

VendorPanel

Policy change drives adoption and fast ROI in procurement technology

Finding the right solution

Johnson launched a competitive process to understand the procurement technology market and find a solution that best fit the Shire's needs. She evaluated and compared several providers and found that, from a budgeting perspective, the all-you-can-eat VendorPanel model appealed as its cost structure wouldn't discourage use. Buyers could source for all of their sub-tender jobs on the platform without the Shire worrying about exceeding an arbitrary RfX limit.

But for Johnson, the big attraction was its "ability to manage all of our procurement on a central platform, whether it be sourcing for local suppliers, managing tenders, or utilizing state-wide panels - it offered a one-stop shop [for procurement] that was not available elsewhere."

Buyer adoption

Prior to launch, the decision was made to change the Shire's purchasing policy to mandate use of the platform for purchases over \$10,000. All staff with purchasing authority were sent invitations to register and provided with training and resources to support their transition. Any early resistance dropped as buyers started raising their requests to the market and realised how easy and efficient use of the platform was in comparison to their manual process.

VendorPanel's Request Wizard, which guides staff through a structured sourcing process, ensures that their requests meet probity requirements. And having



When Jesse Johnson arrived in her new procurement role at the Shire of Wyndham-East Kimberley, all Tenders and RFQs were being managed manually. Sourcing information was disconnected and contained in multiple email threads. Disconnected audit trails made it incredibly laborious to prove probity. As a result, a consensus to implement a digital solution was quickly reached.

a central location for all RfX documentation, with easy management and audit-reporting saves time spent on administration.

While the benefits to buyers helped with the success of the implementation, Johnson doesn't want to understate the importance of mandating use. She strongly recommends this approach to anyone implementing a new procurement system.

“People are creatures of habit, if you make it optional staff will default to what they know. Mandating use of the platform brought our buyers on quickly, and there was very little resistance once they had raised their first Request.”

By presenting buyers with a large pool of suppliers and making it easy for them to include them in their RFQs, the Shire has effectively opened up their sourcing to new businesses in the region and those that haven't previously worked with them. This, combined with the transparency and structured process, has created a much fairer environment for suppliers to engage with Council.

Supplier engagement

Launching with the full solution, including Tenders and the public Marketplace, provided suppliers in the region with a single place to do business with the Shire. It also made the message to suppliers simple and clear: Register on VendorPanel to quote on work with Shire of Wyndham East Kimberley.

Supplier registration can be completed online in less than 10 minutes. However for those less familiar with technology, Johnson ran workshops to assist in registration and to help them optimise the business profiles that buyers would see.

Johnson says, “Suppliers like the standardised process. They like the consistency, that the information is all there, and when they are submitting their quote they just follow the bouncing ball of the Wizard. And almost as soon as they register they start receiving opportunities from other local government agencies - it gives them unprecedented exposure in the market.”

The Shire continues to promote use of the platform at regular six month intervals to ensure they capture any new businesses in the region.

Transformation to aspire to

Through a combination of policy and strong leadership the Shire of Wyndham-East Kimberley quickly brought 40 purchasing staff and their suppliers onto the VendorPanel platform. The benefits were soon felt across the organisation and in the local business community:

- The Shire achieved 32% cost avoidance savings in their first year using VendorPanel Marketplace
- Automation reduced time spent on administration and freed the procurement team up to support both buyers and suppliers more effectively
- Full transparency and cloud security meant that all sourcing activity could be referred back to and reported on with the click of a button

Johnson now acts as a reference point for other procurement officers in the region. Above all other recommendations, she tells them about the importance of mandating use to achieve adoption by buyers and suppliers. “If you don't take a hard line approach then things stay in limbo and the system doesn't get used properly.”

It may seem extreme, but she has shown its importance in maximising return on investment and transforming Procurement into a business enabler.

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