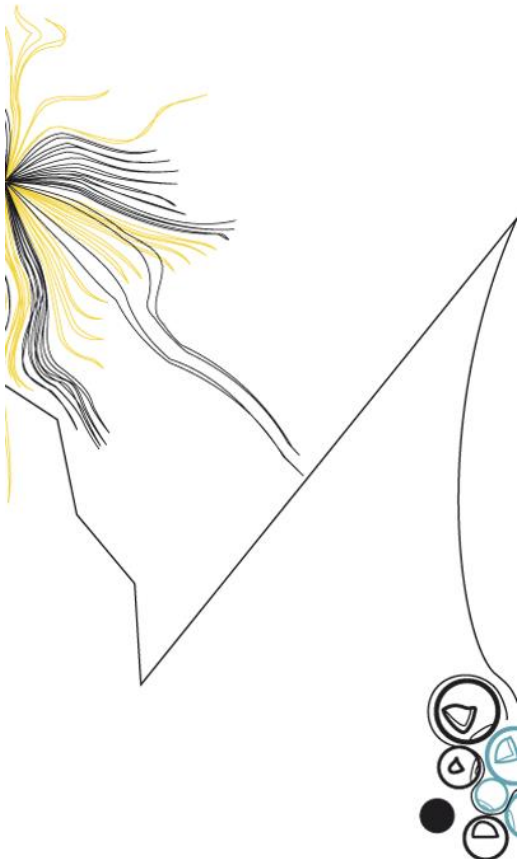


## **Procurement vision 2021-2025 University of Twente**

*Next step: Partnership*



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# 1. Introduction

## Reason for this procurement vision

Before you lies the procurement vision 2021-2025 of the University of Twente (UT). The purpose of this document is to outline the ambitions and spearheads of our Procurement Department for the period 2021-2025, and to translate these into concrete actions and results. This procurement vision makes the translation of the UT's strategic objectives and influential external developments into procurement objectives and in this way shows what contribution Procurement can and wants to make. The Purchasing vision is a dynamic document and is periodically tested against the UT's strategy for the upcoming years.

In addition to this procurement vision, the UT has a procurement and tendering policy and a model in which the working methods, policy and the frameworks within which purchases are carried out are described. Both documents can be found on the Procurement website.

## Core value of procurement:

*UT Procurement: partner in procurement!*

## Procurement vision

Procurement seeks to make a positive contribution to the continuous improvement of the procurement professionalism of the UT. Procurement professionally implements contract management and supports the purchasing, ordering and tendering processes in which sustainability is safeguarded as much as possible. sustainability is safeguarded as much as possible. As a result, Procurement functions as an integrated part of the business process and contributes to the continuity of the primary process. Procurement strives to contribute as much as possible to the (strategic) goals of the UT and advises the faculties and services of the UT about the procurement function in a proactive way.

Procurement acts in a customer-oriented way and wants to grow towards a role as partner in the upcoming years, hence that in the coming years our core value will be *Partner in Procurement*.

# 2. Spearheads and objectives of Procurement

This chapter translates UT's strategic direction into concrete spearheads and objectives for Procurement. First, we look at the aspects in which Procurement can contribute to the strategy. Then some external developments are mentioned which affect the UT's procurement function. Finally, the UT procurement spearheads for the upcoming years are elaborated.

## Contribution of procurement to Shaping2030

With Shaping2030, the UT aims to contribute to a fair, sustainable and digital society. The UT takes today's challenges as its guide for education and research and is a sustainable organization. Furthermore, the UT wants to have a regional impact.

With its procurement and tendering policy and annual plan, Procurement contributes to these societal themes:

- *Fair and regional*: where possible, we divide tenders into smaller lots and we invite regional suppliers to participate in single or multiple private tenders. We also actively seek cooperation with regional parties such as Saxion, the ROC and the municipality of

Enschede. Activities are already being organized with these organizations to exchange knowledge, and we want to further intensify the cooperation in the coming years.

- *Sustainable*: The University of Twente aims to contribute to a fair and sustainable society. Procurement will anticipate on this by indicating the importance of sustainability and including it in the procurement processes as much as possible.
- *Digital*: With the implementation of a new Purchase-to-Pay system (P2P), a major digitization innovation has been done in the procurement process, but also in contract management. Where possible, we want to (further) digitize related processes such as contract management, information management and tactical purchasing. We also support and participate in other UT digitization projects that interfere with procurement (e.g. Track-and-Trace).

### **Trends in the field of Procurement**

All around us, we see a number of trends that are receiving a lot of attention in procurement land:

- Supplier and contract management;
- Aligning procurement with business and strategy;
- Process optimization within the procurement function.

The objectives and spearheads in this Procurement vision fit well with the trends mentioned above. From within UT Procurement we keep a close eye on external developments and, where relevant, pass these on to our internal customers.

