

Eliminating procurement waste

36 Strategies managing director, Steven Speter, reveals how hospitality procurement teams can simplify lengthy processes down to a simple click, and lends four top tips to optimise procurement operations

With offices in Dubai and Muscat, 36 Strategies provides procurement solutions across the region, delivering savings to its customers while embedding compliance in day-to-day operations; all with a simple platform that employees actually enjoy using via a smart-phone, laptop or tablet.

The firm's managing director, Steven Speter reveals that when competing in the region's ever-growing hospitality industry, the importance of maintaining strict adherence within a procurement team and its operations becomes vital to the success of a brand.

"Procurement sits on 25 to 60% of the total cost of a company depending on the industry, yet often there is no proportionate amount of organisational focus on it. So getting it right can unleash great potential which can be turned into a competitive advantage," explains Speter.

Through 36 Strategies' E-procurement platform, procurement teams are able to simplify the procurement process down to the click of a finger, and retrieve purchase order (PO) approvals, wherever and whenever they like.

The platform, which brings the traditional paper-based procurement process online and mobile, has proven to cut out the cycle time (from when a purchasing requisition is raised until it is approved and a PO is issued to the supplier) from days to minutes, thanks to the mobile app which allows managers to approve orders real time no matter where they are. He says: "Not only is the admin cost of processing orders saved but greater contract compliance is achieved because only approved suppliers and products are made available. Because the cycle time vastly improves, it restores trust in the supply and further cost is saved as employees will not have the need to turn to petty cash and maverick spend to get the items delivered on time."

The 36 Strategies platform takes four weeks to implement



Typical implementation by 36 Strategies can achieve:

18%

Immediate procurement cost reduction

99.8%

Guaranteed delivery performance of orders being 'Delivered On Time In Full' (DOTIF)

38%

Improvement in procurement cycle time, from order placement to delivery

into a procurement department, generating both time and cost savings immediately after.

"Our cloud-based solution takes away the complexity of the entire procurement and supply chain process, allowing our clients to focus on their core businesses. The paperless process reduces administration and management, resulting in substantial cost savings for the entire business," Speter comments.

Manageable operations

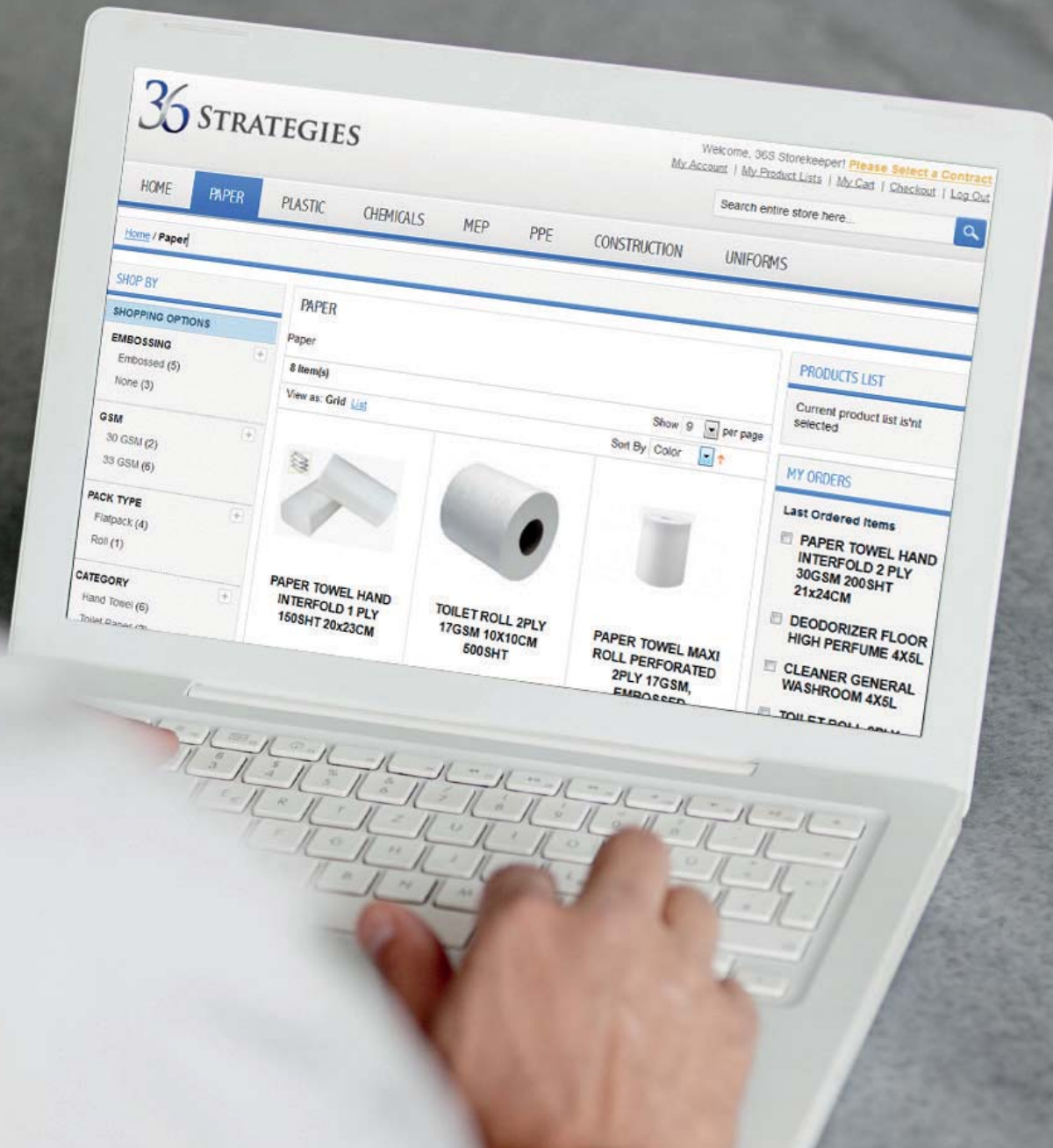
Consolidating procurement processes, when companies source and procure through 36 Strategies they will only have one reliable supplier to deal with, making operations more manageable.

