



SUPPLY CHAIN ALLIANCE

THE UNIVERSITY of TEXAS SYSTEM

Creating Value Through Collaboration

STRATEGIC PLAN

FY 2017 - FY 2019

INTRODUCTION

Fiscal year 2017 marks the 10th year for the University of Texas System (UT System) Supply Chain Alliance (Alliance). As we celebrate the accomplishment of goals in our prior two strategic plans, this third plan represents an even bolder strategy to increase supply chain's influence on expense reductions and procurement best practices for goods, services and equipment across UT System institutions.

The FY2017 – FY019 strategic plan is the work product and collaboration of numerous individuals within the Alliance governance and operating structures. Together, we have the opportunity to continue to create unparalleled value across UT System institutions and be a beacon for health care, higher education and research excellence. As always, thank you for your support of the Alliance.

A handwritten signature in blue ink that reads "Scott C. Kelley". The signature is fluid and cursive, with the first and last names being larger and more prominent than the middle initial.

Dr. Scott C. Kelley

Executive Vice Chancellor

Business Affairs

University of Texas System

MISSION

The mission of the UT System Supply Chain Alliance is to provide reliable, sustainable solutions for the purchase and delivery of equipment, services, and supplies to support the core missions of education, patient care, and research at UT System institutions. Through collaborative and shared efforts and adoption of best practices, we will improve customer satisfaction, reduce cost, and create value.

VISION

The vision of the UT System Supply Chain Alliance is to be a leader in the delivery of world-class supply chain services within academic and healthcare higher education.

GUIDING PRINCIPLES

Ownership
Accountability and Transparency
Collaboration (Team of Teams)
Commitment to Success
Continuous Improvement
Win/Win
Historically Underutilized Businesses

ALLIANCE STRATEGIC OBJECTIVES

Strategic Sourcing and Category Management
Collaboration and Governance
Technology
People
Historically Underutilized Businesses (HUB) and Small Businesses

INSTITUTIONS

HEALTH INSTITUTIONS

The University of Texas Southwestern Medical Center
The University of Texas Medical Branch at Galveston
The University of Texas Health Science Center at Houston
The University of Texas Health Science Center at San Antonio
The University of Texas MD Anderson Cancer Center
The University of Texas Health Northeast

ACADEMIC INSTITUTIONS

The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas of the Permian Basin
The University of Texas Rio Grande Valley
The University of Texas at San Antonio
The University of Texas at Tyler

STRATEGIC SOURCING AND CATEGORY MANAGEMENT

INITIATIVES

CONDUCT ANNUAL SYSTEM-WIDE CONTRACT UTILIZATION AND OPPORTUNITY ASSESSMENT REVIEWS

1. Conduct an annual System-wide contract utilization review (by spend category and institution) to document underutilization of existing Alliance contracts and opportunities for collaboration involving addressable spend not currently under management. The Alliance Operating Committee (OC) will collectively review(contract competitiveness, change management strategies, etc.) to develop a calendar of strategic sourcing events to be led by the Strategic Services Group (SSG) or an institution. The Alliance OC member will provide written justification to defend decisions not to utilize noteworthy Alliance contracts.

SUCCESS MEASURES

- **Phase One:** Approve and establish a framework of measurements and processes relating to contract utilization and sourcing opportunities that includes active involvement by the OC.
- **Phase Two:** Implement the framework by Q2, FY 2018.
- **Phase Three:** Review outcomes on an ongoing basis with the OC and the UT Shared Services Executive Committee (UTSSXC).

ENHANCE COMPREHENSIVE END-TO-END SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

2. Develop and implement a System-wide SRM handbook as a guide for institutional use in managing end-to-end relationships with key strategic suppliers.

SUCCESS MEASURES

- By Q1, FY 2019, complete and implement a comprehensive end-to-end SRM program handbook for institutional use that includes methods, metrics, procedures and best practices for measuring supplier performance. The SSG should coordinate efforts with local campuses on key strategic suppliers.

EVALUATE CENTERS OF EXCELLENCE

3. Establish an Alliance taskforce to assess the value, practicality, and applicability of a solution or structure that complements the current System-wide strategic sourcing framework and expands institutional involvement in System-wide sourcing activities and management of subject matter expert (SME) networks.

SUCCESS MEASURES

- **Phase One:** Establish a taskforce of CPO and SSG representatives to research structures and identify problems that need resolving.
- **Phase Two:** Develop by Q4, FY 2018, a taskforce recommendation on whether and how to proceed with a pilot proof-of-concept to determine fit and sustainability.
- **Phase Three:** Pursue sustainment upon successful completion of a pilot program.

COLLABORATION AND GOVERNANCE

INITIATIVES

DEVELOP A SINGLE COST SAVINGS METHODOLOGY

4. Develop and reach consensus by all institutions on a clearly defined, single methodology (leveraging existing methodologies, when appropriate) for calculating, tracking, and reporting both local and aggregated procurement cost savings, subject to approval by the OC, UTSSXC, and other institutional leadership as appropriate.

SUCCESS MEASURES

- **Phase One:** Arrange for a taskforce, consisting of OC and SSG members, to create a draft methodology for UTSSXC approval by Q3, FY 2017.
- **Phase Two:** By Q1, FY 2018, establish the first annual, System-wide procurement cost savings goal, subject to UTSSXC approval, and report to the Board of Regents on this initiative.
- **Phase Three:** Pursue sustainment, including development of processes, to assist institutions in overcoming obstacles to achieving the savings goal.

REDESIGN KEY PERFORMANCE INDICATORS

5. Redesign SSG and Alliance key performance indicators (KPIs) to assess the health, performance, and stability of the Alliance on a quarterly basis; and report achievements in an annual publication, in coordination with the UT System Office of External Relations.

