Western Ontario Adds JAGGAER Spend Analytics for Holistic View of its Spend

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— Director of Procurement Services
Elizabeth Krische

PROFILE
One of Canada’s premier research institutions, Western University in London, Ontario, recently added Spend Analytics, JAGGAER’s advanced spend analysis software, to the JAGGAER suite it has been using since early 2013. Western can now highlight savings opportunities in its nearly $450 million Canadian dollar (CAD) budget to employees, incentivizing them to use preferred vendors as well as deliver key insights to staff and supply partners alike.

CHALLENGE
Keeping busy university deans and department chairs on the procurement reservation can be difficult. So when Western renewed its contract with JAGGAER, it added Spend Analytics. An industry leading tool, Spend Analytics reveals opportunities to save, which may be hiding in plain sight at each stage in the procurement process. It takes spend data from any source, in any format, and quickly turns it into a cleansed, classified powerhouse of information and insight.

Western’s initial eProcurement deployment was a major undertaking itself. This was done in part because Western’s research enterprise uses different approvals, rules, and budgets than its operational departments.

Dubbed Mustang Market, Western’s online procurement platform satisfied these needs, allowing for workflows and custom rules as well as 24/7 access. (The previous system required all orders to go through Procurement Services, so an order placed on a Saturday would have to wait until Monday morning to be processed.) To make a purchase, users simply go to the Mustang Market home page to see all of the preferred vendors. The system also streamlines
approval authorities and roles, making it easier for users to get needed materials.

“In just the first two years, we’ve saved more than [the suite] cost to implement,” said Director of Procurement Services Elizabeth Krische, who calls it “probably the best systems implementation I’ve ever seen.”

Today, Western uses the suite for all purchase orders, from capital purchases to catalog purchases, and even all of its service agreements. “Our philosophy is, if you want to pay a vendor, you need a PO,” Krische said.

**SOLUTION**

Creating a robust online procurement system was a major step—but only a first step. Spend Analytics, which went live in March 2017, is helping Western complete the picture, providing important insights for users and suppliers alike. Now containing close to 24 months worth of data, and refreshed every month, Spend Analytics will be used to create what Krische calls “opportunity scorecards.”

“In a university environment, you can’t mandate vendors,” Krische explains. However, with the scorecards, she hopes to give deans and department chairs an easy way to visualize where they may be missing out on savings.

The goal is to show researchers, department heads, and faculty (and their teams) the value of the Mustang Market. Cleverly, Western plans to let these department book these savings. “Savings achieved can stay in the department’s budget,” Krische said, adding that should help convince them to change suppliers, to their and Western’s benefit. “A $60,000 savings over the course of a year can represent a research assistant in a lab,” she said.

“We haven’t done it yet, but the idea is there and the template is there,” Krische said about the opportunity scorecards. “Hopefully, within a year from now, we’ll be able to see spend actually migrate to where it should be versus where it shouldn’t be.”

Separately, Western is using Spend Analytics to figure out an optimal supplier mix. For example, about a year ago, it negotiated with one lab supply vendor, with the goal of driving 75% to 80% of its spend in this category through this preferred supplier. While a lot of the data for this supplier selection came out of ordinary Mustang Market transactions, Krische said, “A lot of it came out of Spend Analytics because we could normalize the data by the category and the vendor.”

Mining this data also gives Western a way of communicating valuable insights back to the preferred supplier, such as identifying products still being purchased from other vendors. So armed with information, the vendor’s reps can go to these Western users and work to convince them to use their services, delivering a variety of savings to Western.

“We really have been able to swing spend in the direction of that prime supplier,” Krische said.

**THE FUTURE**

Along with Mustang Market transactions, three other inputs (accounts payable, travel expenses and Pcard) will be studied by Spend Analytics. “It’ll help us get a really holistic view of our true spend,” Krische said, noting that this will be possible because of the way Spend Analytics automatically normalizes spend and vendor names. “We’ll look at our complete spend, whether it’s through a Pcard transaction, a PO, a check request, or an expense report. We can pull all of that spend together, and talk to our vendors.”