

Business Process Improvement PURCHASING FOCUS GROUP

February 4, 2004 / 3:00 – 5:00 pm / A&FS Conf Room 103

ATTENDANCE

Damian Chapman, Observing Team Leader
Rebecca Nord, Focus Group Facilitator
Radhika Prabu, Process Mapping
Marjorie Purdum, Note Taking

This focus group consisted of the following internal users who voted anonymously during group activities:

Roy Benson, Student Housing
 Karen Castelli, Epid & Prev Medicine
 Kathy Collins, Wildlife Health
 Jeff DeRopp, NMR Facility (PI)
 Mike Kelleher, Facilities
 Dee Madderra, Pomology
 Laura McQuaig, Univ Extension
 Denyse Miller, Mech/Aero Engr
 Rita Miller, Police
 Carla Munoz, Evolution & Ecology
 Russ Postlethwaite, Comm Resources
 Letha Sines, VetMed Teaching
 Mike Smith, Chemistry
 Barbara Stacey, DANR

NOTE ON CUSTOMER COMMENTS

Throughout this focus group, a number of customers expressed confidence in Purchasing's customer service. In some cases, individuals had positive experience with issues that other individuals had concerns about. There was a sense that difficulties with the purchasing process stem more from the system (policies, communication strategy, workload, process bottlenecks) than from individual performance. Specific positive comments included:

- "Customer service is commendable"
- "I've had no problem with emergency orders – for example, when I have new faculty members who want to get a lab started"
- "Purchasing is overburdened and they give the impression that they're not given support from above."
- "We have great rapport with the buyers. They give us their full attention. When stuff is bogged down they go the extra distance every time."
- "Purchasing is very service oriented"

BRAINSTORM CHANGES

If you could change one thing about the purchasing process, what would that be...

IDEAS:	EXPLANATION:	PRIORITY (VOTES)*:
Raise departmental spending limits	Raise the limit the department can purchase to avoid sending it through Purchasing. "This would reduce staffing requirements in Purchasing."	14
Department repair orders (DRO) should not go through purchasing; Increase \$2500 limit	"I'd like to see repair orders not go through Purchasing. They don't know anything about it."	9
Eliminate having to go through MM for smaller items	"Major items are OK but no the silly items." "After 20 years here I see no benefit to the department to going through Purchasing."	8
More (improved) communication on status from Materiel Management (MM)	More communication from Purchasing on status of requisitions. "Everybody is always looking for a way to purchase an item without having to do a PR."	6
Some system-wide/campus contracts don't benefit us (e.g., Steelcase)		6
Independent contractor process is untimely and confusing	"Redirection of independent contractors through Purchasing is confusing as to what information is required." Forms confusing.	6
E-mail notification when PO is created	Notification of when a PO is created should be sent via e-mail.	6
Need formal system of prioritization for urgency	"I think they should develop a formal system of prioritization for urgency – then it might not be abused – and honor departmental prioritization (like Facilities does with work orders)."	6
Voicemail on MM telephones	Purchasing buyers should have voicemail.	5
Eliminate having to go through MM for established contracts	"Everything has to be put on a PR, even if it's only \$200."	5
Ability to purchase services directly	"We want to be able to purchase services."	4
MM doesn't have enough of the vendors with whom departments would normally want to deal listed as "approved vendors".		3
Fewer restrictions on insurance forms for vendors doing repairs	"If there were fewer restrictions on insurance forms for vendors who do equipment repairs (especially for repairs made off campus) it would make life a lot easier."	3
Web-based list of frequently used vendors by commodity codes	There should be a database of frequently used vendors (e.g. minority vendors). "We should be able to get a list of vendors so we know we already have a relationship with them."	3
Willingness to understand particular needs of campus department and make accommodation		3
More adequate MM staffing and back up	Buyers should have a designated back up when they are on leave or unavailable.	2
Attention to dates department needs item	Purchasing needs to pay more attention to the date the department needs the item and prioritize items accordingly. Long lead items need special attention.	2