### **Spearheads of the Procurement department**

#### ➤ **the transition from a customer-oriented to a partner-oriented organization**

*What do we want to achieve?*

In the coming years, Procurement wants to make the transition from a customer-focused organization to an organization that acts as a Partner in Procurement. Aspects that come up for discussion here include: proactively approaching the internal customer, the early identification of risks, and solicited and unsolicited advice.

*What are we going to do?*

By means of a training course, among other things, we will pay attention to specific success factors that can be identified in partnerships, such as action-orientation/speed of action, listening carefully to and trying to understand the internal customer (of what is happening in the faculty/at the department/also in terms of language and culture) unambiguity in action, keeping to agreements, and fulfilling a clear expert role. In addition, we will use instruments such as intervision and organize meetings with our clients.

Finally: we will have to earn the Partner designation.

#### ➤ **Continuously improving the P2P process**

*What do we want to achieve?*

With the implementation of the new P2P process and system, the P2P project has been completed. The entire UT is using one standard process and system for ordering goods and services and processing invoices. But with improvement, we are never done. The implementation has significant changes in working practices and responsibilities and the first signals from the purchasing organization require us to adjust parts of this ideal process. After all, as our job of process owner we want to ensure that the process continues to meet the expectations of our customers.

*What are we going to do?*

Under the direction of the process owner (Head of Procurement) and in close cooperation with the Finance department:

- Periodically measure and evaluate the process based on the established KPIs (for example customer satisfaction, lead time and user friendliness);
- Implement process and system optimizations with respect to continuous improvement;
- Establish a user group with representatives from all roles involved in the process to collect feedback and to contribute to the improvement of the process and the system;
- Make full use of the possibilities of the system and continue to challenge the supplier to make the desired improvements.

➤ **Professionalizing the contract management**

*What do we want to achieve?*

The UT has many contracts and thus relationships with suppliers and other external market parties. It is important that these contract performances and relationships are properly managed. For this reason, the contract management (CM) will be further professionalized in the coming period. With this, Procurement wants to achieve that internal customers are more satisfied with supplier performance, contracts are used optimally and contract risks are minimized and support is provided for strategic and tactical decision-making, with the right focus on contracts and suppliers.

*What are we going to do?*

- Shaping roles/functions within CM from strategic to operational
- Giving structure to the UT procurement management by reinforcing the role of Procurement as process owner and aligning CM with this.
- Organizational aspects, namely:
  - Drawing up a policy provided with a vision for the next five years;
  - Setting up the process based on contract and supplier segmentation with a contract plan;
  - Allocating roles, tasks and responsibilities of the stakeholders and information flow with the stakeholders with the help of RASCI, based on the link between the procurement process cycle and the contract cycle.

➤ **Professionalizing the process of hiring external resources**

*What do we want to achieve?*

KPMG's audit of the 2019 reporting year revealed that for a substantial portion of the procurement package Hire, it cannot be determined whether the individual contracts were lawfully tendered. This has created an urgency to implement improvements on the approach to hiring of external parties and thus to control the legality, tax and labor law risks management. The project organization has therefore formulated the following objectives:

- Setting up a single process in which the temporary involvement of the concerning departments (Procurement, HR and Finance) is organized;
- Being in control of the hiring expenses during the year;
- Reducing the unlawful hiring and minimizing the tax risks and labor law risks.

*What are we going to do?*

- Perform the function of project leader and provide direction for this project in conjunction with the steering committee and project group;

- Designing the optimal process and determining the most adequate system support;
- Sharpening the spend analysis;
- Seeking coordination with the accountant on the hiring process of regular and specific scientific staff;
- Ensuring awareness within the organization, informing people about the applicable (procurement) rules and advising them in individual projects;
- Separately, a number of (European) procurement processes will be completed (including the recruitment & selection of permanent staff and flexible labor and payroll).

➤ **Focus on (social) sustainability**

*What do we want to achieve?*

The University of Twente aims to contribute to a fair and sustainable society. Within the University of Twente, social sustainability has become an important part of sustainability in general. In order to achieve this, the Procurement department will give attention to inclusiveness and an open culture. By purchasing in a socially responsible way and requesting this as requirements and wishes in purchasing processes, a large contribution is made to social and sustainable solutions. Themes such as inclusiveness, diversity, people, and the environment will be included in our procurement policy, processes and projects in the coming years.

*What are we going to do?*

- Connect as much as possible with current developments in the organization and its committees.
- Work out concrete actions and include them in the annual procurement plan.
- Actions/knowledge exchange with colleague organizations regarding this topic.

### **3. Conclusion**

In addition to the aforementioned spearheads, we will ensure that matters which are currently running smoothly remain in order, such as (European) tenders, purchasing advice, purchasing-related projects and orders.