

## Building Compliance, One Employee at a Time

Procurement program compliance is critical for overall program success in terms of maximizing cost savings and process efficiencies. Any spend outside the program does not take advantage of negotiated contract pricing or possible volume-based discounts. According to research from Ardent Partners, for every new dollar that is placed under management of the procurement department, the enterprise realizes a benefit of between 6% and 12% during the first contract cycle.



But what can a company do to increase compliance to a negotiated program? Furthermore, how do you get your employees' buy-in to comply with your company's goals? Here are a few strategies for you to consider:

- 1. Program launch and training:** A comprehensive communication campaign should be executed prior to program launch. The purpose of the campaign is to create employee awareness of the program, offer training and communicate program benefits to end users. Various communication tools and tactics can be used, such as emails, flyers and even vendor trade shows.
- 2. Ongoing communication and support:** Continuous communication is also important after the program has been launched. For example, employee turnover can negatively impact program compliance. Providing continuous marketing, training and support to educate users about the program can help offset this potential pitfall. Ongoing communications also can continue to highlight the benefits of the program and can promote products that are within your preferred/contract item list.
- 3. Compliance controls:** Policies should be established that require advance approval for off-contract purchases. Today's eCommerce platforms have many built-in features and controls that help drive compliance. Approval workflows can be set up to restrict users from making unauthorized purchases. Other examples include custom messages that can be displayed to help keep users in compliance, and flagging items as "contract" or "core" to promote only buying products with contract pricing.
- 4. Compliance reporting and tracking:** Compliance reporting systems can track the amount and type of spend outside the designated core or contract item list. This data can be used to create a customized action plan to improve program compliance.
- 5. Procurement card program:** Weekend, travel or emergency purchases can be necessary. Allowing users to purchase online or at stores using registered procurement cards offers convenience and guarantees low contract pricing. These benefits combine to curb the appeal of off-contract spending.

Reducing the amount of maverick spend can dramatically impact the effectiveness of your office supplies program. Furthermore, many vendors will support you in your efforts. Be sure your Account Manager is taking the lead to stop program leakage. It could lead to substantial savings in the long run.

If you would like to learn more about the benefits of procurement program compliance and how Staples Business Advantage® can support your efforts, visit [StaplesAdvantage.com](https://StaplesAdvantage.com).



**Average amount of spend that  
is contract compliant.**

Source: Ardent Partners