

Sourcing Cost and Time Savings for America's Brightest Orange

When Scott Schlotthauer arrived at Oklahoma State University to take the job of chief procurement officer in 2015, he brought more than 25 years of experience with him — 21 years in the private sector and over five years running procurement for the state of Oklahoma.

What he observed was a smoothly running system, thanks to the JAGGAER procure-to-pay solution the university had been using for about two years.

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Scott Schlotthauer,
Chief Procurement Officer,
Oklahoma State University

"I was impressed with the efficiency and quality of the JAGGAER technology, especially the ease with which requisitions were turned into purchase orders, the straightforward use of punchout catalogs, receiving and electronic invoicing. All of these things were in place, and so I immediately looked for ways to expand the system and build on this success," said Schlotthauer.

"The sourcing module was of particular interest because this would enable us to complete the electronic processes from end to end," he added. Following Schlotthauer's arrival, electronic sourcing was implemented in just 10 weeks, and OSU was ready to conduct events by the end of 2015. Since then, OSU has conducted around 900 sourcing events via JAGGAER.

"We were challenged by suppliers on just a couple of occasions, but our buyers were very quickly able to drill into the history of the bid event and definitively establish there were no issues," Schlotthauer said.

Including OSU, five universities and colleges are integrated into the system, including the four affiliated Agricultural



OSU has one of the largest university flight schools in the United States.

and Mechanical (A&M) colleges. OSU has been instrumental in implementing and leading a procurement consortium within Oklahoma and has led bid events that are not tied to a particular requisition, but that can be applied to blanket contracts.

Paperless at the O.K. Corral

Investing in JAGGAER Sourcing has streamlined processes in the OSU and A&M procurement function. Matt Wessel joined the Office of Central Procurement nine years ago, around the time OSU purchased its initial JAGGAER license, and took charge of the sourcing implementation.

“Our procurement portal is fondly known as the O.K. Corral, in line with the university’s Cowboy identity. It has certainly had an impact. We were soon able to dispose of 18 filing cabinets that were stuffed full of records of past events, including printouts of emails from suppliers, and we would easily have added another dozen without JAGGAER,” Wessel said.

Bidders can now post their questions inside the O.K. Corral, and the answers are saved and posted on a Q&A board.

“This means there is no need to keep a special file, which is great,” Wessel said. “Likewise, we can ask bidders questions and the system keeps the questions and answers all in one place. Another awesome feature is the ability to create bidder lists and send them out at the press of a button.

“Consequently, the number of companies we are able to send solicitations to has increased dramatically, including for highly specialized equipment. In the past, we would have only a couple of bidders, and now we have eight, 10 or more.” According to Wessel, that means more competition, which translates into lower prices, faster delivery, better quality and better service. “JAGGAER Sourcing has also helped us to eliminate confusion, with bids being conducted for nine locations

throughout our system, as to where bidders are to send their bid responses,” he said.

Bids include big-ticket items like MRI scanners, facility equipment and services and replenishing the fleet of training aircraft for the OSU flight school. All of the documentation has been digitized and is accessible through the JAGGAER system from any location with internet access. Records of all subsequent events are automatically saved to the system.

“This has brought the additional benefit of complete accountability and transparency,” said Schlotthauer.

He and his colleagues can drill down into any event record and immediately retrieve information in response to any query. “I would say there has been a reduction of at least 80% in the time spent on information retrieval,” Schlotthauer said. This is important, particularly for public institutions like OSU, which are subject to open records requests.

“With JAGGAER we can execute on these requests very quickly, meaning that nine times out of 10 there is no fee to the requester,” Schlotthauer said. Anyone can open an account and view the bid information.

“This not only makes us accountable but also ensures we are on point in all we do, which is great, because ultimately we are here to provide our stakeholders with great value, including the taxpayers of the state of Oklahoma,” he said.

Quick on the Draw

News of the innovative sourcing platform traveled fast. A couple of years ago, the president of Panhandle State University contacted Schlotthauer.



“He was serving as the chairman of the Oklahoma Council of Presidents and was looking to save money on transportation, and he invited us to lead a multi-agency effort to get cost savings for all colleges in the state,” Schlotthauer said. “Having JAGGAER, we were able to go to market with a standalone sourcing event, which we marketed the demand from all participating colleges through the platform.

The event was divided into three categories: charter, motor coach and bus transportation; buses, vans and SUV equipment purchases; and long-term and short-term leases for buses, vans and SUVs.

“This would have been very difficult with a paper-based bid,” Schlotthauer said. “Because the RFP was electronic, supplier proposals could easily be shared with multiple evaluators across the state.”

While Schlotthauer was explaining this, Wessel drew the bid specification from the O.K. Corral — in a split second.

“Here it is,” Wessel confidently replied.

Never Missed a Beat through COVID-19

Having an end-to-end procurement solution was a big advantage through the pandemic: no paper, no suppliers coming on site to deliver bids and the ability to work remotely from any location eliminated unnecessary risk from and to the 10 members of the procurement team.

“We could transition to working from home with rotating staff and never miss a beat because all of the data and applications are available 24/7,” Schlotthauer said. With comprehensive information about verified and trusted suppliers, OSU was able to make a series of emergency purchases with confidence.

Cost Savings

“We have captured many benefits thanks to the decision we took to extend our JAGGAER implementation to include sourcing,” Schlotthauer said in conclusion. “Transparency, accountability, speed of response and great efficiency with a lean team of 10 people spread across the state. And not least, double-digit cost savings on our electronic sourcing bid events. The information is stored electronically and is easily accessible, which supports the Office of Central Procurement’s objective to continue to deliver excellent value to the universities and colleges of the A&M system.”

Bottom Line Results

- 900 sourcing events
- Multiple filing cabinets eliminated
- Data and applications available 24/7
- More competitive bidding
- Double-digit cost savings

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