2013 BUSINESS OFFICER INSTITUTE

P200 Program

Zoanne Nelson, P200 Program Director
Each year, the University of California procures +$5 billion in goods and services.

What if we could redirect $200 million annually to teaching, research and public service?
WORKING SMARTER CHALLENGE:
Within 5 years, the University will redirect $500 million from administrative costs to the academic and research missions.
http://workingsmarter.universityofcalifornia.edu/

P200 CHALLENGE:
Deliver $200 million in annual cost savings across all funding sources through the sourcing, implementation, and utilization of competitive contracts and innovative supply chain strategies for procured goods and services.
Benefits v. Costs through FY19-20

The **ROI** to achieve an additional **$525M** by **FY2019-20** in savings is 920%

$525M Benefits v. Cost per Campus Cumulative to FY2019-20
Laying the Groundwork for Success

• Leadership and Governance
  – **Procurement Leadership Council**
  – Procurement Management Board
  – Chief Procurement Officer

• Collaboration and “Assimilation”
  – Common vision, mission (We are UC!)
  – Strategic plan
  – Common technologies/visibility
  – Program and change management

• Industry best practices
  – Operating model/Centers of Excellence
  – Strategic Sourcing Methodology
  – Performance Metrics

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<th>Procurement Leadership Council (PLC)</th>
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<td>Bill Cooper, CPO</td>
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UC Procurement Vision and Mission

Vision

• To be acknowledged by University of California executive and campus leadership, faculty, staff and students as a high performing strategic partner that is essential to the financial health of the University.

Mission

• To expand opportunities for teaching, research and public service by delivering savings and efficient procurement services across the University of California.

Strategic Objectives

• Develop collaborative relationships with clients across the UC system to understand their needs and provide high quality procurement services that best meet those needs.

• Pursue strategic initiatives in a coordinated manner that leverages the power of our collective spend and redirects savings to teaching, research and public service.

• Invest in and optimize talent and technologies across the University to deliver far greater benefit than can be achieved by any single location working independently.

• Drive down Total Cost of Ownership (TCO) and promote new revenue opportunities through effective sourcing, contract management and supply chain solutions.

• Partner with suppliers to develop business relationships and solutions that optimize value for the University.
P200 Strategic Plan

P200 Program Projects

- UCOP Organizational Alignment
- Spend Analytics
- Sourcing Technology
- Strategic Sourcing
- Utilization

Program Management

Change Management
P200 Progress to Date

Jan-Mar 2012
- SciQuest Contract Signed
- Spend Radar Contract Signed

Apr-June 2012
- P200 Kick-off
- PLC Formed/ Governance

Jul-Sep 2012
- Org Assessment Delivered

Oct-Dec 2012
- Strategic Plan Delivered

Jan-Mar 2013
- PMB Formed
- Sourcing Director Go-Live
- CPO Hired

Apr-Jun 2013
- Spend Analytics Go-Live

July-Aug 2013
- Strategic Plan Funded
- “60 Days” Delivered
- Opportunity Assessment
- Operating Model Pilot
- Performance Mgmt Key Metrics
- Contract Director Go-Live
Pilot Category Centers of Excellence

Life Sciences COE
- Valerie Vergara
- Ross Bausone (UCSF/B)
- Claire Tsai (UCLA)
- Kalyn Miller (UCSD)
- Commodity Strategy Setting
- Strategic Sourcing
- Contract Management
- Supplier Relationship Management
- Utilization/Demand Mgmt.

Maintenance/Repair (MRO)/Janitorial COE
- David Houghton
- Kate Cunningham (UCSC)
- Mike Morgan (UCD)
- Suzanne Martin (UCLA)
- Commodity Strategy Setting
- Strategic Sourcing
- Contract Management
- Supplier Relationship Management
- Utilization/Demand Mgmt.

Analytics Support
Pilot Centers of Excellence Training/Orientation
Questions?
For more information:
http://workingsmarter.universityofcalifornia.edu/projects/e-sourcing/overview/