Case Study: Improving the UW-Madison Purchasing Process

A Case Study

► **Unit(s):**
UW-Madison Purchasing Services

► **Customers of the Process and Their Needs:**
Madison Campus decentralized purchasers; System Campuses; State Agencies - all need to efficiently order common supply items with assurance of good pricing and prompt deliveries.

► **Problem/Opportunity Statement:**
Without a centralized order placement process for commonly purchased materials, departments were left to their own devices to procure office, lab, MRO, and other commonly used products. Further, those devices were typically labor intensive, performed in a traditional model of purchasing, i.e. Requisition, Purchase Order, individual order, shipments, individual invoices, individual checks to the supplier.

► **Changes Made:**
Developed "Prime Vendor" contracts and placed the ordering process on an electronic ordering platform.

► **Results to Date and Expected:**
1. Leveraged efficiencies that vendors gained into a funding mechanism to support management of this streamlined process.
2. Reduced paper invoices for these supplies by over 90,000 invoices.
3. Reduced the Vendor base.
4. Obtained Purchasing item specific intelligence data for all products being purchased in this manner.
5. Streamlined department ordering.
6. Created 24 hour delivery guarantee.

► **Lessons Learned:**
1. There is additional functionality desired by users. Learned to roll out projects of this size in steps.
2. This business approach requires vendors to have the technical savvy to communicate electronically. We find that few suppliers are prepared to do this.
► **Next Steps:**
1. Expand the Supplier base for electronic ordering.
2. Provide better WEB navigation tools to find best-priced products.
3. Expand customer base to other State agencies.
4. Develop an electronic process to submit billings (cost allocations) to UW System campuses (completed at Madison).
5. Introduce P-cards to the site to allow other State agencies to streamline billing processes to State agencies.
6. Develop a means for Madison users to have multiple account coding at time of checking out the product.

► **Contacts:**

Mike Hardiman  
UW-Madison Purchasing Services  
201 A.W. Peterson Building  
Madison, WI  
Phone: (608)  
E-mail: mhardiman@bussvc.wisc.edu

UW-Madison Office of Quality Improvement  
194 Bascom Hall, 500 Lincoln Drive  
Madison, WI 53706  
Phone: (608) 263-6856  
E-mail: quality@bascom.wisc.edu