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The implementation of IBX Purchase-to-Pay has made it possible for us to reach over 91% contract compliance and 10% realized procurement cost reduction.”

Jan Ivar Bjørnli
CPO
The municipality of Trondheim



The Municipality of Trondheim Saves Millions with a New eProcurement Solution

Capgemini's IBX Purchase-to-Pay helps the municipality of Trondheim reduce costs, improve compliance and gain better insight into spending.

The Situation

The municipality of Trondheim was having difficulty with its procurement operations. Its lack of an effective procurement system resulted in low process efficiency and limited insight into spending patterns, equaling indirect and direct purchasing costs of NOK11 million per year.

The Solution

In 2000, the municipality realized that something had to change and evaluated the potential impact of introducing an eProcurement solution. A year later, the City Council decided that the municipality of Trondheim should become one of the Norwegian public sector's early adopters of eProcurement.

The municipality's priority was to find an easy-to-use procurement solution that could improve purchasing control and increase contract compliance. Capgemini's IBX Purchase-to-Pay – an ERP-independent solution that connects to suppliers via the IBX Supplier Network to offer products from a wide range of categories – proved to be the perfect match.

On January 1, 2005, it became mandatory for all orders to registered suppliers to be made through the IBX platform.

The Result

The implementation of the IBX Purchase-to-Pay solution enabled the municipality of Trondheim to improve process efficiency and gain better insight into spending patterns.

The improved efficiency and insight served to improve the organization's negotiation power and facilitated increased standardization of products and services. What's more, IBX Purchase-to-Pay enabled over 91% contract compliance within the categories addressed by the solution. The quantifiable result is over NOK25 million in savings annually – a cost reduction of 10%.

Together, Capgemini and Trondheim deliver savings, compliance and increase user-satisfaction

The municipality's determination to implement an eProcurement system and commitment from both senior management and business-unit leaders helped to ensure a seamless and highly successful rollout of Capgemini's IBX Purchase-to-Pay solution.

The successful rollout was also the result of close collaboration between Capgemini and the municipality's procurement department. Capgemini brought its wealth of experience and expertise in eProcurement and combined it with the specialized, intimate knowledge of public sector procurement processes held by Trondheim's procurement department.

To facilitate the implementation, the municipality decided to:

- Allow each business unit to determine how many users should have access to the system
- Prioritize suppliers and categories with the largest catalog volumes
- Standardize the assortment to concentrate volumes to fewer items
- Update frame agreements prior to implementation to include eBusiness requirements for suppliers

During the implementation, Trondheim focused on those categories where assortment standardization and frame agreement implementation was possible.

In addition to considerable costs savings, the solution and accompanying measures have helped to significantly increase contract compliance over a sustained period of time – from 56% in 2003 to over 91% in 2013.

Today, IBX Purchase-to-Pay at Trondheim comprises products and services covered by about 100 frame agreements. A total of 60,000 orders are logged with registered suppliers annually, worth a combined value of NOK240 million net.

Thanks to IBX Purchase-to-Pay procurement tasks at the municipality of Trondheim are performed easily and more efficiently than ever before – to the satisfaction of decision makers and everyday users alike. The 1,600 key users across 230 units benefit from intuitive, hassle-free purchasing. Thanks to these improvements, The municipality of Trondheim now considers the solution central to its procurement strategy.

About Capgemini

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Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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TRONDHEIM KOMMUNE

About the Municipality of Trondheim

The municipality of Trondheim has 13,000 employees and serves the 180,000 citizens of Trondheim. The annual budget is NOK12 billion (approx. €1.5 billion) with a total procurement budget of NOK 3.5 billion (approx. €420 million).

For more information on this project, please contact:
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