

Online Auction saves Northumbria University 35% on Stationery Purchases

Swindon, UK - 6 February 2006: An online auction for the University of Northumbria at Newcastle has generated savings of £212,000 per year, representing a 35% saving on the University's original stationery expenditure. Twelve suppliers placed 312 bids within the 90-minute online event hosted by Vendigital.

"We were delighted with the results," says Trevor Gabriele, Deputy Finance Director (Accounting) at Northumbria University, who championed the project. "We certainly felt that we could get better value compared to the various incumbent suppliers, so decided to undertake a pilot online auction. We were keen to see how the process worked and to judge the value it could deliver."

The University contracted PricewaterhouseCoopers to run an online auction for the supply of stationery and office supplies. PricewaterhouseCoopers partnered with Vendigital, an e-sourcing and online auction specialist to provide the online auction platform, as well as category and sourcing expertise.

The University first considered using an online auction after PricewaterhouseCoopers had undertaken an analysis of its purchasing activity and identified the most suitable commodity items. It was essential that the online auction complied with the EU Public Procurement Directive. This means that the online procurement process is undertaken in a fair and open manner in accordance to the rules of the Directive.

As John Kilner, senior consultant at PricewaterhouseCoopers explains, "The Vendigital platform is ideal for the public sector. The bulletin board feature is particularly useful, since suppliers have an open view of all questions put to the University and every answer. This inherent transparency and openness makes it the perfect platform for the public sector."

To comply with the EU Public Procurement Directive, PricewaterhouseCoopers and Vendigital managed all the supplier questions and handled the online auction event including training suppliers in the use of the software. The team also managed the post-auction interviews and the contract award process to ensure the chosen supplier satisfied all the University's quality and delivery needs. ➤

One of the keys to delivering a successful online auction strategy is to recognise that it is a change management programme. “We needed to ensure those affected by the project were our supporters,” adds John. So PricewaterhouseCoopers held a series of briefings with everyone involved with the purchase of stationery and office supplies across the University to ensure they were fully aware and supportive of the online auction initiative.

“We’d love to do more online auctions,” confirms Trevor Gabriele. “The next areas we plan to address are IT hardware and furniture. By again accessing a supplier base from across Europe, I am confident we can source some excellent products at highly competitive prices.”

About Vendigital

Vendigital is a purchasing organisation that enhances its customer’s financial performance through advanced procurement services. These services include Cost Reduction Programmes and Outsourced Category Management, which are producing average cost savings of 26%. In addition, Vendigital offers purchasing projects on a wide range of bespoke components and services.

These programmes and projects utilise many of the techniques developed by Vendigital such as: savings optimisation analysis, global supplier headhunting, online tendering, e-auctions, value auctions and results implementation. Established in 1999, Vendigital has offices in the UK, US and Germany.

About PricewaterhouseCoopers

PricewaterhouseCoopers (www.pwc.com) is the world's largest professional services organisation. Drawing on the knowledge and skills of more than 130,000 people in 148 countries, the company builds relationships by providing services based on quality and integrity.

About Northumbria University

Situated in the north-east of England, Northumbria University is an expanding multicultural learning community, with excellent links with further and higher education, industry and commerce throughout the UK, Europe and beyond. Renowned for the excellence of its teaching, as well as for preparing students for the world of work, Northumbria also provides research opportunities for professional reflective practice. www.northumbria.ac.uk