

## Case study

# Examining payment solutions for The University of Huddersfield

**Pressure on the public sector to reduce spending and to operate more efficiently has never been more apparent. The University of Huddersfield was seeking to achieve process efficiencies, create robust audit trails and introduce more timely payments. In partnership with Barclaycard and cloudBuy, the University set about introducing an e-procurement solution that would help deliver significant savings.**

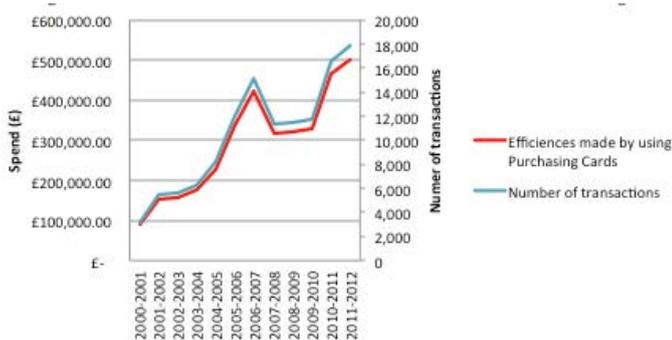
The University of Huddersfield first started working with Barclaycard in 2000 to deal with low value, repetitive ordering via the Government Procurement Card (GPC). This partnership saw the implementation of a payment solution that provided a fast and effective way to purchase from a range of suppliers. The introduction of this system was an immediate success, and by the end of 2012 the GPC programme has afforded £3.5million in efficiency savings. The number of purchasing cards increased by three fold, and the total expenditure on the scheme increased from £270k in 2000 to over £6million by the end of 2012.



- **spend analysis** (with the purpose of reducing procurement costs, improving efficiency and monitoring compliance);
- **green analysis** (allowing companies to establish their carbon footprint, based on every product they purchase);
- **an eMarketplace** (a secure system which enables buyers within the University to purchase online from a database of commercial suppliers); and
- **a securely embedded Government Procurement Card** (a commercial charge card typically used for the purchase of low value, high volume, low risk goods and services on behalf of an organisation).

The embedded card solution alongside the cloudBuy eMarketplace – a leading e-commerce marketplace, with over 1 million users - also meant the University could utilise the benefits of the online order of goods and make the payment processes extremely efficient, whilst also improving cashflow for both themselves and their suppliers.

### Efficiencies made by using a Purchasing Card, in comparison to the number of transactions made



## Government drive for efficiency

Through the use of the GPC programme and the greater controls, efficiencies and clear sight of transactions, the University made the decision that they wanted to encompass payment by card alongside an 'amazon' style platform to introduce further transparency and control within the organisation.

While there were a number of companies offering an e-procurement solution, the University was drawn to a package which had just been launched by Barclaycard in partnership with cloudBuy – an e-procurement company specialising in spend analysis and company formation. Designed specifically for the public sector, the Barclaycard and cloudBuy package offers a combination of integrated technologies which include:

"The simplicity of the cloudBuy system and the added bonus of Barclaycard already being on board were key factors in our decision making process. We had built a great relationship with Barclaycard over the years so felt confident that this was the right system to help us make the necessary efficiencies, whilst maintaining an effective service to customers."

"Having worked with Barclaycard since 2000, we had built a close and trusted working relationship, so it made sense for us to work with them again when we were looking to develop a new payment solution to drive greater efficiencies and cost savings for the University."

**John Thompson, Procurement Services Manager at the University of Huddersfield**



## Business benefits and customer satisfaction

The cloudBuy and Barclaycard embedded system took just five weeks to implement, against an industry average of around 18 months, with the first supplier operating in the marketplace within that timeframe. This timeframe was aided by the fact that the cloudBuy system is supported by GeM, the new eMarketplace and contracts repository for both the Higher Education and Further Education sectors.