Speter comments: "We procure and deliver more than 800 consumables and products in categories catered to the hospitality industry in addition to facilities management and construction sectors.

"We have a quality control in place to ensure that all products are delivered in the promised quantity and quality, so there is no more time wasted on phone calls and emails with multiple suppliers," he adds.

Clamping down on late deliveries and un-reachable stock, Speter explains that with a dedicated fleet of trucks and a warehouse holding three weeks worth of inventory, 36 Strategies is able to guarantee delivery within 72 hours of placing an order.

With a focus on quality, Speter concludes: "We are committed to meeting and maintaining world standards for quality, continuous improvement, and customer satisfaction, and we are certified in accordance with ISO 9001, ISO 14001, and ISO 18001."



4 TIPS TO CUT WASTE FROM THE BUYING CYCLE

TIP 1: COMMUNICATE SPECIFIC REQUIREMENTS TO SUPPLIERS TO ENSURE YOU GET THE RIGHT PRODUCT EVERY TIME

Knowing the exact specifications of the products you procure, and being able to consistently articulate those to the suppliers will eliminate the risk of receiving the wrong quality or type of product. If not managed tightly, product quality and availability is placed in the hands of suppliers, risking the wrong items showing up at your door with unnecessary time and money spend as a result. The aim is to make sure the supplier delivers you the right product at the right time.

TIP 2: CONSOLIDATE YOUR SUPPLIERS AND SET UP FRAMEWORK AGREEMENTS

Consolidating suppliers will give you better buying power and therefore a better price. But this is also about creating a win-win relationship, for example, framework agreements that include volume forecast or indications will allow suppliers to plan to prevent out of stock situations.

TIP 3: MAKE SURE YOUR SUPPLY CHAIN FULFILS YOUR DELIVERY NEEDS

Do you have a reliable and efficient supply chain set up? Do you have tens or hundreds of suppliers each delivering products to you every day or do you have consolidated deliveries? Think about how you would like to receive your deliveries and ensure the logistics are set up in a way to accommodate it.

TIP 4: MAKE IT EASY FOR YOUR EMPLOYEES TO EXECUTE TIPS 1, 2 AND 3

These tips all sound good on paper but the biggest challenge is to make sure everyone in your organisation executes them. Implement an e-Procurement platform and make it easy for your employees to comply with the governance and framework you have set up. It will make everyone's lives much easier