

A CUSTOMER SUCCESS STORY

The municipality of Trondheim saves millions with a new eProcurement solution

IBX (NOW TRADESHIFT) PURCHASE-TO-PAY HELPS THE MUNICIPALITY OF TRONDHEIM REDUCE COSTS, IMPROVE COMPLIANCE AND GAIN BETTER INSIGHT INTO SPENDING

“The implementation of IBX (now Tradeshift) 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 situation

Trondheim Kommune (the municipality of Trondheim) was looking to improve efficiency within its procurement operations. The organization was considering the introduction of an eProcurement solution to reduce its indirect and direct purchasing costs by NOK11 million per year, as a means to increase process efficiency and insight into spending patterns.

The solution

In 2000, the municipality of Trondheim decided to launch a project to evaluate 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. In 2005 it became mandatory to

use IBX (now Tradeshift) Purchase-to-Pay for all purchase orders.

The municipality’s priority was to find an easy-to-use procurement solution that could improve purchasing control and increase contract compliance. An ERP-independent solution that connects buyers to a wide range of suppliers via the IBX Supplier Network – proved to be the perfect match. It helps users find products from a wide range of categories within a few clicks, thanks to content-rich, supplier-driven catalogs.

An additional challenge for the municipality was the spread of locations from which employees work. For example, 150 people are responsible for facility maintenance and management at the municipality. These individuals manage more than one building, rarely work from offices and have little-to-no access to computers. Trondheim needed a solution that would enable these types

of employees to purchase goods and services while on-site, despite accessibility issues. The solution's mobile accessibility allows users to perform purchasing tasks via mobile devices (tablets and smartphones), facilitating the purchasing process regardless of location.

The result

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

The improved efficiency and insight served to enhance the organization's negotiation power and facilitated increased standardization of products and services. What's more, the solution enabled over 91% contract compliance within the categories addressed. The quantifiable result is over NOK25 million in savings annually – a cost reduction of 10%. Additionally, mobile accessibility has increased productivity by enabling employees to purchase products at their convenience, regardless of location, with 80% of users validating its usability.

Savings, compliance and increased user satisfaction

Close collaboration ensured a seamless and highly-successful rollout of the solution.

To facilitate the implementation, the municipality decided to:

- Allow each BU 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, The P2P solution 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 the solution, 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 TRADESHIFT

Founded in 2010, Tradeshift is the world's largest business commerce platform that connects buyers and sellers. Tradeshift connects over 1.5 million companies across 190 countries, processes over half a trillion USD in transaction value yearly, and has a marketplace containing 28 million SKUs. It offers solutions for procure to pay, supplier engagement and financial services, and enables companies and partners to build custom or commercial apps on its business commerce platform. Tradeshift is headquartered in San Francisco, with offices in Copenhagen, New York, London, Paris, Suzhou, Chongqing, Tokyo, Munich, Frankfurt, Sydney, Bucharest, Oslo, and Stockholm.