking it will and 20% stating that they don't know.

Thompson adds, "As well as the obvious cost and efficiency benefits, e-procurement is low-risk and provides a fast return-on-investment, which is ideal in the current climate. On top of this, businesses can kick start their green agendas by automating procurement and judging by the research findings, going green still remains a key consideration for UK organisations."

-ENDS-

For further information about the research results, contact liz.ebbrell@coasolutions.com

About National Computing Centre (NCC) www.ncc.co.uk

The National Computing Centre (NCC) helps IT decision-makers deliver effective solutions to business problems by bringing together users, experts and vendors to share experiences and develop best practices. NCC is a non profit distributing organisation.

About COA Solutions Ltd www.coasolutions.com

COA Solutions is the UK's leading supplier of integrated business management and information systems to public, private and not-for-profit organisations in the service sector. COA Solutions prides itself on getting close to its customers by understanding their businesses and responding to their business needs.

COA Solutions' award-winning Smart Business Suite combines core financial management, procurement, human resource and payroll systems, integrated with a range of collaborative, document management and business intelligence solutions. These solutions extend the value and effectiveness of the finance, HR and payroll departments across the organisation and enable managers in the business to monitor, analyse and continually improve corporate performance.

COA Solutions has more than 500 experienced and professional staff supporting and servicing over 4,000 clients across the UK service sector including Companies House, Newcastle City Council, WHSmith, Royal Bank of Scotland, Aer Lingus, National Express Group, DFS, RSPB and Great Ormond Street Hospital for Children NHS Trust.

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