oneAdvanced

CASE STUDY

University of Melbourne

Implementing Purchasing

Client
University of Melbourne

Industry
Higher Education

Project
Purchasing

Introduction

Established in 1853, the University of Melbourne is a public-spirited institution that makes distinctive contributions to society in research, learning, teaching and engagement. The University of Melbourne is consistently ranked among the leading universities in the world, placing it as number 1 in Australia and number 37 in the world (Times Higher Education World University Rankings 2024).

The University has successfully been using the Purchasing, integrated with their Oracle ERP, since 2019.

The Challenge

Before Purchasing, previously known as Marketplace, the university utilised self-managed catalogues and supplier data for purchasing via iProcurement. The University was only achieving 24% catalogue compliance with purchasing from their preferred supplier catalogues. It was difficult for end users to easily find products. End user satisfaction was low. Keeping external supplier catalogue information and pricing up to date was a challenge. The University wanted to make procurement more simple and efficient for end users, as well as having better quality spend information, visibility and control. The University collated their requirements, went out to market and following a competitive tender process, awarded their online catalogue solution to OneAdvanced.

Another issue the university was looking to solve was control and compliance of their chemical purchasing. Purchasing had a mature and robust way to manage chemical compliance as well as the ability for the solution to be customised to improve product data and control on the university side, a highly desirable capability for the University of Melbourne.

The Solution

The University implemented Purchasing university-wide in March 2019 and went from having 24% catalogue purchasing compliance to 80% compliance by March 2020. This has delivered significant improvements and adherence to the university agreed products and prices from external suppliers.

Suppliers on the marketplace are able to update their products and pricing 24/7 via the online Supplier Portal. The portal has data quality control checks and provides consistency of data. The University is able to maintain full control of the externally managed supplier catalogues. The suppliers on the marketplace are more engaged and some have confirmed that the system is easier to use than other platforms. Suppliers find it useful that they can submit one product catalogue and then maintain their product pricing, often for multiple Australian universities, on the same platform from OneAdvanced.

The implementation

The implementation of Purchasing at the University went smoothly with no major issues arising. The project was well planned and managed. Regular weekly progress meetings took place and responsibilities were clearly communicated throughout. All the university stakeholders required for the project were engaged and full integration with the University's Oracle ERP system was delivered a week earlier than planned. Minimal training was required as the system was very intuitive for the end users, overall leading to a very successful implementation.

Ease of use and adaptability

Purchasing enabled University users working remotely to continue with purchasing during pandemic. Supply chain impacts to the University caused by sudden massive demand for goods such as personal protective equipment was minimised, with Purchasing and the OneAdvanced team helping the University keep abreast of stock issues with suppliers and identifying when new stock was available across the supplier network.

Use of Purchasing evolving

The University's initial implementation of Purchasing focused on their key Laboratory and Scientific suppliers, with OneAdvanced providing Hosted catalogues, Free Format Ordering and External Punchout connections to address these areas of spend.

After 5 months of using the marketplace, the invoicing module was added to the platform and is continuously being enabled with the University's Purchasing suppliers – delivering significant process and cost savings to the University.

To allow for innovative use in other spend areas and improved compliance with contracting and placing orders with external contractors independent to the University, the eQuotes module was added. The University is currently looking into using eQuotes to further facilitate the servicing elements of purchasing activities such as with white goods suppliers.

When the University of Melbourne raises the need for a preferred supplier for University goods, Purchasing takes the forefront in streamlining the engagement and process in onboarding the supplier onto their marketplace.

Purchasing has since expanded to cover purchasing from six different categories of university spend with a view for further expansion. Currently, the University is looking at options for catering purchasing and gift card purchasing via the marketplace.

Relationship with OneAdvanced

Since implementation, the University of Melbourne have continued to work closely with the OneAdvanced team with prompt engagement on business as usual system processes, and continuous improvement development initiatives.

Purchasing helps to control spend

The University of Melbourne can control their spend with suppliers in several ways they couldn't previously with the increased visibility at a product and category level from Purchasing. The Insights module quickly and simply provides detailed spend information that the University uses to identify trends and consolidate spend with suppliers.

The end user is influenced into best purchasing practices with detailed product information and cross-vendor comparison tools, helping them make more informed and often cost saving decisions. The University can easily flag Purchasing content by preferred supplier or preferred items to further control spend.

Because there is no longer a need to carry out activities such as maintaining their own catalogue content or system integrations with suppliers, labour cost savings to the University is one of the biggest benefits realised.

Using the OneAdvanced touchless invoicing solution (XML and PO Flip), end-to-end processing cost of an invoice is reduced from $30 per PDF invoice down to $10, according to Australian Government eInvoice cost savings estimates. Based on these estimates, despite reduced volumes due to the COVID-19 pandemic between March and September 2020, the University continued to automatically process 8,000 touchless invoices.

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Powering the world of work

Purchasing, previously known as Marketplace, helps you to retain control of your procurement function and supplier landscape, while also cutting your costs through efficient purchasing. Whether your organisation the public or private sector, we have a solution that is both simple to implement and easy to use. Get in touch to find out more.

Get in touch

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