



Wayne State University Saves \$2.5 Million per Year with Streamlined Procurement

With JAGGAER eProcurement, this university experienced significant savings while completely modernizing and expediting its purchasing processes.

Vertical

Higher Education

Featured Product Families

- JAGGAER One Platform
- Contracts
- eProcurement
- Invoicing
- Supplier Management

Location

Detroit, Michigan

Size

24,000 Students

About Wayne State University

Wayne State University is a public research institution with 13 schools and colleges that serve approximately 24,000 students in fields including business, education, engineering, law, and medicine.

Business Challenge

Achieve cost savings and increase customer satisfaction by simplifying and automating all aspects of the procure to pay cycle.

Through JAGGAER One and its eProcurement module, the university has:

- Reduced invoice processing times from one month to five days
- Achieved an average of \$2.5 million yearly savings across a 5-year period
- Significantly lowered P-Card spending
- 95% of direct spend goes through JAGGAER

Executive Summary

As a public institution, Wayne State University is committed to responsible budgeting and maximizing the impact of every dollar. By automating purchasing processes and centralizing direct spend with JAGGAER One, the university achieved substantial cost savings, reduced processing times for all purchasing activities, and improved internal customer satisfaction.



"It's a user-friendly administrable system that you can change on the fly in some cases without getting a big IT project in place."

Dennis Orr, Associate Director of Disbursements, Accounts Payable, Wayne State University

Why JAGGAER

Enable faster and more streamlined procurement by seamlessly integrating with supplier catalogs and creating orders at the click of a button.

Looking for Cost-Effective Solutions While Maintaining Academic Excellence

Wayne State University (WSU) is a public research institution in the heart of Detroit, Michigan. Its annual revenue is reinvested into the university's operations, infrastructure, and academic programs, so the organization is always looking for ways to optimize resources and reduce costs.

Offering 350 academic programs such as business, engineering, law, and medicine to approximately 24,000 students across 13 schools and colleges

each year generates significant spend that is managed centrally by a small Procurement and Strategic Sources team. With 70,000 invoices per year and 800 business users supported throughout the university, the procurement team's tasks need to be as streamlined and automated as possible.

However, until 2012, Wayne State University's procurement processes were cumbersome. According to Kenneth Doherty, Associate Vice President of Procurement and Strategic Sources at WSU, the existing requisitioning

system was “clumsy”, there was no centralized method for purchasing from approved vendors, and physical invoices would pile up a month-long backlog.

“We used to measure it in inches of paperwork as opposed to days,” comments Dennis Orr, Associate Director of Disbursements in Accounts Payable at WSU. “And staff spent a significant amount of time leafing through it all, when a stakeholder needed something paid right away and the AP staff were trying to locate the invoice.”

Unsurprisingly, the administrative satisfaction rates with the existing systems were low, and the university recognized the need for change. With new leadership, including a new President and CFO, a business-focused perspective was extended across the campus.

Selecting the Best Solution with Solid Implementation Support

WSU released an RFP with multiple functional requirements, and JAGGAER was soon selected as the best match for

the university’s needs, due to its robust capabilities. JAGGAER One—combining eProcurement and Invoicing—was rolled out in collaboration with JAGGAER and support from implementation partner, Huron Consulting Group. In subsequent years, first Supplier Management and then Contracts were added to the portfolio.

The joint team ensured internal support and stakeholder buy-in by conducting in-person seminars and training sessions before and following the launch. In essence, this involved internal ‘selling’ of the new system to various groups, including business officers and the Council of Deans. The dedicated approach offered many opportunities, not just for training but also for understanding the transition at a high level.

JAGGAER One fit seamlessly into the existing void. User adoption was swift and extremely successful, due to simple and easily accessible training as well as its user-friendly interface. “We encountered eagerness as opposed to resistance, so there was very little change management

needed,” says Kenneth. “We were 100% JAGGAER straight away. And there was little pushback, just immediate adoption.”

Now, there are around 800 users across campus with 25 eProcurement enabled suppliers. 65% of all transactions are processed through those enabled suppliers. What’s more, the system’s configurability and agility allows the Procurement team to solve their own challenges quickly. “It’s a user-friendly administrable system that you can change on the fly in some cases without getting a big IT project in place,” comments Dennis. This goes hand-in-hand with JAGGAER’s reporting capabilities, which provide the university with actionable and up-to-date statistics and data. “We’re yet to find a reporting need that we can’t fulfill,” comments Kenneth.

