



# Cheltenham Borough Council Chooses The IT Index for IT Procurement

## Saving Time, Saving Money and Improving Business Efficiency

E-procurement is an issue that is at the top of the corporate agenda for many public sector organisations with central Government promoting best practice in a bid to save time and money and increase operating efficiency.

One organisation that has grasped e-procurement and has proactively developed a strategy to address internal issues is Cheltenham Borough Council.

Just over two years ago the Council implemented the IT Index which is a sophisticated e-procurement platform that enables buying teams to source IT products and consumables from a secure procurement hub featuring more than 100,000 product lines based on best price and current availability from more than 1200 suppliers.

**‘The Cheltenham Council team took the decision to start using the IT Index in March 2003 and, since then, the use of the solution has increased steadily.’**

The Council’s Central Services Officer is using the IT Index to manage a five figure budget covering all of the organisation’s peripherals and consumables from printer toner and CD ROMs to fax machines.

Since implementing the IT Index, Central Services Officer David Gatford believes the deployment has saved at least one day a week in time.

The use of the solution has significantly improved operating efficiency to deliver fiscal savings on the organisation’s IT budget and improved ways of working to help the team serve the Council’s user base more effectively. As a result of adopting the solution, Cheltenham Borough Council saw recognition for its entrepreneurial approach when it was short-listed for the coveted Dti run National ICT Innovators Award, e-gov category.

## The Client

With more than 900 employees and seven satellite offices Cheltenham Borough Council’s Stationery Purchasing Team has to procure thousands of different items every year for its various departments.

Just over twelve months ago, Council Central Services Officer David Gatford recognised an opportunity to improve the efficiency of the procurement process for all of the Council’s IT consumables. In March 2003, the organisation started to use the IT Index and has seen significant benefits from adopting the solution.

## The Challenge

The Central Services team used to purchase consumables using a combination of web based purchasing and dealing directly with suppliers to secure best prices. Such a process necessitated researching prices across numerous web sites and undertaking price comparisons by telephone with a number of suppliers to ensure best value.

The process was time consuming and while it often delivered competitive prices the Council team often faced issues with product on back order or being out of stock.

In addition to these factors, the team would be deluged with sales calls with companies trying to offload stock at month end to meet their targets and while at times there were competitively priced products available, managing the process consumed a significant amount of time.

The web sites previously used by the Council team only offered products from a single source so all price comparisons had to be undertaken manually.

The Council team was keen to automate the price and availability collation process to save time while still ensuring best value was being obtained.

In a bid to solve this issue, the team turned to leading technology and e-procurement specialist Probrand, the company behind the IT Index

## The Solution

The IT Index is a web based procurement solution

which features more than 75,000 products from more than 500 different vendors in a secure on-line environment. The solution runs daily price comparisons based on information supplied by the IT industry's leading distributors and then uses this data to provide the most competitive prices available in the industry at any given time.

The IT Index is made available at no cost to organisations with an IT budget of more than £50,000.

The software that drives the IT Index is the first e-procurement solution ever to have been accredited by the Institute of Chartered Accountants of England And Wales (ICAEW) and this accreditation represents a major endorsement of its credibility.

The solution enables users to secure best possible prices and the quickest possible delivery of any given product from a server to a printer toner cartridge.

It eliminates the need for procurement personnel to ring round a number of suppliers for price and stock information, thereby streamlining the business process and improving efficiency.

The IT Index operates on an open book (cost plus agreed margin) basis and because it takes pricing information from countless different suppliers and compares this information to find the best deal, users can be confident they are getting a highly competitive price.

Because the IT Index is a web based solution, set up and deployment costs are zero and the lead time associated with deployment is very short and because it is a secure solution fraudulent and unauthorised purchases can be reduced.

The Cheltenham Council team took the decision to start using the IT Index in March 2003 and since then the use of the solution has increased steadily.

Initially the team used the IT Index for market intelligence purposes to compare prices with solutions and sites such as G-Cat and Office World.

Once the team was satisfied that the price comparison engine was offering the value it promised, it started to use the IT Index for managing the Council's five figure annual consumables budget.

## The Benefits

In just over two years the Central Services team has realised a number of benefits from the IT Index.

As David Gatford points out: "The IT Index has made considerable and outstanding inroads towards CBC hitting total e-sourcing savings of 25% below OGU thresholds. This saving target forms part of ODPM's April 2007 challenge to the Public Sector for procurement savings in excess of £2 billion.

**'The fact that we know that the IT Index conducts daily price comparisons based on product within the industry's mainline UK distribution network is a major reassurance that we are securing best value at all times.'**

"The re-ordering feature allows us to populate our own procurement area and the search facility is extremely powerful and simple to use even for people with low levels of technological know how.

"Possibly one of the greatest benefits of using the IT Index is that it has helped us eliminate random calls from sales people offering supposed bargains. We used to end up with companies just shipping goods to us even if we hadn't ordered them on the basis that we had previously ordered product.

"This used to consume significant amounts of administration time returning unwanted products. We have managed to stamp this out because we know that we don't have to jump at supposed bargains simply because we know we're getting great prices.

"Put simply, the solution has saved over 15% of CBC's IT budget, enabling the organisation to stretch its IT budget. Savings made on individual products consistently range from 3-6% and as an

example we have reduced our £120,000 bill for inkjet, toner and fax cartridges by 20%.

**‘On average The IT Index is saving at least a day a week in time, which we used to have to spend sourcing and comparing prices.’**

“The solution has also changed our working patterns and practices, releasing time for us to carry out other purchasing functions such as computerising delivery notes and tightening our audit links as well as planning our IT procurement more effectively. This is particularly poignant given the Freedom of Information Act and the increased need for Public Sector Bodies (PSBs) to be fully auditable.

“Beyond the brief, this solution has enabled us to develop and broaden employee roles, which has importantly buoyed employee job satisfaction.

“The solution has freed time that we can now use to better serve and manage our IT infrastructure to ensure users within the organisation work on a robust network. This means the Council’s operations and service to our public is maintained without interjection from poor functioning IT.”

## Contact Details

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