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Business saves charity £2.5m

A SWINDON firm has helped save a cancer charity more than £2.5m a year.

Cancer Research UK has announced that it managed to save several million pounds through online auctions managed by Aria Insite and Swindon-based Vendigital to purchase office supplies, IT hardware and laboratory consumables.

The savings are part of the charity's procurement improvement initiative across the whole organisation.

The charity has worked with procurement consultants Aria Insite since December 2004 to improve the way it manages its procurement budget, which in 2005/6 was £130m.

Aria's remit was to help Cancer Research UK to reduce costs quickly and to assist the charity in creating a leading edge and sustainable procurement environment.

Following a detailed spend analysis across all of its UK laboratories, Cancer Research UK and Aria identified the range of items that would be most suited to an online auction.

Aria then brought in Vendigital, a specialist procurement company, on Windmill Hill Business Park with particular expertise in online auctions, to manage the full auction process from end to end.

The first online auction to source office supplies delivered 30 per cent savings to the charity.

The auction to source IT hardware including desktops and laptops saved Cancer Research UK a further 20 per cent.

Another 33 per cent was saved via the auction for laboratory consumables and equipment, such as chemicals, plastics and personal protection.

Through this auction, the charity also managed to reduce its number of suppliers from more than 200 to fewer than six.

Cancer Research's procurement director Belinda Turner said: "Initially, there was some scepticism that online auctions could deliver such huge savings. Now, with three projects under our belts, we are convinced that this approach is valuable.

"As a not-for-profit organisation, we must ensure our costs are managed as tightly as possible so the maximum funds are spent on our research into fighting cancer. We are delighted with these results.

"We are now developing a more holistic approach across all our procurement this is not about centralising procurement, rather about sharing best practice with our individual buyers and helping them to buy more cost effectively.

The team is currently working on a fourth auction to source molecular biology supplies such as cell cultures.

EDITOR'S CHOICE

SWINDON AND PROUD CAMPAIGN



- No more chips and custard for dinner lady June

SAVE OUR ROBINS



- 'We'll fight for our future'

VOTE

Do you agree with Swindon Council's decision to close Windmill Hill and Freshbrook schools and open a merged school?

Yes

No

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individual buyers and helping them to buy more cost effectively.

The team is currently working on a fourth auction to source molecular biology supplies such as cell cultures.

Peter Garnett, the managing director at Aria Insite, said.: "The auctions are only successful because Vendigital follows rigorous processes before, during and after the actual events.

"This process involves supplier headhunting, managing supplier participation, running the auction event, final assessments of suppliers with the best prices through to ensuring the successful implementation with the chosen suppliers.

"It's this full service that makes the auctions so successful and beneficial to Cancer Research UK."

Vendigital employs 20 people. Director Adrian Griffiths said online auctions, where bids are placed openly before a tender is awarded, are growing massively, in the public and private sector.

He said: "On average we can save about 26 per cent on traditional tendering. With Cancer Research it was nice to have a positive impact, knowing the effort that goes into fundraising.

11:23am Wednesday 19th July 2006