



PURCHASING EXCELLENCE

not-for-profit

Purchasing Excellence not-for-profit 2005-present

Introduction

Based on the positive results achieved during Purchasing Excellence 1 in the profit sector, the approach has been translated to the public / not-for-profit sector.

In order to do this, the framework model (MSU model) had to be adjusted for the specifics of the public sector.

Approach

With joint efforts of delegates from all Government and not-for-profit instances, purchasing & supply chain professors and the project team, the MSU+ model has been developed. This program started off with a zero-base measurement on 50 not-for-profit organizations, with the outcomes of which being the starting point for the implementation of improvement programs. Similar to Purchasing Excellence 1, the CSD approach was the main starting point for purchasing & supply chain improvement. Next to this additional effort has been put into the concept of Spend Management, being most critical for organizations starting with purchasing improvement from scratch.

The project team has monitored all participating organizations and is describing the outcomes.

MSU+ model

The MSU+ model is a derivation from the MSU model as being used as framework for Purchasing Excellence 1 and 2. Next to adjustments for jargon and terminology, some changes are worth mentioning here.

- Extra attention is put to the need for not-for-profit to document all activities in order to be transparent
- Applicable legislation is incorporated
- Process steps that were not applicable have been adjusted to fit the not-for-profit sector.

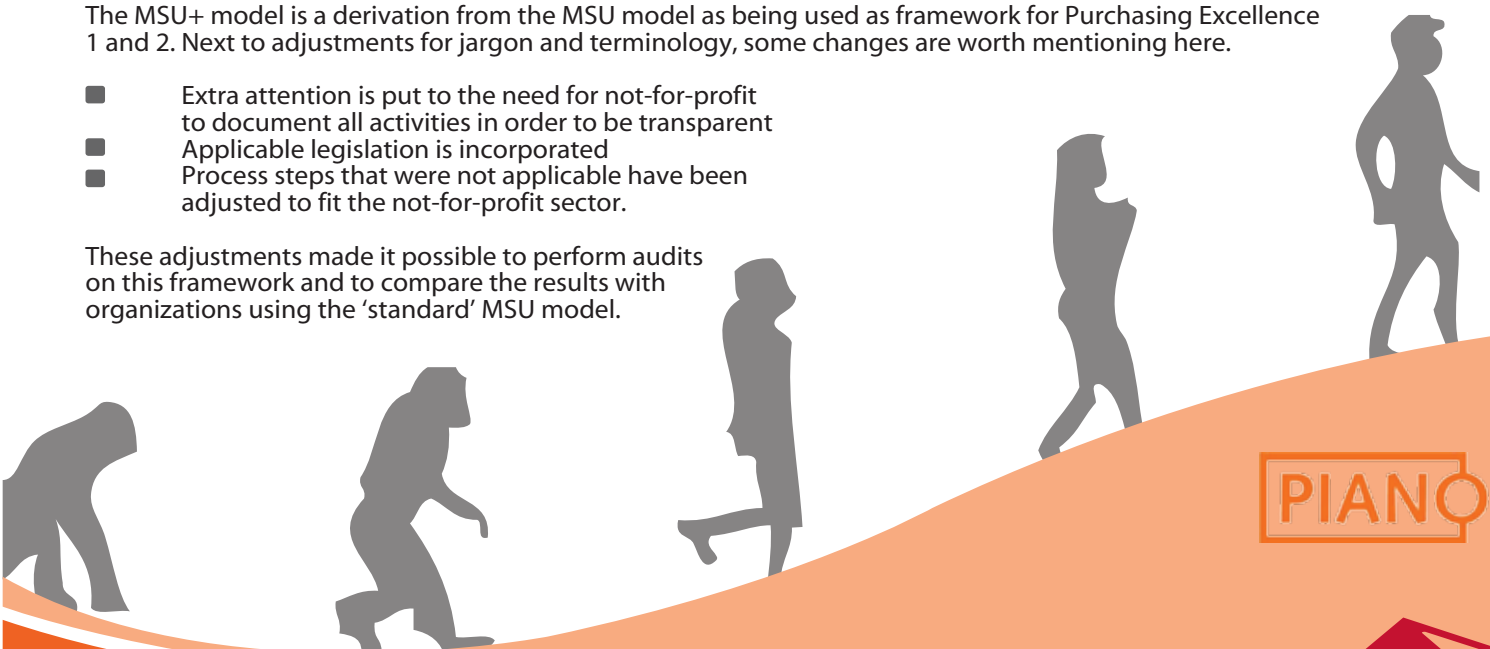
These adjustments made it possible to perform audits on this framework and to compare the results with organizations using the 'standard' MSU model.

Results

The zero-base measurement showed that a lot is still to be gained from purchasing improvement in this sector. Compared to a similar measurement several years earlier in the profit sector, the not-for-profit sector is lagging behind.

Spend management, portfolio management and the development of commodity strategies proved to be very valuable for this sector. Although the extra complexity (compared to the profit sector) of the need for transparency, documentation, legislation, budgets and longer lead times for decision making, were seen to somewhat confine improvement projects, the results range from significant to very impressive.

The actual results are still being monitored and described, but will be reported later 2008.



Purspective