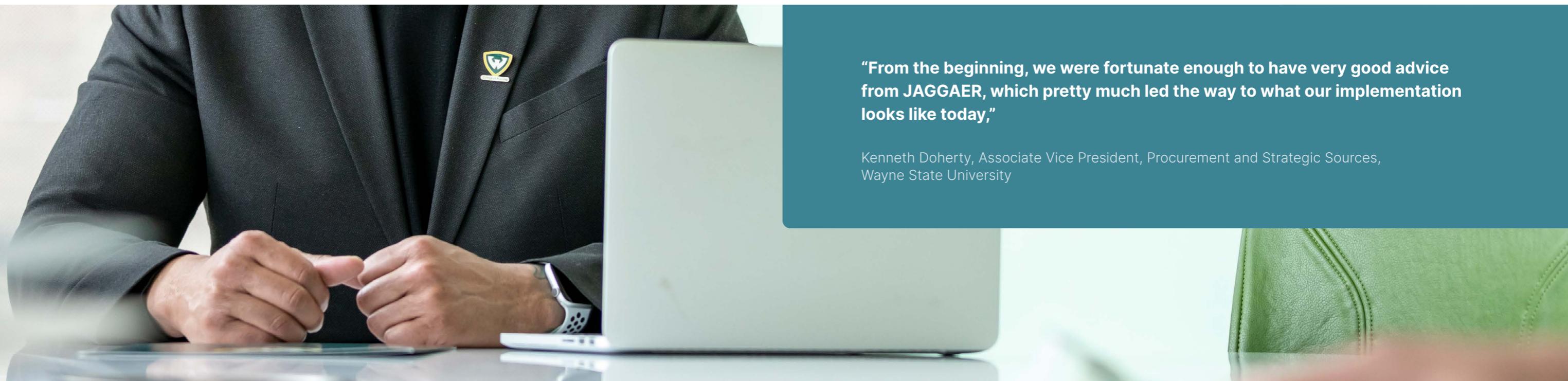
Centralizing Spend to Simplify Procurement Operations

The results of JAGGAER One implementation were almost immediately visible. “For the first five years, we were saving about \$2.5 million per year over pre-implementation

costs,” says Kenneth. Since then, the university has experienced continuous savings, although it no longer compares pricing against the original data. And other quantifiable benefits are still clearly visible.

For example, average requisition times were reduced from just over three days to just under two days, and the team is setting its sights on lowering this number further. Also, pre-procurement activities used to be so cumbersome and lengthy. As an example, for construction projects, the goal was to reduce processing time to one month. This target was quickly surpassed, and these activities now take less than two weeks.

The ongoing success of this project is hugely supported by the fact that WSU re-engineered its manual procure-to-pay processes. They are now almost fully automated and, with a single central way of managing procurement, 95% of direct pay goes through JAGGAER. The remaining 5% covers transactions that cannot be processed as expenses, such as refund payments.



“From the beginning, we were fortunate enough to have very good advice from JAGGAER, which pretty much led the way to what our implementation looks like today.”

Kenneth Doherty, Associate Vice President, Procurement and Strategic Sources, Wayne State University

Over 15,000 orders (65%) can now be processed through JAGGAER's punchout technology that connects JAGGAER users with suppliers' online catalogs, allowing them to seamlessly select and purchase items within their procurement workflow. What's more, recognizing that university researchers found the full purchasing process too slow, especially when needing items quickly, WSU configured the system so that P-Card holders using a punchout supplier for purchases under \$2,000 can complete their order with no additional approvals. This ease-of-use ensures that spend previously going onto P-Cards is now properly routed through eProcurement. "It helped us lower our P-Card spend by about 20%," says Kenneth, "from about \$12 million to \$10 million per year."

This move also supported the shift towards strategic suppliers whereby WSU could leverage negotiated pricing, aligning with its strategic procurement goals. In fact, JAGGAER has become instrumental in supporting the university's strategic purchasing initiatives as, in the RFP process, winning commodity vendors become the designated punchout suppliers, incentivizing more competitive pricing.

WSU also uses the JAGGAER forms function extensively, which is particularly valuable for services or processes where the standard eProcurement shopping model isn't applicable. "It helps us drive the spend to our strategic suppliers," says Kenneth. "It enhances customer satisfaction.

It is also a significant time saver for our procurement team." This functionality has become so integrated that buyers now proactively ask if a form can be created whenever a new contract is put in place.

Among all these benefits, there is one more that stands out. Invoice processing, which used to be measured in inches of paper, is handled in five days, with a further goal of reducing this number to two. As an additional benefit, paperless processes and dedicated inboxes help WSU support its sustainability initiatives while preventing unnecessary office supply spend.

Conclusion

With JAGGAER One, all Wayne State University purchasing activities and processes flow seamlessly in a single user-friendly system that supports procurement staff as well as requisitioners throughout the campus, saving time and costs as well as increasing user engagement and satisfaction.

"From the beginning, we were fortunate enough to have very good advice from JAGGAER, which pretty much led the way to what our implementation looks like today," concludes Kenneth. "Our satisfaction rate and trust rate are very high."

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Kenneth Doherty, Associate Vice President, Procurement and Strategic Sources,
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