

CASE STUDY

Driving a lean, fit business, trimming excess cost throughout the end-to-end purchase-to-pay process, reducing cost by 63% (£500K) and headcount by 50%, while improving control.

The Client:

A UK-wide £5 billion turnover division operating at the cutting edge of outsourced regional private sector health services on behalf of the NHS.

The Challenge:

To meet growing health service demand, reduce cost to the taxpayer, while operating a complex supply chain, the Client needed to operate in as streamlined a manner as possible. The organisation had grown at pace, which resulted in processes and resources across the procurement function and finance team growing with limited control or planning.

Owing to the size and scale of the organisation, and the pace at which it was operating, it was important that any changes did

not affect ongoing delivery, or negatively impact any aspect of the executive or the supply chain.

Our Approach:

Using our established organisation assessment approach, Augmentas carried out a review of the current end-to-end process, including interviewing all key stakeholders, staff and contributors. All reporting mechanisms were reviewed along with governance, process methodologies, organisational design and delegated authorities leading to us mapping the 'As Is' business process. We also undertook a staff utilisation review, documenting capacity and capability across procurement and finance teams.

Working with the executive and management teams, we identified a series of opportunities within



the current organisational design, such as software solutions and existing processes, where real cost savings could be achieved. Following the presentation of our findings, all recommendations were accepted, and the necessary changes implemented.

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Outcomes:

- ▲ Defined end-to-end process maps showing 'As Is' and **Target Operating Model**.
- ▲ People, Process and Data analysis allowing **greater visibility, increased speed** of process, **fewer errors**.
- ▲ Introduced a **seamless interface** between procurement and finance.
- ▲ **Reduced** volume of **disputed invoices**.
- ▲ **Improved** data accuracy.
- ▲ **Reduced** the team size **by 50%** in headcount.
- ▲ **Prioritised permanent headcount** above contractors, **freeing budget**.
- ▲ **Reduced** departmental budget by **63% (c.£500k pa)**.
- ▲ Increased control allowed for **better investment** in software solutions, training resource and **reducing waste**.
- ▲ **Improved controls and budget management** to underpin compliance with financial management.