The business benefits have been significant; since implementing the system in 2010, the University has seen estimated cost saving efficiencies of around £800k, compared to the cost of processing a traditional paper based invoice. The inbuilt security of the payment cards coupled with the ability to set purchasing limits has meant that employees have the freedom to make purchases, while the University retains ultimate control over expenditure, thus avoiding maverick spend.

There have also been significant benefits to the suppliers with the new system, with faster payments improving their cash flow, as payments are now within 3-5 days to the supplier. Faster payments have also resulted in better relationships with suppliers, which mean that the University has been able to negotiate better contracts with suppliers.

"The massive cost savings since the introduction of this new system speaks volumes; however the operational benefit is also significant. Our staff have also welcomed the system – not only is it simple to use, they are now able to spend more time on strategic decision making and planning."

**John Thompson, Procurement Services Manager at the University of Huddersfield**

The benefits have gone beyond cost efficiencies. Not only do they now enjoy greater transparency over transactions, including greater control over spending and clear reporting on goods and services purchased, but also internally the payment solution has been well received. With the increased speed and efficiency of the system and importantly, resource has been freed up, the procurement team can instead engage in more strategic activity.

## Planning for the future

"The plan for the future is to continue developing the marketplace and bringing on more suppliers to maximise the benefit of e procurement and reduce back office transactional costs further.

The University of Huddersfield has actively encouraged suppliers joining the e marketplace to trade using Purchasing card, promoting the benefits of Barclaycard to a number of suppliers who traditionally would not have accepted these payments. Thus helping to contain costs as Barclaycard are the only GPS provider how control both the issuing and acquiring side of transactions, which mean charges can be kept to a minimum."

"Our partnership has eliminated the need to deal with third parties and helped us to keep transactional costs down. Together we are already looking ahead at how we might increase speeds of payment; Barclaycard has been extremely proactive in negotiating on this issue, both with other providers of card services as well as the industry as a whole."

**John Thompson, Procurement Services Manager at the University of Huddersfield**

## Benefits of cloudBuy eMarketplace solution for the University of Huddersfield:

- Savings of £800k in first 2 years of operation
- Promotes financial transparency and accountability
- Easier to pick up fraud and non-compliance
- Reduces admin, freeing up staff to engage in more strategic activity
- Enhanced relationship with suppliers; greater customer satisfaction

## About Barclaycard Commercial's Government Procurement Cards

For more than a decade, Barclaycard Commercial has worked in partnership with public sector organisations to help them meet efficiency targets and deliver recognised savings to the public purse. As the UK's leading provider of Government Procurement Cards (GPC Visa), we offer an established purchasing solution that's proven to streamline procurement processes for maximum efficiency.

The benefits and savings are equally as valuable to local councils, universities and police departments as they are to central government agencies and other public sector organisations like charities.

## About the Barclaycard and cloudBuy e-procurement solution

For more than a decade, Barclaycard Commercial has worked in partnership with public sector organisations to help them meet efficiency targets and deliver recognised savings to the public purse. In 2010, Barclaycard Commercial and cloudBuy launched an e-procurement package for the higher education sector with guaranteed cost savings for participating universities.

The cloudBuy eMarketplace solution offers a combination of integrated technologies which include a spend analysis, green analysis, eMarketplace and securely embedded Government Procurement Card.

"We have been working with Barclaycard since 1999 when we became one of their first merchant integration partners, this has developed over time into a much wider partnership where together we provide an integrated solution which spans sourcing to secure payment. Our joint customers benefit from a world leading solution, which is supported by Visa, and proven to deliver savings."

"The University of Huddersfield has been a great client, the team are forward thinking and highly organised and it has been a pleasure to work with them. Even with a complex ERP integration to complete as part of set up, they were live in 5 weeks which is one of the fastest implementations that we have achieved. They continually drive change and push the boundaries and we fully expect them to become the lead university in the UK for eProcurement."

**Quote from Lyn Duncan, cloudBuy**

For more information about cloudBuy, please visit  
<http://www.cloudbuy.com>  
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