



Cenitex moves to centre-led procurement model with integrated SaaS platform

Historically, procurement at Cenitex has seen a centralised team handling 800-900 transactions each year, a large proportion of which were lower value, lower risk commodity purchases. For the procurement professionals, this was tactical and time-consuming work.

GM of Procurement, Tim Jones, knew that transitioning from a manual system to a digital solution could address the challenges he perceived, but he was cognisant of the pitfalls of leaping for a solution without properly understanding the problem. By surveying customers and speaking with his own team, he formed a problem statement that became the central reference point for the project:

“Centralised procurement created a bottleneck for commodity purchases, impacting timelines and frustrating Project Managers. Attempts to bypass the bottlenecks could lead to issues with non-compliance that then required retro-fitting from the Procurement team. This resulted in the precise outcome Project Managers were trying to avoid—delays due to Procurement.”

Frustrations were not only felt by Project Managers wanting to sustain momentum but also by the Procurement team who received mostly ‘urgent’ requests, and by suppliers who then rushed to respond to RFQs. This cycle risked causing reputational damage both to the Procurement team and to Cenitex as an organisation.

cenitex

Cenitex is a Victorian state-owned enterprise charged with providing quality, innovative ICT services to increase productivity and agility and to achieve better outcomes for the state’s public sector.

Setting the foundation

The greatest opportunity for transformation was identified as the lower value / lower risk commodity purchasing where the highest volume of transactions occurred. Implementing a system that enabled non-Procurement staff to compliantly source and evaluate quotes would free up significant Procurement resources for more strategic projects.

Jones says: “We had the most to gain by focusing on the source-to-award function, which is what VendorPanel does really well. And as 90% of Cenitex purchasing goes through State Purchase Contracts that are managed on the platform, it made sense to use it to commence a shift towards a centre-led procurement model.”



The initial focus was on getting two high-use panels set up, with buyers raising requests without having to consult Procurement.

Jo Cross of ArcBlue Procurement Consulting was engaged as a change management specialist to help the project team scope communication and delivery requirements and to oversee targets and timeframes. Cross has experience implementing procurement solutions and commended the Cenitex team for their approach to implementation. She says: “Instead of simply throwing the tool at the problem and expecting it to fix it, Cenitex have done an excellent job of understanding the problem set and ensuring their solution addresses each item. They have taken the time to get the correct setup right from the outset.”

Empowering buyers with additional tools

Early on, the project addressed the creation of a practical, accessible Buyers’ Hub with resources to support staff in more autonomous sourcing processes. In addition, staff can access VendorPanel functionality to create logic trees for various purchasing scenarios. This means that staff looking to understand the process and compliance requirements for a particular purchase simply need to answer a series of questions and are presented with the information they need to proceed.

These features are critical to enabling an effective transition from a **centralised** to **centre-led** procurement model. Jones says: “We’re doing all we can to enable buying staff to be autonomous. The more we can safely minimise the load on Procurement the more time and resources we have for strategic contract and supplier management.”

Future plans

With the foundations for success set, Jones is receiving proactive requests from Project Managers eager to start using the tool. The plan is to continue to add preferred supplier arrangements so that soon all sub-tender purchasing will be managed on the platform. This will have significant benefits in terms of governance and reporting. Cameron Male, responsible for Procurement Transformation & Reporting, says: “[With VendorPanel] I know our buyers are compliant, and supplier management occurs in the system. I have complete visibility across the process and am able to easily download audit-ready reports.”

This will afford Male more time to focus on the digital strategy for Cenitex. He is currently working on a technology roadmap to replace legacy systems with more agile software that will integrate to form a powerful ecosystem of best-of-breed solutions. Male says, “VendorPanel is the first domino. None of our current systems talk to each other and the manual input of information creates a lot of work. Having the systems connected will enable us to run robust analytics and look at instigating robotics automation.”

VendorPanel’s integration strategy, which is to connect securely and easily to up- and down-stream platforms, will support that digital transformation.