



## How a collaborative procurement solution empowered an environmental nonprofit to source globally, act locally

Harnessing the purchasing power of a global organization can be a challenge, especially when centralized procurement is not the right fit. That was the conundrum facing a global environmental nonprofit headquartered in the United States.

The organization's mission, structure and culture created very specific requirements when it came to sourcing, and with this, unique challenges. While there were standard procurement operating procedures in place, it fell to employees, scattered among regional offices around the world, to interpret and execute those procedures. The absence of a unified system created a large and fragmented procurement and sourcing environment, where work efforts were often duplicated and visibility into vendor pricing or total spend remained low.

### A Champion for Change

As is often the case, the impetus for transformation came from within. A procurement sourcing specialist in the organization's IT group implemented an efficient, employee-empowering procurement system for the IT organization, which the nonprofit was considering as a possible model to emulate. When idea met opportunity, the company issued an RFP for a procurement transformation plan, and Protiviti was selected to help design the way forward.

Protiviti interviewed stakeholders throughout the organization who expressed a wide array of concerns, ranging from simple confusion and a desire for more training and guidance to frustration and concern over the lack of vendor accountability, transparency and quality control.

Here are some of the common concerns we heard from people we interviewed:

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*I have no way of knowing if a supplier performed poorly for another business unit.*

- Operations Manager

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*Every time I want to see a contract, I must request it from the Contracts group, which takes a lot of time.*

- IT Director

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*I feel like I'm wasting my time researching new printers. Someone has done this before.*

- Finance Director

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The initial review Protiviti performed examined all aspects of the procurement process, including sourcing, supplier onboarding and vendor master file governance, with an eye toward providing a road map to a desired future state. The assessment revealed an assortment of point solutions with underutilized procurement functionality, including several that had been brought into the organization for another purpose.

### Mapping the Future

In response to the myriad challenges, the engagement team recommended a virtual procurement system. This hybrid structure was selected to support the nonprofit's decentralized purchasing processes with a searchable central repository of procurement data, including approved vendors, terms, vendor ratings and document templates. The central repository reduces redundancies by providing employees with a list of approved vendors, eliminating duplicative research. It also provides optimal pricing based on the combined purchasing volume of all users within the system.

Enabled by this holistic, end-to-end technology architecture, the organization was able to convert its procurement process to a more efficient, easy-to-use and value-oriented system with greater controls. For instance, instead of having to create an RFP from scratch, users are able to download an existing template and follow detailed instructions outlined in an easily accessible playbook.

### Cultural Consideration

Collaboration and collegiality, qualities baked into the organization's culture, were essential considerations in the selection and design of the virtual procurement model. These qualities were captured in the extensive interview process, during which stakeholders highlighted the organization's inherent drive to share resources, conserve effort and build on the experience of others.

Too often, engaged consultants come in, do their research and leave behind a report full of opinions and recommendations that may not always be practicable. This engagement, however, began with a true partnership with stakeholders, which allowed critical insights to be collected and enabled the engagement team to have frank and open discussions with the stakeholders about its findings and recommendations. These essential steps were taken before any attempt was made to select and build the ideal model.

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### Three Keys to Success

In the end, the engagement team successfully provided the organization a practical way to drive value and benefit by transforming the way goods and services are sourced and purchased. Going forward, the purchasing services function intends to serve as a strategic partner to all business units by providing the following three keys to success:

- Greater emphasis on strategic initiatives by leveraging the collective power of all company spend
- Improved transparency and collaboration by optimizing people's time and reducing redundancy of effort
- Enhanced controls to prevent wasteful expenditures, and an increased focus in partnering with sustainable and/or minority suppliers.

The project now moves into the implementation phase, outlined in a detailed opportunity road map.

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