SUCCESS MEASURES

- **Phase One:** By Q4, FY 2017, complete redesigned KPIs, subject to approval by the OC and UTSSXC.
- **Phase Two:** By Q1, FY 2018, launch the new KPI program.

ASSESSMENT OF THE ALLIANCE AFFILIATE PROGRAM

6. Reassess the Alliance Affiliate program, strategy (focusing on minimum participation requirements, anticipated benefits, and required SSG resources), and sustainment. Program is designed to expand and extend contracts and initiatives to non-UT System institutions that provide a significant and strategic benefit to the Alliance.

SUCCESS MEASURES

- **Phase One:** Recommend possible revisions to the Alliance Affiliate program to the OC by Q2, FY 2017, for consideration, modification, and approval. Seek approval of OC final recommendation(s) by the UTSSXC.
- **Phase Two:** Implement the revised strategy as appropriate.

TECHNOLOGY

INITIATIVES

IMPLEMENT BEST IN CLASS SPEND ANALYTICS

7. Implement a spend analytics technology solution that will support best-in-class decision making to reduce operational expense attributable to purchased goods and services, to drive value, and to improve performance at all institutions.

SUCCESS MEASURES

- **Phase One:** Implement a primary analytic tool for health and academic institutions.
- **Phase Two:** Align and standardize, by Q2, FY 2018, institutional data inputs and spend analytic tool outputs.
- **Phase Three:** By Q4, FY 2018, develop metrics for measuring accuracy of spend data information generated by institutions.
- **Phase Four:** Pursue sustainment of data analytics and onboarding of third party benchmarking to include technology augmentation if required.

PERFORM SOURCE-TO-PAY (S2P) GAP ANALYSES ACROSS THE CONTINUUM OF SUPPLY CHAIN FUNCTIONS

8. Perform S2P gap analyses across the continuum of supply chain functions to assess operational needs and potential deployment of technology solutions. Issue technology roadmaps with cost estimates to assist institutions in business case analysis and funding for implementation of technology tools.

SUCCESS MEASURES

- **Phase One:** Review and document healthcare and academic S2P best practices for use in publishing a technology roadmap.
- **Phase Two:** Perform a gap analysis of UT institutions' S2P current state against S2P best practices.
- **Phase Three:** By Q4, FY 2018, issue a technology roadmap that provides individual institution and System-wide guidance.
- **Phase Four:** By Q2, FY 2019, establish technology user groups to support technology roadmaps strategies and develop business cases to support technology implementation.

IMPLEMENT A SINGLE SOURCE WEB ACCESS INFORMATION PORTAL

9. Design and implement a single web-based access portal (for both secured and unsecured information) for real-time access to all Alliance and other procurement related information by all Alliance stakeholders. Content will include solicitation documents, contracts, dashboards, scorecards, contract utilization, cost savings data, and communication tools (e.g. blog, list serve, or social media) to facilitate information sharing among institutions.

SUCCESS MEASURES

- **Phase One:** By Q1, FY 2018, secure resources and funding for a SSG led System-wide website to serve as a gateway to all critical information as described in the initiative.
- **Phase Two:** Operationalize and sustain the website portal with an assessment and value survey of its use and effectiveness among Alliance users.

PEOPLE

INITIATIVES

INCREASE THE QUALITY OF EDUCATIONAL AND TRAINING PROGRAMS

10. Create a taskforce to review and recommend education and training programs for procurement personnel to keep pace with changing technology, regulatory requirements, best practices, etc.

SUCCESS MEASURES

- **Phase One:** Establish the taskforce to identify training sources and provided recommendations, by Q2, FY 2018, on program criteria, curriculum, and frequency for approval by the OC and UTSSXC.
- **Phase Two:** Conduct a periodic survey of Alliance members to track the success of the training and educational programs and solicit feedback to enhance and improve these programs.

ENHANCE INCENTIVES, REWARDS AND RECOGNITION FOR SUPERIOR PERFORMANCE

11. Establish an incentive and recognition taskforce to develop recommendations for rewarding institution, supplier, employee, SME, and specific department behaviors and/or goal achievement aligned to advance the vision and mission of the Alliance. Taskforce to develop recommendations to identify eligibility requirements, rewards, and metrics and method of reward. This new program should complement and not conflict with existing local programs established by institutions.

SUCCESS MEASURES

- **Phase One:** Establish a taskforce to investigate and provide recommendations on incentives, awards, and eligibility requirements to the OC and UTSSXC.
- **Phase Two:** By Q2, FY 2018, develop a program to achieve recognition of award recipients at the highest levels of leadership at UT System and its institutions.

HUB AND SMALL BUSINESS

INITIATIVES

CREATE NEW SUPPORT STRUCTURES TO ASSIST HUB AND SMALL BUSINESSES

12. Continue to find new and creative ways to incorporate value-added HUB and small businesses into the strategic sourcing process through internal programs and partnering with external HUB and small business support organizations.

SUCCESS MEASURES

- **Phase One:** Participate in Mentor Protégé activities to increase participation in Alliance sourcing opportunities.
- **Phase Two:** By Q2, FY 2018, identify and partner with an external community based HUB support organization(s) that can assist UT System and its institutions in outreach efforts to identify qualified HUBs for contracting opportunities.
- **Phase Three:** Establish an annual HUB utilization goal based on total annual aggregated spend under Alliance contracts.

SUPPORT INSTITUTIONAL HUB BEST PRACTICES

12. Support institutional collaboration and sharing of best practices with respect to consistency and transparency in HUB reporting and requirements.

SUCCESS MEASURES

- Collaborate with external organizations to promote best practices, HUB utilization, and reporting (e.g., TUHCA, HMSDC, WBEA, and public and private peer organizations)



THE UNIVERSITY *of* TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.