IDEAS:	EXPLANATION:	PRIORITY (VOTES)*:
Eliminate the new layer of paperwork requiring a requisition to reimburse an employee for an expenditure		2
Higher limit for rentals (\$2500)	"It would be helpful if anything under \$1500 or \$2500 could go through the department."	2
Problem with redistributing purchasing liens (RPL)	"Redistribution of purchasing liens doesn't work."	2
There should be an easy place to get information about minority vendors so they can be used	"It would be helpful to know who the minority vendors are so we can tell if vendors we have in mind are on the list."	2
No notification of form changes	"The departments aren't notified of new forms and form changes so we waste time and send in the old form and then have to re-do them." "The sole source justification form has gone from bad to worse."	2
Want to have choice in putting amounts rather than percentages on split fund percentage	"The split fund percentage thing is difficult to estimate and doesn't work. It would be better to have the option to put in either percentages or amounts."	2
Buyers need technical background in what they are buying	"Buyers don't have the technical background in what they're purchasing."	1
Easier way to utilize DM3 contract pricing	There must be an easier way to utilize DM3 agreement pricing. We don't fully take advantage of the pricing. Agreements are not fully utilized.	1
DaFIS is down too much of the time	"I don't like DaFIS. Either DaFIS or my computer are down."	1
Emergency orders	"There's no direct line for getting emergencies resolved without going to Alex and he's not always there." Should develop a program where you call a person who is a problem solver. Emergency process should be clear and documented.	1
Problem with non-taxable items on DaFIS Pos	"For large POs DaFIS doesn't reverse the liens correctly so you have non-taxable item liens appear not to be reversed."	1
Expedite orders if department has already received quotes from several sources	"If you've done the work for them there must be some way to expedite the order." "It would be helpful to have Purchasing use the quotes we get – sometimes they disregard them." "Are they allowed to use quotes the department has gotten?"	1
Cumbersome blanket agreements	Cumbersome process.	1
Streamline change order process	Stuck in e-mail and not reviewed in a timely way. Need indicators.	1
Easier way to purchase software	There must be an easier way to procure software. It takes longer for software with license agreements.	
Should be able to benefit from vendor time-related discount	"In the process of purchasing something large you can get a discount if you pay in a short timeframe but Purchasing won't help accelerate the process to get the discount."	
Bid process	Unclear about criteria for what has to go out to bid. "Process needs to be expedited no matter what." Criteria aren't clear, nor is process consistent.	

IDEAS:	EXPLANATION:	PRIORITY (VOTES)*:
With changes in buyers the department has to re-train buyers on technical matters all the time	Technical background of buyers is lacking. For example, purchasing a Dell computer – you get a new buyer and it takes months to get the buyer trained. Another example: Network equipment vendor contract – buyer didn't know they had a contract so there were many delays. "Buyers move around. Shouldn't they stay and specialize?"	
Need to better understand PR assignment process – specialized buying assistant`	Nice to have specialized buyer assistance.	
Reconciliation of difference between price on the PO and actual charges	If there is a discrepancy between the dollar amount on the final bill and the dollar amount on the PO is there a dollar limit where we should disregard the difference?	
DaFIS training issue	DaFIS won't always allow you to cut and paste (e.g., on product description). "When you're cutting a quote into a DaFIS document you can't always cut and paste. You have to type it in and then you have to fax the information anyway." Discussion concluded with having to use keyboard (ctrl C and ctrl V) versus menu options for cutting and pasting.	
Improve purchasing training and resources	Training isn't detailed enough – you don't get down to the "nitty gritty". "Training needs to be improved, especially if the purchasing function is done by the department."	
Reconciliation of PCard	Need a clearer policy and procedure for reconciling purchasing card; A lot is left to interpretation; Need clarity in process.	

*After brainstorming changes, members of the group were each given 8 sticky dots (votes) and asked to place those on the 8 ideas they felt had the highest priority. We used 8 dots because with a list of this length, 4 might not be enough to delineate priorities.

BRAINSTORM ATTRIBUTES

Attributes are a quick way to get a sense of customer expectations. Participants were asked to brainstorm attributes, and then set priorities (4 sticky dots each). For the top attributes, participants were asked what that attribute meant to them. The purpose of this was to get a clearer understanding of what participant expectations around the attribute were.

A satisfying purchasing process is one that is...

ATTRIBUTE	WHAT WOULD THAT LOOK LIKE?	PRIORITY (VOTES)*:
Prompt	Reasonable time frame --depends on what is being ordered. Basic items should be delivered within a week (or 5 business days); <i>OR</i> 5 days to get order placed and buyer communicate back. Need response back regarding your order from Purchasing – tell status.	10
Fast-moving	Each step continues unimpeded. No bottleneck. You're notified immediately to collaborate on problems. Not dropping the ball. Not set aside.	9
Efficient	"The system" behind Purchasing needs to support their staff. Eliminate duplication and wasted time in the process like vendor selection. Wasted time calling and e-mailing.	9
Flexible	Changes or modifications are accommodated easily. Back-up buyers: Being able to shift to a different buyer. They respond and listen to emergencies. They believe the departments on emergencies, or at least listen to why the department sees it as emergency. Show flexibility and listen to why the department would like to use a particular vendor. Flexibility in process with satellite units.	7
Logical		5
Cooperative	Willingness to understand the situation for each department. Understanding and acceptance of uniqueness. Need flexibility in their process.	4
On-time		4
Successful		3
Smooth		
Pain-free		
Educational		

REVERSE OUTCOME

A satisfying process is one that DOES NOT result in...

Frustration
 Extra work
 Delays
 Red tape
 Excess forms
 Duplication of effort
 Encouraging cheating

ONLINE RESOURCES

What online resources have you used?

Agreements
Policies
FedX website

Would you use a user-friendly, comprehensive online purchasing guide?

If user-friendly and easy to search on.

“No PDF docs. “

Written where is wasn't subject to interpretation – i.e., very clear.

“It should be simple.”

“You should be able to use it without training and broken into parts instead of a narrative.”

If information about your order were posted on the web (Online Order Tracking) would you use it and what kind of information would you like to see?

Who was assigned.

Status of order – more detailed with dates.

Pull up list of orders outstanding by organization.

This would save phones calls, etc. to Purchasing

Commodity codes

Commodity list responsibility and phone numbers

Can you suggest other systems or resources you would like to see online?

What improvements to the purchasing module in DaFIS would you suggest?

Commodity codes

Special conditions routing – held up in certain department and no notification to department unless they open DaFIS which can result in significant delays.

Ability to adjust debits and credits

Ability to change the object code without having to do it later.

Being able to split the dollar amount.

Should link the default and the background account information when you template later.

What system other than DaFIS are you using for purchasing internally?

Paper logs – we track what/where we've ordered

Feeder system – it feeds in at night

TRAINING

What kind of training did you have in order to utilize the process?

Trial by fire
DaFIS training
PCard training

Was the training helpful?

What training was not helpful?

DaFIS training for Purchasing.
Earlier DaFIS training doesn't pertain to current DaFIS.

Can you suggest improvements in training?

Have an online purchasing tutorial.
Should have short updated classes.
Suggest that training on DaFIS purchasing documents be split from other documents
Training should be reviewed on an ongoing basis by an "expert" group on campus for effectiveness (i.e. a group external to the people currently creating and conducting the training).

PURCHASING CARD

What works well about the procurement card?

It works everywhere – some vendors don't take POs.
Good for people in the field.
Good department controls help make the process easier.
Reduces invoices to pay.
Online purchases work great.

What does not work well?

Restriction of services is a problem.
Reconciliation.
Vendors are bad about sending backup documents.
Trouble in duplication of taxes.
No communication from A/P that shows they're reversing the tax.

CLOSING COMMENTS FROM PARTICIPANTS

"Purchasing is overburdened and they give the impression that they're not given support from above."
"We have great rapport with the buyers. They give us their full attention. When stuff is bogged down they go the extra distance every time."
"Should send small items (like Apple Computer) to department, not Receiving."
"Purchasing is very service oriented."